

Registered number: 02921462

*Man Strategic Holdings Limited*  
**Annual Report and Financial Statements**  
**for the year ended 31 December 2021**

# *Man Strategic Holdings Limited*

## **Company Information**

Directors	VC Balshaw (resigned 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	T I M Cruickshank (resigned 14 January 2022) R E Sharp (appointed 14 January 2022) E A Woods (resigned 14 January 2022)
Registered number	02921462
Registered office	Riverbank House 2 Swan Lane London EC4R 3AD
Independent auditor	Deloitte LLP 1 New Street Square London EC4A 3HQ

# *Man Strategic Holdings Limited*

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# *Man Strategic Holdings Limited*

## **Strategic Report**

### **For the year ended 31 December 2021**

The directors of Man Strategic Holdings 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 those of an investment holding company.

The current year profit, after taxation, amounted to \$1,669,701,000 (2020: \$825,000). As at 31 December 2021 the Company had net assets of \$4,058,163,000 (2020: \$2,839,462,000). The current year profit was driven by a dividend receipt of \$375,500,000 from the Company's subsidiary undertaking Man Investments Finance Limited ("MIFL"), and by the partial reversal of a previously recognised impairment loss in the Company's investment in subsidiary, as detailed in Note 10 to the financial statements.

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 to 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).

# *Man Strategic Holdings Limited*

## **Strategic Report (continued)**

### **For the year ended 31 December 2021**

#### **Section 172(1) statement**

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

The directors confirm that during the year ended 31 December 2021, they have acted in a way that they consider, in good faith, to be most likely to promote the success of the Company for the benefit of its members as a whole, and in doing so have had regard (amongst other matters) to the matters set out under s.172(1) including the Company’s applicable stakeholders.

The Company’s role within the Group is that of an investment holding company. 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 for the Company:

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

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

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

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

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



Antoine Forterre [Jun 8, 2022 11:32 GMT+1]

**A H J M Forterre**

Director

Date: 8 June 2022

# *Man Strategic Holdings Limited*

## **Directors' Report**

### **For the year ended 31 December 2021**

#### **Results and dividends**

The profit for the year, after taxation, amounted to \$1,669,701,000 (2020: \$825,000).

During the year the Company paid dividends totalling \$451,000,000 (2020 \$NIL) and received dividends totalling \$375,500,000 (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 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)

#### **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.

#### **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).

#### **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.

#### **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.

# *Man Strategic Holdings Limited*

## **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 \(Jun 8, 2022 11:32 GMT+1\)](#)

**A H J M Forterre**

Director

Date: 8 June 2022

# *Man Strategic Holdings 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. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



# *Man Strategic Holdings Limited*

## **Independent Auditor's Report to the Members of Man Strategic Holdings Limited**

### **Report on the audit of the financial statements**

#### **Opinion**

In our opinion the financial statements of Man Strategic Holdings 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 16.

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 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 Strategic Holdings 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](http://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.

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

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

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

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

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

In common with all audits under ISAs (UK), we are 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

## **Independent Auditor's Report to the Members of Man Strategic Holdings Limited (continued)**

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 in-house legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

### **Report on other legal and regulatory requirements**

#### **Opinions on other matters prescribed by the Companies Act 2006**

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

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

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

### **Matters on which we are required to report by exception**

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

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

We have nothing to report in respect of these matters.

### **Use of our report**

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



Peter van Daesdonk (Senior Statutory Auditor)  
For and on behalf of Deloitte LLP  
Statutory Auditor  
London, United Kingdom  
Date: 8 June 2022

## *Man Strategic Holdings Limited*

### **Profit and Loss Account**

For the year ended 31 December 2021

	<b>Note</b>	<b>2021</b>	<b>2020</b>
		<b>\$000</b>	<b>\$000</b>
Administrative expenses		(20)	(20)
Other operating expense	4	-	(1)
<b>Operating loss</b>		<hr style="width: 100%; border: 0.5px solid black;"/> (20)	<hr style="width: 100%; border: 0.5px solid black;"/> (21)
Income from shares in group undertakings	10	375,500	-
Reversal of previously recognised impairment losses	10	1,293,713	-
Interest receivable and similar income	5	622	1,039
<b>Profit before tax</b>		<hr style="width: 100%; border: 0.5px solid black;"/> 1,669,815	<hr style="width: 100%; border: 0.5px solid black;"/> 1,018
Tax on profit	8	(114)	(193)
<b>Profit for the financial year attributable to owners of the Company</b>		<hr style="width: 100%; border: 0.5px solid black;"/> <hr style="width: 100%; border: 0.5px solid black;"/> 1,669,701	<hr style="width: 100%; border: 0.5px solid black;"/> <hr style="width: 100%; border: 0.5px solid black;"/> 825

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 Strategic Holdings Limited*

### **Balance Sheet**

As at 31 December 2021

Registered number: 02921462

	Note	2021 \$000	2020 \$000
<b>Fixed assets</b>			
Investments	10	<u>4,057,979</u>	<u>2,764,266</u>
		4,057,979	2,764,266
<b>Current assets</b>			
Debtors: amounts falling due within one year	11	<u>318</u>	<u>75,491</u>
		318	75,491
Creditors: amounts falling due within one year	12	<u>(134)</u>	<u>(295)</u>
		(134)	(295)
<b>Net current assets</b>		184	75,196
<b>Total assets less current liabilities</b>		<u>4,058,163</u>	<u>2,839,462</u>
<b>Net assets</b>		<u>4,058,163</u>	<u>2,839,462</u>
<b>Capital and reserves</b>			
Called-up share capital	13	500	500
Profit and loss account		<u>4,057,663</u>	<u>2,838,962</u>
		<u>4,058,163</u>	<u>2,839,462</u>

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



[Antoine Forterre \(Jun 8, 2022 11:32 GMT+1\)](#)

**A H J M Forterre**

Director

Date: 8 June 2022

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

## *Man Strategic Holdings Limited*

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

	<b>Called-up share capital</b>	<b>Profit and loss account</b>	<b>Total equity</b>
	<b>(Note 13)</b>		
	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
<b>At 1 January 2020</b>	500	2,838,137	2,838,637
<b>Comprehensive income for the year</b>			
Profit for the financial year	-	825	825
<b>At 31 December 2020</b>	500	2,838,962	2,839,462
<b>Comprehensive income for the year</b>			
Profit for the financial year	-	1,669,701	1,669,701
Dividends: Equity capital (Note 9)	-	(451,000)	(451,000)
<b>At 31 December 2021</b>	500	4,057,663	4,058,163

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

# *Man Strategic Holdings 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 22 April 1994. 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 comparative information in respect of certain assets, presentation of a cash-flow statement, related party transactions and standards not yet effective. Where required, equivalent disclosures are given in the group accounts of Man Group plc.

The Company is exempt by virtue of s401 of the Companies Act 2006 from the requirement to prepare group financial statements as it is a wholly owned subsidiary of Man Group plc. These financial statements present information about the Company as an individual undertaking and not about its group. The Company's ultimate parent undertaking, Man Group plc, includes the Company in its consolidated financial statements. The consolidated financial statements of Man Group plc are prepared in accordance with International Financial Reporting Standards as adopted by the United Kingdom and are publicly available and may be obtained from the address given in Note 16.

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

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

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

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

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

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

- 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;

# *Man Strategic Holdings Limited*

## **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.

#### **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 Investments**

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

#### **2.5 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 may differ 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.

#### **2.6 Dividend income**

Dividend income is recognised when the right to receive payment is established.

#### **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/(expense) is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer impaired interest income/(expense) calculation reverts to the gross carrying amount.

#### **2.8 Other operating expenses**

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



## *Man Strategic Holdings Limited*

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

#### **2. Basis of Preparation of Financial Statements (continued)**

##### **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.

##### **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.

The Company's financial assets and liabilities are measured subsequently at amortised cost.

##### ***Financial assets and liabilities at amortised cost***

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

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

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

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

# *Man Strategic Holdings 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)**

##### *Impairment of financial assets*

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

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

In the application of the Company's accounting policies, which are described in Note 2 above, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions, which are reviewed on an ongoing basis, are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

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

The following have been considered as judgemental areas by the directors as they have the most significant effect on the amounts recognised in the financial statements.

#### *Critical accounting judgements, estimates and assumptions*

##### **Impairment of investments in subsidiaries**

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

### **4. Other operating expenses**

	<b>2021</b>	<b>2020</b>
	<b>\$000</b>	<b>\$000</b>
Net foreign exchange losses	-	(1)
	<u>-</u>	<u>(1)</u>

### **5. Interest receivable and similar income**

	<b>2021</b>	<b>2020</b>
	<b>\$000</b>	<b>\$000</b>
Interest receivable from group companies	622	1,039
	<u>622</u>	<u>1,039</u>

## *Man Strategic Holdings Limited*

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

#### **6. Auditor's remuneration**

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

	<b>2021</b>	<b>2020</b>
	<b>\$000</b>	<b>\$000</b>
Fees for the audit of the Company	20	20
	<u>20</u>	<u>20</u>

#### **7. Employees and Directors**

The Company had no employees during the current or prior year. 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.

#### **8. Taxation**

	<b>2021</b>	<b>2020</b>
	<b>\$000</b>	<b>\$000</b>
<b>Corporation tax</b>		
Current tax on profits for the year	114	193
<b>Total current tax</b>	<u>114</u>	<u>193</u>

#### **Factors affecting tax charge for the year**

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

	<b>2021</b>	<b>2020</b>
	<b>\$000</b>	<b>\$000</b>
<b>Profit before tax</b>	1,669,815	1,018
Profit multiplied by standard rate of corporation tax in the UK of 19% (2020: 19%)	317,265	193
<b>Effects of:</b>		
Dividends from UK companies	(71,345)	-
Impairment of investments in subsidiaries	(245,806)	-
<b>Total tax charge for the year</b>	<u>114</u>	<u>193</u>

#### **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.

## *Man Strategic Holdings Limited*

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

#### **9. Dividends on equity shares**

Amounts recognised as distributions to equity holders in the period:

	<b>2021</b>	<b>2020</b>
	<b>\$000</b>	<b>\$000</b>
Interim dividend for the year ended 31 December 2021 of \$30.925711 (2020: \$NIL) per ordinary share	451,000	
	<u>451,000</u>	<u>-</u>

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

#### **10. Fixed Asset Investments**

	<b>Investments in subsidiary companies</b>
	<b>\$000</b>
<b>Cost or valuation</b>	
At 1 January 2021	4,548,047
At 31 December 2021	<u>4,548,047</u>
<b>Impairment</b>	
At 1 January 2021	1,783,781
Written back	(1,293,713)
At 31 December 2021	<u>490,068</u>
<b>Net book value</b>	
At 1 January 2021	<u>2,764,266</u>
At 31 December 2021	<u>4,057,979</u>

#### **Subsidiary undertakings**

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

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

During the year, the Company received a dividend \$375,500,000 from MIFL (2020: \$NIL).

During the year, the company recognised a partial reversal of \$1,293,713,000 of previously recognised impairment losses in the carrying value of the investment in its subsidiary MIFL, as a result of a significant increase in the subsidiaries' recoverable amount to \$4,057,959,000 at 31 December 2021.

The increase in recoverable amount during the period was driven by an increase in the overall value in use of the Group following a period of sustained growth forecasts for the business. The discount rates and other assumptions used in calculating the value in use of MIFL in the current and prior years are those applied in the value in use calculations of the Group's cash-generating units, as disclosed in the Group's 2021 and 2020 Annual Reports respectively.

Changes in the assumptions used in calculating the value in use of the Group's cash-generating units may result in a material adjustment to the carrying value of MIFL within the next financial year. Reasonably foreseeable

# Man Strategic Holdings Limited

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

### 10. Fixed Asset Investments (continued)

#### Subsidiary undertakings (continued)

changes in these assumptions would increase or decrease the portion of the previously recognised impairment loss as follows.

	Decrease in average annualised growth in AUM	10%	(Decrease)/increase in discount rate (post-tax)	1%	Increase/(decrease) in multiples (post-tax)	1x	(1)x
Key assumption stressed to: Modelled increase/(decrease) in impairment reversal (\$m)	2%	10%	(1%)	1%	1x	(1)x	
	(317)	(1,468) <sup>1</sup>	72	(72)	223	(223)	

<sup>1</sup>In the case of a decrease in average annualised growth in AUM of 10%, the projected decrease in impairment reversal of \$1,468 million would indicate no impairment reversal, rather a further impairment charge of \$174 million may be required.

Company name	Registered address	Direct or indirect	Country of incorporation	Class of shares	Percentage holding %
AHL Partners LLP	Riverbank House, 2 Swan Lane, London, EC4R 3AD	Indirect	UK	Partnership interest	100
FA Sub 2 Limited	Ritter House, Wickhams Cay II, Road Town, Tortola, VG1110	Indirect	BVI	Ordinary	100
FA Sub 3 Limited	Ritter House, Wickhams Cay II, Road Town, Tortola, VG1110	Indirect	BVI	Ordinary	100
Financial Risk Management Limited	Riverbank House, 2 Swan Lane, London, EC4R 3AD	Indirect	UK	Ordinary	100
FRM Holdings Limited	Gaspé House, 66-72 Esplanade, St Helier, JE2 3QT	Indirect	Jersey	Ordinary	100
FRM Investment Management Limited	PO Box 186, Royal Chambers, St. Julian's Avenue, St Peter Port, GY1 4HP, Guernsey	Indirect	Guernsey	Ordinary	100
GLG Holdings Limited	Wickhams Cay, PO Box 662, Road Town, Tortola	Indirect	BVI	Ordinary	100
GLG Partners Limited	Riverbank House, 2 Swan Lane, London, EC4R 3AD	Indirect	UK	Ordinary	100
GLG Partners LP	Riverbank House, 2 Swan Lane, London, EC4R 3AD	Indirect	UK	Partnership interest	100
Man Asset Management (Ireland) Limited	70 Sir John Rogerson's Quay, Dublin 2	Indirect	Ireland	Ordinary	100
Man (Europe) AG	Austrasse 56, 9490, Vaduz, Liechtenstein	Indirect	Liechtenstein	Ordinary	100
Man Fund Management (Guernsey) Limited	PO Box 186, Royal Chambers, St. Julian's Avenue, St Peter Port, GY1 4HP, Guernsey	Indirect	Guernsey	Ordinary	100
Man Fund Management Netherlands BV	Beurs – World Trade Center, Beursplein 37, 3011 AA, Rotterdam	Indirect	Netherlands	Ordinary	100
Man Fund Management UK Limited	Riverbank House, 2 Swan Lane, London, EC4R 3AD	Indirect	UK	Ordinary	100
Man GLG Partners LLP	Riverbank House, 2 Swan Lane, London, EC4R 3AD	Indirect	UK	Partnership interest	100
Man Global Private Markets (UK) Limited	Riverbank House, 2 Swan Lane, London, EC4R 3AD	Indirect	UK	Ordinary	100
Man Group Investments Limited	Riverbank House, 2 Swan Lane, London, EC4R 3AD	Indirect	UK	Ordinary	100
Man Group Operations Limited	Riverbank House, 2 Swan Lane, London, EC4R 3AD	Indirect	UK	Ordinary	100
Man Group Services Limited	Riverbank House, 2 Swan Lane, London, EC4R 3AD	Indirect	UK	Ordinary	100
Man Group UK Limited	Riverbank House, 2 Swan Lane, London, EC4R 3AD	Indirect	UK	Ordinary	100
Man Investments Finance Limited	Riverbank House, 2 Swan Lane, London, EC4R 3AD	Direct	UK	Ordinary	100
Man Investments Holdings (Jersey) Limited (formerly E.D.&F. Man Investments Limited)	15 Esplanade, St Helier, JE1 1RB	Indirect	Jersey	Ordinary	100
Man Investments Holdings Limited	Riverbank House, 2 Swan Lane, London, EC4R 3AD	Indirect	UK	Ordinary	100
Man Investments Limited	Riverbank House, 2 Swan Lane, London, EC4R 3AD	Indirect	UK	Ordinary	100
Man Mash Limited	Riverbank House, 2 Swan Lane, London, EC4R 3AD	Indirect	UK	Ordinary	100
Man Solutions Limited	Riverbank House, 2 Swan Lane, London, EC4R 3AD	Indirect	UK	Ordinary	100
Man Valuation Services Limited	Riverbank House, 2 Swan Lane, London, EC4R 3AD	Indirect	UK	Ordinary	100
Mount Granite Limited	Wickhams Cay, PO Box 662, Road Town, Tortola	Indirect	BVI	Ordinary	100
RBH Holdings (Jersey) Limited	IFC 5, St Helier, JE1 1ST, Jersey	Indirect	Jersey	Ordinary	100
GLG Partners UK Group Ltd (in liquidation)	Kings Orchard, 1 Queen Street, Bristol, BS2 0HQ	Indirect	UK	Ordinary	100
GLG Partners UK Holdings Ltd (in liquidation)	Kings Orchard, 1 Queen Street, Bristol, BS2 0HQ	Indirect	UK	Ordinary	100
Man Fund Management Limited (in liquidation)	Cranford Centre, Stillorgan Road, Dublin 4	Indirect	Ireland	Ordinary	100

## ***Man Strategic Holdings Limited***

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

#### **11. Debtors: amounts falling due within one year**

	<b>2021</b>	<b>2020</b>
	<b>\$000</b>	<b>\$000</b>
Amounts owed by group undertakings	318	75,491
	<u>318</u>	<u>75,491</u>

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).

#### **12. Creditors: amounts falling due within one year**

	<b>2021</b>	<b>2020</b>
	<b>\$000</b>	<b>\$000</b>
Amounts owed to group undertakings	20	102
Corporation tax	114	193
	<u>134</u>	<u>295</u>

#### **13. Share capital**

	<b>2021</b>	<b>2020</b>
	<b>\$000</b>	<b>\$000</b>
<b>Allotted, called-up and fully-paid</b>		
14,583,335 (2020: 14,583,335) ordinary shares of \$0.034286 each	500	500

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

#### **14. Guarantees and commitments**

##### **Intra-day overnight credit facilities**

The Company guarantees the obligations of its subsidiary, Man Investments Finance Limited, under \$100,000,000 (31 December 2020: \$100,000,000) intra-day and \$25,000,000 overnight credit facilities (31 December 2020: \$25,000,000), used to settle the majority of the Group's banking arrangements. As at 31 December 2021 the exposure under the intra-day facility was \$NIL (31 December 2020: \$NIL) and the overnight facility exposure was \$NIL (31 December 2020: \$NIL). The fair value of these commitments has been determined to be \$NIL (31 December 2020: \$NIL).

##### **Operating lease commitments**

The Company has guaranteed the performance of its subsidiary Man Group Operations Limited in relation to a number of property lease contracts. The fair value of these commitments has been determined to be \$NIL (31 December 2020: \$NIL).

##### **Printer lease commitments**

The Company guarantees Man Group Operations Limited in relation to its contract with a third-party supplier for the lease of printing equipment. The fair value of these commitments has been determined to be \$NIL (31 December 2020: \$NIL).

## *Man Strategic Holdings Limited*

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

#### **15. 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.

#### **16. 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 Group 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.