

Registered number: 00459151

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

Man Group Services Limited

Company Information

Directors	L K Carty (appointed 27 March 2023) L J Cottrell (resigned 27 March 2023) T I M Cruickshank R Grew (appointed 1 September 2023) S L Ellis (resigned 31 August 2023) A H J M Forterre
Company secretary	T I M Cruickshank (resigned 14 January 2022) R E Sharp (appointed 14 January 2022) E A Woods (resigned 14 January 2022, appointed 2 May 2023)
Registered number	00459151
Registered office	Riverbank House 2 Swan Lane London EC4R 3AD United Kingdom
Independent auditor	Deloitte LLP 2 New Street Square London EC4A 3BZ United Kindgdom

Man Group Services Limited

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Strategic Report

For the year ended 31 December 2022

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

Principal activity

The principal activity of the Company is the holding of service contracts for the UK employees of Man Group plc and its subsidiaries (the “Group”). All costs and expenses associated with these employees are settled by a fellow Group subsidiary.

The Company is the principal employer of the Group's UK defined benefit pension plan (the “Plan”). With the retirement of the last remaining active member in the Plan in the year ended 31 December 2022, the Company reassumed the primary obligation for meeting the obligations under the Plan. Accordingly, effective from this date, the Company now recognises the assets and liabilities of the Plan on its Balance Sheet.

During the year, the functional currency of the Company changed from United States dollars (“USD”) to British pound sterling (“GBP”) to align with the primary economic environment in which the Company now operates.

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

Key performance indicators

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

Going concern

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

Principal risks and uncertainties

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

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

The directors will continue to monitor any changes in the operating environment of the Company.

Section 172(1) statement

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 2022, they have acted in a way that they consider, in good faith, to be most likely to promote the success of the Company for the benefit of its members as a whole, and in doing so have had regard (amongst other matters) to the matters set out in s.172 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 further detail within the Group's 2022 Annual Report (which does not form part of this report). The following key stakeholders of the Company have been identified:

- clients
- regulators
- shareholders
- employees

Strategic Report (Continued)
For the year ended 31 December 2022

Section 172(1) statement (continued)

- communities
- environment
- business partners and suppliers
- other Group subsidiaries

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

The Company's Board of directors have the necessary skills and experience required to make decisions on behalf of the Company and identify any potential impacts of their decisions on its stakeholders. The Company's directors make use of the consideration and engagement undertaken at Group level in their decision-making and management of the Company. They consider that s.172 obligations have been considered to an appropriate extent and wish to highlight certain principal decisions taken during the year to illustrate discharge of their s.172 duties. The directors of the Company did not approve any principal decisions during the financial year.

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



Antoine Forterre (Sep 27, 2023 09:32 GMT+1)

A H J M Forterre

Director

Date: 27 September 2023

Directors' Report

For the year ended 31 December 2022

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

Dividends

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

Directors

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

Qualifying third-party indemnity provisions

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

Future developments

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

Employees

The Company's employees provide services to a fellow Group undertaking, Man Group Operations Limited ("MGOL"), under a services agreement. Employment policies and engagement services are determined at a Group level and implemented by the Company. Further information in relation to employees can be found in Note 8.

Employee involvement

The Group recognises that its people are integral to its success. Employee engagement and retention are therefore actively monitored to ensure that the Group maintains and develops an engaged and motivated workforce. The Group's annual employee engagement survey, alongside its interactive employee engagement programme led by the Man Group plc Board members, allows employees an opportunity to contribute to that directly. In 2022, the Group achieved an employee engagement score of 8.2 out of 10, and its voluntary attrition rate was low at 10.7%. The Group remains committed to supporting the communities it operates within by sharing its time, expertise and resources.

Alongside the engagement survey, the Group continues to provide various mechanisms for staff to provide feedback. Town halls have been held throughout the year, during which Group's executive directors explained the firm's strategy and growth drivers. Presentations by the Group's senior management on the firm's ESG, RI, and technology strategies were also held so employees understand how they contribute to the overarching strategy of the firm.

The Group's 'Drive' programme is run by employees and sponsored by the senior management team. It gives voice to the Group's initiatives both internally and externally, enabling the Group to help drive change in the industry to attract talent, and champions our zero-tolerance approach to discrimination of any kind. Drive is coordinated by the Group's DE&I Steering Committee, which ensures representation of staff from the Group's offices across the world.

Further information on employee engagement, as it relates to the Group, is discussed in the People and Culture section of the Group's 2022 Annual Report (which does not form part of this report).

Disabled employees

The employment policy of the Company as it relates to disabled persons is consistent with the policy identified at Group level and managed by the directors of the Group. The Group is committed to providing equal employment opportunities, and discrimination by any individual on the grounds of age, disability, gender, race, religion, sexual orientation, or educational background is not tolerated. Full and fair consideration is given by the Group to all employment applications, including from people with disabilities, considering their aptitudes and abilities. Where existing employees become disabled, it is the Company's policy wherever practicable to provide continuing employment under existing terms and conditions and to provide training, career development and promotion to disabled employees wherever appropriate.

Directors' Report (Continued)

For the year ended 31 December 2022

Disabled employees (continued)

The Group is registered as a "disability confident" employer under the DWP's scheme and will undertake to make reasonable adjustments for staff.

Research and development

A number of the Company's employees are engaged in research and development activities. These activities are in the fields of computer science, software engineering and signal processing. Further details of the Group's activities in the field of research and development can be found in the Group's 2022 Annual Report (which does not form part of this report).

Energy and Carbon Reporting

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

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

Financial instruments

The Company has exposure to market, foreign exchange, liquidity, credit, and interest rate risk. Given the absence of external borrowings for the Company, liquidity risk and interest rate risk are not considered material.

The Company's principal financial assets are amounts due from Group undertakings, and as such, the credit risk is mainly attributable to these balances. The Company recognises a loss allowance for any expected credit losses ("ECL") on its financial assets measured at amortised cost.

Auditor

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

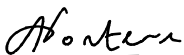
Disclosure of information to auditor

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

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

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

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



Antoine Forterre (Sep 27, 2023 09:32 GMT+1)

A H J M Forterre

Director

Date: 27 September 2023

**Director's Responsibilities Statement
For the year ended 31 December 2022**

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

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

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

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

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

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

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

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

Report on the audit of financial statements

Opinion

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

- give a true and fair view of the state of the Company's affairs as at 31 December 2022 and of its 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 Companies Act 2006.

We have audited the financial statements of the Company which comprise:

- the Profit and Loss Account;
- the Statement of Comprehensive Income;
- the Balance Sheet;
- the Statement of Changes in Equity;
- the related notes 1 to 17.

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

Basis for opinion

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

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

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

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

Responsibilities of directors

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

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

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

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

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

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and 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.

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

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 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 and 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.

Other matter

As the Company was exempt from audit under section 480 of the Companies Act 2006 in the prior year we have not audited the corresponding amounts for that year.

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: 27 September 2023

Man Group Services Limited

Profit and Loss Account

For the year ended 31 December 2022

	Note	2022 £000	2021 (unaudited) £000
Turnover	4	3	-
Gross profit		<hr/> 3	<hr/> -
Administrative expenses		(211)	-
Other operating income	5	1	-
Operating loss		<hr/> (207)	<hr/> -
Other finance income	6	61	-
Loss before tax		<hr/> (146)	<hr/> -
Tax on profit	9	29	-
Loss for the financial year attributable to owners of the Company		<hr/> (117) <hr/>	<hr/> - <hr/>

All amounts relate to continuing operations.

The notes on pages 13 to 23 form part of these financial statements.

Man Group Services Limited

Statement of Comprehensive Income For the year ended 31 December 2022

	Note	2022 £000	2021 (unaudited) £000
Loss for the financial year		<u>(117)</u>	<u>-</u>
Other comprehensive expense			
Remeasurement of post-employment benefit obligations	15	(326)	-
Deferred tax on pension plan	12	<u>(59)</u>	<u>-</u>
Items that will not be reclassified to profit or loss		<u>(385)</u>	<u>-</u>
Total comprehensive loss for the financial year		<u><u>(502)</u></u>	<u><u>-</u></u>

The notes on pages 13 to 23 form part of these financial statements.

Man Group Services Limited

Balance Sheet

As at 31 December 2022

Registered number: 00459151

	Note	2022 £000	2021 (unaudited) £000
Current assets			
Debtors	10	<u>4,057</u>	<u>-</u>
		4,057	-
Current liabilities			
Creditors: amounts falling due within one year	11	<u>(4,200)</u>	<u>-</u>
		(4,200)	-
Net current liabilities		(143)	-
Net liabilities excluding pension asset		<u>(143)</u>	<u>-</u>
Pension asset	15	<u>17,872</u>	<u>-</u>
Net assets		<u>17,729</u>	<u>-</u>
Capital and reserves			
Called-up share capital	13	-	-
Other reserves	14	18,231	-
Profit and loss account		<u>(502)</u>	<u>-</u>
		<u>17,729</u>	<u>-</u>

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



[Antoine Forterre \(Sep 27, 2023 09:32 GMT+1\)](#)

A H J M Forterre

Director

Date: 27 September 2023

The notes on pages 13 to 23 form part of these financial statements.

Man Group Services Limited

Statement of Changes in Equity

For the year ended 31 December 2022

	Called-up share capital (Note 13) £000	Other reserves (Note 14) £000	Profit and loss account £000	Total equity £000
At 1 January 2021 and 31 December 2021	-	-	-	-
At 1 January 2022	-	-	-	-
Loss for the financial year	-	-	(117)	(117)
Other comprehensive expense	-	-	(385)	(385)
Total comprehensive loss for the year	-	-	(502)	(502)
Capital contribution	-	18,231	-	18,231
Total transactions with owners	-	18,231	-	18,231
At 31 December 2022	-	18,231	(502)	17,729

The notes on pages 13 to 23 form part of these financial statements.

Notes to the Financial Statements

For the year ended 31 December 2022

1. General information

The Company is a private company, limited by shares, incorporated in the United Kingdom under the Companies Act 2006 and registered in England and Wales. The Company was first incorporated on 25 September 1948. The Company's registered office address is stated within the Company Information section.

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

2. Significant accounting policies

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

2.1 Basis of preparation

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

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to financial instruments, capital management, presentation of a cash-flow statement, standards not yet effective and related party transactions. 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 17.

The financial statements have been prepared on the historical cost basis except for the revaluation of certain financial instruments and the defined benefit pension plan 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

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

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

2.3 Going Concern

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

2.4 Foreign Currency translation

The financial statements are presented in pound sterling (GBP), which is the currency of the primary economic environment in which the Company operates (its functional currency).

The Company prospectively changed its functional currency from United States dollars (USD) to GBP on 31 October 2022, in accordance with IAS 21 'The Effects of Changes in Foreign Exchange Rates', as a result of it reassuming the primary obligations of the Plan.

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

2. Significant accounting policies (continued)

2.4 Foreign currency (continued)

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.

2.5 Turnover

The Company's primary source of revenue is intercompany service fee income (amounts recharged to other Group undertakings) in respect of the provision of employees to be directed in the performance of the activities of a fellow Group undertaking. Intercompany service fee income is recognised in the year in which the services are provided.

2.6 Costs

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

2.7 Taxation

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

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

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

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

2.8 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.

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

2. Significant accounting policies (continued)

2.8 Financial instruments (continued)

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 by applying the simplified approach under IFRS 9. The assessment of the probability of default and loss is based on historical data adjusted by observable data on events that may have a detrimental impact on the estimated future cash flows of the financial asset.

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.

Notes to the Financial Statements

For the year ended 31 December 2022

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

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

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.

Defined benefit pension scheme

The Company operates a defined benefit pension scheme. The net assets and liabilities of the scheme are incorporated into the Company's Balance Sheet. The actuarial assumptions used in the valuation of those assets and liabilities are key sources of estimation uncertainty and are set out in Note 15.

4. Turnover

An analysis of turnover by class of business is as follows:

	2022	2021
	(unaudited)	
	£000	£000
Intercompany service fee income	3	-
	<u>3</u>	<u>-</u>

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

	2022	2021
	(unaudited)	
	£000	£000
United Kingdom	3	-
	<u>3</u>	<u>-</u>

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

5. Other operating income

	2022	2021
	(unaudited)	
	£000	£000
Net foreign exchange gains	1	-
	<u>1</u>	<u>-</u>

6. Other finance income

	2022	2021
	(unaudited)	
	£000	£000
Interest on defined benefit pension asset	61	-
	<u>61</u>	<u>-</u>

7. Auditor's remuneration

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

	2022	2021
	(unaudited)	
	£000	£000
Fees for the audit of the Company	103	-
	<u>103</u>	<u>-</u>

8. Employees and Directors

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

	2022	2021
	(unaudited)	
	£000	£000
Wages and salaries	205,012	164,580
Social security costs	34,944	29,115
Pension costs - defined contribution	7,085	6,017
Pension costs - defined benefit	103	76
Fund product-based compensation	14,241	8,424
Share-based payment charge	17,870	12,424
	<u>279,255</u>	<u>220,635</u>

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

	2022	2021
	(unaudited)	
	No.	No.
Permanent staff	1,011	956
Temporary staff	82	37
	<u>1,093</u>	<u>993</u>

The Company is the employing entity of those employees who provide services to its fellow Group undertaking, Man Group Operations Limited ("MGOL"), under a services agreement. Under the services agreement, these employees are made available to MGOL to be directed in the performance of its activities, for which MGOL pays an annual service fee to the Company of £39,000. The employee-related costs and expenses are settled and borne by MGOL.

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

Man Group Services Limited

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

9. Taxation

	2022	2021
		(unaudited)
	£000	£000
Corporation tax		
Current tax on loss for the year	(21)	-
	(21)	-
Total current tax	(21)	-
Deferred tax		
Current year	(6)	-
Changes to tax rates	(2)	-
	(8)	-
Total deferred tax (Note 12)	(8)	-
Total tax credit	(29)	-

Factors affecting tax charge for the year

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

	2022	2021
		(unaudited)
	£000	£000
Loss before tax	(146)	-
Profit multiplied by standard rate of corporation tax in the UK of 19% (2021: 19%)	(27)	-
Effects of:		
Impact of tax rate changes	(2)	-
Total tax credit	(29)	-

Factors that may affect future tax charges

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

The following amounts have been recognised in other comprehensive income:

Man Group Services Limited

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

9. Taxation (continued)

	2022	2021
	(unaudited)	
	£000	£000
Deferred tax		
Current year charge	59	-
	<hr/> 59	<hr/> -
Total income tax recognised directly in other comprehensive income	<hr/> 59	<hr/> -

10. Debtors

	2022	2021
	(unaudited)	
	£000	£000
Amounts owed by group undertakings	4,036	-
Corporation tax debtor	21	-
	<hr/> 4,057	<hr/> -

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

11. Creditors: amounts falling due within one year

	2022	2021
	(unaudited)	
	£000	£000
Deferred tax liability	4,200	-
	<hr/> 4,200	<hr/> -

12. Deferred Tax

	2022	2021
	(unaudited)	
	£000	£000
Recognition of defined benefit pension scheme	4,149	-
Credited to profit or loss	(8)	-
Charged to other comprehensive income	59	-
	<hr/> 4,200	<hr/> -

The deferred tax liability is made up as follows:

	2022	2021
	(unaudited)	
	£000	£000
Pension surplus	4,200	-
	<hr/> 4,200	<hr/> -

Man Group Services Limited

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

13. Share capital

	2022	2021
	£	(unaudited)
		£
Allotted, called-up and fully-paid		
100 (2021: 100) ordinary shares of £1.00 each	100	100

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

14. Other Reserves

	2022	2021
	£000	(unaudited)
		£000
Capital contribution	18,231	-
	<u>18,231</u>	<u>-</u>

As part of a group-wide reorganisation to eliminate redundant entities and streamline operations, on 19 December 2022, the Company's current parent company, Man Group Treasury Limited acquired the Company from MGOL, for consideration of £18,231,000. The consideration paid was equivalent to the fair value of the Company at acquisition.

15. Pension

Defined benefit schemes

A defined benefit plan creates a financial obligation to provide funding to the pension plan to provide a retired employee with pension benefits usually dependent on one or more factors such as age, years of service and compensation.

The Company is the principal employer of the Plan. With the retirement of the last remaining active member in the Plan in the year ended 31 December 2022, the Company reassumed the primary obligation for meeting the obligations under the Plan. Accordingly, effective from this date, the assets and liabilities of the Plan are incorporated into the Company's Balance Sheet in accordance with IAS 19 'Employee Benefits'. The Plan is operated separately from the Company and managed by independent trustees. The trustees are responsible for payment of the employee benefits and management of the Plan's assets. Under UK regulations, the Company and the trustees of the Plan are required to agree a funding strategy and contribution schedule for the Plan.

The Company has concluded that it has no requirement to adjust the Balance Sheet to recognise either a current surplus or a minimum funding requirement on the basis that the Company has an unconditional right to a refund of a current or projected future surplus at some point in the future. The Plan was closed to new members in May 1999, and to future accrual in May 2011.

Pension commitments

	2022
	£000
Present value of funded obligations	(202,176)
Fair value of plan assets	220,048
Net pension asset	<u>17,872</u>

Man Group Services Limited

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

15. Pension (continued)

Reconciliation of present value of plan liabilities

	Liabilities
	2022
	£000
At the beginning of the year	-
Transfer from other Group Company	(204,211)
Interest cost	(940)
Actuarial gains	884
Benefits paid	2,091
At the end of the year	<u>(202,176)</u>

Reconciliation of present value of plan assets

	Assets
	2022
	£000
At the beginning of the year	-
Transfer from other Group Company	222,442
Interest income	1,001
Actuarial losses	(1,210)
Running Costs	(94)
Benefits paid	(2,091)
At the end of the year	<u>220,048</u>

The amounts recognised in other comprehensive income are as follows:

	2022
	£000
Change in financial assumptions	(1,545)
Experience adjustments on benefit obligations	2,429
Actual return on plan assets less interest on plan assets	(1,210)
Total	<u>(326)</u>

The amounts recognised in profit or loss are as follows:

	2022
	£000
Running costs	(94)
Net interest income	<u>61</u>
	<u>(33)</u>

Man Group Services Limited

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

15. Pension (continued)

The most significant actuarial assumptions used in the valuation of the Plan are as follows:

	2022 %
Discount rate	4.8
Price inflation	3.3
Pension payment increases	3.7
Deferred pension increases	5.0

Illustrative life expectancy assumptions are set out in the table below.

	2022 Years
Life expectancy of male aged 60 at year end	27
Life expectancy of male aged 60 in 20 years	28
Life expectancy of female aged 60 at year end	30
Life expectancy of female aged 60 in 20 years	31

The weighted average duration of a pension plan is the average term over which the plan's benefits are expected to fall due, weighted by the present value of each expected benefit payment. The weighted average duration of the Plan is approximately 13 years.

Sensitivity analysis

The table below illustrates the impact on the assessed value of the benefit obligations from changing the most sensitive actuarial assumptions in isolation. Each assumption has been varied individually and a combination of changes in assumptions could produce a different result. The range of possible discount and inflation rate assumptions considered in the analysis reflect heightened volatility in interest rates and inflation towards the end of the year. The calculations have been carried out using the same method and data as the pension figures.

	2022 £000
Increase in obligation:	
Discount rate decreased by 0.5% p.a.	13,242
Inflation rate increased by 0.5% p.a.	4,138
One year increase in assumed life expectancy	7,448

Composition of plan assets

The assets held by the plan as at 31 December 2022 were as follows:

	2022 £000
Fund investments	74,499
Liability-driven investments (LDI)	63,599
Bonds	72,344
Cash	9,606
Total assets	<u>220,048</u>

Notes to the Financial Statements

For the year ended 31 December 2022

16. 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.

17. 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 Treasury 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.