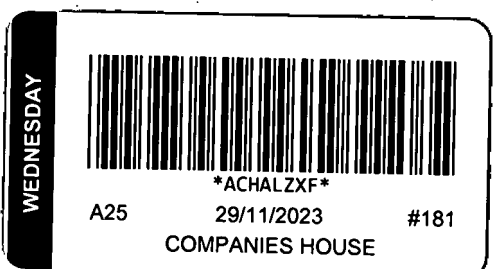


Registered number: 03384699

**Marshall Wace Asset Management Limited**

**Annual report and consolidated financial statements**

**For the year ended 28 February 2023**



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**Marshall Wace Asset Management Limited**

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**Marshall Wace Asset Management Limited**

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**Company Information**

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<b>Directors</b>	A P Clake	(resigned 24 May 2022)
	D E Ford	(resigned 24 May 2022)
	P R C Marshall	(resigned 24 May 2022)
	J E May	
	C J Musgrave	
	I G P Wace	(resigned 24 May 2022)
	D Anderson	(appointed 24 May 2022)
	J Carter	(appointed 24 May 2022)

**Registered number** 03384699

**Registered office** George House  
131 Sloane Street  
London  
SW1X 9AT

**Independent auditor** Ernst & Young LLP  
25 Churchill Place  
London  
E14 5EY

**Bankers** HSBC Bank UK PLC  
8 Canada Square  
London  
E14 5HQ  
HSBC Bank UK PLC

**Solicitors** Simmons & Simmons  
CityPoint  
1 Ropemaker Street  
London  
EC2Y 9SS

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**Marshall Wace Asset Management Limited**

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**Group strategic report  
For the year ended 28 February 2023**

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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 2023.

**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. Other risks and uncertainties relate to the ability to attract and retain key investment executives. The Group is not exposed to any significant price, credit, liquidity or cash flow risk.

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

Group turnover for the year amounted to £1,267,984k (2022: £1,572,704k) which has resulted in a profit for the year after taxation of £773,278k (2022: £1,048,695k). Dividends of £228,544k (2022: £322,178k) were paid during the year and subsidiary profits amounting to £547,104k (2022: £890,000k) 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 £205,130k (2022: £152,220k). 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.

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**Marshall Wace Asset Management Limited**

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**Group strategic report (continued)**  
**For the year ended 28 February 2023**

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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.

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**Marshall Wace Asset Management Limited**

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**Group strategic report (continued)**  
**For the year ended 28 February 2023**

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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 16 May 2023 and signed on its behalf by.



C J Musgrave  
Director

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## **Marshall Wace Asset Management Limited**

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### **Directors' report For the year ended 28 February 2023**

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The directors present their report and the financial statements for the year ended 28 February 2023.

#### **Directors**

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

A P Clake	(resigned 24 May 2022)
D E Ford	(resigned 24 May 2022)
P R C Marshall	(resigned 24 May 2022)
J E May	
C J Musgrave	
I G P Wace	(resigned 24 May 2022)
D Anderson	(appointed 24 May 2022)
J Carter	(appointed 24 May 2022)

#### **Dividends**

Interim dividends totalling £228,544k (2022: £322,178k) were paid during the year.

#### **Sections included elsewhere in the financial statements**

The Group has provided disclosures regarding future developments and a statement of engagement with suppliers, customers and others in a business relationship with the Group within the Strategic report and has discussed financial risk management in a note to the financial statements.

#### **Going Concern**

The Group has prepared a forecast that has been updated to take into account the potential impacts of political uncertainty and instability in the wider global economy. This has been based upon conservative assumptions and indicates the firm anticipates it will be able to retain sufficient future profits to ensure it is able to meet its regulatory capital requirement as well as its business needs. The forecast has been stress-tested and the members are confident that the business has sufficient resources to continue to meet its regulatory capital requirement. Taking that forecasting into consideration, including the nature of the Partnership and its business, the Members are satisfied that, at the time of approving the accounts, there is a reasonable expectation that the Partnership has adequate resources to continue in operational existence for 12 months from the date that the Annual Report and Accounts are signed. For this reason the Members continue to adopt the going concern basis in preparing the accounts.

## Marshall Wace Asset Management Limited

### Directors' report (continued) For the year ended 28 February 2023

#### Streamlined Energy and Carbon Reporting ("SECR") for the year ended 28 February 2023

	UK Energy Consumption 22/23 (kWh)	UK Energy Consumption 21/22 (kWh)
Fossil Fuels in stationary combustion	94,881	45,259
Purchased Electricity	1,290,696	1,343,764
Energy from the fuel used in personal / hire cars for business use ("Grey fleet")	—	2,262
<b>Total Energy Consumption</b>	<b>1,385,577</b>	<b>1,391,285</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)	
		22/23	21/22	22/23	21/22
Emissions from fuels used in stationary combustion	1	17.3	8.3	17.3	8.3
Emissions from purchased Electricity consumption	2	249.6	285.3	4.7	0.0
Emissions from fuel used in personal/hire cars for business use	3	0.0	0.5	0.0	0.5
<b>Total Footprint</b>		<b>266.9</b>	<b>294.1</b>	<b>22.0</b>	<b>8.8</b>

Intensity Ratio	UK Intensity - Market basis Kg CO <sub>2</sub> e / employee	
	22/23	21/22
Footprint per employee	63	35

#### Energy efficiency action

The Marshall Wace London office is rated as an EPC B and the building performs well against CIBSE "good practice" standards. The building underwent energy efficiency upgrades in 2021/22. In September 2022 major initiative began regarding minimising electricity use. An additional lease was taken out during the year and has been included within the 2022/23 calculations. The new building is undergoing significant refurbishment in which energy efficiency is a key consideration.

During the 2022/23 financial year, Marshall Wace Asset Management Limited ("MWAM") sourced electricity via REGO backed renewables at the 131 Sloane Street site. This is reflected in the "market basis" carbon footprint above. This reduces the MWAM group carbon footprint by 91% when compared to a standard electricity tariff across the listed carbon categories.

#### Calculation methodology

The Greenhouse Gas (GHG) emissions associated with the operations of Marshall Wace Asset Management Limited ("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.



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**Marshall Wace Asset Management Limited**

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**Directors' report (continued)**  
**For the year ended 28 February 2023**

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**Streamlined Energy and Carbon Reporting ("SECR") for the year ended 28 February 2023 (continued)**

***Calculation methodology (continued)***

This disclosure covers Marshall Wace Asset Management Limited as the group lead, with Marshall Wace LLP the other qualifying entity in the group. The group activities are based in a leased office space in London which MWAM occupies solely. The SECR required data is based on the London office energy consumption. Where categories required under SECR are not listed above, this is on the basis that MWAM does not have any activity or emissions relevant to this category (e.g. owned and operated transport).

There are no joint ventures or similar investments in other organisations, or UK based locations beyond the London office. Therefore the boundary covers all MWAM group operations within the UK.

The majority of the financial year took place in 2022 and therefore uses 2022 BEIS Greenhouse Gas conversion factors as stipulated by BEIS. The SECR regulations require publishing the locational footprint which requires the use of carbon conversion factors suited to the locality of consumption. However, this would not reflect the impact of renewable electricity purchasing and therefore the "Market based" footprint is also presented in accordance with the GHG protocol. The intensity factor has been calculated using the "Market based" footprint.

The buildings significant energy users are primarily electrically powered with a minor natural gas consumption for a single kitchen appliance. The electricity consumption has been sourced from half-hourly data and utility bills. Gas consumption has historically been based on the estimated annual quantity at 131 Sloane Street. A functioning meter was installed in September 2022 with a meter reading taken in March 2023. The consumption between these dates has been pro-rated to cover a full year.

**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 16 May 2023 and signed on its behalf by:



**C J Musgrave**  
Director

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**Marshall Wace Asset Management Limited**

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**Directors' responsibilities statement**  
**For the year ended 28 February 2023**

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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.

## **Marshall Wace Asset Management Limited**

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### **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 2023 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 23, 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 (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable to the UK and Republic of Ireland'.

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 2023 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 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.

## **Marshall Wace Asset Management Limited**

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

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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.

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 8, 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.

## **Marshall Wace Asset Management Limited**

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

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#### **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.

#### **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.

**Marshall Wace Asset Management Limited**

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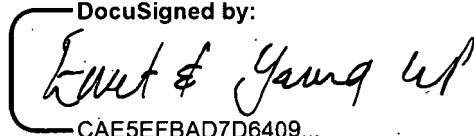
**Independent auditor's report to the shareholders of Marshall Wace Asset Management Limited**

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**Use of our report**

This report is made solely to the group and parent 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 group and parent 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 group and parent company and their members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

  
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James Beszant (Senior statutory auditor)

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

19 May 2023

**Marshall Wace Asset Management Limited****Consolidated statement of comprehensive income  
For the year ended 28 February 2023**

	Note	2023 £000	2022 £000
Turnover	4	1,267,984	1,572,704
Fee rebates and other fees payable		(322,900)	(339,880)
<b>Gross profit</b>		<b>945,084</b>	<b>1,232,824</b>
Administrative expenses		(183,676)	(205,308)
<b>Operating profit</b>	5	<b>761,408</b>	<b>1,027,516</b>
Income from shares in group companies		70,873	100,222
Net unrealised fair value movements on investments	11	145	2,940
Foreign exchange losses		(763)	(1,306)
Realised gains on investments		—	658
Interest receivable and similar income		1,880	5
Interest payable and similar expenses		—	(153)
<b>Profit before taxation</b>		<b>833,543</b>	<b>1,129,882</b>
Taxation	8	(60,265)	(81,187)
<b>Profit for the year</b>		<b>773,278</b>	<b>1,048,695</b>
<b>Profit and total comprehensive income for the year is attributable to:</b>			
Owners of the Company		773,278	1,048,695
Non-controlling interests		—	—
		<b>773,278</b>	<b>1,048,695</b>

There was no other comprehensive income for 2023 (2022: nil)

The notes on pages 19 to 36 form part of these financial statements.

**Marshall Wace Asset Management Limited**  
**Registered number: 03384699**

**Consolidated statement of financial position**  
**As at 28 February 2023**

	Note	2023 £000	2022 £000
<b>Fixed assets</b>			
Tangible assets	10	33,448	24,687
Fixed asset investments	11	4,736	4,179
		<u>38,184</u>	<u>28,866</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	12	173,883	222,546
Cash and cash equivalents	13	90,393	37,668
<b>Total current assets</b>		<u>264,276</u>	<u>260,214</u>
Creditors: amounts falling due within one year	14	(96,292)	(134,857)
<b>Net current assets</b>		<u>167,984</u>	<u>125,357</u>
<b>Total assets less current liabilities</b>		<u>206,168</u>	<u>154,223</u>
Creditors: amounts falling due after one year	15	(1,038)	(2,003)
<b>Net assets</b>		<u>205,130</u>	<u>152,220</u>
<b>Capital and reserves</b>			
Called up share capital	18	230	230
Profit and loss account		235,489	237,859
<b>Total equity attributable to owners of the Company</b>		<u>235,719</u>	<u>238,089</u>
Non-controlling interest		(30,589)	(85,869)
<b>Total equity</b>		<u>205,130</u>	<u>152,220</u>

The financial statements were approved and authorised for issue by the board on 16 May 2023 and were signed on its behalf by:



**C J Musgrave**  
 Director

The notes on pages 19 to 36 form part of these financial statements.



**Marshall Wace Asset Management Limited**  
**Registered number: 03384699**


**Company statement of financial position**  
**As at 28 February 2023**

	Note	2023 £000	2022 £000
<b>Fixed assets</b>			
Tangible assets	10	33,448	24,687
Fixed asset investments	11	10,739	10,182
		<u>44,187</u>	<u>34,869</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	12	145,699	190,833
Cash and cash equivalents	13	24,554	6,454
<b>Total current assets</b>		<u>170,253</u>	<u>197,287</u>
Creditors: amounts falling due within one year	14	(65,139)	(91,440)
<b>Net current assets</b>		<u>105,114</u>	<u>105,847</u>
<b>Total assets less current liabilities</b>		<u>149,301</u>	<u>140,716</u>
Creditors: amounts falling due after one year	15	(1,038)	(2,003)
<b>Net assets</b>		<u>148,263</u>	<u>138,713</u>
<b>Capital and reserves</b>			
Called up share capital	18	230	230
Profit and loss account		148,033	138,483
<b>Total equity</b>		<u>148,263</u>	<u>138,713</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 £238,094k (2022: £362,009k).

The financial statements were approved and authorised for issue by the board on 16 May 2023 and were signed on its behalf by



**C J Musgrave**  
 Director

The notes on pages 19 to 36 form part of these financial statements.

**Marshall Wace Asset Management Limited**
**Consolidated statement of changes in equity  
for the year ended 28 February 2023**

	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
<b>Balance at 1 March 2021</b>	230	401,342	401,572	(278,382)	123,190
<b>Total comprehensive income</b>					
Profit for the year	—	1,048,695	1,048,695	—	1,048,695
<b>Transactions with owners</b>					
Dividends declared	—	(322,178)	(322,178)	—	(322,178)
Subsidiary profit allocated to non-controlling interests	—	(890,000)	(890,000)	890,000	—
Capital introduced by non-controlling interests	—	—	—	14,926	14,926
Payments to non-controlling interests	—	—	—	(712,413)	(712,413)
<b>Balance at 28 February 2022</b>	230	237,859	238,089	(85,869)	152,220
<b>Balance at 1 March 2022</b>	230	237,859	238,089	(85,869)	152,220
<b>Total comprehensive income</b>					
Profit for the year	—	773,278	773,278	—	773,278
<b>Transactions with owners</b>					
Dividends declared	—	(228,544)	(228,544)	—	(228,544)
Subsidiary profit allocated to non-controlling interests	—	(547,104)	(547,104)	547,104	—
Capital introduced by non-controlling interests	—	—	—	(1,852)	(1,852)
Payments to non-controlling interests	—	—	—	(489,972)	(489,972)
<b>Balance at 28 February 2023</b>	230	235,489	235,719	(30,589)	205,130

The notes on pages 19 to 36 form part of these financial statements.

**Marshall Wace Asset Management Limited**
**Company statement of changes in equity  
for the year ended 28 February 2023**

	Called up share capital £000	Profit and loss account £000	Total equity £000
<b>Balance at 1 March 2021</b>	230	98,652	98,882
<b>Total comprehensive income for the year</b>			
Profit for the year	—	362,009	362,009
<b>Transactions with owners</b>			
Dividends declared	—	(322,178)	(322,178)
<b>Balance at 28 February 2022</b>	230	138,483	138,713
<b>Balance at 1 March 2022</b>	230	138,483	138,713
<b>Total comprehensive income for the year</b>			
Profit for the year	—	238,094	238,094
<b>Transactions with owners</b>			
Dividends declared	—	(228,544)	(228,544)
<b>Balance at 28 February 2023</b>	230	148,033	148,263

The notes on pages 19 to 36 form part of these financial statements.

**Marshall Wace Asset Management Limited****Consolidated statement of cash flows  
for the year ended 28 February 2023**

	<b>Note</b>	<b>2023</b> £000	<b>2022</b> £000
<b>Cash flow from operating activities</b>			
Profit for the year		773,278	1,048,695
Adjustments for:			
Depreciation of tangible assets	10	9,011	5,820
Income from shares in group companies		(70,873)	(100,222)
Net fair value (gain)/loss recognised in the statement of comprehensive income		(557)	109
Interest receivable and similar income		(1,880)	(5)
Interest payable and similar expenses		—	153
Taxation charged to statement of comprehensive income	8	60,265	81,187
Decrease/(increase) in debtors	12	43,204	(45,731)
(Decrease)/increase in creditors	14	(38,594)	11,447
Corporation tax paid		(54,806)	(85,550)
<b>Net cash generated from operating activities</b>		<b>719,048</b>	<b>915,903</b>
<b>Cash flow from investing activities</b>			
Purchase of tangible fixed assets	10	(17,777)	(7,199)
Proceeds from disposal of tangible assets		5	12
Purchase of unlisted and other investments		—	(20,327)
Proceeds from disposals of unlisted and other investments		—	16,516
Interest received		1,880	5
Income from shares in group companies		70,873	100,222
<b>Net cash generated from investing activities</b>		<b>54,981</b>	<b>89,229</b>
<b>Cash flow from financing activities</b>			
Dividends paid		(228,544)	(322,178)
Interest paid		—	(153)
Repayment of finance leases		(936)	(1,089)
Amounts paid to non-controlling interests		(489,972)	(712,413)
Capital (repaid to)/introduced by non-controlling interests		(1,852)	14,926
<b>Net cash used in financing activities</b>		<b>(721,304)</b>	<b>(1,020,907)</b>
<b>Net decrease in cash and cash equivalents</b>		<b>52,725</b>	<b>(15,775)</b>
Cash and cash equivalents at beginning of the year		37,668	53,443
<b>Cash and cash equivalents at the end of the year</b>		<b>90,393</b>	<b>37,668</b>

The notes on pages 19 to 36 form part of these financial statements.

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**Marshall Wace Asset Management Limited**

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**Notes to the financial statements  
for the year ended 28 February 2023**

**1. General information**

Marshall Wace Asset Management Limited is a company limited by shares and 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.

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.

**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. 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.

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**Marshall Wace Asset Management Limited**

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**Notes to the financial statements (continued)  
for the year ended 28 February 2023****2. Accounting policies (continued)****2.4. 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.

**2.5. Turnover**

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Group and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Turnover from management fees is recognised when the services are performed while turnover 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 turnover 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. Recharge income is recognised on an accruals basis when the amounts become due.

**2.6. 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.

**2.7. Expenses**

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

## **Marshall Wace Asset Management Limited**

### **Notes to the financial statements (continued) for the year ended 28 February 2023**

#### **2. Accounting policies (continued)**

##### **2.8. 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.

##### **2.9. 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.

###### **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.

##### **2.10. 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.

**Marshall Wace Asset Management Limited****Notes to the financial statements (continued)  
for the year ended 28 February 2023****2. Accounting policies (continued)****2.10. Current and deferred taxation (continued)**

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.

**2.11. 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.

**2.12. 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
Non-depreciable items	- not depreciated

Non-depreciable items consist of artwork which 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.



**Marshall Wace Asset Management Limited**

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**Notes to the financial statements (continued)  
for the year ended 28 February 2023****2. Accounting policies (continued)****2.13. 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.

**2.14. 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.

**2.15. 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.

**2.16. 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.

**2.17. 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.

## Marshall Wace Asset Management Limited

### Notes to the financial statements (continued) for the year ended 28 February 2023

#### 2.18. 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 2.12.

### 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.

### 4. Turnover

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

Turnover is earned from the following classes of business:	2023 £000	2022 £000
Management fees and other income	637,561	559,961
Performance fees	598,175	988,904
Recharge income	32,248	23,839
	<u>1,267,984</u>	<u>1,572,704</u>

Analysis of turnover by country of origin:	2023 £000	2022 £000
Ireland	794,788	1,140,255
Rest of the world	473,196	432,449
	<u>1,267,984</u>	<u>1,572,704</u>

## Marshall Wace Asset Management Limited

### Notes to the financial statements (continued) for the year ended 28 February 2023

#### 5. Operating profit

The operating profit is stated after charging:

	2023	2022
	£000	£000
Depreciation of tangible assets	9,011	5,820
Fees payable to the Company's auditors for:		
- The audit of the company financial statements	76	68
- The audit of the Group's subsidiaries pursuant to legislation	51	46
- Audit-related assurance services	7	16
- Taxation advisory services	107	3
- Non audit consultancy fees	—	13
Other operating lease rentals	6,353	5,030

#### 6. Employees

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

	2023	2022
	£000	£000
Wages and salaries	111,489	141,317
Social security costs	13,355	16,058
Pension contributions	2,868	2,396
	127,712	159,771

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

	2023	2022
Office and administration	200	160
Fund management	101	92
	301	252

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**Marshall Wace Asset Management Limited**


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**Notes to the financial statements (continued)**  
**for the year ended 28 February 2023**
**7. Directors' remuneration**

	2023	2022
	£000	£000
Directors' emoluments	433	600
The highest paid director received remuneration of	100	100

**8. Taxation**

	2023	2022
	£000	£000
<b>Corporation tax:</b>		
Current tax on profits for the year	55,037	83,169
Adjustments in respect of previous periods	761	32
<b>Total current tax</b>	<b>55,798</b>	<b>83,201</b>
<b>Deferred tax:</b>		
Origination and reversal of timing differences	3,631	(860)
Adjustments in respect of previous periods	(45)	(31)
Effect of changes in tax rates	881	(1,123)
<b>Total deferred tax</b>	<b>4,467</b>	<b>(2,014)</b>
<b>Taxation on profit on ordinary activities</b>	<b>60,265</b>	<b>81,187</b>

**Marshall Wace Asset Management Limited****Notes to the financial statements (continued)  
for the year ended 28 February 2023****8. Taxation (continued)****Factors affecting the tax charge for the current year**

The tax assessed for the year is lower than (2022: lower than) the standard rate of corporation tax in the UK of 19.00% (2022: 19.00%). The differences are explained below:

	2023 £000	2022 £000
Profit for the financial year before taxation	833,543	1,129,882
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19.00% (2022: 19.00%)	158,373	214,678
<b>Effects of:</b>		
Expenses not deductible for tax purposes	3,409	4,974
Adjustment to tax charge in respect of prior year periods	716	1
Non-taxable income	—	(23)
Differences arising from changes in tax rates	881	(1,123)
Profit allocation to individual members subject to income tax	—	6
Write off of deferred tax	(102,412)	(137,326)
Super deduction	(702)	—
<b>Total taxation</b>	<b>60,265</b>	<b>81,187</b>

**Factors that may affect future tax charges**

Changes to the UK corporation tax rates were substantively enacted as part of Finance Act 2021 (published on 24 May 2021, with royal assent received on 10 June 2021). This confirmed an increase to the corporation tax rate to 25% with effect from 1 April 2023. Deferred taxes at the Balance Sheet date have been calculated based on the corporation tax rate of 25% that is enacted at the reporting date.

The Company has a trading loss carried forward at 28 February 2023 of £738k (2022: £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.

**9. Dividends**

	2023 £000	2022 £000
Interim dividends of £993.670 per share (2022: £1,400.774) paid on Class A shares	228,544	322,178

**Marshall Wace Asset Management Limited**
**Notes to the financial statements (continued)  
for the year ended 28 February 2023**
**10. Tangible assets**

<b>Group and Company</b>	<b>Long-term leasehold property £000</b>	<b>Fixtures and fittings £000</b>	<b>Computer equipment £000</b>	<b>Non-depreciable items £000</b>	<b>Assets under construction £000</b>	<b>Total £000</b>
<b>Cost:</b>						
At 1 March 2022	20,327	2,874	30,546	303	583	54,633
Additions	172	252	12,111	—	5,242	17,777
Disposals	—	—	—	—	(5)	(5)
At 28 February 2023	20,499	3,126	42,657	303	5,820	72,405
<b>Depreciation:</b>						
At 1 March 2022	8,984	2,327	18,635	—	—	29,946
Charge for the year	1,315	183	7,513	—	—	9,011
Disposals	—	—	—	—	—	—
At 28 February 2023	10,299	2,510	26,148	—	—	38,957
<b>Net book value:</b>						
<b>At 28 February 2023</b>	10,200	616	16,509	303	5,820	33,448
At 28 February 2022	11,343	547	11,911	303	583	24,687

Included in computer equipment are assets with a net book value of £2,492k (2022: £3,951k) which are held under a finance lease described in note 15.

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.

**11. Fixed asset investments**

<b>Group</b>	<b>Unlisted investments £000</b>
<b>Cost or valuation</b>	
At 1 March 2022	4,179
Fair value adjustments	145
FX adjustments	412
<b>At 28 February 2023</b>	<b>4,736</b>

## Marshall Wace Asset Management Limited

### Notes to the financial statements (continued) for the year ended 28 February 2023

#### 11. Fixed asset investments (continued)

The fair value of the unlisted investments at 28 February 2023 was £4,736k (2022: £4,179k) which is based on the net asset values of the underlying funds as determined by the fund administrators.

Fair value gains of £145k (2022: £122k) and realised losses of £nil (2022: £463k) were recognised in the statement of comprehensive income from the investments held by the Group. In addition, fair value gains of £nil (2022: £2,818k) and realised losses of £nil (2022: £1,100k) 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.

Company	Investments in subsidiaries £000	Unlisted investments £000	Total Investments £000
<b>Cost or valuation</b>			
At 1 March 2022	6,003	4,179	10,182
Fair value adjustments	—	145	145
FX adjustments	—	412	412
<b>At 28 February 2023</b>	<b>6,003</b>	<b>4,736</b>	<b>10,739</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 registered address of Marshall Wace LLP is George House, 131 Sloane Street, London, SW1X 9AT.

## Marshall Wace Asset Management Limited

### Notes to the financial statements (continued) for the year ended 28 February 2023

#### 12. Debtors: amounts falling due within one year

	Group	Group	Company	Company
	2023	2022	2023	2022
	£000	£000	£000	£000
Amounts owed by group undertakings	84,741	138,898	115,332	165,349
Other debtors	22,943	9,527	17,481	6,871
Prepayments and accrued income	58,274	59,732	10,557	10,825
Corporation tax receivable	1,815	2,807	1,815	2,807
Receivable from funds	5,596	6,601	—	—
Deferred tax asset	17 514	4,981	514	4,981
	<u>173,883</u>	<u>222,546</u>	<u>145,699</u>	<u>190,833</u>

#### 13. Cash and cash equivalents

	Group	Group	Company	Company
	2023	2022	2023	2022
	£000	£000	£000	£000
Cash at bank and in hand	75,020	26,526	24,554	6,454
Research Payment account	15,373	11,142	—	—
	<u>90,393</u>	<u>37,668</u>	<u>24,554</u>	<u>6,454</u>



**Marshall Wace Asset Management Limited**
**Notes to the financial statements (continued)  
for the year ended 28 February 2023**
**14. Creditors: amounts falling due within one year**

	Group	Group	Company	Company
	2023	2022	2023	2022
	£000	£000	£000	£000
Trade creditors	2,934	4,294	2,935	4,294
Amounts owed to group undertakings	13,418	21,763	—	59
Other taxation and social security	6,810	8,503	6,810	8,503
Current portion of finance lease	984	955	984	955
Other creditors	1,474	156	—	21
Accruals and deferred income	70,672	99,186	54,410	77,608
	<u>96,292</u>	<u>134,857</u>	<u>65,139</u>	<u>91,440</u>

**15. Creditors: amounts falling due after one year**

	Group	Group	Company	Company
	2023	2022	2023	2022
	£000	£000	£000	£000
Finance lease	<u>1,038</u>	<u>2,003</u>	<u>1,038</u>	<u>2,003</u>

The finance lease is secured over tangible assets as disclosed in note 10. The minimum lease payments are payable as follows:

	Group	Group	Company	Company
	2023	2022	2023	2022
	£000	£000	£000	£000
Within 1 year	1,042	1,014	1,042	1,014
After 1 year but within 5 years	<u>1,062</u>	<u>2,114</u>	<u>1,062</u>	<u>2,114</u>
	<u>2,104</u>	<u>3,128</u>	<u>2,104</u>	<u>3,128</u>

**Marshall Wace Asset Management Limited****Notes to the financial statements (continued)  
for the year ended 28 February 2023****16. Financial instruments**

	Group 2023 £000	Group 2022 £000	Company 2023 £000	Company 2022 £000
<b>Financial assets</b>				
Financial assets measured at fair value through profit or loss	4,736	4,179	4,736	4,179
Financial assets measured at amortised cost	113,280	155,026	132,813	172,220
	<u>118,016</u>	<u>159,205</u>	<u>137,549</u>	<u>176,399</u>
<b>Financial liabilities</b>				
Financial liabilities measured at amortised cost	(89,482)	(126,354)	(58,329)	(82,937)

Financial assets measured at fair value through profit or loss comprise the unlisted investments disclosed in note 11.

Financial assets measured at amortised cost comprise debtors disclosed in note 12 but excludes prepayments and taxation assets of £60,603k (2022: £67,519k) for the Group and £12,886k (2022: £18,613k) for the Company.

Financial liabilities measured at amortised cost comprise creditors disclosed in note 14 and 15 but excludes taxation liabilities amounting to £6,810k (2022: £8,503k) for the Group and £6,810k (2022: £8,503k) for the Company.

**17. Deferred taxation**

	Group 2023 £000	Company 2023 £000
At beginning of the year	4,981	4,981
Charged to the statement of comprehensive income	(4,467)	(4,467)
<b>At end of the year</b>	<u>514</u>	<u>514</u>

**Marshall Wace Asset Management Limited****Notes to the financial statements (continued)  
for the year ended 28 February 2023****17. Deferred taxation (continued)**

The deferred tax asset is made up as follows:

	Group	Group	Company	Company
	2023	2022	2023	2022
	£000	£000	£000	£000
Unrealised gain on investments	70	44	70	44
Unpaid remuneration adjustments	3,265	4,649	3,265	4,649
Reserves – Unrealised gain on fund investments and other provisions	(206)	(66)	(206)	(66)
Owned fixed assets realised through use	(2,615)	354	(2,615)	354
	<u>514</u>	<u>4,981</u>	<u>514</u>	<u>4,981</u>

**18. Share capital**

	2023	2022
	£000	£000
<b>Allotted, called up and fully paid</b>		
230,002 (2022: 230,002) Class A shares of £1 each	230	230
10 (2022: 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.

## Marshall Wace Asset Management Limited

### Notes to the financial statements (continued) for the year ended 28 February 2023

#### 19. 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
	2023	2022	2023	2022
	£000	£000	£000	£000
Not later than 1 year	7,899	4,959	7,899	4,959
Later than 1 year and not later than 5 years	23,596	22,058	23,596	22,058
Later than 5 years	4,408	5,558	4,408	5,558
	<u>35,903</u>	<u>32,575</u>	<u>35,903</u>	<u>32,575</u>

#### 20. 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.

## Marshall Wace Asset Management Limited

### Notes to the financial statements (continued) for the year ended 28 February 2023

#### 21. Related party transactions

During the year, the Group paid sub advisory fees to Marshall Wace North America, L.P. totalling £176,989k (2022: £224,702k) and sales agent fees and support service fees totalling £9,554k (2022: £8,701k). The Group also received a profit allocation of £73,769k (2022: £100,222k) from Marshall Wace North America, L.P. At year end there was a balance of £7,780k (2022: £18,768k) 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 £105,341k (2022: £168,807k) by Marshall Wace Asia Limited. In addition, the Group received sales agent fees of £761k (2022: £1,232k) from Marshall Wace Asia Limited. At year end there was a balance of £4,866k due to (2022: £1,286k) 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 £137,777k (2022: £225,955k) to Marshall Wace (GP1) Limited. At year end there was a net balance of £336k (2022: £392k) 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 (2022: £nil) by MW Group LP for support services received. At year end there was a net balance of £12,526k (2022: £10,213k) due to MW Group LP. MW Group LP is the ultimate parent entity.

During the year, the Group received a net amount of £45,640k (2022: £23,380k) from MW Ltd for investments under the Group's bonus deferral plan. The Group also provided funding to MW Ltd of £23,101k (2022: £44,558k). At year end there was a balance of £71,587k (2022: £126,978k) 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 £3,403k by Marshall Wace Investment Management (Shanghai) Ltd for sub advisory and support fees (2022: £2,622k). At year end there was a balance of £86k (2022: £228k) due from the Group. The entities are related through sharing the same ultimate controlling party.

During the year, the Group was charged £8,371k by Marshall Wace Singapore Pte. Ltd for sub advisory and support fees (2022: £1,706k). At year end there was a balance of £456k (2022: £122k) due from the Group. The entities are related through sharing the same ultimate controlling party.

During the year, the Group purchased supplies of £333k (2022: £167k) from businesses of which I.G.P. Wace has significant influence or control over. At the year end, there was a balance of £nil (2022: £nil) due to the businesses. All transactions were conducted at market rate on an arm's length basis.

During the year, the Group charged sub advisory and support fees of £nil (2022: £nil) to MW Infrastructure Services Japan GK. At the year end, there was a net balance of £90k (2022: £90k) due to MW Infrastructure Services Japan GK. The entities are related through sharing the same ultimate controlling party.

During the year, the Group charged sub advisory and support fees of £3,168k (2022: £nil) to MW XO Digital Finance Fund GP Ltd. At the year end there was a net balance of £155k (2022: £nil) due from MW XO Digital Finance Fund GP Ltd. The entities are related through sharing the same ultimate controlling party.

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

## **Marshall Wace Asset Management Limited**

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### **Notes to the financial statements (continued) for the year ended 28 February 2023**

#### **22. Controlling party**

The Company's immediate parent entity is MW Ltd.

The ultimate parent entity and the parent of the largest group for which consolidated financial statements are prepared is MW Group LP, a limited partnership registered and domiciled in the Cayman Islands. The registered address of MW Group LP is PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands.

The ultimate controlling party is MW Group LP.

#### **23. Subsequent Events**

The Company declared and paid dividends of £21,000k on 19 April 2023 (2022: £22,000k)