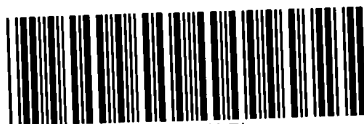


Marshall Wace Asset Management Limited
Annual report and financial statements
For the year ended 28 February 2017

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Marshall Wace Asset Management Limited

Contents

	Page
Company information	1
Strategic report	2
Directors' report	3
Directors' responsibilities statement	4
Independent auditors' report	5 - 6
Statement of comprehensive income	7
Statement of financial position	8
Statement of changes in equity	9
Notes to the financial statements	10 - 23

Marshall Wace Asset Management Limited

Company Information

Directors	P R C Marshall I G P Wace A P Clarke D E Ford C J Musgrave J E May
Registered number	03384699
Registered office	George House 131 Sloane Street London SW1X 9AT
Independent auditors	Ernst & Young LLP 25 Churchill Place London E14 5EY
Bankers	Royal Bank of Scotland PLC PO Box 12258 1 Princes Street London EC2R 8PA
Solicitors	Simmons & Simmons CityPoint 1 Ropemaker Street London EC2Y 9SS

Marshall Wace Asset Management Limited

Strategic report For the year ended 28 February 2017

Introduction

The directors present their strategic report for Marshall Wace Asset Management Limited ("the Company") for the year ended 28 February 2017.

Principal activity and review of business

The principal activity during the year was the provision of support services to Marshall Wace LLP ("MW LLP"). There are no anticipated changes to the business conducted by the Company in the foreseeable future.

Principal risks and uncertainties

As the Company's principal activity is the provision of support services to MW LLP, the over-riding risk to the Company is the loss of this relationship or a significant deterioration in MW LLP's business. Based on the continued success of MW LLP, which is reported in MW LLP's financial statements, the directors are satisfied that the probability of this occurring is low.

Financial key performance indicators

Operating results

Turnover for the year amounted to £265,778,750 (2016: £123,590,547) which has resulted in a profit for the year after taxation of £146,537,738 (2016: £29,317,681). Administrative expenses incurred by the Company increased by 4.04% from £90,795,655 for the year ended 29 February 2016 to £94,463,200 for the year ended 28 February 2017. The directors expect costs to continue to be managed in line with business performance.

Financial position

Shareholders' funds at the statement of financial position date amounted to £22,961,565 (2016: £12,459,130). The directors are of the view that this represents sufficient reserves for the Company to meet its on-going business requirements.

Other key performance indicators

Given the straight forward nature of the business, the directors are of the opinion that analysis using key performance indicators is not necessary for an understanding of the development, performance or position of the business.

This report was approved by the board on 22 May 2017 and signed on its behalf by.

D E Ford
Director



Marshall Wace Asset Management Limited

The directors present their report and the financial statements for the year ended 28 February 2017.

Directors

The directors who served during the year and up to the date of this report were:

P R C Marshall
I G P Wace
A P Clarke
D E Ford
C J Musgrave
J E May

Charitable contributions

During the year, the Company made various charitable contributions totalling £nil (2016: £51,000). The Company made charitable donations of £130,286 (2016: £53,105) to employee matching schemes where the Company matches the funds given to charitable purposes by its employees.

Going concern

The Company has adequate financial resources and as a consequence, the directors believe that the Company is well placed to manage its business risks successfully.

The directors have reviewed revenue forecasts and believe the Company has adequate financial resources to continue in operational existence for the foreseeable future and at least 12 months from the date of the signing of the report and financial statements. Accordingly, they continue to adopt the going concern basis in preparing the members' report and financial statements.

Dividends totalling £136,035,303 (2016: £39,195,864) were paid during the year.

Disclosure of information to auditors

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

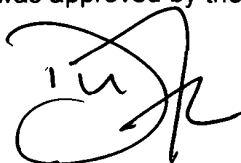
- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors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

Auditors

The auditors, Ernst & Young LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 22 May 2017 and signed on its behalf by:

D E Ford
Director



Marshall Wace Asset Management Limited

**Directors' responsibilities statement
For the year ended 28 February 2017**

The Directors are responsible for preparing the Strategic report, the Directors' report and the 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

Marshall Wace Asset Management Limited

Independent auditors' report to the shareholders of Marshall Wace Asset Management Limited

We have audited the financial statements of Marshall Wace Asset Management Limited for the year ended 28 February 2017, which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity and the related notes 1 to 22. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 auditors' 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.

Respective responsibilities of Directors and Auditors

As explained more fully in the Directors' responsibilities statement on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Strategic report and the Directors' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 28 February 2017 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 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Marshall Wace Asset Management Limited

**Independent auditors' report to the shareholders of Marshall Wace Asset Management Limited
(continued)**

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and the Directors' report for the financial year for which the Financial statements are prepared is consistent with the Financial statements and the Directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you 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.



James Beszant (Senior statutory auditor)

for and on behalf of Ernst & Young LLP (Statutory Auditor)

London

Date: 24 MAY 2017

Marshall Wace Asset Management Limited

**Statement of comprehensive income
For the year ended 28 February 2017**

	<i>Note</i>	<i>2017 £</i>	<i>2016 £</i>
Turnover	4	265,778,750	123,590,547
Administrative expenses		(94,463,200)	(90,795,655)
Operating profit	5	<u>171,315,550</u>	<u>32,794,892</u>
Net unrealised fair value movements on investments		498,108	(1,043,026)
Realised gains on investments		12,841,903	70,558
Foreign exchange (losses)/gains		(3,471,610)	5,768,156
Interest receivable and similar income	8	7,656	9,134
Interest payable and similar charges	9	(199)	(122)
Profit on ordinary activities before taxation		<u>181,191,408</u>	<u>37,599,592</u>
Taxation	10	(34,653,670)	(8,281,911)
Profit for the financial year		<u><u>146,537,738</u></u>	<u><u>29,317,681</u></u>

All amounts are in respect of continuing activities.

There was no other comprehensive income for 2017 (2016: £nil).

The notes on pages 10 to 23 form part of these financial statements.

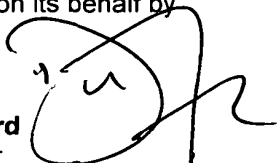
Marshall Wace Asset Management Limited
Registered number: 03384699

Statement of financial position
As at 28 February 2017

	<i>Note</i>	<i>28 February 2017 £</i>	<i>29 February 2016 £</i>
Fixed assets			
Tangible assets	12	22,388,659	4,435,356
Investments	13	6,379,288	104,387,419
		<u>28,767,947</u>	<u>108,822,775</u>
Current assets			
Debtors: amounts falling due within one year	14	93,513,673	3,540,701
Cash at bank and in hand	15	5,932,658	6,399,696
		<u>99,446,331</u>	<u>9,940,397</u>
Creditors: amounts falling due within one year	16	(105,252,713)	(106,304,042)
Net current assets		<u>(5,806,382)</u>	<u>(96,363,645)</u>
Net assets		<u><u>22,961,565</u></u>	<u><u>12,459,130</u></u>
Capital and reserves			
Called up share capital	18	230,012	230,012
Profit and loss account		22,731,553	12,229,118
Total equity		<u><u>22,961,565</u></u>	<u><u>12,459,130</u></u>

The financial statements were approved and authorised for issue by the board on 22 May 2017 and were signed on its behalf by

D E Ford
Director



The notes on pages 10 to 23 form part of these financial statements.

Marshall Wace Asset Management Limited

**Statement of changes in equity
for the year ended 28 February 2017**

	<i>Called up share capital</i>	<i>Profit and loss account</i>	<i>Total equity</i>
	£	£	£
At 1 March 2016	230,012	12,229,118	12,459,130
Comprehensive income for the year			
Profit for the year	-	146,537,738	146,537,738
Total comprehensive income for the year	-	146,537,738	146,537,738
Contributions by and distributions to owners			
Dividends paid	-	(136,035,303)	(136,035,303)
Total transactions with owners		(136,035,303)	(136,035,303)
At 28 February 2017	<u>230,012</u>	<u>22,731,553</u>	<u>22,961,565</u>

**Statement of changes in equity
for the year ended 29 February 2016**

	<i>Called up share capital</i>	<i>Profit and loss account</i>	<i>Total equity</i>
	£	£	£
At 1 March 2015	230,012	22,107,301	22,337,313
Comprehensive income for the year			
Profit for the year	-	29,317,681	29,317,681
Total comprehensive income for the year	-	29,317,681	29,317,681
Contributions by and distributions to owners			
Dividends paid	-	(39,195,864)	(39,195,864)
Total transactions with owners	-	(39,195,864)	(39,195,864)
At 29 February 2016	<u>230,012</u>	<u>12,229,118</u>	<u>12,459,130</u>

The notes on pages 10 to 23 form part of these financial statements.

**Notes to the financial statements
For the year ended 28 February 2017**

1. General information

Marshall Wace Asset Management Limited is a limited liability company incorporated and domiciled in the United Kingdom. The address of the registered office is George House, 131 Sloane Street, London, SW1X 9AT.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102 ("FRS 102"), the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies as set out in note 3.

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102:

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.39 to 11.48A;
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.29.

This information is included in the consolidated financial statements of MWAM UK Ltd as at 28 February 2017 and these financial statements may be obtained from the registered office.

2.3 Exemption from preparing consolidated financial statements

The financial statements contain information about Marshall Wace Asset Management Limited as an individual company and do not contain consolidated financial information of its subsidiary MW LLP. The company is exempt under section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertaking are included in the consolidated financial statements of its parent, MWAM UK Ltd, a company incorporated in the United Kingdom.

2.4 Valuation of investments

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

Investments in funds, for which a fair value is available, included in the financial statements are held at their fair value with movements in fair value being recognised in the statement of comprehensive income.

**Notes to the financial statements
For the year ended 28 February 2017**

2. Accounting policies (continued)**2.5 Financial instruments**

The Company has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments. The basis for recognition and measurement of financial instruments is as set out in these accounting policies.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.6 Tangible assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The Company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

The estimated useful lives range as follows:

Long-term leasehold property	- over the lease term
Fixtures and fittings	- over 3 to 5 years
Computer equipment	- over 3 to 5 years
Artwork	- not depreciated

Artwork is not depreciated as its value in use is considered objective. Furthermore there is no market-based evidence on which to base its fair value other than the cost of acquisition.

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other operating income' in the statement of comprehensive income.

**Notes to the financial statements
For the year ended 28 February 2017**

2. Accounting policies (continued)

2.7 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the income statement, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Company can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.8 Foreign currency translation

Functional and presentation currency

The Company's functional and presentation currency is British Pound Sterling.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income except when deferred in other comprehensive income as qualifying cash flow hedges.

**Notes to the financial statements
For the year ended 28 February 2017**

2.9 Operating leases

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term. The value of any lease incentives are amortised over the full lease period.

2.10 Expenses

Expenses are recognised in the financial statements on an accrual basis.

2.11 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Turnover comprises profit allocations from MW LLP, a UK Limited Liability Partnership, of which the Company is the managing member as well as service fees and recharges of expenses. Turnover from profit allocations is recognised when the right to receive the allocation has been confirmed. Turnover from service fees and recharges of expenses is recognised when the services are provided or the respective expenses incurred.

2.12 Interest income

Interest income is recognised in the statement of comprehensive income using the effective interest method.

2.13 Debtors

Short term debtors are measured at transaction price, less any provision for impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.14 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.15 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

**Notes to the financial statements
For the year ended 28 February 2017**

2.16 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

2.17 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the Company in independently administered funds.

2.18 Government grants

R&D tax credit

The Company is entitled to a research and development tax credit from the UK government in respect of staff expenses involved in research and development. The tax credit is recognised using the accrual model.

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

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Critical judgments in applying the entity's accounting policies

The directors have not been required to exercise a significant degree of judgment in determining the treatment of transactions in these financial statements.

(b) Critical accounting estimates and assumptions

Bonus provisions

The bonus accrual included in the financial statements has been based on an expectation of the final performance of the employees during the year and thus may vary from the actual amounts paid out after year end.

Marshall Wace Asset Management Limited

**Notes to the financial statements
For the year ended 28 February 2017**

4. Turnover

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

	2017 £	2016 £
Profit allocations	86,429,531	119,353,632
Recharge income	4,541,651	4,236,915
Service fees	<u>174,807,568</u>	<u>-</u>
	<u>265,778,750</u>	<u>123,590,547</u>

Analysis of turnover by country of origination:

	2017 £	2016 £
United Kingdom	261,237,098	119,353,632
Rest of the world	<u>4,541,652</u>	<u>4,236,915</u>
	<u>265,778,750</u>	<u>123,590,547</u>

5. Operating profit

The operating profit is stated after charging:

	2017 £	2016 £
Operating lease rentals - Land and buildings	4,645,916	1,120,118
Depreciation of tangible assets	2,844,877	1,305,329
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	71,250	39,250
Fees payable to the Company's auditor and its associates for taxation compliance services	48,934	510,049
R&D tax credit	-	(716,261)
Defined contribution pension cost	<u>1,442,802</u>	<u>1,274,829</u>

6. Employees

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

	2017 £	2016 £
Wages and salaries	53,493,317	58,735,016
Social security costs	6,994,813	5,466,463
Contributions to defined contribution scheme	<u>1,442,802</u>	<u>1,274,829</u>
	<u>61,930,932</u>	<u>65,476,308</u>

Marshall Wace Asset Management Limited

**Notes to the financial statements
For the year ended 28 February 2017**

6. Employees (continued)

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

	2017 No.	2016 No.
Administration and compliance	84	50
Fund management	50	44
	<u>134</u>	<u>94</u>

7. Directors' remuneration

	2017 £	2016 £
Directors' emoluments	<u>600,000</u>	<u>600,000</u>

The highest paid director received remuneration of £100,000 (2016: £100,000).

8. Interest receivable and similar income

	2017 £	2016 £
Other interest receivable	<u>7,656</u>	<u>9,134</u>

9. Interest payable and similar charges

	2017 £	2016 £
Other loan interest payable	<u>199</u>	<u>122</u>

10. Taxation

	2017 £	2016 £
Corporation tax		
Current tax on profits for the year	18,146,672	7,324,105
Adjustments in respect of previous periods	16,467,647	(223,316)
Total current tax	<u>34,614,319</u>	<u>7,100,789</u>
Deferred tax		
Deferred tax - current year	39,351	1,181,122
Total deferred tax	<u>39,351</u>	<u>1,181,122</u>
Taxation on profit on ordinary activities	<u>34,653,670</u>	<u>8,281,911</u>

Marshall Wace Asset Management Limited

**Notes to the financial statements
For the year ended 28 February 2017**

10. Taxation (continued)**Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2016: higher than) the standard rate of corporation tax in the UK of 20% (2016: 20.08%). The differences are explained below:

	2017 £	2016 £
Profit on ordinary activities before tax	<u>181,191,408</u>	<u>37,599,592</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2016: 20.08%)	36,238,282	7,551,765
Effects of:		
Expenses not deductible	1,107,027	18,491,274
Income not taxable	(10,060)	(850,972)
Taxable allocation in excess of accounting	-	(16,757,482)
Adjustments to tax charge in respect of prior periods	112,557	(223,316)
Group relief received for nil payment	(995)	(1,075)
Gains transferred (no gains/no loss)	(3,056,899)	-
Additional income taxable in period	123,458	-
Tax rate changes	140,300	71,717
Total tax charge for the year	<u>34,653,670</u>	<u>8,281,911</u>

Factors that may affect future tax charges

The UK Government legislated in the Finance (No.2) Act 2016 which received Royal Assent on 18 November 2016 to reduce the standard rate of UK corporation tax to 19% from 1 April 2017 and further to 18% from 1 April 2020. In the 2016 Finance Act, which received Royal Assent on 15 September 2016, the Government announced a further reduction in the rate of corporation tax to 17% from 1 April 2020. The reduced rates of UK corporation tax will affect future cash tax payments made by the Group.

The Company has a trading loss carried forward at 28 February 2017 of £737,863 (2016: £737,863) which is available indefinitely for offset against future trading profits of the same trade arising within the Company. Deferred tax is not being recognised in relation to this carry forward loss as there is uncertainty over the timing as to when these losses will be utilised.

11. Dividends

	28 February 2017 £	29 February 2016 £
Interim dividends paid	<u>136,035,303</u>	<u>39,195,864</u>

Marshall Wace Asset Management Limited

Notes to the financial statements
For the year ended 28 February 2017

12. Tangible assets

	<i>Long-term leasehold property</i> £	<i>Fixtures and fittings</i> £	<i>Computer equipment</i> £	<i>Non- depreciable items</i> £	<i>Total</i> £
Cost					
At 1 March 2016	3,757,659	391,831	6,015,281	-	10,164,771
Additions	16,646,522	1,676,165	2,273,633	279,925	20,876,245
Transfer between classes	(264,340)	264,340	-	-	-
Disposal	(78,065)	-	-	-	(78,065)
At 28 February 2017	<u>20,061,776</u>	<u>2,332,336</u>	<u>8,288,914</u>	<u>279,925</u>	<u>30,962,951</u>
Depreciation					
At 1 March 2016	1,759,562	335,078	3,634,775	-	5,729,415
Charge for the year	806,621	260,596	1,777,660	-	2,844,877
At 28 February 2017	<u>2,566,183</u>	<u>595,674</u>	<u>5,412,435</u>	<u>-</u>	<u>8,574,292</u>
Net book value					
At 28 February 2017	<u>17,495,593</u>	<u>1,736,662</u>	<u>2,876,479</u>	<u>279,925</u>	<u>22,388,659</u>
At 29 February 2016	<u>1,998,097</u>	<u>56,753</u>	<u>2,380,506</u>	<u>-</u>	<u>4,435,356</u>

Artwork is not depreciated as its value in use is considered objective. Furthermore, there is no market-based evidence on which to base its fair value other than the cost of acquisition.

13. Fixed asset investments

	<i>Investments in subsidiary</i> £	<i>Unlisted investments</i> £	<i>Total</i> £
Cost/valuation			
At 1 March 2016	6,003,001	98,384,418	104,387,419
Additions	-	560,245	560,245
Fair value gain	-	12,841,903	12,841,903
Disposal proceeds	-	(86,219,563)	(86,219,563)
FX movements	-	283,833	283,833
Transfer to MW Ltd at fair value	-	(25,474,549)	(25,474,549)
At 28 February 2017	<u>6,003,001</u>	<u>376,287</u>	<u>6,379,288</u>

Marshall Wace Asset Management Limited

**Notes to the financial statements
For the year ended 28 February 2017**

13. Fixed asset investments (continued)

The fair value of the unlisted investments at 28 February 2017 was £376,287 (2016 - £98,384,418) which is based on the net asset values of the underlying funds as determined by the fund administrators. These are considered to be observable valuation inputs.

Realised gains of £12,841,903 were recognised in the statement of comprehensive income. In addition, fair value gains of £498,108 derived from investments held by MW Ltd on behalf of the Company were also recognised in the statement of comprehensive income.

All investments held by the Company in funds are designated as financial assets measured at fair value through profit or loss.

The different levels of the fair value hierarchy are as follows;

Level 1: The unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly.

Level 3: Inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability.

In accordance with the aforementioned fair value hierarchy, the unlisted investments have been designated level 2 financial instruments.

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Country of incorporation	Class of shares	Holding	Principal activity
Marshall Wace LLP	England	Partner capital	100%	Investment management services

14. Debtors: Amounts falling due within one year

	28 February 2017 £	29 February 2016 £
Amounts owed by group undertakings	89,227,371	420,003
Other debtors	1,849,034	898,319
Prepayments and accrued income	1,789,065	1,534,824
Deferred taxation	648,203	687,555
	<u>93,513,673</u>	<u>3,540,701</u>

Marshall Wace Asset Management Limited

**Notes to the financial statements
For the year ended 28 February 2017**

15. Cash and cash equivalents

	<i>28 February 2017</i>	<i>29 February 2016</i>
	<i>£</i>	<i>£</i>
Cash at bank and in hand	<u>5,932,658</u>	<u>6,399,696</u>

16. Creditors: Amounts falling due within one year

	<i>28 February 2017</i>	<i>29 February 2016</i>
	<i>£</i>	<i>£</i>
Trade creditors	513,416	253,505
Amounts owed to group undertakings	17,701,612	61,320,019
Corporation tax	25,574,969	5,960,650
Taxation and social security	2,949,582	2,428,995
Other creditors	5,388,564	46,007
Accruals and deferred income	53,124,570	36,294,866
	<u>105,252,713</u>	<u>106,304,042</u>

17. Deferred taxation

	<i>Movement in Deferred tax £</i>
At beginning of year	687,555
Adjustment in respect of prior years	16,355,090
Deferred tax charge to income statement for period	(16,394,442)
At end of year	<u>648,203</u>

The deferred tax asset is made up as follows:

	<i>28 February 2017</i>	<i>29 February 2016</i>
	<i>£</i>	<i>£</i>
Unrealised gain on investments	2,519	(786,003)
MW LLP Profit allocations	-	1,473,558
Unpaid remuneration adjustments	378,310	-
Reserves – Unrealised gain on fund investments and other provisions	68,693	-
Owned fixed assets realised through use	198,681	-
	<u>648,203</u>	<u>687,555</u>

Marshall Wace Asset Management Limited

**Notes to the financial statements
For the year ended 28 February 2017**

18. Share capital

	28 February 2017 £	29 February 2016 £
Allotted, called up and fully paid		
230,002 Class A shares of £1 each	230,002	230,002
10 Class B shares of £1 each	10	10
	<u>230,012</u>	<u>230,012</u>

The 'A' shares have voting, income, capital and redemption rights as agreed by all the members.
The 'B' shares have no voting, income or capital rights.

19. Commitments under operating leases

At 28 February 2017 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	28 February 2017 £	29 February 2016 £
Not later than 1 year	4,169,699	90,388
Later than 1 year and not later than 5 years	18,300,752	17,933,421
Later than 5 years	22,032,977	26,608,165
Total	<u>44,503,428</u>	<u>44,631,974</u>

20. Financial risk management

The Company has three main areas of risks in relation to certain financial instruments measured at fair value through profit or loss.

Equity price risk

Price risk is the risk of changes in fair value of financial instruments from fluctuations, whether such change in price is caused by factors specific to the individual instrument or factors affecting all instruments traded in the markets.

The Company is not subject to equity price risk because the investment funds held by the Company which are classified as financial assets at fair value through profit or loss are held, to match the exposure of the deferred bonus liability (hedge of 100%). Any increase/decrease in profit before tax arising from the change in price of the investment funds will be fully offset by the corresponding rise or fall in the value of the liability.

The full exposure of the company to equity price risk is limited to the fair value of the investments in funds.

**Notes to the financial statements
For the year ended 28 February 2017**

20. Financial risk management (continued)

Counterparty credit risk

The Company is exposed to counterparty credit risk to the extent redemptions of investments are due to the Company. The directors believe counterparty credit risk to be limited as the investment funds invest primarily in liquid assets that may be sold to fund any redemptions.

Foreign currency risk

Currency risk is the risk that the future cash flows or the fair values of financial instruments will fluctuate because of changes in foreign exchange rates. The investment funds held by the Company which are classified as financial assets at fair value through profit or loss are denominated in non-Sterling currencies. However, as the investment funds are held to match the exposure of the deferred bonus liability any increase/decrease in profit before tax arising from fluctuations in exchange will be fully offset by the corresponding rise or fall in the value of the liability.

21. Related party transactions

During the year MW LLP made a profit allocation to the Company of £86,429,531 (2016: £119,353,632). In addition, MWAM Ltd charged £173,411,449 (2016: £nil) for services provided to MW LLP. At year end there was a balance of £17,094,608 (2016: £54,226,101) due to MW LLP which is included in creditors.

During the year Marshall Wace North America L.P. ("MWNA") provided services to the Company amounting to £811,516 (2016: £7,167,249). At year end there was a balance of £16,954,537 (2016: £6,794,939) due to MWNA which is included in debtors. The entities are related through sharing the same ultimate controlling party.

During the year the Company provided support services to Marshall Wace Asia Limited ("MWASI") totalling £434,097 (2016: £473,965). At year end there was a balance of £3,581,381 due from MWASI which is included in debtors (2016: due to £249,341). The entities are related through sharing the same ultimate controlling party.

During the year the Company provided funding of £4,975 (2016: £5,350) to MWAM UK Ltd. At year end there was a balance of £25,825 (2016: £20,850) due from MWAM UK Ltd which is included in debtors. MWAM UK Ltd is the parent undertaking of the Company.

During the year the Company provided funding of £873,444 (2016: £265,619) to MW Group LP. At year end there was a balance of £607,003 due to MW Group LP which is included in creditors (2016: due from £265,619). MW Group LP is the ultimate controlling entity of the Company.

During the year the Company paid expenses on behalf of MW Eaglewood Europe LLP totalling £583,154 (2016: £nil) At year end there was a balance of £63,242 (2016: £nil) due from MW Eaglewood Europe LLP which is included in debtors. The entities are related through sharing the same ultimate controlling party.

Marshall Wace Asset Management Limited

Notes to the financial statements
For the year ended 28 February 2017

21. Related party transactions (continued)

During the year the Company transferred investments with a carrying value of £25,474,549 (2016: £nil) to MW Ltd. The transfer took place at fair value. The Company also provided funding to MW Ltd totalling £45,635,889 (2016: £7,632). At year end there was a balance of £68,423,424 (2016: £7,632) due from MW Ltd which is included in debtors. The entities are related through sharing the same ultimate controlling party.

All transactions between group entities listed above are conducted at market rates on an arm's length basis

22. Controlling party

MWAM UK Ltd is the immediate parent undertaking of the Company. The ultimate parent entity is MW Group LP, a limited partnership registered and domiciled in the Cayman Islands.