Registered number: 02093429

Man Investments Limited

Annual Report and Financial Statements for the year ended 31 December 2021

Man Investments Limited

Company Information

Directors	L J Cottrell (appointed 19 May 2021) T I M Cruickshank A H J M Forterre (appointed 4 October 2021) M D Jones (resigned 4 October 2021) D C Kester (resigned 19 May 2021)
Company secretary	T I M Cruickshank (resigned 14 January 2022) R E Sharp (appointed 14 January 2022) E A Woods (resigned 14 January 2022)
Registered number	02093429
Registered office	Riverbank House 2 Swan Lane London EC4R 3AD
Independent auditor	Deloitte LLP 1 New Street Square London EC4A 3HQ United Kingdom

Man Investments Limited

Contents

Strategic Report
For the year ended 31 December 2021

The directors of Man Investments Limited (the "Company") present their Strategic Report, together with the Directors' Report and the audited financial statements of the Company, for the year ended 31 December 2021.

Principal activities and review of the business

During the year there were no significant changes to the principal activities of the Company which consisted of acting as the Managing Member of AHL Partners LLP.

The profit for the year, after taxation, amounted to $415,560,000 (2020: $136,933,000). As at 31 December 2021 the Company had net assets of $166,303,000 (2020: $163,387,000).

An overview of the strategy of Man Group plc and its subsidiaries ("the Group") is set out in the Group's 2021 Annual Report (which does not form part of this report) on pages 14 to 15 and in the Chief Executive's Review on pages 16 to 19. Consideration of the impact of COVID-19 on the Group and its subsidiaries is set out in the Risk Management section of the Group's 2021 Annual Report on page 31. As at the date of signing, no change is required to this assessment.

Going concern

After making reasonable enquiries the directors have concluded that there is a reasonable expectation that the Company and the Group 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, the going concern disclosure for the Group can be found on page 150 of the Group's 2021 Annual Report.

Principal risks and uncertainties

The directors consider the principal risks of the Company to be consistent with those identified at Group level and managed by the directors of Man Group plc. For this reason, the Company's directors believe that a discussion of the Company's risks would not be appropriate for an understanding of the development, performance or position of the Company's business. The principal risks and uncertainties of Man Group plc, which include those of the Company, are discussed in the Group's 2021 Annual Report on pages 30 to 37 (which does not form part of this report).

Despite the ongoing volatility seen across financial markets as a result of the COVID-19 pandemic, including inflationary pressures and monetary and fiscal policies, the Company has continued to operate substantially as normal. Although COVID-19 has not had a significant or ongoing adverse impact on the Company to date, its impact on the Company's operating arrangements, including access to capital and liquidity, is subject to ongoing review by the Company's directors and senior management. This includes assessment of company-specific factors and of the Group's medium-term financial plan and capital and liquidity plan, which are built by aggregating the expected business performance across the Group and include rigorous downside scenario testing. The Group continues to have a strong cash and capital position, and its business typically has a good conversion of profits into cash flows, which helps protect the business in stressed scenarios. The directors consider that the Company is well placed to manage business and financial risks in the current economic environment and consider that the Company's longer-term success and sustainability will not be materially affected by the pandemic.

Key performance indicators ("KPIs")

The directors of the Company consider its operations to be consistent with those at Group level which are managed by the directors of Man Group plc. For this reason, the Company's directors believe that an analysis using KPIs for the Company is not necessary or appropriate for an understanding of the development, performance or position of the business of the Company. The development, performance and position of the Group's asset management business, which includes the Company, is discussed in the Chief Executive Officer's review on pages 16 to 19, the Key Performance Indicators section on pages 22 to 23 and the Chief Financial Officer's review on pages 24 to 29 of the Group's 2021 Annual Report (which does not form part of this report).

Strategic Report (Continued)
For the year ended 31 December 2021

Section 172(1) statement

The Company is required under the Companies (Miscellaneous Reporting) Regulations 2018 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 2021, 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(1) including the Company's applicable stakeholders.

The Company's role within the Group is that of acting as the Managing Member of AHL Partners LLP. The Company seeks to further the Group's overall long-term strategy, while also adhering to 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 2021 Annual Report on pages 78 to 85. The following key stakeholders are identified:

- clients
- regulators
- shareholders
- communities
- environment
- business partners and suppliers

The Group's s.172 statement is integrated across the Governance report on pages 68 to 136 of the Group's 2021 Annual Report.

As a result of the Company and the Group's governance structures, the directors consider that the matters detailed in s.172 have been considered to an appropriate extent. The Company's directors have considered their duties in decision-making for the Company, but also rely upon the consideration and engagement undertaken at Group level which is implemented by the directors in their management of the Company. Accordingly, the directors wish to highlight certain principal decisions taken during the year to illustrate discharge of their s.172 duties.

The Company has made the following principal decisions during the year:

- The directors formally considered and approved interim dividend payments to its sole shareholder. The directors considered the interim dividend payments in the context of its role of a subsidiary of Man Group plc, having regard to the Group's governance structures and the requirements of the Companies Act 2006. The directors resolved that the dividends were an efficient use of the Company's capital resources and formed part of the Group's long term capital policy of distributing accumulated retained earnings while maintaining sufficient capital.

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

Antoine Forterre (Jul 11, 2022 18:17 GMT+1)

A H J M Forterre
Director
Date: 11 July 2022

Directors' Report
For the year ended 31 December 2021

Results and dividends

The profit for the year, after taxation, amounted to $415,560,000 (2020: $136,933,000). During the year the Company paid an interim dividend of $412,646,000 (2020: $160,870,000). The directors do not recommend the payment of a final dividend in respect of the year ended 31 December 2021 (2020: $NIL).

Directors

The following individuals served as directors of the Company for the duration of the year and up to the date of approval of this report, except where indicated otherwise.

L J Cottrell (appointed 19 May 2021)
T I M Cruickshank
A H J M Forterre (apponted 4 October 2021)
M D Jones (resigned 4 October 2021)
D C Kester (resigned 19 May 2021)

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 current year to be significantly different from its present activities.

Research and development

In previous years the Company's employees were engaged in research and development activities, supporting the Group's AHL investment management business. As a result of these activities, the Company recognises internally-generate intangible fixed assets on its Balance Sheet. These activities were in the fields of computer science, software engineering and signal processing. Further details of the Group's activities in the field of research and development can be found in the Market environment and industry trends section on pages 12-13, the Our strategy section on pages 14-15 and the Chief Executive Officer's review on pages 16-19 of the Group's 2021 Annual Report (which does not form part of this report).

Energy and Carbon Reporting

The Company is exempt from preparing energy and carbon disclosures as set out in The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 (the "Regulations"), which apply for accounting periods commencing on or after 1 April 2019, in accordance with 20A(2) of Part 7A of the Regulations.

Financial instruments

The directors consider the financial risks of the Company to be consistent with those identified at Group level and managed by the directors of Man Group plc. For this reason, the Company's directors believe that a discussion of the Company's financial risks would not be appropriate for an understanding of the development, performance or position of the Company's business. The principal financial risks of Man Group plc, which include those of the Company, are discussed in Note 16 of the Group's 2021 Annual Report on page160 (which does not form part of this report).

Auditor

Deloitte LLP was reappointed as auditor of the Company and the Group for the year ended 31 December 2021. 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 2021

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

Antoine Forterre (Jul 11, 2022 18:17 GMT+1)

A H J M Forterre
Director
Date: 11 July 2022

Directors' Responsibilities Statement
For the year ended 31 December 2021

The directors are responsible for preparing the Directors' Report, Strategic 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.

Independent Auditor's Report to the Members of *Man Investments Limited*

Report on the audit of financial statements

Opinion

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

- give a true and fair view of the state of the Company's affairs as at 31 December 2021 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 Balance Sheet;
- the Statement of Changes in Equity;
- the related notes 1 to 20.

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 Investments 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 about their own identification and assessment of the risks of irregularities.

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 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.

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:

- 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;

Independent Auditor's Report to the Members of *Man Investments Limited* (Continued)

- 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 and reviewing correspondence with the FCA.

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
Statutory Auditor
London, United Kingdom
Date: 11 July 2022

Profit and Loss Account
For the year ended 31 December 2021

	Note	2021 $000	2020 $000
Administrative (expense)/income		(45)	341
Other operating expense	4	(97)	(5)
Operating (loss)/profit	7	(142)	336
Income from partnership interests in group undertakings	14	509,440	160,870
Interest receivable and similar income	5	2,178	724
Interest payable and similar expenses	6	(73)	(86)
Profit before tax		511,403	161,844
Tax on profit	10	(95,843)	(24,911)
Profit for the financial year attributable to owners of the Company		415,560	136,933

All amounts relate to continuing operations.

There were no recognised gains and losses for the current and prior year other than those included in the Profit and Loss Account and hence a Statement of Comprehensive Income has not been prepared.

The notes on pages 12 to 23 form part of these financial statements.

Balance Sheet
As at 31 December 2021
Registered number: 02093429

	Note	2021	2021 $000	2020	2020 $000
Fixed assets					
Tangible assets	13		-		42
Investments	14		60,000		150,000
			60,000		150,042
Current assets					
Debtors: amounts falling due after more than one year	15	-		33,157	
Debtors: amounts falling due within one year	15	504,007		77,433	
Cash at bank and in hand		499		503	
		504,506		111,093	
Creditors: amounts falling due within one year	16	(398,203)		(97,748)	
		(398,203)		(97,748)	
Net current assets			106,303		13,345
Total assets less current liabilities			166,303		163,387
Net assets			166,303		163,387
Capital and reserves					
Called-up share capital	18		46,539		46,539
Share premium account			11		11
Profit and loss account			119,753		116,837
			166,303		163,387

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

Antoine Forterre (Jul 11, 2022 18:17 GMT+1)

A H J M Forterre
Director
Date: 11 July 2022

The notes on pages 12 to 23 form part of these financial statements.

Statement of Changes in Equity
For the year ended 31 December 2021

	Called-up share capital (Note 18) $000	Share premium account $000	Profit and loss account $000	Total equity $000
At 1 January 2020	46,539	11	140,764	187,314
Comprehensive income for the year				
Profit for the financial year	-	-	136,933	136,933
Dividends: Equity capital (Note 11)	-	-	(160,870)	(160,870)
Current tax and deferred tax movements in respect of share based payments	-	-	10	10
At 31 December 2020	46,539	11	116,837	163,387
Comprehensive income for the year				
Profit for the financial year	-	-	415,560	415,560
Dividends: Equity capital (Note 11)	-	-	(412,646)	(412,646)
Current tax and deferred tax movements in respect of share based payments	-	-	2	2
At 31 December 2021	46,539	11	119,753	166,303

The notes on pages 12 to 23 form part of these financial statements.

Notes to the Financial Statements
For the year ended 31 December 2021

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 27 January 1987. The Company's registered office address is Riverbank House, 2 Swan Lane, London, EC4R 3AD.

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

2. Basis of Preparation of Financial Statements

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 (Financial Reporting Standard 100) issued by the Financial Reporting Council. Accordingly, the Company has prepared the financial statements in line with FRS 101 (Financial Reporting Standard 101) as issued by the Financial Reporting Council and has, in doing so, applied the requirements of IFRS 1.6-33 and related appendices.

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, impairment of assets, related party transactions 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 20.

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

The following amendments to IFRS Standards and Interpretations were effective for the first time in the year to 31 December 2021. Their adoption has not had a significant impact on these financial statements:

- Interest Rate Benchmark Reform – Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16).

The following standards are relevant to the Company's operations and have been issued by the IASB but are not yet mandatory and have not been early adopted by the Company:

- Amendments to IAS 1 'Presentation of Financial Statements': classification of liabilities as current or non-current;

- Amendments to IAS 16 'Property, Plant and Equipment': property, plant and equipment – proceeds before intended use;

2. Basis of Preparation of Financial Statements (continued)

2.2 Impact of new international reporting standards, amendments and interpretations (continued)

- Annual Improvements to IFRS Standards 2018-2020 Cycle: amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IFRS 16 Leases and IAS 41 Agriculture;

- Amendments to IAS 1 and IFRS Practice Statement 2: disclosure of accounting policies;

- Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors': definition of accounting estimates; and

- Amendments to IAS 12 'Income Taxes': deferred tax related to assets and liabilities arising from a single transaction.

No other standards or interpretations issued and not yet effective are expected to have an 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.

2.4 Internally-generated intangible assets – Software

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from the Company's software development (or from the development phase of an internal project) is recognised if, and only if, all of the following conditions have been demonstrated:

- the technical feasibility of completing the intangible assets so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible assets; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in the Profit and Loss Account in the period in which it is incurred. Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which range from 3 to 5 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

2. Basis of Preparation of Financial Statements (continued)

2.5 Derecognition of intangible and tangible assets

An intangible asset or tangible fixed asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible or tangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

2.6 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and any recognised impairment loss.

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost or valuation, less estimated residual value, of each asset on a straight-line basis over its expected useful life, as follows:

- Leasehold improvements: the shorter of the life of the lease and the improvement
- Equipment: 3 to 10 years

Residual value is calculated on prices prevailing at the date of acquisition or revaluation. Useful lives and residual values are reviewed at the end of every reporting period.

2.7 Impairment of tangible and intangible assets

At each balance sheet date, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

2.8 Investments

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

2.9 Taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, 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. The tax currently payable 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 and it further excludes 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. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; or arise from initial recognition of an asset or liability in a transaction other than a business combination that, at the time of the transaction, affects neither accounting nor taxable profit or loss. 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.

2. Basis of Preparation of Financial Statements (continued)

2.9 Taxation (continued)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.10 Distribution income

Distribution income from investments is recognised when the right to receive payment has been established. This is recognised in Profit and Loss as income from partnership interests in Group undertakings.

2.11 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.

2.12 Other operating expense

Other operating expense comprises foreign exchange gains and losses, and are recognised as incurred.

2.13 Administrative expenses

Administrative expenses comprise amounts incurred in the operations of the business, including amounts recharged by other Group undertakings, and are recognised as incurred.

2.14 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.

2.15 Financial instruments

Financial assets and financial liabilities are recognised in the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and liabilities

All financial assets and liabilities are recognised and derecognised on a trade date, being the date on which the Company commits to purchase or sell the asset or liability. Financial assets are derecognised only when the contractual rights to the cash flows from the asset have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership to another entity. The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire. Any gain or loss arising on derecognition of a financial asset or liability is recognised directly in profit or loss.

Financial assets and liabilities are initially measured at fair value, plus transaction costs. The Company's financial assets and liabilities are measured subsequently at amortised cost.

2. Basis of Preparation of Financial Statements (continued)

2.15 Financial instruments (continued)

Financial assets and liabilities at amortised cost

Trade and other receivables and trade and other payables are subsequently measured at amortised cost using the effective interest method. Interest income and expense is recognised by applying the effective interest rate. The effective interest rate is the rate that exactly discounts estimated future cash flows through the expected life of the instrument or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Valuation techniques and assumptions applied for the purposes of measuring fair value

The fair values of financial assets and liabilities are determined as follows.

- The fair values of financial assets and liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices.
- The fair values of other financial assets and liabilities (excluding derivative instruments) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes for similar instruments.
- The fair values of derivative instruments are calculated using observable prices.

Impairment of financial assets

The Company recognises a loss allowance for expected credit losses ("ECL") on its financial assets measured at amortised cost. Financial assets are written off when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery. Any subsequent recoveries are recognised in profit or loss.

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

In the application of the Company's accounting policies, which are described in Note 2 above, 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 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.

The following are the critical judgemental areas that the directors have made, which have the most significant effect on the amounts recognised in the financial statements.

Critical accounting estimates and assumptions

Recognition of deferred tax assets
The Company has recognised a deferred tax asset due to temporary timing differences which are expected to reverse in future years. The recognition of deferred tax assets is a key judgement of the directors who anticipate that there will be sufficient profits arising in the future years to utilise these temporary differences.

Notes to the Financial Statements
For the year ended 31 December 2021

4. Other operating expense

	2021 $000	2020 $000
Net foreign exchange losses	(97)	(5)
	(97)	(5)

5. Interest receivable

	2021 $000	2020 $000
Interest receivable from group companies	2,178	724
	2,178	724

6. Interest payable

	2021 $000	2020 $000
Interest payable to group companies	73	86
	73	86

7. Operating (loss)/profit

The operating (loss)/profit is stated after charging/(crediting):

	2021 $000	2020 $000
Depreciation of tangible fixed assets	42	146
Amortisation of intangible fixed assets	-	383
Research and development tax credit	22	(338)

8. Auditor's remuneration

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

	2021 $000	2020 $000
Fees for the audit of the Company	20	20
	20	20

9. Employees

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

	2021 $000	2020 $000
Wages and salaries	22	(338)
	22	(338)

The Company has no employees. 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.

Amounts incurred in respect of wages and salaries in the current and prior year relate to research and development tax credits relating to costs incurred in prior years.

10. Taxation

	2021 $000	2020 $000
Corporation tax		
Current tax on profits for the year	70,466	45,024
Adjustments in respect of prior periods	120	(1,603)
Foreign tax suffered	211	-
	70,797	43,421
Total current tax	70,797	43,421
Deferred tax		
Origination and reversal of timing differences	25,177	(19,986)
Adjustments in respect of prior periods	(131)	1,476
	25,046	(18,510)
Total deferred tax (Note 17)	25,046	(18,510)
Taxation on profit	95,843	24,911

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2020: lower than) the standard rate of corporation tax in the UK of 19% (2020: 19%). The differences are explained below:

10. Taxation (continued)

	2021 $000	2020 $000
Profit before tax	511,403	161,844
Profit multiplied by standard rate of corporation tax in the UK of 19% (2020: 19%)	97,166	30,750
Effects of:		
Impact of tax rate changes	-	(5,803)
Expenses not deductible	-	(29)
Non-deductable expense relating to partnership	257	14
Non-taxable income	-	63
Foreign tax	211	-
Adjustments to tax charge in respect of previous periods	(11)	(127)
PDCF CT Provision	(1,780)	-
Adjustments in relation to share based payments	-	43
Total tax charge for the year	95,843	24,911

Factors that may affect future tax charges

In the Spring Budget 2021, the government announced that from 1 April 2023 the headline corporation tax rate will increase from 19% to 25% as enacted on 10 June 2021.

The deferred tax asset as at 31 December 2021 has been calculated based on the rates expected to be applied when the deferred tax asset is realised.

11. Dividends on equity shares

Amounts recognised as distributions to equity holders in the period:

	2021 $000	2020 $000
Interim dividend for the year ended 31 December 2021 of $8.9775 (2020: $3.50) per ordinary share	412,646	160,870
	412,646	160,870

The directors do not recommend the payment of a final dividend in respect of the year ended 31 December 2021.

12. Intangible assets

	Software
	$000
Cost	
At 1 January 2021	38,887
Disposals	(2,886)
At 31 December 2021	36,001
Amortisation	
At 1 January 2021	38,887
Disposals	(2,886)
At 31 December 2021	36,001
Net book value	
At 31 December 2021	-
At 31 December 2020	-

13. Tangible fixed assets

	Leasehold improvements	Equipment	Total
	$000	$000	$000
Cost or valuation			
At 1 January 2021	495	5,013	5,508
Disposals	-	(114)	(114)
At 31 December 2021	495	4,899	5,394
Depreciation			
At 1 January 2021	495	4,971	5,466
Charge for the year	-	42	42
Disposals	-	(114)	(114)
At 31 December 2021	495	4,899	5,394
Net book value			
At 31 December 2021	-	-	-
At 31 December 2020	-	42	42

Notes to the Financial Statements
For the year ended 31 December 2021

14. Fixed Asset Investments

	Investments in subsidiary companies $000
Cost or valuation	
At 1 January 2021	150,000
Member Capital Repayment	(90,000)
At 31 December 2021	60,000
Net book value	
At 31 December 2021	60,000
At 31 December 2020	150,000

Subsidiary undertakings

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 March, and percentage holding represents both the percentage held and voting rights.

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

During the year the Company received distributions of $509,440,000 (2020: $160,870,000) from AHL Partners LLP.

Company name	Registered address	Direct or indirect	Country of incorporation	Class of shares	Percentage holding %
AHL Partners LLP	Riverbank House, 2 Swan Lane, London, EC4R 3AD	Direct	UK	Partnership interest	99.6

15. Debtors

	2021 $000	2020 $000
Due after more than one year:		
Deferred taxation	-	33,157
	-	33,157

	2021 $000	2020 $000
Due within one year:		
Amounts owed by Group undertakings	442,507	22,033
Other debtors	209	443
Deferred taxation	61,291	54,957
	504,007	77,433

No balances are overdue and, under the expected credit loss model of IFRS 9, no impairment loss has been recognised at 31 December 2021 (2020: $NIL).

Notes to the Financial Statements
For the year ended 31 December 2021

16. Creditors: Amounts falling due within one year

	2021 $000	2020 $000
Amounts owed to Group undertakings	328,122	18,105
Corporation tax	69,032	79,643
Group relief creditor	327	-
Other creditors	722	-
	398,203	97,748

17. Deferred tax

Deferred tax is provided as follows:

	2021 $000	2020 $000
At beginning of year	88,114	69,691
(Charged)/credited to profit or loss	(25,177)	18,510
Movement arising from transfer of trade	(1,744)	-
Charged to equity	(33)	(87)
Adjustments in respect of prior periods	131	-
	61,291	88,114

The deferred tax asset is made up as follows:

	2021 $000	2020 $000
Accelerated capital allowances	-	1,732
Share schemes	-	91
Partnership profits taxed in advance of receipt	61,291	86,291
	61,291	88,114

18. Share capital

	2021 $000	2020 $000
Allotted, called-up and fully-paid		
45,000,000 (2020: 45,000,000) ordinary shares of $1.00 each	45,000	45,000
964,680 (2020: 964,680) ordinary shares of £1.00 each	1,539	1,539

The Company has one class of ordinary shares which carry no right to fixed income. The sterling share capital was converted into US dollars at the exchange rate ruling at the date of issue, the weighted average rate being $1.5949 to £1.

Notes to the Financial Statements
For the year ended 31 December 2021

19. 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.

20. 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 Man Investments Holdings 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.