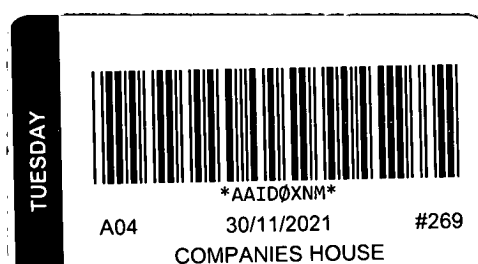


Registered number: 03384699

**Marshall Wace Asset Management Limited**

**Annual report and consolidated financial statements**

**For the year ended 28 February 2021**



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**Company Information**

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<b>Directors</b>	A P Clake D E Ford P R C Marshall J E May C J Musgrave I G P Wace
<b>Registered number</b>	03384699
<b>Registered office</b>	George House 131 Sloane Street London SW1X 9AT
<b>Independent auditor</b>	Ernst & Young LLP 25 Churchill Place London E14 5EY
<b>Bankers</b>	HSBC Bank UK PLC 8 Canada Square London E14 5HQ HSBC Bank UK PLC
<b>Solicitors</b>	Simmons & Simmons CityPoint 1 Ropemaker Street London EC2Y 9SS

**Group strategic report  
For the year ended 28 February 2021**

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**Introduction**

The directors present their strategic report for Marshall Wace Asset Management Limited ("the Company") and its subsidiary Marshall Wace LLP ("MW LLP"), collectively referred to as the Group, for the year ended 28 February 2021.

**Principal activity and review of business**

The principal activity of the Company during the year was the provision of support services to MW LLP. The principal activity of the Group is to provide investment management services. MW LLP is authorised and regulated by the Financial Conduct Authority ("FCA"). There are no anticipated changes to the business conducted by the Company or the Group in the foreseeable future.

**Principal risks and uncertainties**

The principal risks and uncertainties affecting the Group relate to the performance of the underlying funds it manages and the impact that poor performance may have on the ability to attract and retain investors. Since March 2020, COVID-19 has continued to impact many local economies around the globe, and poses significant price, credit, liquidity and cash flow risks to markets and businesses worldwide. The Company is financially robust and has risk management tools and processes to allow it to address market volatility when it arises in a controlled way.

The United Kingdom officially left the European Union (E.U.) on 31 January 2020 (referred to as Brexit), and it is currently undergoing a transition period. This creates uncertainty surrounding our business, including affecting our relationships with our existing and future counterparties. The Group is continuously monitoring the impact of Brexit and it has implemented the relevant structure in place to address the regulatory and economic impact.

**Financial key performance indicators***Operating results*

Group turnover for the year amounted to £974,356k (2020: £579,487k) which has resulted in a profit for the year after taxation of £445,108k (2020: £190,335k). Dividends of £113,474k (2020: £54,298k) were paid during the year and subsidiary profits amounting to £124,319k (2020: £266,209k) were allocated to other members of MW LLP. The remaining Group profit has been retained in reserves.

*Financial position*

Shareholders' funds at the statement of financial position date amounted to £123,190k (2020: £131,151k). The directors are of the view that this represents sufficient reserves for the Group 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.

**Group strategic report (continued)**  
**For the year ended 28 February 2021**

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**Statement by the directors relating to their statutory duties under section 172 of the companies Act 2006**

The directors, in line with their duties under s172 of the Companies Act 2006, act individually and collectively in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its member, and in doing so have regard, amongst other matters, to the:

- Likely consequences of any decision in the long term
- Interests of the company's employees
- Need to foster the company's business relationships with suppliers, customers and others
- Impact of the company's operations on the community and the environment
- Desirability of the company maintaining a reputation for high standards of business conduct
- Need to act fairly as between members of the company

The directors' regard to these matters is a key part of the decision-making process, in conjunction with the Company's strategy, culture, governance framework, management information and overall stakeholder engagement.

**Stakeholders:** The directors understand the importance of engagement with all stakeholders and give appropriate weighting to the outcome of decisions in relation to respective stakeholders in deciding how to ensure the long term success of the company.

**Employees:** Employees constitute a key element of the success of Marshall Wace. We aim to provide an engaging and meritocratic environment where individuals can realise their full potential. In conjunction with this we undertake to operate as responsible employer with high regard for our employees' safety and well-being. The firm maintains a diverse culture where all perspectives are welcome, alongside new ideas and opportunities for growth. Marshall Wace also conducts regular "Town Halls" to give all employees the opportunity to be kept apprised of the Company's development and its performance against its peers. The Town Halls also serve as a forum for employees to ask questions of senior managers and directors.

**Clients:** Our overarching responsibility to deliver exceptional returns to our clients is the core driver of our business. We strive to build lasting relationships with current and potential clients in order to understand their objectives and deliver upon our target return metrics. Transparent, detailed and regular reporting ensure clients are well informed at all times.

**Suppliers:** Due to the global nature of our business, we work with a wide range of suppliers both domestic and internationally. We are committed to operating in a fair and transparent manner with all of our suppliers. A strictly controlled payment process ensures payments to suppliers are processed in a timely and accurate manner, and we engage in active dialogue to respond to any issues that may arise.

**Community and Environment:** The Company actively encourages its staff to give back to the community and holds an annual Charity of the Year Award where a particular cause is nominated to be the recipient of a firm wide donation. The Company also maintains a charitable matching contribution program which magnifies the impact of its employees' charitable donations. During the COVID pandemic, the Company prepared much-needed meals for NHS staff which alleviated the pressure at local hospitals. The Company is also active in the environmental, social and corporate governance ("ESG") space. ESG is embedded in everything the company does, and it takes significant steps to ensure that its environmental footprint is as positive as possible.

**Regulators:** Marshall Wace works closely with its regulators in an open and proactive manner to help develop a transparent relationship to the benefit of all parties. Further, the firm ensures that it stays abreast of anticipated changes in the regulatory environment through monitoring of regulators' websites and announcements, attendance at conferences and presentations, involvement with trade bodies and with prime brokers, communications with external counsel and subscriptions to their databases.

**Group strategic report (continued)**  
**For the year ended 28 February 2021**

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Any changes to the firm's policies and procedures that are required as a result of such regulatory changes are identified by the business in conjunction with Legal and Compliance and implemented in a timely manner to ensure continuing compliance with the relevant regulatory requirements.

This report was approved by the board on 25 May 2021 and signed on its behalf by.

A handwritten signature in black ink, appearing to be 'D E Ford', written over a circular stamp or seal.

D E Ford  
Director

**Directors' report**  
**For the year ended 28 February 2021**

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The directors present their report and the financial statements for the year ended 28 February 2021.

**Directors**

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

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

**Charitable contributions**

During the year, the Group made various charitable contributions totalling £5,255k (2020: £64k). The Group also made charitable donations of £341k (2020: £276k) to employee matching schemes where the Group matches the funds given to charitable purposes by its employees.

**Going concern**

The Partnership and Group continued to operate resiliently during the COVID-19 pandemic. Under its business continuity plans, key measures taken included restriction on all business travel, replacement of in-person meetings to phone or video conferencing, and requirements for staff to work remotely.

The members believe the Partnership is well placed to manage its business risks and those of the Group successfully. There has been no material impact to the Partnership and Group's revenues and liquidity since the onset of the COVID-19 pandemic. Further, the long-term impact is not expected to be significant. Investor demand remained robust during the pandemic. Economic activity is anticipated to return to normality within the next 12 months. In performing their assessment, the partners determined that the Partnership and Group are sufficiently capitalised, regulatory capital requirements continue to be met by regulated subsidiaries, and there are sufficient liquidity and financial resources (cash reserves) to support and sustain operations for the next 12 months from the date of issue of these financial statements. The preparation of the financial statements on a going concern basis remains appropriate as the Partnership and Group expect to be able to meet obligations as and when they fall due for the foreseeable future.

**Dividends**

Interim dividends totalling £113,474k (2020: £54,298k) were paid during the year.

**Directors' report (continued)**  
**For the year ended 28 February 2021**

**Streamlined Energy and Carbon Reporting for the year ended 28 February 2021**

	UK Energy Consumption (kWh)
Fossil Fuels in stationary combustion	66,335
Purchased Electricity	1,086,332
Energy from the fuel used in personal / hire cars for business use ("Grey fleet")	62
<b>Total Energy Consumption</b>	<b>1,152,729</b>

Footprint Breakdown	Scope	UK Carbon Footprint "Locational Based" (tonnes CO <sub>2</sub> e)	UK Carbon Footprint "Market Based" (tonnes CO <sub>2</sub> e)
Emissions from fuels used in stationary combustion	1	12	12
Emissions from purchased Electricity consumption	2	253	0
Emissions from the fuel used in personal / hire cars	3	0	0
<b>Total Footprint</b>		<b>265</b>	<b>12</b>

Intensity Ratio	UK Intensity - Market basis Kg CO <sub>2</sub> e / employee
Footprint per employee	58

**Energy efficiency action**

The Marshall Wace London office has been refurbished to a high specification. The building is well insulated and performs well against CIBSE good practise standards. Investigations found limited opportunities for significant savings due to the existing efficiency of the building.

Covid increased energy consumption by 45% due to the increased ventilation requirements. During the period Marshall Wace Asset Management Limited ("MWAM") sourced all electricity via REGO backed renewables reducing carbon footprint by 95% compared to a standard electricity tariff across the listed carbon categories.

**Calculation methodology**

The Greenhouse Gas (GHG) emissions associated with the operations of MWAM have been quantified according to the GHG Protocol, Corporate Accounting and Reporting Standard following the operational control approach. 7 types of greenhouse gases are included in the Kyoto Protocol and are required for reporting under the GHG Protocol. The following are included - carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons, sulphur hexafluoride, nitrogen trifluoride. The total emissions are measured in metric tonnes of carbon dioxide equivalent.

**Directors' report (continued)**  
**For the year ended 28 February 2021**

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**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 the director is aware, there is no relevant audit information of which the Company's auditor is 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 auditor is aware of that information.

**Auditor**

Under section 487(2) of the Companies Act 2006, Ernst & Young 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.

This report was approved by the board on 25 May 2021 and signed on its behalf by:



**D E Ford**  
Director

**Directors' responsibilities statement**  
**For the year ended 28 February 2021**

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The directors are responsible for preparing the Group strategic report, the Directors' report and the consolidated and Company 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 the Group and of the profit or loss of the Group 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 and the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Independent auditor's report to the shareholders of Marshall Wace Asset Management Limited**

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**Opinion**

We have audited the financial statements of Marshall Wace Asset Management Limited ('the parent company') and its subsidiary (together the 'group') for the year ended 28 February 2021 which comprise the consolidated statement of comprehensive income, the consolidated statement of financial position, the company statement of financial position, the consolidated statement of changes in equity, the company statement of changes in equity, the consolidated statement of cash flows and the related notes 1 to 24, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the group's and of the parent company's affairs as at 28 February 2021 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**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 group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including 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 group and parent company's ability to continue as a going concern for a period of at least 12 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. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the group's ability to continue as a going concern.

**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 this report, we do not express any form of assurance conclusion thereon.

**Independent auditor's report to the shareholders of Marshall Wace Asset Management Limited**

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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 there is 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 the other information, we are required to report that fact.

We have nothing to report in this regard.

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

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

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

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

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or directors' report.

We have nothing to report in respect of the following matters in relation to which 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 parent company 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

**Responsibilities of directors**

As explained more fully in the directors' responsibilities statement set out on page 7, 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 group's and the parent 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 group or the parent 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.

**Independent auditor's report to the shareholders of Marshall Wace Asset Management Limited**

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**Explanation as to what extent 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 irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the requirements of the Companies Act 2006 and relevant tax compliance regulations.
- We understood how the Group and parent company are complying with those frameworks by making enquiries of management. We corroborated our understanding through our review of board meeting minutes.
- We assessed the susceptibility of the group and parent company's financial statements to material misstatement, including how fraud might occur by meeting with management to understand where they considered there was susceptibility to fraud. We considered the controls that the group and parent company has established to address risks identified, or that otherwise prevent, deter and detect fraud, including in a remote-working environment; and how management monitors these controls.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved journal entry testing, with a focus on manual journals and journals indicating large or unusual transactions based on our understanding of the business and enquiries of management.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>.

This description forms part of our auditor's report.

**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.



James Beszant (Senior statutory auditor)

for and on behalf of Ernst & Young LLP, Statutory Auditor  
London, United Kingdom

**27 MAY 2021**

**Consolidated statement of comprehensive income**  
**For the year ended 28 February 2021**

	Note	2021 £000	2020 £000
Turnover	4	974,356	579,487
Fee rebates and other fees payable		<u>(358,475)</u>	<u>(273,470)</u>
<b>Gross profit</b>		615,881	306,017
Administrative expenses		<u>(153,160)</u>	<u>(115,123)</u>
<b>Operating profit</b>	5	462,721	190,894
Income from shares in group companies		15,000	21,118
Net unrealised fair value movements on investments		4,609	891
Foreign exchange gains/(losses)		(1,419)	2,304
Realised gains on investments		639	311
Interest receivable and similar income	8	225	907
Interest payable and similar expenses	9	<u>(181)</u>	<u>(198)</u>
<b>Profit before taxation</b>		481,594	216,227
Taxation	10	<u>(36,486)</u>	<u>(25,892)</u>
<b>Profit for the year</b>		<u>445,108</u>	<u>190,335</u>
<b>Profit and total comprehensive income for the year is attributable to:</b>			
Owners of the Company		416,284	179,429
Non-controlling interests		<u>28,824</u>	<u>10,906</u>
		<u>445,108</u>	<u>190,335</u>

All amounts are in respect of continuing activities.

There was no other comprehensive income for 2021 (2020: nil)

The notes on pages 18 to 34 form part of these financial statements.

**Consolidated statement of financial position**  
**As at 28 February 2021**

	Note	2021 £000	2020 £000
<b>Fixed assets</b>			
Tangible assets	12	23,320	18,965
Fixed asset investments	13	477	385
		<u>23,797</u>	<u>19,350</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	14	172,452	122,241
Cash and cash equivalents	15	53,443	69,155
<b>Total current assets</b>		<u>225,895</u>	<u>191,396</u>
Creditors: amounts falling due within one year	16	(123,523)	(79,088)
<b>Net current assets</b>		<u>102,372</u>	<u>112,308</u>
<b>Total assets less current liabilities</b>		<u>126,169</u>	<u>131,658</u>
Creditors: amounts falling due after one year	17	(2,979)	(507)
<b>Net assets</b>		<u>123,190</u>	<u>131,151</u>
<b>Capital and reserves</b>			
Called up share capital	20	230	230
Profit and loss account		401,342	194,027
<b>Total equity attributable to owners of the Company</b>		<u>401,572</u>	<u>194,257</u>
Non-controlling interest		(278,382)	(63,106)
<b>Total equity</b>		<u>123,190</u>	<u>131,151</u>

The financial statements were approved and authorised for issue by the board on 25 May 2021 and were signed on its behalf by:



**D E Ford**  
Director

The notes on pages 18 to 34 form part of these financial statements.

**Company statement of financial position**  
**As at 28 February 2021**

	Note	2021 £000	2020 £000
<b>Fixed assets</b>			
Tangible assets	12	23,320	18,965
Fixed asset investments	13	6,480	6,388
		<u>29,800</u>	<u>25,353</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	14	120,807	101,268
Cash and cash equivalents	15	8,979	3,737
<b>Total current assets</b>		<u>129,786</u>	<u>105,005</u>
Creditors: amounts falling due within one year	16	(57,725)	(46,641)
<b>Net current assets</b>		<u>72,061</u>	<u>58,364</u>
<b>Total assets less current liabilities</b>		<u>101,861</u>	<u>83,717</u>
Creditors: amounts falling due after one year	17	(2,979)	(507)
<b>Net assets</b>		<u>98,882</u>	<u>83,210</u>
<b>Capital and reserves</b>			
Called up share capital	20	230	230
Profit and loss account		<u>98,652</u>	<u>82,980</u>
<b>Total equity</b>		<u>98,882</u>	<u>83,210</u>

**Company profit**

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of comprehensive income in these financial statements. The profit after tax of the Company for the year was £129,146k (2020: £74,786k).

The financial statements were approved and authorised for issue by the board on 25 May 2021 and were signed on its behalf by



**D E Ford**  
Director

The notes on pages 18 to 34 form part of these financial statements.

**Consolidated statement of changes in equity  
for the year ended 28 February 2021**

	Called up share capital £000	Profit and loss account £000	Total equity attributable to owners of the Company £000	Non- controlling interest £000	Total equity £000
Balance at 1 March 2019	230	324,199	324,429	(197,588)	126,841
<b>Total comprehensive income</b>					
Profit for the year	—	190,335	190,335	—	190,335
<b>Transactions with owners</b>					
Dividends declared	—	(54,298)	(54,298)	—	(54,298)
Subsidiary profit allocated to non-controlling interests	—	(266,209)	(266,209)	266,209	—
Capital introduced by non-controlling interests	—	—	—	3	3
Payments to non-controlling interests	—	—	—	(131,730)	(131,730)
<b>Balance at 29 February 2020</b>	<b>230</b>	<b>194,027</b>	<b>194,257</b>	<b>(63,106)</b>	<b>131,151</b>
<b>Balance at 1 March 2020</b>	<b>230</b>	<b>194,027</b>	<b>194,257</b>	<b>(63,106)</b>	<b>131,151</b>
<b>Total comprehensive income</b>					
Profit for the year	—	445,108	445,108	—	445,108
<b>Transactions with owners</b>					
Dividends declared	—	(113,474)	(113,474)	—	(113,474)
Subsidiary profit allocated to non-controlling interests	—	(124,319)	(124,319)	124,319	—
Capital introduced by non-controlling interests	—	—	—	1	1
Payments to non-controlling interests	—	—	—	(339,596)	(339,596)
<b>Balance at 28 February 2021</b>	<b>230</b>	<b>401,342</b>	<b>401,572</b>	<b>(278,382)</b>	<b>123,190</b>

The notes on pages 18 to 34 form part of these financial statements.

**Company statement of changes in equity  
for the year ended 28 February 2021**

	Called up share capital £000	Profit and loss account £000	Total equity £000
Balance at 1 March 2019	230	62,492	62,722
<b>Total comprehensive income for the year</b>			
Profit for the year		74,786	74,786
<b>Transactions with owners</b>			
Dividends declared		(54,298)	(54,298)
<b>Balance at 29 February 2020</b>	<b>230</b>	<b>82,980</b>	<b>83,210</b>
Balance at 1 March 2020	230	82,980	83,210
<b>Total comprehensive income for the year</b>			
Profit for the year		129,146	129,146
<b>Transactions with owners</b>			
Dividends declared		(113,474)	(113,474)
<b>Balance at 28 February 2021</b>	<b>230</b>	<b>98,652</b>	<b>98,882</b>

The notes on pages 18 to 34 form part of these financial statements.

**Consolidated statement of cash flows  
for the year ended 28 February 2021**

	2021 £000	2020 £000
<b>Cash flow from operating activities</b>		
Profit for the year	445,108	190,335
Adjustments for:		
Depreciation of tangible assets	4,884	3,229
Income from shares in group companies	(15,000)	(21,118)
Net fair value (gain)/loss recognised in the statement of comprehensive income	(92)	(13)
Interest receivable and similar income	(225)	(907)
Interest payable and similar expenses	181	198
Taxation charged to statement of comprehensive income	36,486	25,892
(Increase)/decrease in debtors	(47,915)	19,959
Increase/(Decrease) in creditors	45,914	21,364
Corporation tax paid	(40,726)	(32,741)
<b>Net cash generated from operating activities</b>	<b>428,615</b>	<b>206,198</b>
<b>Cash flow from investing activities</b>		
Purchase of tangible fixed assets	(9,238)	(3,119)
Proceeds from disposal of tangible assets	—	202
Purchase of unlisted and other investments	—	(57)
Proceeds from disposals of unlisted and other investments	—	39
Interest received	225	907
Income from shares in group companies	15,000	21,118
<b>Net cash generated from investing activities</b>	<b>5,987</b>	<b>19,090</b>
<b>Cash flow from financing activities</b>		
Dividends paid	(113,474)	(54,298)
Interest paid	(181)	(198)
Increase in finance lease liability	2,936	270
Amounts paid to non-controlling interests	(339,596)	(131,730)
Capital introduced by non-controlling interests	1	3
<b>Net cash used in financing activities</b>	<b>(450,314)</b>	<b>(185,953)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(15,712)</b>	<b>39,335</b>
Cash and cash equivalents at beginning of the year	69,155	29,820
<b>Cash and cash equivalents at the end of the year</b>	<b>53,443</b>	<b>69,155</b>

The notes on pages 18 to 34 form part of these financial statements.

**Notes to the financial statements  
for the year ended 28 February 2021**

**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 and principal place of business for the Company and MW LLP 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 exemption from the requirement to present a Company statement of cash flows as permitted by the FRS 102.

**2.3. Going concern**

On January 30, 2020, the World Health Organization declared the outbreak of coronavirus ("COVID-19") to be a public health emergency of international concern. The pandemic severely restricted the level of economic activity around the world. In response authorities have taken preventative or protective actions.

The Partnership and the Group have demonstrated a high level of resilience in infrastructure and operations during the pandemic. Revenue has also been very strong due to continuing investor demand. The impact of the pandemic on the Partnership and Group's results, operations and liquidity is not expected to be significant. Management has performed a COVID-19 impact analysis as part of their going concern and capital adequacy assessment using information available to the date of issue of these financial statements. The analysis modelled adverse scenarios to assess the potential impact that COVID-19 may have on the Partnership and Group's operations, liquidity, solvency and the regulatory capital position of its regulated subsidiaries.

The Partnership relies on analysis prepared at the group level as liquidity and capital resources decisions are managed at that level.

The Partnership and Group have not been significantly impacted by COVID-19, as evidenced by the strong financial results and growing AUM during the year. Management have a number of remedial steps they are able to take, should they need to protect profitability and solvency in the event of a resurgence of COVID-19. Consistent with the trend over the financial year, the level of AUM shows a consistent increase from February to the date of signing.

**Notes to the financial statements (continued)  
for the year ended 28 February 2021**

**2. Accounting policies (continued)**

**2.3. Going concern (continued)**

Having performed the impact analysis, management believes the Group continues to have sufficient liquidity to meet liabilities for 12 months from the date of signing. The preparation of the financial statements on a going concern basis remains appropriate as the Group expects to be able to meet its obligations as and when they fall due for the foreseeable future.

**2.4. Basis of consolidation**

The consolidated financial statements present the results of the Company and its own subsidiary ("the Group"). Intercompany transactions and balances between group companies have been eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Statement of Financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

The Group and the Company have adequate financial resources and as a consequence, the directors believe that the Group is well placed to manage its business risks successfully. The directors have reviewed revenue forecasts and believe the Group has adequate financial resources to continue in operational existence for the foreseeable future and at least 12 months from the date of the report and financial statements. Accordingly, they continue to adopt the going concern basis in preparing the strategic report, the directors' report and the financial statements.

**2.5. Foreign currency translation**

**Functional and presentation currency**

The Group's functional and presentation currency is British Pound Sterling ("£") being the primary economic environment in which the entities operate. Unless otherwise stated, all figures are presented to the nearest £1,000.

**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.

**Notes to the financial statements (continued)  
for the year ended 28 February 2021**

**2. Accounting policies (continued)**

**2.6. Revenue**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group 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.

Revenue from management fees is recognised when the services are performed while revenue from performance fees is recognised at the point of crystallisation which occurs at the end of the measurement period and may be annually or quarterly and is the point when the right to receive the revenue is confirmed.

Other income includes amounts paid by funds and managed accounts for research costs incurred in the delivery of investment management services. These amounts are recognised when they become due and payable

**2.7. Fee rebates and other fees payable**

Agreements have been entered into with certain investors whereby a proportion of management/ performance fees are rebated. Other fees payable consist of sub-advisory fees payable to other group companies. These rebates and sub-advisory expenses are calculated monthly and recognised on an accruals basis.

**2.8. Expenses**

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

**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. Employee benefits**

**Defined contribution pension plan**

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group 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 Group in independently administered funds.

**Notes to the financial statements (continued)  
for the year ended 28 February 2021**

**2. Accounting policies (continued)**

**2.10. Employee benefits (continued)**

**Deferred compensation plan**

The deferred compensation plan is paid twelve months or more after the end of the period in which it is earned.

The amount recognised as a liability for the deferred compensation plan is either expensed in full at award date, or amortised on a straight-line basis over the specified vesting period from the grant date of the employee deferred plan, depending on the type of plan.

**2.11. Interest income**

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

**2.12. Current and deferred taxation**

The tax expense for the year comprises current and deferred tax. Tax is recognised in the statement of comprehensive income, 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 Group 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 Group 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.

**2.13. 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.

**Notes to the financial statements (continued)  
for the year ended 28 February 2021**

**2. Accounting policies (continued)**

**2.14. 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 Group 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 Group. 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:

Leasehold improvements	- 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 it does not have a determinable useful life. 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.

**2.15. Financial instruments**

The Group 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.

**Notes to the financial statements (continued)  
for the year ended 28 February 2021**

**2. Accounting policies (continued)**

**2.16. Valuation of investments**

The investment in subsidiary is 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.

**2.17. 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.

**2.18. 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.

**2.19. 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.

**2.20. Finance leases**

Assets acquired under finance lease are capitalised at the lower of the fair value of the right of use asset or the present value of the minimum lease payments. The lease liability is subsequently measured at amortised cost using the effective interest method.

Tangible assets acquired under finance lease are depreciated as set out in note 2.14.

**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**

The bonus accrual included in the financial statements only includes 5 months covering October to February, these are based on an expectation of the final performance of the employees during the year and thus may vary from actual amounts paid out after year end.

**Notes to the financial statements (continued)  
for the year ended 28 February 2021****4. Turnover**

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

Turnover is earned from the following classes of business:	2021 £000	2020 £000
Management fees and other income	513,952	496,401
Performance fees	444,017	73,169
Recharge income	16,387	9,917
	<u>974,356</u>	<u>579,487</u>

Analysis of turnover by country of origin:	2021 £000	2020 £000
United Kingdom	8	22
Rest of the world	974,348	579,465
	<u>974,356</u>	<u>579,487</u>

**5. Operating profit**

The operating profit is stated after charging:

	2021 £000	2020 £000
Depreciation of tangible assets	4,884	3,229
Fees payable to the Company's auditors for:		
- The audit of the company financial statements	38	37
- The audit of the Group's subsidiaries pursuant to legislation	57	38
- Audit-related assurance services	7	6
- Taxation advisory services	13	—
- Non audit consultancy fees	—	11
Other operating lease rentals	<u>4,812</u>	<u>4,667</u>

**Notes to the financial statements (continued)  
for the year ended 28 February 2021****6. Employees**

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

	2021 £000	2020 £000
Wages and salaries	94,529	66,542
Social security costs	12,904	11,075
Pension contributions	1,948	1,609
	<u>109,381</u>	<u>79,226</u>

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

	2021	2020
Office and administration	132	114
Fund management	79	63
	<u>211</u>	<u>177</u>

**7. Directors' remuneration**

	2021 £000	2020 £000
Directors' emoluments	<u>600</u>	<u>600</u>
The highest paid director received remuneration of	<u>100</u>	<u>100</u>

**8. Interest receivable and similar income**

	2021 £000	2020 £000
Other interest receivable	<u>225</u>	<u>907</u>

**9. Interest payable and similar expenses**

	2021 £000	2020 £000
Other interest paid	<u>181</u>	<u>198</u>

Notes to the financial statements (continued)  
for the year ended 28 February 2021

10. Taxation

	2021 £000	2020 £000
<b>Corporation tax:</b>		
Current tax on profits for the year	32,092	17,786
Adjustments in respect of previous periods	(322)	(2)
	<u>31,770</u>	<u>17,784</u>
<b>Foreign tax:</b>		
Foreign tax on income for the year	6,555	2,031
Foreign tax in respect of prior periods		(1)
	<u>6,555</u>	<u>2,030</u>
<b>Total current tax</b>	<u>38,325</u>	<u>19,814</u>
<b>Deferred tax:</b>		
Origination and reversal of timing differences	(1,662)	5,319
Adjustments in respect of previous periods	(39)	260
Effect of changes in tax rates	(137)	744
Foreign exchange	—	(245)
<b>Total deferred tax</b>	<u>(1,838)</u>	<u>6,078</u>
Taxation on profit on ordinary activities	<u>36,486</u>	<u>25,892</u>

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

The tax assessed for the year is lower than (2020: lower than) the standard rate of corporation tax in the UK of 19.0% (2020: 19.0%). The differences are explained below:

	2021 £000	2020 £000
Profit for the financial year before taxation	<u>481,594</u>	<u>216,227</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19.0% (2019: 19.0%)	91,503	41,083
<b>Effects of:</b>		
Expenses not deductible for tax purposes	5,182	107
Higher rate taxes on overseas earnings	4,709	474
Adjustment to tax charge in respect of prior year periods	(361)	258
Non-taxable income	—	(130)
Deductible taxes	(187)	(54)
Differences arising from changes in tax rates	(137)	744
Profit allocation to individual members subject to income tax	(61,209)	(19,500)
Write off of deferred tax		3,155
Losses not relievable for entity	(3,014)	—
Foreign exchange	—	(245)
<b>Total taxation</b>	<u>36,486</u>	<u>25,892</u>

**Notes to the financial statements (continued)  
for the year ended 28 February 2021**

**10. Taxation (continued)**

**Factors that may affect future tax charges**

The UK Government legislated in the Finance (No.2) Bill 2021, which is yet to receive Royal Assent, to increase the standard rate of UK corporation tax to 25% from 1 April 2023. The increased rate 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 2021 of £738k (2020: £738k) 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**

	2021 £000	2020 £000
Interim dividends of £493.357 per share (2020: £236.078) paid on Class A shares	113,474	54,298

**12. Tangible assets**

Group and Company	Long-term leasehold property £000	Fixtures and fittings £000	Computer equipment £000	Non- depreciable items £000	Total £000
<b>Cost:</b>					
At 1 March 2020	20,310	2,313	15,296	289	38,208
Additions	17	174	9,041	6	9,238
Disposals	—	—	—	—	—
At 28 February 2021	20,327	2,487	24,337	295	47,446
<b>Depreciation:</b>					
At 1 March 2020	6,390	1,708	11,145	—	19,243
Charge for the year	1,297	359	3,228	—	4,884
Disposals	—	—	—	—	—
At 28 February 2021	7,687	2,067	14,373	—	24,127
<b>Net book value:</b>					
At 28 February 2021	12,640	420	9,964	295	23,319
At 29 February 2020	13,920	605	4,151	289	18,965

Included in computer equipment are assets with a net book value of £4,595k (2020: £1,720k) which are held under a finance lease described in note 17.

Artwork is not depreciated as it does not have a determinable useful life. Furthermore, there is no market-based evidence on which to base its fair value other than the cost of acquisition.

**Notes to the financial statements (continued)  
for the year ended 28 February 2021****13. Fixed asset investments**

<b>Group</b>	<b>Unlisted investments £000</b>
<b>Cost or valuation</b>	
At 1 March 2020	385
Additions	—
Fair value adjustments	106
Realised gains	—
FX adjustments	(14)
Disposals	—
<b>At 28 February 2021</b>	<b>477</b>

The fair value of the unlisted investments at 28 February 2021 was £477k (2020: £385k) which is based on the net asset values of the underlying funds as determined by the fund administrators. These are considered to be level 2 observable valuation inputs.

Fair value gains of £106k (2020: £5k) and realised gains of Nil (2020: £4k) were recognised in the statement of comprehensive income from the investments held by the Group. In addition, fair value gains of £4,503k (2020: £886k) and realised losses of £640k (2020: £308k) derived from investments held by MW Ltd on behalf of the Group were also recognised in the statement of comprehensive income. MW Ltd is the Group's immediate parent and holds investments on behalf of the Group to match the Group's exposure to the deferred bonus liability.

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.

Notes to the financial statements (continued)  
for the year ended 28 February 2021

13. Fixed asset investments (continued)

Company	Investments in subsidiaries £000	Unlisted investments £000	Total Investments in subsidiaries £000
<b>Cost or valuation</b>			
At 1 March 2020	6,003	385	6,388
Additions	—	—	—
Fair value adjustments	—	106	106
Realised gains	—	—	—
FX adjustments	—	(14)	(14)
Disposals	—	—	—
<b>At 28 February 2021</b>	<b>6,003</b>	<b>477</b>	<b>6,480</b>

The investment in subsidiary comprises the Company's 100% holding in Marshall Wace LLP, a limited liability partnership incorporated in the United Kingdom. The principal activity of Marshall Wace LLP is to provide investment management and advisory services.

14. Debtors: amounts falling due within one year

	Group 2021 £000	Group 2020 £000	Company 2021 £000	Company 2020 £000
Amounts owed by group undertakings	109,839	67,691	106,227	89,537
Other debtors	6,670	7,322	5,488	5,137
Prepayments and accrued income	45,274	42,857	5,667	5,465
Corporation tax receivable	458	—	458	—
Receivable from funds	7,244	3,242	—	—
Deferred tax asset	19 2,967	1,129	2,967	1,129
	<b>172,452</b>	<b>122,241</b>	<b>120,807</b>	<b>101,268</b>

15. Cash and cash equivalents

	Group 2021 £000	Group 2020 £000	Company 2021 £000	Company 2020 £000
Cash at bank and in hand	48,359	59,287	8,979	3,737
Research Payment account	5,084	9,868	—	—
	<b>53,443</b>	<b>69,155</b>	<b>8,979</b>	<b>3,737</b>

Notes to the financial statements (continued)  
for the year ended 28 February 2021

16. Creditors: amounts falling due within one year

	Group	Group	Company	Company
	2021	2020	2021	2020
	£000	£000	£000	£000
Trade creditors	936	1,156	936	1,156
Amounts owed to group undertakings	46,883	14,279	14	112
Corporation tax payable	—	1,943	—	1,943
Other taxation and social security	7,685	5,238	7,685	5,238
Current portion of finance lease	1,068	604	1,068	604
Other creditors	136	4,439	—	247
Accruals and deferred income	66,815	51,429	48,022	37,341
	<u>123,523</u>	<u>79,088</u>	<u>57,725</u>	<u>46,641</u>

17. Creditors: amounts falling due after one year

	Group	Group	Company	Company
	2021	2020	2021	2020
	£000	£000	£000	£000
Finance lease	<u>2,979</u>	<u>507</u>	<u>2,979</u>	<u>507</u>

The finance lease is secured over tangible assets as disclosed in note 12. The minimum lease payments are payable as follows:

	Group	Group	Company	Company
	2021	2020	2021	2020
	£000	£000	£000	£000
Within 1 year	1,208	781	1,208	781
After 1 year but within 5 years	3,409	1,005	3,409	1,005
	<u>4,617</u>	<u>1,786</u>	<u>4,617</u>	<u>1,786</u>

Notes to the financial statements (continued)  
for the year ended 28 February 2021

18. Financial instruments

	Group 2021 £000	Group 2020 £000	Company 2021 £000	Company 2020 £000
<b>Financial assets</b>				
Financial assets measured at fair value through profit or loss	477	385	477	385
Financial assets measured at amortised cost	163,818	115,648	112,173	94,674
Financial assets that are equity instruments measured at cost less impairment	—	—	6,003	6,003
	<u>164,295</u>	<u>116,033</u>	<u>118,653</u>	<u>101,062</u>
<b>Financial liabilities</b>				
Financial liabilities measured at amortised cost	(115,838)	(71,907)	(50,040)	(39,460)

Financial assets measured at fair value through profit or loss comprise the unlisted investments disclosed in note 13.

Financial assets measured at amortised cost comprise debtors disclosed in note 14 but excludes prepayments and taxation assets of £8,634k (2020: £6,593k) for the Group and £8,634k (2020: £6,593k) for the Company.

Financial assets that are equity instruments measured at cost less impairment comprise the investments in subsidiary companies disclosed in note 13.

Financial liabilities measured at amortised cost comprise creditors disclosed in note 16 and 17 but excludes taxation liabilities amounting to £7,685k (2020: £7,181k) for the Group and £7,685k (2020: £7,181k) for the Company.

19. Deferred taxation

	Group 2021 £000	Company 2021 £000
At beginning of the year	1,129	1,129
Charged to the statement of comprehensive income	10 1,838	1,838
<b>At end of the year</b>	<u>2,967</u>	<u>2,967</u>

The deferred tax asset is made up as follows:

Notes to the financial statements (continued)  
for the year ended 28 February 2021

19. Deferred taxation (continued)

	Group 2021 £000	Group 2020 £000	Company 2021 £000	Company 2020 £000
Unrealised gain on investments	35	27	35	27
Unpaid remuneration adjustments	2,754	919	2,754	919
Reserves – Unrealised gain on fund investments and other provisions	(31)	(12)	(31)	(12)
Owned fixed assets realised through use	209	195	209	195
	<u>2,967</u>	<u>1,129</u>	<u>2,967</u>	<u>1,129</u>

20. Share capital

	Company 2021 £000	Company 2020 £000
<b>Allotted, called up and fully paid</b>		
230,002 (2020: 230,002) Class A shares of £1 each	230	230
10 (2020: 10) Class B shares of £1 each	—	—
	<u>230</u>	<u>230</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.

Notes to the financial statements (continued)  
for the year ended 28 February 2021

21. Commitments under operating leases

At year end, the Company and the Group had future minimum lease payments under non-cancellable operating leases as follows:

	Group	Group	Company	Company
	2021	2020	2021	2020
	£000	£000	£000	£000
Not later than 1 year	4,575	4,575	4,575	4,575
Later than 1 year and not later than 5 years	18,301	18,301	18,301	18,301
Later than 5 years	3,732	8,307	3,732	8,307
	<u>26,608</u>	<u>31,183</u>	<u>26,608</u>	<u>31,183</u>

22. Financial risk management

The Group 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 Group 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 by the Group's parent entity, 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 Group to equity price risk is limited to the fair value of the investments in funds.

**Counterparty credit risk**

The Group is exposed to counterparty credit risk to the extent redemptions of investments are due to the Group. 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 Group 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.

**Notes to the financial statements (continued)  
for the year ended 28 February 2021****23. Related party transactions**

During the year, the Group paid sub advisory fees to Marshall Wace North America, L.P. totalling £122,417k (2020: £104,301k) and sales agent fees and support service fees totalling £8,058k (2020: £7,080k). The Group also received a profit allocation of £15,000k (2020: £21,118k) from Marshall Wace North America, L.P. At year end there was a balance of £31,057k (2020: £2,736k) due to Marshall Wace North America, L.P. The entities are related through sharing the same ultimate controlling party.

During the year, the Group was charged sub advisory fees and support fees of £154,415k (2020: £42,562k) by Marshall Wace Asia Limited. In addition, the Group received sales agent fees of £2,071k (2020: £2,095k) from Marshall Wace Asia Limited. At year end there was a balance of £4,250k due to (2020: £772k) Marshall Wace Asia Limited. The entities are related through sharing the same ultimate controlling party.

During the year, the Group charged sub advisory and support fees of £81,676k (2020: £14,308k) to Marshall Wace (GP1) Limited. At year end there was a net balance of £119k (2020: £43k) due from Marshall Wace (GP1) Limited. The entities are related through sharing the same ultimate controlling party.

During the year, the Group was charged Nil (2020: £1,168k) by MW Group LP for support services received. At year end there was a net balance of £9,960k (2020: £10,636k) due to MW Group LP. MW Group LP is the ultimate parent entity.

During the year, the Group received a net amount of £21,404k (2020: £15,632k) from MW Ltd for investments under the Group's bonus deferral plan. The Group also provided funding to MW Ltd of £48,819k (2020: £15,372k). At year end there was a balance of £109,410k (2020: £67,647k) due from MW Ltd which is included in debtors. The balance is interest free and has no fixed repayment date. MW Ltd is the Company's parent entity.

During the year, the Group was charged £931k (2020: £672k) by Marshall Wace Asset Management (Ireland) Limited for services provided in its capacity as a management company for Irish UCITS funds and as an alternative investment fund manager of an Irish QIAIF. At year end there was a net balance of £239k (2020: £135k) due from the Group service charges which is included in debtors. Marshall Wace Asset Management Ireland Limited is related through sharing the same ultimate parent entity.

During the year, the Group was charged £1,256k by Marshall Wace Investment Management (Shanghai) Ltd for sub advisory and support fees (2020: Nil). At year end there was a balance of £993k (2020: Nil) due from the Group. The entities are related through sharing the same ultimate controlling party.

During the year, the Group purchased supplies of £39k (2020: Nil) from a business of which I.G.P Wace has significant influence or control over. At the year end, there was a balance of Nil (2020: Nil) due to the business. All transactions were conducted at market rate on an arm's length basis.

During the year, the Group made charitable donations to the Eureka Charitable Trust (established as the Marshall Wace corporate charity) of £5,053k (2020: Nil). At year end, there was a balance of Nil (2020: Nil) due to the charity Trust. I.G.P Wace, D.E Ford, C.J Musgrave and P.R.C Marshall are Trustees of the charity.

All group transactions listed above are conducted at market rate on an arm's length basis.

**24. Controlling party**

The Company's immediate parent entity is MW Ltd. The Company's ultimate parent entity is MW Group LP a limited partnership registered and domiciled in the Cayman Islands.