

Registered number: 07377274

Man Global Private Markets (UK) Limited
Annual Report and Financial Statements
for the year ended 31 December 2021

Man Global Private Markets (UK) Limited

Company Information

Directors	V C Balshaw (resigned 4 October 2021) D A Barber (appointed 4 October 2021) 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)
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	07377274
Registered office	Riverbank House 2 Swan Lane London EC4R 3AD
Independent auditor	Deloitte LLP 1 New Street Square London EC4A 3HQ United Kingdom

Man Global Private Markets (UK) Limited

Contents

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

Strategic Report

For the year ended 31 December 2021

The directors of Man Global Private Markets (UK) Limited (the “Company”) present their Strategic Report, together with the Directors’ Report and 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 advisory services.

The loss for the year, after taxation, amounted to \$2,032,000 (2020: \$2,305,000). As at 31 December 2021 the Company had net assets of \$8,344,000 (2020: \$5,376,000).

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 enquires the directors have concluded that there is 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. 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 in 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 for the Company

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 the provision of investment advisory services. 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
- employees
- 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’s role within the Group is the provision of investment advisory services for Man Group plc, being the Company’s ultimate parent, and its subsidiaries. As such, the Company’s key stakeholders are its clients, regulators, Man Group plc, as well as other Group subsidiaries. Most significantly, the Company considered and approved the launch and ongoing management of an RI Community Housing Fund. Cognisant of the need to consider the wider Group as part of its specific stakeholder network, the directors approved a principal decision in relation to the resignation of the Company as a borrower to the Group’s \$500,000,000 multicurrency revolving credit facility (“RCF”) agreement. The directors also approved a Research Policy and a new Remuneration Policy during 2021. The directors carefully considered the interests of all potentially impacted stakeholders, including those within the wider Group and to which the Company provides investment advisory services. The Board determined that its principal decisions were in the best interests of the Company to promote its long-term success in line with its corporate purpose.

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

Directors' Report

For the year ended 31 December 2021

Results and dividends

The loss for the year, after taxation, amounted to \$2,032,000 (2020: \$2,305,000). 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.

V C Balshaw (Resigned 4 Oct 2021)

D A Barber (Appointed 4 Oct 2021)

T I M Cruickshank

A H J M Forterre (Appointed 4 Oct 2021)

M D Jones (Resigned 4 Oct 2021)

A K Pannu-Purewal (Appointed 4 Oct 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.

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 2020, 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 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.

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

**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 Global Private Markets (UK) Limited

Report on the audit of financial statements

Opinion

In our opinion the financial statements of Man Global Private Markets (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 loss 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 of the Company which comprise:

- the Profit and Loss Account;
- the Balance Sheet;
- the Statement of Changes in Equity;
- the related notes 1 to 15.

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 Global Private Markets (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 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.

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.

Independent Auditor's Report to the Members of Man Global Private Markets (UK) Limited (continued)

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 Global Private Markets (UK) Limited

Profit and Loss Account

For the year ended 31 December 2021

	Note	2021 \$000	2020 \$000
Turnover	4	14,448	12,269
Cost of sales		(6,626)	(8,354)
Gross profit		<hr/> 7,822	<hr/> 3,915
Administrative expenses		(10,420)	(6,765)
Other operating income		3	12
Operating loss		<hr/> (2,595)	<hr/> (2,838)
Interest receivable and similar income	5	84	42
Loss before tax		<hr/> (2,511)	<hr/> (2,796)
Tax on loss	8	479	491
Loss for the financial year attributable to owners of the Company		<hr/> (2,032)	<hr/> (2,305)

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 20 form part of these financial statements.

Man Global Private Markets (UK) Limited

Balance Sheet

As at 31 December 2021

Registered number: 07377274

	Note		2021 \$000	2020 \$000
Current assets				
Debtors: amounts falling due within one year	9	10,493	10,207	
Cash at bank and in hand		<u>1,000</u>	<u>-</u>	
		11,493	10,207	
Creditors: amounts falling due within one year	10	<u>(3,149)</u>	<u>(4,831)</u>	
		(3,149)	(4,831)	
Net current assets			8,344	5,376
Total assets less current liabilities			<u>8,344</u>	<u>5,376</u>
Net assets			<u>8,344</u>	<u>5,376</u>
Capital and reserves				
Called-up share capital	12	14,119	9,119	
Profit and loss account		<u>(5,775)</u>	<u>(3,743)</u>	
		8,344	5,376	

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 12 to 20 form part of these financial statements.

Man Global Private Markets (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 12)		
	\$000	\$000	\$000
At 1 January 2020	5,119	(1,438)	3,681
Loss for the financial year	-	(2,305)	(2,305)
Issue of share capital (Note 12)	4,000	-	4,000
At 31 December 2020	9,119	(3,743)	5,376
Loss for the financial year	-	(2,032)	(2,032)
Issue of share capital (Note 12)	5,000	-	5,000
At 31 December 2021	14,119	(5,775)	8,344

The notes on pages 12 to 20 form part of these financial statements.

Man Global Private Markets (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 15 September 2010. 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 fair value measurement, 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 revenue from contracts with customers. 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 15.

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;

Notes to the Financial Statements

For the year ended 31 December 2021

2. Basis of preparation of financial statements (continued)

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

- 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.

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 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.

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.

2.5 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.

Man Global Private Markets (UK) Limited

Notes to the Financial Statements

For the year ended 31 December 2021

2. Basis of preparation of financial statements (continued)

2.5 Turnover (continued)

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

Interest income is recognised using the effective interest rate method. In calculating interest income, the effective interest rate is applied to the gross carrying amount of the asset. For financial assets that have been impaired after initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer impaired the interest income calculation reverts to the gross carrying amount.

2.8 Other operating income

Other operating income comprises foreign exchange gains and losses and is recognised as earned.

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 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.

Man Global Private Markets (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

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 assets and liabilities at FVTPL

Financial assets and 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 income in the Profit and Loss Account.

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.

Man Global Private Markets (UK) Limited

Notes to the Financial Statements

For the year ended 31 December 2021

2. Basis of preparation of financial statements (continued)

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.

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.

4. Turnover

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

	2021	2020
	\$000	\$000
Gross management and other fees	14,448	12,240
Performance fees	-	29
	<u>14,448</u>	<u>12,269</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	544	595
Rest of Europe	3,028	1,959
Rest of the world	10,876	9,715
	<u>14,448</u>	<u>12,269</u>

Man Global Private Markets (UK) Limited

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

5. Interest receivable and similar income

	2021	2020
	\$000	\$000
Interest receivable from group companies	84	42
	<u>84</u>	<u>42</u>

6. Auditor's remuneration

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

	2021	2020
	\$000	\$000
Fees for the audit of the Company	61	60
Non-audit Services	6	-
	<u>67</u>	<u>60</u>

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

7. Employees and Directors

Staff costs were as follows:

	2021	2020
	\$000	\$000
Wages and salaries	(90)	590
Social security costs	(14)	128
	<u>(104)</u>	<u>718</u>

The Company had one employee for the 2020 financial year and one employee for a portion of the 2021 financial year, with the average number of employees in that year being zero accordingly. Staff costs in the current year are final accrual adjustments in relation to the employee that departed in 2021.

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.

Man Global Private Markets (UK) Limited

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

8. Taxation

	2021	2020
	\$000	\$000
Corporation tax		
Current tax on loss for the year	(480)	(578)
	<u>(480)</u>	<u>(578)</u>
Total current tax	<u>(480)</u>	<u>(578)</u>
Deferred tax		
Origination and reversal of timing differences	3	95
Changes to tax rates	(2)	(8)
	<u>1</u>	<u>87</u>
Total deferred tax (Note 11)	<u>1</u>	<u>87</u>
Taxation on loss	<u>(479)</u>	<u>(491)</u>

Factors affecting tax charge for the year

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

	2021	2020
	\$000	\$000
Loss before tax	(2,511)	(2,796)
Loss multiplied by standard rate of corporation tax in the UK of 19% (2020: 19%)	(477)	(531)
Effects of:		
Expenses not deductible/income not taxable for tax purposes	-	48
Impact of tax rate changes	(2)	(8)
Total tax credit for the year	<u>(479)</u>	<u>(491)</u>

Factors that may affect future tax charges

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

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.

Man Global Private Markets (UK) Limited

Notes to the Financial Statements

For the year ended 31 December 2021

9. Debtors: Amounts falling due within one year

	2021	2020
	\$000	\$000
Trade debtors	380	121
Amounts owed by group undertakings	7,528	7,375
Corporation Tax	480	578
Prepayments and accrued income	2,095	2,122
Deferred taxation	10	11
	<u>10,493</u>	<u>10,207</u>

Included within Amounts owed by group undertakings are derivatives held with other group undertakings of \$NIL (2020: \$4,000). Refer to Note 13 for further details.

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).

10. Creditors: Amounts falling due within one year

	2021	2020
	\$000	\$000
Amounts owed to group undertakings	1,832	1,877
Other taxation and social security	-	2
Accruals and deferred income	1,317	2,952
	<u>3,149</u>	<u>4,831</u>

11. Deferred tax

Deferred tax is provided as follows:

	2021	2020
	\$000	\$000
At beginning of year	11	98
Charged to profit or loss	(1)	(87)
	<u>10</u>	<u>11</u>

The deferred tax asset is made up as follows:

	2021	2020
	\$000	\$000
Fixed Assets	10	10
Other temporary differences	-	1
	<u>10</u>	<u>11</u>

Man Global Private Markets (UK) Limited

Notes to the Financial Statements

For the year ended 31 December 2021

12. Share capital

	2021	2020
	\$000	\$000
Allotted, called-up and fully-paid		
10,683,985 (2020: 7,098,214) ordinary shares of £1.00 each	14,119	9,119

On 30 April 2021 the Company issued 3,585,771 ordinary shares at par value, which were translated into USD using the exchange rate on that date, being \$1.3944 to £1. The shares issued by the Company in previous years were converted into USD at the exchange rate ruling at the date of issue, the weighted average rate being \$1.2846 to £1.

13. Financial Instruments

Categories of financial instruments at fair value

	2021	2020
	\$000	\$000
Financial assets at fair value		
Fair value through Profit and Loss – Derivative Instruments	-	4
	-	4
Changes in value of financial instruments at fair value for the year		
(Credit)/charge to the Profit and Loss Account	(4)	4
	(4)	4

14. 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 the wholly-owned Group entities.

15. Controlling party

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