

Registered number: 05856654

Man Group UK Limited
Annual Report and Financial Statements
for the year ended 31 December 2022

Man Group UK Limited

Company Information

Directors	L K Carty (appointed 27 March 2023) T I M Cruickshank A H J M Forterre A K Pannu-Purewal
Company secretary	T I M Cruickshank (resigned 14 January 2022) R E Sharp (appointed 14 January 2022) E A Woods (resigned 14 January 2022, appointed 02 May 2023)
Registered number	05856654
Registered office	Riverbank House 2 Swan Lane London EC4R 3AD United Kingdom
Independent auditor	Deloitte LLP 2 New Street Square London EC4A 3BZ United Kingdom

Man Group UK Limited

Contents

Strategic Report	1
Directors' Report	3
Directors' Responsibilities Statement	5
Independent Auditor's Report	6
Profit and Loss Account	9
Statement of Comprehensive Income	10
Balance Sheet	11
Statement of Changes in Equity	12
Notes to the Financial Statements	13

Strategic Report

For the year ended 31 December 2022

The directors of Man Group UK Limited (the "Company") present their Strategic Report and the audited financial statements of the Company for the year ended 31 December 2022.

Principal activities

The Company comprises Man Group UK Limited and Man Group UK Limited – Bulgaria Branch (the "Branch"). During the year there were no significant changes to the principal activities of the Company which consisted of those of an investment holding company and provider of research services.

The results for the year ended 31 December 2022 are set out in the Profit and Loss Account on page 9.

Key performance indicators

The Company's profit before tax, and the net assets as at the Balance Sheet date, demonstrate the Company's performance and position.

Going concern

After making reasonable enquiries the directors have concluded that there is a reasonable expectation that the Company has and will have adequate resources to continue in operational existence for a period of at least twelve months from the date of approval of the financial statements. Accordingly, the financial statements have been prepared on a going concern basis.

Research and development

A number of the Company's employees are engaged in research and development activities which focus on the building and implementing of primary product models and strategies within some of the investment management mechanisms of Man Group plc and its subsidiaries (the "Group"). Further details of the Group's activities in the field of research and development can be found in the Group's 2022 Annual Report (which does not form part of this report).

Principal risks and uncertainties

The Company operates within a robust risk management framework and the Company's risk profile has not changed materially in the year.

Business risk continues to represent the biggest risk to the Company. The investment underperformance of the assets under management of the Group is the single biggest risk that may have a material impact on the performance of the Company.

The directors have not identified any market, operational, liquidity and/or climate change risks that are likely to materially impact the performance of the Company in the next year. The directors will continue to monitor any changes in the operating environment of the Company.

Section 172(1) statement

Under the Companies (Miscellaneous Reporting) Regulations 2018, the Company is required to disclose how its directors have had regard to their duties under section 172(1) (a) to (f) of the Companies Act 2006 ("s.172") during the year.

The directors confirm that during the year ended 31 December 2022, they have acted in a way that they consider, in good faith, to be most likely to promote the success of the Company for the benefit of its members as a whole, and in doing so have had regard (amongst other matters) to the matters set out under s.172 including the Company's applicable stakeholders.

The directors are mindful of the Company's purpose and function; its role is that of an investment holding company and provider of research services. The Company seeks to further the Group's overall long-term strategy, while also adhering to the policies and procedures comprising the Group's governance framework, and the directors consider that its stakeholders are largely consistent with those identified at the Group level which are discussed in detail within the Stakeholder Engagement section of the Group's 2022 Annual Report. The following key stakeholders are identified for the Company:

- clients;

Strategic Report (Continued)

For the year ended 31 December 2022

Section 172(1) statement (continued)

- regulators;
- shareholders;
- employees;
- communities;
- the environment; and
- business partners and suppliers

The Group's s.172 statement is integrated across the Governance report of the Group's 2022 Annual Report. The s.172 statement is also available on the Man Group website at www.man.com/regulatory-disclosures.

The Company's Board of directors have the necessary skills and experience required to make decisions on behalf of the Company and identify any potential impacts of their decisions on its stakeholders. The Company's directors make use of the consideration and engagement undertaken at Group level in their decision-making and management of the Company.

The directors of the Company did not approve any principal decisions during the financial year.

Modern Slavery Statement

During the year, the directors approved the Modern Slavery and Transparency Statement (the "Statement") on behalf of the Company pursuant to its commitment to preventing modern slavery within the business and its supply chains. The Statement reflects the policies and controls in place at Group level, which are implemented by the Company. The Statement is reviewed annually by the Board of Man Group plc, following which it is also adopted by the Company.

This report was approved by the Board and signed on its behalf.



Antoine Forterre (Jul 21, 2023 10:12 GMT+1)

A H J M Forterre

Director

Date: 21 July 2023

Directors' Report

For the year ended 31 December 2022

The directors present their report, together with the audited financial statements of the Company, for the year ended 31 December 2022.

Dividends

During the year, the Company did not declare or pay any dividends (2021: \$375,500,000). The directors do not recommend the payment of a final dividend in respect of the year ended 31 December 2022 (2021: \$NIL).

Directors

The individuals listed within the Company Information section served as directors of the Company for the duration of the year and up to the date of approval of this report, unless otherwise stated.

Qualifying third party indemnity provisions

During the year, the existing and former directors of the Company benefited from a qualifying third-party indemnity provision, and this remains in force at the date of this report. The indemnity is provided by another company within the Group, and covers, to the extent permitted by law, any third-party liabilities which directors may incur as a result of their service on the Board.

Future developments

The directors do not expect any development in the Company's business in the next year to be significantly different from its present activities.

Events after the end of the reporting period

Events affecting the Company which have occurred since 31 December 2022 are disclosed in Note 17 to the financial statements of the Company.

Employees

The Company had 12 employees as at 31 December 2022 (2021: 12). Further information can be found in Note 9.

Existence of branches outside the UK

The Company has a branch, as defined in section 1046(3) of the Companies Act 2006, outside the UK as follows:

Man Group UK Limited – Bulgaria Branch

Energy and Carbon Reporting

Under the Streamlined Energy and Carbon Reporting rules as contained in the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (as amended) (the "LMCGR"), the Company is required to report on carbon emissions and energy use.

The Company is exempt from the reporting requirements as it consumed less than 40,000kWh of energy during the reporting period (para 20D(7)(a), Part 7A, Schedule 7 LMCGR). Accordingly, this disclosure has not been presented.

Auditor

Deloitte LLP was reappointed as auditor of the Company and the Group for the year ended 31 December 2022. Under section 487(2) of the Companies Act 2006, Deloitte LLP will be deemed to have been reappointed as auditor 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

Directors' Report (Continued)
For the year ended 31 December 2022

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the Company's auditor is unaware, and;
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

This report was approved by the Board and signed on its behalf.



Antoine Forterre (Jul 21, 2023 10:12 GMT+1)

A H J M Forterre
Director
Date: 21 July 2023

**Directors' Responsibilities Statement
For the year ended 31 December 2022**

The directors are responsible for preparing the Strategic Report, Directors' Report, and financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 101 "Reduced Disclosure Framework".

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. The directors have general responsibility for taking reasonable steps to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the Company's corporate and financial information included on the Group's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent Auditor's Report to the Members of Man Group UK Limited

Report on the audit of financial statements

Opinion

In our opinion the financial statements of Man Group UK Limited (the 'Company'):

- give a true and fair view of the state of the Company's affairs as at 31 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the Profit and Loss Account;
- the Statement of Comprehensive Income
- the Balance Sheet;
- the Statement of Changes in Equity;
- the related notes 1 to 19

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Independent Auditor's Report to the Members of Man Group UK Limited (Continued)

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the Company's industry and its control environment, and reviewed the Company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management and the directors about their own identification and assessment of the risks of irregularities, including those that are specific to the Company's business sector.

We obtained an understanding of the legal and regulatory frameworks that the Company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act 2006 and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the Company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the following area, and our specific procedures performed to address it are described below:

- Valuation of Impairment in subsidiaries, involves the selection and application of an appropriate valuation methodology and the use of assumptions which require significant management judgement and therefore there is potential for management bias. As such, valuation of Impairment in subsidiaries was considered to be a significant audit risk. To respond to this risk, we evaluated significant inputs to the valuations and agreed these to supporting documentation and challenged management around the material unobservable inputs and assumptions within the valuations.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

Independent Auditor's Report to the Members of Man Group UK Limited (Continued)

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Strategic Report or the Directors' Report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Peter van Daesdonk (Senior Statutory Auditor)
For and on behalf of Deloitte LLP
London, United Kingdom
Date: 21 July 2023

Man Group UK Limited

Profit and Loss Account

For the year ended 31 December 2022

	Note	2022 \$000	2021 \$000
Turnover	4	1,142	1,478
Gross profit		<hr/> 1,142	<hr/> 1,478
Administrative expenses		(1,085)	(1,403)
Other operating expense	5	(19)	(3)
Operating profit		<hr/> 38	<hr/> 72
Income from shares in group undertakings		-	593,500
Impairment of investments	12	(411)	(1,554)
Reversal of previously recognised impairment losses	12	186,762	748,460
Interest receivable and similar income	6	6	2
Interest payable and similar expenses	7	(42)	(2,227)
Profit before tax		<hr/> 186,353	<hr/> 1,338,253
Tax on profit	10	73	408
Profit for the financial year attributable to owners of the Company		<hr/> 186,426	<hr/> 1,338,661

All amounts relate to continuing operations.

The notes on pages 13 to 24 form part of these financial statements.

Man Group UK Limited

Statement of Comprehensive Income

For the year ended 31 December 2022

	Note	2022 \$000	2021 \$000
Profit for the financial year		<u>186,426</u>	<u>1,338,661</u>
Other comprehensive income/(expense)			
Foreign currency translation differences		<u>(11)</u>	<u>(3)</u>
Items that will not be reclassified to profit or loss		<u>(11)</u>	<u>(3)</u>
Total comprehensive income for the financial year		<u><u>186,415</u></u>	<u><u>1,338,658</u></u>

The notes on pages 13 to 24 form part of these financial statements.

Man Group UK Limited

Balance Sheet

As at 31 December 2022

Registered number: 05856654

	Note	2022 \$000	2021 \$000
Fixed assets			
Investments	12	<u>2,394,065</u>	<u>2,207,713</u>
		2,394,065	2,207,713
Current assets			
Debtors	13	<u>8,821</u>	<u>2,649</u>
		8,821	2,649
Current liabilities			
Creditors: amounts falling due within one year	14	<u>(8,129)</u>	<u>(2,507)</u>
		(8,129)	(2,507)
Net current assets		692	142
Total assets less current liabilities		<u>2,394,757</u>	<u>2,207,855</u>
Net assets		<u>2,394,757</u>	<u>2,207,855</u>
Capital and reserves			
Called-up share capital	16	500	500
Profit and loss account		<u>2,394,257</u>	<u>2,207,355</u>
		<u>2,394,757</u>	<u>2,207,855</u>

The financial statements were approved and authorised for issue by the Board and were signed on its behalf by:



Antoine Forterre (Jul 21, 2023 10:12 GMT+1)

A H J M Forterre

Director

Date: 21 July 2023

The notes on pages 13 to 24 form part of these financial statements.

Man Group UK Limited

Statement of Changes in Equity

For the year ended 31 December 2022

	Called-up share capital	Profit and loss account	Total equity
	(Note 16)		
	\$000	\$000	\$000
At 1 January 2021	500	1,244,197	1,244,697
Profit for the financial year	-	1,338,661	1,338,661
Other comprehensive expense	-	(3)	(3)
Total comprehensive income for the year	-	1,338,658	1,338,658
Dividends paid	-	(375,500)	(375,500)
Total transactions with owners	-	(375,500)	(375,500)
At 31 December 2021	500	2,207,355	2,207,855
At 1 January 2022	500	2,207,355	2,207,855
Profit for the financial year	-	186,426	186,426
Other comprehensive expense	-	(11)	(11)
Total comprehensive income for the year	-	186,415	186,415
Share-based payment charge (Note 9)	-	471	471
Deferred tax on share-based payments (Note 10)	-	16	16
At 31 December 2022	500	2,394,257	2,394,757

The notes on pages 13 to 24 form part of these financial statements.

Man Group UK Limited

Notes to the Financial Statements **For the year ended 31 December 2022**

1. General information

The Company is a private company limited by shares incorporated in the United Kingdom under the Companies Act 2006 and registered in England and Wales. The Company was first incorporated on 23 June 2006. The Company's registered office address is stated within the Company Information section.

The Branch was registered as a branch of the Company with the Bulgarian Commercial Register under the name of Man Group UK Limited – Bulgaria Branch in accordance with Bulgarian law on the grounds of Article 17A of the Bulgarian Law on Commerce on 30 September 2020.

The nature of the Company's operations and its principal activities, including those of its Branch, are set out in the Strategic Report on page 1.

2. Significant accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and the preceding year.

2.1 Basis of preparation

The Company meets the definition of a qualifying entity under FRS 100 'Application of Financial Reporting Requirements' issued by the FRC. Accordingly, these financial statements were prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework'.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to share-based payments, financial instruments, capital management, presentation of comparative information in respect of certain assets, presentation of a cash-flow statement, standards not yet effective, related party transactions, revenue from contracts with customers and fair value measurement. Where required, equivalent disclosures are given in the group accounts of Man Group plc.

The Company is exempt by virtue of s401 of the Companies Act 2006 from the requirement to prepare group financial statements as it is a wholly owned subsidiary of Man Group plc. These financial statements present information about the Company as an individual undertaking and not about its group. The Company's ultimate parent undertaking, Man Group plc includes the Company in its consolidated financial statements. The consolidated financial statements of Man Group plc are prepared in accordance with International Financial Reporting Standards as adopted by the United Kingdom and are publicly available and may be obtained from the address given in note 19.

The financial statements have been prepared on the historical cost basis as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for the goods and services.

2.2 Impact of new international reporting standards, amendments, and interpretations

There were no new or amendments to existing accounting standards issued by the International Accounting Standards Board ("IASB") that have had a significant impact on these financial statements.

No standards or interpretations issued and not yet effective are expected to have a material impact on the Company's financial statements.

2.3 Going concern

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for a period of at least twelve months from the date of approval of the financial statements. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Man Group UK Limited

Notes to the Financial Statements **For the year ended 31 December 2022**

2. Significant accounting policies (continued)

2.4 Foreign currency

The financial statements are presented in United States Dollars (USD), which is the currency of the primary economic environment in which the Company operates (its functional currency).

Transactions in currencies other than the functional currency are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the Balance Sheet date are reported at the rates of exchange prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in profit or loss in the period in which they arise.

The Branch's functional currency is Bulgarian Lev. Its assets and liabilities are translated into USD at the exchange rate prevailing at the Balance Sheet date. Income and expenses of the Branch are translated at the average rate for the period in which the transactions occur. The resulting exchange differences between these rates are recorded in other comprehensive income

2.5 Turnover

The Company's primary source of revenue is intercompany service fee income (amounts recharged to other Group undertakings) in respect of the provision of research services. Intercompany service fee income is recognised in the year in which the services are provided.

2.6 Dividend income

Dividend income from investments in subsidiaries is recognised when the Company's right to receive payment has been established, it is probable that economic benefits will flow to the Company and the amount of revenue can be measured reliably.

In specie distributions of assets other than cash, such as receivables and investments in indirect subsidiaries, are recognised in profit and loss at the fair value of the assets transferred to the Company, unless they represent a recovery of part of the cost of the investment in the subsidiary making the distribution. In this case, the carrying value of the investment in that subsidiary is reallocated to the investment received such that no gain or loss arises on transfer.

2.7 Interest income/(expense)

Interest income/(expense) is recognised using the effective interest rate method. In calculating interest income/(expense), the effective interest rate is applied to the gross carrying amount of the asset, when the asset is not impaired or to the amortised cost of the liability for interest expense. For financial assets that have been impaired after initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer impaired the interest income calculation reverts to the gross carrying amount.

2.8 Costs

Costs such as administrative expenses incurred in the operations of the business are recognised as incurred.

Man Group UK Limited

Notes to the Financial Statements **For the year ended 31 December 2022**

2. Significant accounting policies (continued)

2.9 Pension costs

The Company pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual, or voluntary basis. The Company has no further payment obligations once the contributions have been paid. The contributions are recognised as other pension costs in the Profit and Loss Account when they are due.

2.10 Fund product-based compensation

The Company's employees may be granted fund product awards as part of employee compensation. These awards vest over a specified period (usually three years) at which time the employee is entitled to receive the value of the award granted. At grant date these awards are pre-funded by the Company to the Employee Trust, which then assumes the obligation to deliver the awards to employees at vest date.

A prepayment for the total value of the awards is recognised within debtors on the Balance Sheet at the time that the awards are pre-funded to the Employee Trust. The prepayment is amortised on a straight-line basis over the vesting period of the award with the expense recognised within administrative expenses in the Profit and Loss Account.

2.11 Share-based payments

Man Group plc operates equity-settled share-based payment schemes which are remuneration payments to selected employees that take the form of an award of shares in Man Group plc. These typically vest over three years, although conditions vary between different types of awards. The fair value of the employee services received in exchange for the share awards/options granted is recognised as an expense, with the corresponding credit recognised in equity, and is determined by reference to the fair value of the share awards/options at grant date.

The fair value of share options is calculated using the Black-Scholes valuation model, which takes into account the effect of both financial and demographic assumptions. Forfeiture and early vesting assumptions are based on historical observable data. Changes to the original estimates, if any, are charged to the Profit and Loss Account, with a corresponding adjustment to equity.

2.12 Taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in the Profit and Loss Account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Current tax is based on taxable profit for the year. Taxable profit differs from net profit as reported in the Profit and Loss Account because it excludes items of income or expense that are taxable or deductible in other years, in addition to items that are never taxable or deductible.

Deferred tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised, or the deferred income tax liability is settled.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Man Group UK Limited

Notes to the Financial Statements **For the year ended 31 December 2022**

2. Significant accounting policies (continued)

2.13 Investments

Fixed asset investments, including investments in subsidiaries, are shown at cost less provision for impairment.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

In the application of the Company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions, which are reviewed on an ongoing basis, are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The directors have determined that there are no significant areas of judgement that have a material impact on the Company's financial statements.

The following are the critical accounting estimates and assumptions that the directors have made, which have the most significant effect on the amounts recognised in the financial statements.

Impairment of investments in subsidiaries

Determining whether the Company's investments in subsidiaries have been impaired, or whether previous impairment should be reversed, requires estimations of the investments' values in use. The value in use calculations require the Company to estimate the future cash flows expected to arise from the investments and suitable discount rates to calculate present values.

The directors have also considered the possible impact of climate change on the estimates and assumptions used in the preparation of the Company's financial statements and have concluded there are no key assumptions concerning the future or other key sources of estimation uncertainty at the reporting date that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

4. Turnover

An analysis of the Company's turnover is as follows:

	2022	2021
	\$000	\$000
Intercompany service fee income	1,142	1,478
	<u>1,142</u>	<u>1,478</u>

Man Group UK Limited

Notes to the Financial Statements For the year ended 31 December 2022

4. Turnover (continued)

Analysis of the Company's turnover by geographical location is set out below, which is based on the country of domicile of the group undertaking from which the Company received the service fee income:

	2022	2021
	\$000	\$000
United Kingdom	178	1,478
Rest of the world	964	-
	<u>1,142</u>	<u>1,478</u>

5. Other operating expense

	2022	2021
	\$000	\$000
Net foreign exchange losses	19	3
	<u>19</u>	<u>3</u>

6. Interest receivable and similar income

	2022	2021
	\$000	\$000
Interest receivable from group companies	6	2
	<u>6</u>	<u>2</u>

7. Interest payable and similar expenses

	2022	2021
	\$000	\$000
Interest payable to group companies	42	2,227
	<u>42</u>	<u>2,227</u>

8. Auditor's remuneration

The Company paid the following amounts to its auditor in respect of the audit of the financial statements of the Company:

	2022	2021
	\$000	\$000
Fees for the audit of the Company	25	40
	<u>25</u>	<u>40</u>

Man Group UK Limited

Notes to the Financial Statements For the year ended 31 December 2022

9. Employees and Directors

Staff costs, including directors' remuneration, were as follows:

	2022	2021
	\$000	\$000
Wages and salaries	7,285	2,718
Social security costs	30	30
Pension costs - defined contribution	36	-
Fund product-based compensation	1,509	-
Share-based payment charge	471	-
	9,331	2,748

The average monthly number of employees, including the directors, during the year was as follows:

	2022	2021
	No.	No.
Permanent staff	10	12
Temporary staff	2	-
	12	12

The directors of the Company did not receive any remuneration (2021: \$NIL). The directors of the Company were all remunerated by another Group entity for their services to the Group as a whole. It is not practicable to allocate their remuneration between their services as directors of the Company and the remuneration received from employment. The directors receive no incremental emoluments for their services to the Company.

Staff costs are presented net within administrative expenses in the Profit and Loss Account. The staff costs total of \$9.3m represents the gross expense paid by the Company, of which \$8.5m is recharged to another group company under central transfer pricing arrangements.

10. Taxation

	2022	2021
	\$000	\$000
Corporation tax		
Current tax on profits for the year	365	(430)
Adjustments in respect of prior periods	10	2
Foreign tax suffered	1	20
	376	(408)
Total current tax	376	(408)
Deferred tax		
Origination and reversal of timing differences	(379)	-
Changes to tax rates	(70)	-
	(449)	-
Total deferred tax (Note 15)	(449)	-
Total tax credit	(73)	(408)

Man Group UK Limited

Notes to the Financial Statements For the year ended 31 December 2022

10. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2021: lower than) the standard rate of corporation tax in the UK of 19% (2021: 19%). The differences are explained below:

	2022	2021
	\$000	\$000
Profit before tax	186,353	1,338,253
Profit multiplied by standard rate of corporation tax in the UK of 19% (2021: 19%)	35,407	254,268
Effects of:		
Foreign tax suffered	1	20
Branch exemption	(13)	(21)
Tax rate changes	(70)	-
Dividends from UK companies	-	(112,765)
Impact of overseas tax rates	(40)	-
Adjustments to tax charge in respect of previous periods	10	2
Reversal of previously recognised impairment losses	(35,408)	(142,207)
Adjustments in relation to share based payments	40	-
Impairment of investments in subsidiaries	-	295
Total tax credit	(73)	(408)

Factors that may affect future tax charges

As enacted on 10 June 2021, the headline corporation tax rate increased from 19% to 25% from 1 April 2023. Deferred tax has been recognised, where relevant, at the rate expected to apply when the related deferred tax asset is realised, or the deferred tax liability is settled.

In addition to the amounts charged to the Profit and Loss Account, the following amounts relating to tax have been recognised directly in equity:

	2022	2021
	\$000	\$000
Deferred tax credit		
Share based payments	(16)	-
Total income tax recognised directly in equity	(16)	-

Man Group UK Limited

Notes to the Financial Statements For the year ended 31 December 2022

11. Share-based payments

Share awards

	2022	2021
Grant dates	11/03/2022	N/A
Weighted average fair value of awards granted (\$000)	511	-
Weighted average remaining contractual life (years)	9.20	-

12. Investments

	Investments in subsidiary companies \$000
Cost	
At 1 January 2022	3,019,234
At 31 December 2022	<u>3,019,234</u>
Accumulated impairment	
At 1 January 2022	811,521
Written off	411
Written back	(186,763)
At 31 December 2022	<u>625,169</u>
Net book value	
At 1 January 2022	<u>2,207,713</u>
At 31 December 2022	<u>2,394,065</u>

The investments in subsidiaries are all stated at cost less provision for impairment.

During the year, the Company recognised an impairment of \$411,000 (2021: \$NIL) in its investment in RBH Holdings (Jersey) Limited ("RBHHJL") in accordance with its accounting policy on impairment. The Company's investment in RBHHJL has been impaired to its recoverable amount of \$NIL as a result of its pending liquidation and asset distribution. The discount rates used in calculating RBHHJL's value in use in the current and prior years are those applied in the value in use calculations of the Group's cash generating units, as disclosed in the Group's 2022 Annual Report.

During the year, the Company recognised a partial reversal of \$955,000 of a previously recognised impairment loss in the carrying value of the investment in its subsidiary Financial Risk Management Limited ("FRML") as FRML is due to be placed into liquidation during the coming months, and so the valuation of the entity will not change prior to that date. The discount rates used in calculating FRML's value in use in the current and prior years are those applied in the value in use calculations of the Group's cash generating units, as disclosed in the Group's 2022 and 2021 Annual Reports respectively.

Man Group UK Limited

Notes to the Financial Statements For the year ended 31 December 2022

12. Investments (continued)

During the year, the Company also recognised a partial reversal of \$185,808,000 of a previously recognised impairment loss in the carrying value of the investment in its subsidiary, Man Group Operations Limited. This is as a result of a significant increase in Man Group Operations Limited's recoverable amount to \$220,609,000 at 31 December 2022. The increase in recoverable amount during the period was driven by an increase in the overall value in use of the Group following a period of sustained growth forecasts for the business. The discount rates and other assumptions used in calculating the value in use of Man Group Operations Limited in the current and prior years are those applied in the value in use calculations of the Group's cash-generating units, as disclosed in the Group's 2022 and 2021 Annual Reports respectively.

The reversal of previously recognised impairment losses in the carrying value of the investment in Man Group Operations Limited is not sensitive to changes in the assumptions used in calculating the value in use of the Group's cash-generating units. Reasonably foreseeable changes in the assumptions are not expected to result in a material adjustment to the carrying value of the subsidiary within the next financial year.

Details of the Company's subsidiaries are provided below. The country of operation is the same as the country of incorporation, the year end is 31 December, and percentage holding represents both the percentage held and voting rights, unless otherwise stated.

Subsidiaries

Company name	Registered address	Direct or indirect	Country of incorporation	Class of shares	Percentage holding %
AHL Partners LLP ¹	Riverbank House, 2 Swan Lane, London, EC4R 3AD	Indirect	UK	Partnership interest	100
FA Sub 2 Limited	Luna Tower, Waterfront Drive, Road Town, Tortola	Direct	BVI	Ordinary	100
FA Sub 3 Limited	Luna Tower, Waterfront Drive, Road Town, Tortola	Indirect	BVI	Ordinary	100
Financial Risk Management Limited	Riverbank House, 2 Swan Lane, London, EC4R 3AD	Direct	UK	Ordinary	100
FRM Holdings Limited	Gaspé House, 66-72 Esplanade, St Helier, JE2 3QT	Indirect	Jersey	Ordinary	100
FRM Investment Management Limited	PO Box 186, Royal Chambers, St. Julian's Avenue, St Peter Port, GY1 4HP, Guernsey	Indirect	Guernsey	Ordinary	100
GLG Holdings Limited	Wickhams Cay, PO Box 662, Road Town, Tortola	Indirect	BVI	Ordinary	100
GLG Partners Limited	Riverbank House, 2 Swan Lane, London, EC4R 3AD	Indirect	UK	Ordinary	100
GLG Partners LP	Riverbank House, 2 Swan Lane, London, EC4R 3AD	Indirect	UK	Partnership interest	100
Man Asset Management (Ireland) Limited	70 Sir John Rogerson's Quay, Dublin 2	Indirect	Ireland	Ordinary	100

¹ Financial year end is 31 March

Man Group UK Limited

Notes to the Financial Statements For the year ended 31 December 2022

12. Investments (continued)

Company name	Registered address	Direct or indirect	Country of incorporation	Class of shares	Percentage holding %
Man (Europe) AG	Austrasse 56, 9490, Vaduz, Liechtenstein	Indirect	Liechtenstein	Ordinary	100
Man Fund Management (Guernsey) Limited	PO Box 186, Royal Chambers, St. Julian's Avenue, St Peter Port, GY1 4HP, Guernsey	Indirect	Guernsey	Ordinary	100
Man Fund Management Netherlands BV	Beurs – World Trade Center, Beursplein 37, 3011 AA, Rotterdam	Indirect	Netherlands	Ordinary	100
Man Fund Management UK Limited	Riverbank House, 2 Swan Lane, London, EC4R 3AD	Indirect	UK	Ordinary	100
Man GLG Partners LLP ¹	Riverbank House, 2 Swan Lane, London, EC4R 3AD	Indirect	UK	Partnership interest	100
Man Global Private Markets (UK) Limited	Riverbank House, 2 Swan Lane, London, EC4R 3AD	Indirect	UK	Ordinary	100
Man Group Investments Limited	Riverbank House, 2 Swan Lane, London, EC4R 3AD	Direct	UK	Ordinary	100
Man Group Operations Limited	Riverbank House, 2 Swan Lane, London, EC4R 3AD	Direct	UK	Ordinary	100
Man Investments Holdings (Jersey) Limited	15 Esplanade, St Helier, JE1 1RB	Direct	Jersey	Ordinary	100
Man Investments Holdings Limited	Riverbank House, 2 Swan Lane, London, EC4R 3AD	Indirect	UK	Ordinary	100
Man Investments Limited	Riverbank House, 2 Swan Lane, London, EC4R 3AD	Indirect	UK	Ordinary	100
Man Mash Limited	Riverbank House, 2 Swan Lane, London, EC4R 3AD	Indirect	UK	Ordinary	100
Man Solutions Limited	Riverbank House, 2 Swan Lane, London, EC4R 3AD	Direct	UK	Ordinary	100
Man Valuation Services Limited	Riverbank House, 2 Swan Lane, London, EC4R 3AD	Indirect	UK	Ordinary	100
Mount Granite Limited	Wickhams Cay, PO Box 662, Road Town, Tortola	Indirect	BVI	Ordinary	100
RBH Holdings (Jersey) Limited	IFC 5, St Helier, JE1 1ST, Jersey	Direct	Jersey	Ordinary	100
GLG Partners UK Group Limited (in liquidation)	Kings Orchard, 1 Queen Street, Bristol, BS2 0HQ	Indirect	UK	Ordinary	100
GLG Partners UK Holdings Limited (in liquidation)	Kings Orchard, 1 Queen Street, Bristol, BS2 0HQ	Indirect	UK	Ordinary	100

¹ Financial year end is 31 March

Man Group UK Limited

Notes to the Financial Statements **For the year ended 31 December 2022**

13. Debtors

Amounts falling due within one year

	2022	2021
	\$000	\$000
Amounts owed by group undertakings	6,847	2,226
Corporation tax debtor	-	410
Deferred taxation	465	-
Other debtors	18	13
Prepayments and accrued income	1,491	-
	<u>8,821</u>	<u>2,649</u>

No balances are overdue and, under the expected credit loss model of IFRS 9, no impairment loss has been recognised at 31 December 2022 (2021: \$NIL).

14. Creditors: amounts falling due within one year

	2022	2021
	\$000	\$000
Trade creditors	35	9
Amounts owed to group undertakings	1,296	720
Corporation tax liability	337	-
Other taxation and social security	66	11
Accruals and deferred income	6,395	1,767
	<u>8,129</u>	<u>2,507</u>

15. Deferred tax

	2022	2021
	\$000	\$000
Credited to profit or loss	449	-
Credited to equity	16	-
	<u>465</u>	<u>-</u>

The deferred tax asset is made up as follows:

	2022	2021
	\$000	\$000
Temporary differences - Bulgaria branch	21	-
Share schemes	441	-
Other temporary differences	3	-
	<u>465</u>	<u>-</u>

Man Group UK Limited

Notes to the Financial Statements For the year ended 31 December 2022

16. Share capital

	2022	2021
	\$000	\$000
Allotted, called-up and fully-paid		
500,000 (2021: 500,000) ordinary shares of \$1.00 each	<u>500</u>	<u>500</u>

The Company has one class of ordinary shares which carries no right to fixed income.

17. Post-balance sheet events

On 9 January 2023, the Company received cash dividends of \$600,000,000 and \$88,000,000 respectively from its subsidiaries Man Investments Holdings (Jersey) Limited and FA Sub 2 Limited.

On 10 January 2023, the Company paid a cash dividend of \$686,000,000 to its sole shareholder, Man Investments Finance Limited.

On 13 February 2023, the Company received dividends in specie of \$8,538,000, \$257,000 and \$90,000 respectively from its subsidiaries FRM Holdings Limited, RBH Holdings (Jersey) Limited and FRM Investment Management Limited, each by way of an assignment of an intercompany receivable balance due from Man Investments Finance Limited to the Company.

18. Related party transactions

The Company has taken advantage of the exemption under the provisions of FRS 101 from disclosing transactions with other wholly owned Group entities since the Company is a wholly owned subsidiary of Man Group plc, the consolidated financial statements of which are publicly available.

During the year and the preceding year there have been no transactions with related parties other than wholly owned Group entities.

19. Controlling party

In the opinion of the directors, the Company's ultimate parent company and ultimate controlling party is Man Group plc, a company registered in Jersey. The immediate parent undertaking and controlling party is Man Investments Finance Limited, a company registered in England and Wales.

The smallest and largest group of undertakings that prepares consolidated accounts of which the Company is a member is Man Group plc. The financial statements of the Company are available from the Company's registered office address.

The group financial statements of Man Group plc are available from 22 Grenville Street, St Helier, Jersey, JE4 8PX.