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**FAXCORNER LIMITED**

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**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2012**

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## **FAXCORNER LIMITED**

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### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2012**

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The directors present their report and the audited financial statements of Faxcorner Limited ("the Company") for the year ended 31 December 2012

#### **PRINCIPAL ACTIVITIES**

There was no significant change in the principal activity of the Company, which consisted of intercompany lending

The Company had net assets of £6,699,000 at the balance sheet date (31 December 2011 £6,583,000)

Comparatives have been provided for the nine month period ended 31 December 2011 as a result of the Company changing its year-end from 31 March to 31 December in 2011

#### **RESULTS AND DIVIDENDS**

The profit for the year, after taxation, amounted to £116,000 (9 months to 31 December 2011 £75,000)

During the year the Company did not declare or pay any dividends (9 months to 31 December 2011 £NIL)

The directors do not recommend the payment of a final dividend in respect of the year ended 31 December 2012 (9 months to 31 December 2011 £NIL)

#### **DIRECTORS**

The directors who served during the year were

P L Clarke (resigned 28 February 2013)  
K J P Hayes (resigned 18 June 2012)  
S A Clough (resigned 22 July 2012)  
J E H Sorrell (appointed 25 June 2012)  
G E R Wood (appointed 25 July 2012)

The directors named above have been members of the Board throughout the year under review, except where indicated

#### **DIRECTOR INDEMNITIES**

During the year the directors benefited from a third party qualifying indemnity provision to the extent permitted by law and these indemnities remain in force at the date of this report. The indemnity is provided by another company within the Man Group ("the Group")

#### **FUTURE DEVELOPMENTS**

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

#### **PRINCIPAL RISKS AND UNCERTAINTIES**

The directors consider the principal risks of the Company to be consistent with those identified at group level and managed by the directors of Man Group plc. For this reason, the Company's directors believe that a discussion of the Company's risks would not be appropriate for an understanding of the development, performance or position of the Company's business. The principal risks and uncertainties of Man Group plc,

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## **FAXCORNER LIMITED**

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### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2012**

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which include those of the Company, are discussed in the Risk Management section of the Group's Annual Report for the year ended 31 December 2012 on pages 22 to 25 (which does not form part of this report)

#### **KEY PERFORMANCE INDICATORS ("KPIs")**

The directors of the Company consider its operations to be consistent with those at group level that are managed by the directors of Man Group plc. For this reason, the Company's directors believe that an analysis using key performance indicators for the Company is not necessary or appropriate for an understanding of the development, performance or position of the business of the Company. The development, performance and position of the Group's Asset Management business, which includes the Company, are discussed in the Investment Management section on pages 16 to 18 and in the Key Performance Indicators sections on pages 10 and 11 of the Group's Annual Report for the year ended 31 December 2012 (which do not form part of this report).

#### **STATUTORY ACCOUNTS**

The financial statements of the Company are presented in UK Pounds sterling ("sterling"). This reflects the underlying business which is conducted in that currency.

#### **GOING CONCERN**

The directors have concluded that there is a reasonable expectation that the Company has adequate resources to continue in operational existence in the foreseeable future. Accordingly, the financial statements have been prepared on a going concern basis.

#### **FINANCIAL INSTRUMENTS**

The directors consider the financial risks of the Company to be consistent with those identified at group level and managed by the directors of Man Group plc. For this reason, the Company's directors believe that a discussion of the Company's financial risks would not be appropriate for an understanding of the development, performance or position of the Company's business. The principal financial risks of Man Group plc, which include those of the Company, are discussed in Note 14 and Note 15 of the Group's Annual Report for the year ended 31 December 2012 on pages 82 and 84 respectively (which do not form part of this report).

#### **EVENTS SINCE THE END OF THE YEAR**

On 23 May 2013, the Company undertook an internal reorganisation to facilitate the remittance in future periods of trading profits from the Group's operating entities up to the Company's immediate parent undertaking, Man Group UK Limited. This was achieved by way of a capital reduction whereby the Company's share capital was reduced to £100. Man Group UK Limited anticipates selling the Company and the capital reduction forms part of the pre-sale action being undertaken.

#### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently,

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## **FAXCORNER LIMITED**

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### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2012**

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- make judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### **PROVISION OF INFORMATION TO AUDITORS**

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

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

### **AUDITORS**

Under section 487(2) of the Companies Act 2006, PricewaterhouseCoopers LLP will be deemed to have been reappointed as auditors 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 and signed on its behalf



**G E R Wood**  
Director

Date 24 May 2013

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**FAXCORNER LIMITED**

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FAXCORNER LIMITED**

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We have audited the financial statements of Faxcorner Limited for the year ended 31 December 2012 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. 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).

**RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS**

As explained more fully in the Statement of Directors' Responsibilities set out on page 2 the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

**SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS**

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

**OPINION ON FINANCIAL STATEMENTS**

In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 31 December 2012 and of its 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.

**OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or

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**FAXCORNER LIMITED**

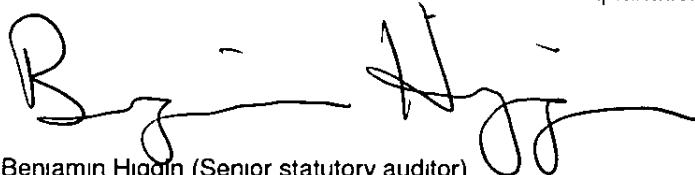
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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FAXCORNER LIMITED**

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- 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

A handwritten signature in black ink, appearing to read 'Benjamin Higgin', is written over the printed name.

Benjamin Higgin (Senior statutory auditor)

for and on behalf of

**PricewaterhouseCoopers LLP**

Chartered Accountants and Statutory Auditors

London

24 May 2013

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**FAXCORNER LIMITED**

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**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 2012**

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		<b>12 months ended 31 December 2012 £000</b>	<b>9 months ended 31 December 2011 £000</b>
	<b>Note</b>		
Administrative expenses		<b>(3)</b>	<b>(10)</b>
Other operating income		<b>-</b>	<b>3</b>
		<hr/>	<hr/>
<b>OPERATING LOSS</b>	<b>2</b>	<b>(3)</b>	<b>(7)</b>
Interest receivable and similar income	<b>4</b>	<b>157</b>	<b>109</b>
		<hr/>	<hr/>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>154</b>	<b>102</b>
Tax on profit on ordinary activities	<b>6</b>	<b>(38)</b>	<b>(27)</b>
		<hr/>	<hr/>
<b>PROFIT FOR THE FINANCIAL YEAR</b>	<b>10</b>	<b>116</b>	<b>75</b>
		<hr/>	<hr/>

All amounts relate to continuing operations

There were no recognised gains and losses for 2012 or 2011 other than those included in the Profit and Loss Account

The notes on pages 8 to 12 form part of these financial statements

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**FAXCORNER LIMITED**  
**REGISTERED NUMBER: 546855**

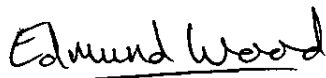
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**BALANCE SHEET**  
**AS AT 31 DECEMBER 2012**

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	Note	£000	2012 £000	£000	2011 £000
<b>CURRENT ASSETS</b>					
Debtors	7	6,740		6,616	
<b>CREDITORS</b> amounts falling due within one year	8	(41)		(33)	
<b>NET CURRENT ASSETS</b>			6,699		6,583
<b>NET ASSETS</b>			6,699		6,583
<b>CAPITAL AND RESERVES</b>					
Called up share capital	9		5,000		5,000
Profit and loss account	10		1,699		1,583
<b>SHAREHOLDERS' FUNDS</b>	11		6,699		6,583

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



**G E R Wood**  
Director

Date 24 May 2013

The notes on pages 8 to 12 form part of these financial statements



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2012**

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**1 ACCOUNTING POLICIES**

**1.1 Basis of preparation of financial statements**

The financial statements have been prepared on the going concern basis, under the historical cost convention, and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom

Comparatives have been provided for the nine month period ended 31 December 2011 as a result of the Company changing its year-end from 31 March to 31 December in 2011

The principal accounting policies are set out below and have been applied consistently throughout the year

**1.2 Cash flow**

The Company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with Financial Reporting Standard 1 (Revised 1996) ("FRS 1") "Cash Flow Statements"

**1.3 Foreign currencies**

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction

Exchange gains and losses are recognised in the Profit and Loss Account

**1.4 Functional currency**

The Company's principal business is transacted in sterling and accordingly the Company's functional currency is sterling and these financial statements have been prepared in that currency

**1.5 Taxation**

Current tax, including UK corporation tax, is recorded at amounts to be recovered or paid using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date

**1.6 Financial instruments disclosure**

The Company is a wholly owned subsidiary undertaking of Man Group plc which provides financial instruments disclosures that comply with the requirements of FRS 29 "Financial Instruments Disclosures" Consequently, the Company has taken advantage of the exemption from preparing financial instruments disclosures in accordance with FRS 29

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**FAXCORNER LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2012**

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**1. ACCOUNTING POLICIES (continued)****1.7 Segmental reporting**

The Company is a wholly owned subsidiary undertaking of Man Group plc which provides segmental information that complies with the requirements of International Financial Reporting Standard 8 ("IFRS 8") "Operating Segments". Consequently, the Company has taken advantage of the exemption from preparing segmental information in accordance with Statement of Standard Accounting Practice 25 ("SSAP 25") "Segmental Reporting".

**2. OPERATING LOSS**

The operating loss is stated after crediting

	<b>12 months ended 31 December 2012 £000</b>	<b>9 months ended 31 December 2011 £000</b>
Difference on foreign exchange	-	(3)

**3. AUDITORS' REMUNERATION**

	<b>12 months ended 31 December 2012 £000</b>	<b>9 months ended 31 December 2011 £000</b>
Fees payable to the Company's auditor and its associates for the audit of the Company's annual accounts	3	10

**4. INTEREST RECEIVABLE**

	<b>12 months ended 31 December 2012 £000</b>	<b>9 months ended 31 December 2011 £000</b>
Interest receivable from group companies	157	109

**5. STAFF COSTS**

The Company has no employees other than the directors, who did not receive any remuneration (9 months to 31 December 2011 - £NIL)

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**FAXCORNER LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2012**

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**6. TAXATION**

	<b>12 months ended 31 December 2012 £000</b>	<b>9 months ended 31 December 2011 £000</b>
UK corporation tax charge on profit for the year/period	<b>38</b>	<b>27</b>

**Factors affecting tax charge for the year/period**

There were no factors that affected the tax charge for the year/period which has been calculated on the profits on ordinary activities before tax at the standard rate of corporation tax in the UK of 24.5% (2011 - 26%)

**Factors that may affect future tax charges**

The main rate of corporation tax for the tax year beginning 1 April 2012 reduced from 26% to 24%. This results in a weighted average rate of 24.5% for 2012 (2011 26%)

The UK Government has announced that the rate will reduce to 23% from 1 April 2013, 21% from 1 April 2014 and 20% from 1 April 2015. While the reduction in the corporate tax rate to 23% has already been enacted, the further announced reductions are expected to be enacted through the 2013 Finance Bill. This will reduce the Company's future current tax charge accordingly.

**7 DEBTORS**

	<b>2012 £000</b>	<b>2011 £000</b>
Amounts owed by group undertakings	<b>6,740</b>	<b>6,616</b>

**8 CREDITORS  
Amounts falling due within one year**

	<b>2012 £000</b>	<b>2011 £000</b>
Amounts owed to group undertakings	-	6
Corporation tax	<b>38</b>	<b>27</b>
Accruals	<b>3</b>	-
	<b>41</b>	<b>33</b>

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**FAXCORNER LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2012**

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**9. SHARE CAPITAL**

	<b>2012 £000</b>	2011 £000
<b>Allotted, called up and fully paid</b>		
5,000,000 Ordinary shares of £1 each	<u><b>5,000</b></u>	<u>5,000</u>

**10. RESERVES**

	<b>Profit and loss account £000</b>
At 1 January 2012	<b>1,583</b>
Profit for the year	<b>116</b>
	<u>          </u>
At 31 December 2012	<u><b>1,699</b></u>

**11. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS**

	<b>2012 £000</b>	2011 £000
Opening shareholders' funds	<b>6,583</b>	6,508
Profit for the year/period	<b>116</b>	75
	<u>          </u>	<u>          </u>
Closing shareholders' funds	<u><b>6,699</b></u>	<u>6,583</u>

**12. RELATED PARTY TRANSACTIONS**

The Company has taken advantage of the exemption under the provisions of FRS 8 "Related Party Disclosures" not to disclose transactions with other group companies since the Company is a wholly owned subsidiary of Man Group plc, the consolidated financial statements of which are publicly available. During the year there have been no disclosable transactions with related parties other than group companies.

**13. POST BALANCE SHEET EVENTS**

On 23 May 2013, the Company undertook an internal reorganisation to facilitate the remittance in future periods of trading profits from the Group's operating entities up to the Company's immediate parent undertaking, Man Group UK Limited. This was achieved by way of a capital reduction whereby the Company's share capital was reduced to £100. Man Group UK Limited anticipates selling the Company and the capital reduction forms part of the pre-sale action being undertaken.

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**FAXCORNER LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2012**

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**14. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY**

The directors regard Man Group plc, a company registered in England, as the Company's ultimate parent company and controlling party. The immediate parent undertaking is Man Group UK Limited, a company registered in England.

The smallest group of undertakings of which the Company is a member that draws up group financial statements is that of Man Strategic Holdings Limited. The largest group of undertakings of which the Company is a member that draws up group financial statements is that of Man Group plc.

The financial statements of Man Group plc and Man Strategic Holdings Limited are available from

Riverbank House  
2 Swan Lane  
London EC4R 3AD  
United Kingdom