

Registered number: 03418585

Man Fund Management UK Limited
Annual Report and Financial Statements
for the year ended 31 December 2021

Man Fund Management UK Limited

Company Information

Directors	G D Astor V C Balshaw (resigned 4 October 2021) D A Barber T I M Cruickshank A H J M Forterre (appointed 4 October 2021) M D Jones (resigned 4 October 2021) A K Pannu-Purewal (appointed 4 October 2021) C H Scott
Company secretary	R Cornelius (appointed 14 January 2022) T I M Cruickshank (resigned 14 January 2022) E A Woods (resigned 14 January 2022)
Registered number	03418585
Registered office	Riverbank House 2 Swan Lane London EC4R 3AD
Independent auditor	Deloitte LLP 1 New Street Square London EC4A 3HQ United Kingdom

Man Fund Management UK Limited

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Man Fund Management UK Limited

Strategic Report

For the year ended 31 December 2021

The directors of Man Fund Management UK 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 the provision of investment management services.

The profit for the year, after taxation, amounted to £154,000 (2020: £803,000). As at 31 December 2021 the Company had net assets of £5,746,000 (2020: £5,592,000).

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).

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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 to act as an Authorised Corporate Director (“ACD”) and regulated investment manager to the Group’s UK authorised investment funds (the “Funds”) and the Board considers therefore that its key stakeholders are the investors of the Funds, business partners and supply chain, regulators and the environment. The Company seeks to further Man’s overall long term strategy and the Board takes the view that the key considerations of the investors of the Funds (the clients of Man), business partners and supply chain and environmental considerations are consistent with those identified, and the engagement that is discussed, within the Group’s 2021 Annual Report (which does not form part of this report) on pages 78 to 85. The Board has no employees and so therefore will not be reporting on any employee engagement. Shareholders are considered a key stakeholder of Man and the Company is indirectly linked to these shareholders by virtue of its position as a subsidiary of a UK listed company. Man Group plc is the Company’s ultimate owner and the Company will therefore consider its responsibility to the parent company and its shareholders when taking decisions.

The Company would like to disclose and highlight separately how the groups that it has identified as its key stakeholders have been considered for specific principal decisions taken at the Company level and to show how it has engaged with each group, either directly or indirectly, and taken into consideration the need to maintain a reputation for high standards of business conduct, the long-term consequences of its decisions and the need to foster good business relationships.

Board meetings of the Company are structured to focus on the performance of the Funds (including risk and liquidity management), monitoring the service levels of its business partners and suppliers and regulatory, compliance and governance issues – all of which the Board considers fundamental to the long-term success of the Company and of Man. It also seeks to promote high standards of business conduct in order to maintain the reputation of Man.

The Board keeps abreast of market developments and discusses long-term consequences of decisions and any impacts of changes in client appetite and trends through the regular updates it receives from both the sales team and individual portfolio managers. During the year, the Board approved a decision to launch the Man GLG Sterling Corporate Bond Fund. The Board were provided with the opportunity to thoroughly review the proposed strategy, the investment process, risk management approach and to question the lead portfolio manager. The Board considered the long-term viability of the fund, client demand and the portfolio manager’s track record and was satisfied that client demand was sufficient, there was an opportunity to further Man’s strategy of building strong relationships with clients and that the fund would contribute to the long term success of both Man and the Company through the expansion and diversification of the GLG business. The Board commits to continually monitor performance of all Funds on an ongoing basis.

It is vital that the Company ensures that high standards of business conduct are adhered to. Further information on how this is monitored by Man can be found within Man’s 2021 Annual Report (which does not form part of this report) on page 85. For the Company, the Board delegates direct engagement with its service providers and supply chain to ensure standards are communicated. Due diligence exercises of the services provided by Bank of New York (Mellon), was completed during the year and the feedback was reported to the Board. At each meeting, the Board considers reports from its external service providers and monitors the arrangements for the safeguarding of client money/assets. In light of the continuing impacts of the COVID-19 pandemic, the Board were kept updated on how service providers were responding to the majority of their staff continuing to work from home.

During the year, the Board considered a proposal to implement data charges as a fund cost. The Board were cognisant of its potentially conflicting responsibility to Man as its ultimate owner and also to the shareholders of the Funds and

Man Fund Management UK Limited

Strategic Report (continued)

For the year ended 31 December 2021

as such requested briefings on the governance structure surrounding the data charging, the cost allocation process and current market practice. Furthermore, the FCA were consulted on their views and feedback was reported back to the Board. The Board contemplated the impact to and views of Man, the Funds' clients and also the FCA, as the applicable regulator, and agreed to proceed with the implementation of data charging across the Funds.

The Board has adopted the Group's Modern Slavery and Transparency Statement as part of its commitment to preventing modern slavery within the business.

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



[Antoine Forterre \(Apr 25, 2022 16:54 GMT+1\)](#)

A H J M Forterre
Director
Date: 25 April 2022

Man Fund Management UK Limited

Directors' Report

For the year ended 31 December 2021

Results and dividends

The profit for the year, after taxation, amounted to £154,000 (2020: £803,000). During the year the Company did not declare or pay any dividends (2020: £NIL). 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.

G D Astor
V C Balshaw (resigned 4 October 2021)
D A Barber
T I M Cruickshank
A H J M Forterre (appointed 4 October 2021)
M D Jones (resigned 4 October 2021)
A K Pannu-Purewal (appointed 4 October 2021)
C H Scott

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.

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.

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.

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 page 160 (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.

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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 \(Apr 25, 2022 16:54 GMT+1\)](#)

A H J M Forterre

Director

Date: 25 April 2022

Man Fund Management UK Limited

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.

Man Fund Management UK Limited

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

Report on the audit of financial statements

Opinion

In our opinion the financial statements of Man Fund Management UK 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; and
- the related notes 1 to 18.

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.

Man Fund Management UK Limited

Independent Auditor's Report to the Members of Man Fund Management 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 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 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. These included compliance with Financial Conduct Authority ('FCA') requirements and regulatory capital requirements.

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:

- Performance fees are manually calculated due to complex calculations performed less frequently than management fee calculations with accrued estimates calculated based on an estimated fee base which is prior to the reconciliation of actuals with fund administrators, increasing the relative risk of misstatement. We developed an understanding of the performance fee processes, assessing the design and operating effectiveness of the key controls and tested a sample of transactions to ensure that the correct inputs were used in the calculation. For all estimates subsequently finalised and invoiced after the year-end, we assessed the recalculated amount and the amounts invoiced against the accrued estimate.

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Independent Auditor's Report to the Members of Man Fund Management UK Limited (continued)

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;
- 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
London, United Kingdom
Date: 25 April 2022

Man Fund Management UK Limited

Profit and Loss Account

For the year ended 31 December 2021

	Note	2021 £000	2020 £000
Turnover	4	67,677	62,590
Cost of sales		(66,426)	(60,532)
Gross profit		<hr/> 1,251	<hr/> 2,058
Administrative expenses		(1,097)	(973)
Other operating expenses	5	(8)	(18)
Operating profit	8	<hr/> 146	<hr/> 1,067
Interest receivable and similar income	6	48	6
Interest payable and similar expenses	7	(4)	(82)
Profit before tax		<hr/> 190	<hr/> 991
Tax on profit	12	(36)	(188)
Profit for the financial year attributable to owners of the Company		<hr/> 154	<hr/> 803

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 13 to 20 form part of these financial statements.

Man Fund Management UK Limited

Balance Sheet

As at 31 December 2021

Registered number: 03418585

	Note		2021 £000	2020 £000
Current assets				
Debtors: amounts falling due within one year	13	36,241	32,220	
Cash at bank and in hand		<u>101</u>	<u>11,688</u>	
		36,342	43,908	
Current liabilities				
Creditors: amounts falling due within one year	14	<u>(30,596)</u>	<u>(38,316)</u>	
		(30,596)	(38,316)	
Net current assets			5,746	5,592
Total assets less current liabilities			<u>5,746</u>	<u>5,592</u>
Net assets			<u>5,746</u>	<u>5,592</u>
Capital and reserves				
Called-up share capital	15		1,000	1,000
Profit and loss account			<u>4,746</u>	<u>4,592</u>
			<u>5,746</u>	<u>5,592</u>

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



[Antoine Forterre \(Apr 25, 2022 16:54 GMT+1\)](#)

A H J M Forterre
Director
Date: 25 April 2022

The notes on pages 13 to 20 form part of these financial statements.

Man Fund Management UK Limited

Statement of Changes in Equity

For the year ended 31 December 2021

	Called-up share capital	Profit and loss account	Total equity
	(Note 15)		
	£000	£000	£000
At 1 January 2020	1,000	3,789	4,789
			-
Comprehensive income for the year			
Profit for the financial year	-	803	803
Total comprehensive income for the year	-	803	803
At 31 December 2020	1,000	4,592	5,592
Comprehensive income for the year			
Profit for the financial year	-	154	154
Total comprehensive income for the year	-	154	154
At 31 December 2021	1,000	4,746	5,746

The notes on pages 13 to 20 form part of these financial statements.

Man Fund Management UK Limited

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 13 August 1997. 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 financial instruments, capital management, 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'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 18.

The financial statements have been prepared on the historical cost basis except for the revaluation of certain financial instruments that are measured at fair values at the end of each reporting period 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;

- 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 standards or interpretations issued and not yet effective are expected to have an impact on the Company's financial statements.

Man Fund Management UK Limited

Notes to the Financial Statements

For the year ended 31 December 2021

2. Basis of Preparation of Financial Statements (continued)

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 Taxation

The tax expense for the period comprises current 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.

2.5 Turnover

Fee income is the Company's primary source of revenue, which is derived from the investment management agreements in place with the fund entities. Management fees net of rebates, which include all non-performance related fees, are recognised in the year in which contractual investment management services are provided and do not include any other performance obligations. Fees are generally based on an agreed percentage of the valuation of funds under management and are typically charged in arrears.

Performance fees net of rebates relate to the performance of the funds managed during the year and are recognised when the performance obligation has been met, whereby the fee has crystallised and can be reliably estimated. This is generally at the end of the performance period or upon early redemption by a fund investor. Until the performance period ends market movements could significantly move the net asset value ("NAV") of the fund products. The Company will typically only earn performance fees on any positive investment returns in excess of the high-water mark, meaning it will not be able to earn performance fees with respect to positive investment performance in any year following negative performance until that loss is recouped, at which point a fund investor's investment surpasses the high-water mark. Once crystallised, performance fees typically cannot be clawed back. There are no other performance obligations or services provided which suggest these have been earned either before or after crystallisation date.

The Company manages, operates and reports turnover as a single business segment.

2.6 Cost of sales

Cost of sales comprises third party administration fees and amounts recharged by other group undertakings in respect of delegated investment management services, which are recognised as incurred.

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.

Man Fund Management UK Limited

Notes to the Financial Statements

For the year ended 31 December 2021

2. Basis of Preparation of Financial Statements (continued)

2.8 Other operating expenses

Other operating expenses comprise foreign exchange gains and losses and are recognised as incurred.

2.9 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.

2.10 Foreign currency

The financial statements are presented in Pounds Sterling (GBP), 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.

2.11 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, except for those financial assets and liabilities classified as at fair value through profit or loss ("FVTPL"), which are initially measured at fair value. Transaction costs of financial assets and liabilities carried at FVTPL are expensed in profit or loss.

The Company's financial assets and liabilities are measured subsequently at amortised cost or at FVTPL depending on the classification of the financial assets and liabilities, with classification determined at the time of initial recognition.

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.

Financial liabilities at FVTPL

Financial liabilities at FVTPL are measured at fair value, with gains or losses arising on remeasurement recognised in profit or loss and presented within other operating expenses in the Profit and Loss Account.

Man Fund Management UK Limited

Notes to the Financial Statements

For the year ended 31 December 2021

2. Basis of Preparation of Financial Statements (continued)

2.11 Financial instruments (continued)

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.

2.12 Derivative financial instruments

At times the Company may enter into derivative financial instruments, including foreign exchange forward contracts, to manage its exposure to foreign exchange rate risk. Additionally the Company may enter into derivative contracts to hedge its exposure to certain of its investments in fund products or to obtain the return on such investments without consuming high levels of cash.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each balance sheet date. The resulting gain or loss is recognised in profit or loss immediately.

A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability.

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

The directors have determined that there are no significant areas of judgement or key sources of estimation uncertainty that have a material impact on the Company’s financial statements. 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.

Man Fund Management UK Limited

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

4. Turnover

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

	2021	2020
	£000	£000
Gross management and other fees	62,141	59,220
Performance fees	5,536	3,370
	<u>67,677</u>	<u>62,590</u>

Analysis of the Company's turnover by geographical location is set out below, which is based on the registered domicile of the relevant fund entity:

	2021	2020
	£000	£000
United Kingdom	67,677	62,590
	<u>67,677</u>	<u>62,590</u>

5. Other operating expenses

	2021	2020
	£000	£000
Net foreign exchange losses	(8)	(18)
	<u>(8)</u>	<u>(18)</u>

6. Interest receivable and similar income

	2021	2020
	£000	£000
Bank deposits	-	3
Interest receivable from group companies	48	3
	<u>48</u>	<u>6</u>

7. Interest payable and similar expenses

	2021	2020
	£000	£000
Bank loans and overdrafts	1	3
Interest payable to group companies	3	79
	<u>4</u>	<u>82</u>

8. Operating profit

The operating profit is stated after charging:

	2021	2020
	£000	£000
Net foreign exchange losses	8	18

Man Fund Management UK Limited

Notes to the Financial Statements

For the year ended 31 December 2021

9. Auditor's remuneration

The Company paid the following amounts to its auditor in respect of the audit of the financial statements and for other services provided to the Company:

	2021	2020
	£000	£000
Fees for the audit of the Company	46	44
Non-audit services	47	-
	<u>93</u>	<u>44</u>

The costs of the non-audit services were borne by another Group entity in the prior year.

10. Employees

The Company had no employees at 31 December 2021 (2020: NIL).

11. Directors' remuneration

The directors' emoluments were as follows:

	2021	2020
	£000	£000
Directors' emoluments	55	55
	<u>55</u>	<u>55</u>

Remuneration comprises fees payable to the Company's independent directors.

Other 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 other directors receive no incremental emoluments for their services to the Company.

12. Taxation

	2021	2020
	£000	£000
Corporation tax		
Current tax on profits for the year	36	188
Total current tax	<u>36</u>	<u>188</u>

Factors affecting tax charge for the year

The tax assessed for the year is the same as (2020: the same as) the standard rate of corporation tax in the UK of 19% (2020: 19%) as set out below:

	2021	2020
	£000	£000
Profit before tax	190	991
Profit multiplied by standard rate of corporation tax in the UK of 19% (2020: 19%)	<u>36</u>	<u>188</u>
Total tax charge for the year	<u>36</u>	<u>188</u>

Man Fund Management UK Limited

Notes to the Financial Statements

For the year ended 31 December 2021

12. Taxation (continued)

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. As there is no deferred tax within the Company there is no immediate impact of this change in rate.

13. Debtors: amounts falling due within one year

	2021	2020
	£000	£000
Trade debtors	-	37
Amounts owed by group undertakings	8,427	410
Other debtors	18,280	24,401
Prepayments and accrued income	9,534	7,372
	<u>36,241</u>	<u>32,220</u>

Other debtors principally includes balances relating to the Company's investment management business. For the investment management business the Company acts as the intermediary for the collection of subscriptions due from fund investors and payable to the funds, and for redemptions receivable from the funds and payable to the fund investors of £18,279,000 (2020: £24,385,000).

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).

14. Creditors: amounts falling due within one year

	2021	2020
	£000	£000
Amounts owed to group undertakings	9,532	11,712
Corporation tax	36	188
Other creditors	18,169	23,941
Accruals and deferred income	2,859	2,475
	<u>30,596</u>	<u>38,316</u>

Other creditors principally includes balances relating to the Company's investment management business. For the investment management business, the Company acts as the intermediary for the payment of subscriptions to the funds on behalf of the fund investors, and for the payment of redemptions to the fund investors on behalf of the funds of £18,156,000 (2020: £23,938,000).

Included within Amounts owed to group undertakings are derivatives held with other group undertakings of £2,000 (2020: £6,000). Refer to Note 16 for further details.

15. Share capital

	2021	2020
	£000	£000
Allotted, called-up and fully-paid		
1,000,002 (2020: 1,000,002) ordinary shares of £1.00 each	<u>1,000</u>	<u>1,000</u>

At the balance sheet date the Company has one class of ordinary shares which carry no right to fixed income.

Man Fund Management UK Limited

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

16. Financial Instruments

Categories of financial instruments at fair value

	2021 £000	2020 £000
Financial liabilities at fair value		
Fair value through Profit and Loss – Derivative Instruments	(2)	(6)
	<hr/>	<hr/>
	(2)	(6)
Changes in value of financial instruments at fair value for the year		
(Credit)/charge to the Profit and Loss Account	(3)	6
	<hr/>	<hr/>
	(3)	6

17. 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.

Refer to Note 11 for details of directors' remuneration.

18. 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 FA Sub 3 Limited, a company registered in British Virgin Islands.

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.