

**Company Registration No. 3349370**

**GLG PARTNERS UK GROUP LIMITED**

**Report and Financial Statements**

**31 December 2010**

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# **GLG PARTNERS UK GROUP LIMITED**

## **REPORT AND FINANCIAL STATEMENTS 2010**

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**GLG PARTNERS UK GROUP LIMITED**  
**Company Registration No. 3349370**

**OFFICERS AND PROFESSIONAL ADVISERS**

**DIRECTORS**

Emmanuel Roman  
Pierre Lagrange

**REGISTERED OFFICE**

One Curzon Street  
London  
W1J 5HB

**AUDITORS**

Ernst & Young LLP  
1 More London Place  
London  
SE1 2AF

**GLG PARTNERS UK GROUP LIMITED**  
**Company Registration No. 3349370**

**DIRECTORS' REPORT**

The directors present the annual report and audited financial statements of GLG Partners UK Group Limited ("the Company") for the year ended 31 December 2010

**Business review and principal activities**

The Company is a wholly-owned subsidiary of GLG FA Sub 4 Limited

On 3 April 2009, Société Générale SA sold its UK fund management arm ('SGAM UK') to GLG Partners Inc. The Company was part of this sale.

The Company's principal activity is to act as a holding company for certain investment management companies. There have not been any significant changes in the Company's principal activities during the year under review.

Interest receivable arose from the long term loan which the company made to its subsidiary undertaking, GLG UK Holdings Ltd. The decrease in borrowings under this facility combined with the continuation of low interest rates has resulted in the decrease in interest receivable compared to the prior year.

On 17 May 2010, GLG Partners, Inc. announced that it had agreed to be acquired by Man Group plc ("Man"). On 12 October 2010, GLG Partners, Inc. announced that its shareholders approved the merger agreement and the transaction was completed on 14 October 2010. The Company was part of this sale.

The audited financial statements for the year ended 31 December 2010 are set out on pages 7 to 14. The profit on ordinary activities before taxation after accrued preference dividend of nil (2009 - £196,130) was £1,074,545 (2009 - profit of £1,578,335).

The balance sheet on page 8 of the financial statements shows the company's financial position at the year end.

There have not been any significant events since the balance sheet date.

**Future Developments**

During the forthcoming year, it is intended that the investment management contracts undertaken by the investment management companies for which GLG Partners UK Group Limited is a holding company be transferred to another company within the GLG Partners Inc group. No formal decision has yet been taken on this matter, and neither has any decision been made on whether the Company will be ultimately wound up following this transfer. The Company will continue to receive any necessary financial support of Man for the foreseeable future in order to enable the Company to continue to meet its existing liabilities and any further liabilities as they fall due, and as such the directors consider it appropriate to continue to prepare the financial statements on a going concern basis.

**Going Concern**

The Company's business activities, together with the factors likely to affect its future development, its financial position and financial risk management objectives are detailed in this report. Man has the financial resources together with an established and diverse institutional client base which would enable it to provide sufficient financial support to the Company, should it be required. As a consequence, the directors believe that the Company is well placed to manage its business risk successfully despite the current uncertain economic outlook.

After making enquiries, the directors have a reasonable expectation that the Company has the adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report.

**Dividends**

The directors do not propose the payment of an ordinary share dividend (2009 - £nil).

## **DIRECTORS' REPORT (CONTINUED)**

### **Performance**

The performance of the Company is regularly reviewed at the Management Committee meetings which are held regularly throughout the year. The results for the month and year to date are reviewed as well as any significant movements due to receipt or payments of dividends or changes to the capital structure of the Company.

### **Principal risks and uncertainties**

The Company is not directly exposed to price, credit, liquidity, exchange rate or cash flow risk in its capacity as a holding company.

### **Financial risk management**

The Company is exposed, via its subsidiaries, to financial risk through its financial assets and liabilities. The most important components of financial risk are:

- Credit risk principally arises from the settlement of debtors. These debtors are generally intercompany and are considered low risk. Debtor positions in the Company's balance sheet are monitored regularly.

### **Directors**

The directors who served during the year are as follows:

Emmanuel Roman

Pierre Lagrange

None of the directors have had any beneficial interests in the shares of the Company or any other UK group companies at any time in the year.

### **Charitable and political contributions**

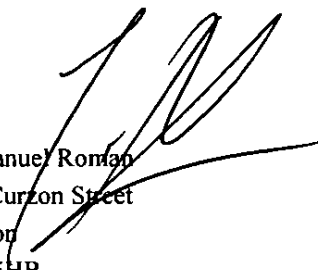
During the year the Company made charitable and political donations of £nil.

### **Provision of information to auditors**

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the auditor, each director has taken all the steps that he is obliged to take as director in order to make himself aware of any relevant audit information and to establish that the auditor is aware of that information.

The current auditors for GLG Partners UK Group Limited are Ernst & Young LLP. Due to the acquisition of GLG Partners Inc., of which the Company is a subsidiary, by Man Group plc on 14 October 2010 it is yet to be decided at a future meeting of the board of directors whether to retain Ernst & Young LLP as auditors of GLG Partners UK Group Limited.

Approved by the Board of Directors  
and signed on behalf of the Board



Emmanuel Roman  
One Curzon Street  
London  
W1J 5HB

29 March 2011

## **GLG PARTNERS UK GROUP LIMITED**

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

The directors are responsible for preparing the Annual 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,
- make judgements 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, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping proper 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 to 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.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GLG PARTNERS UK GROUP LIMITED**

We have audited the financial statements of GLG Partners UK Group Limited for the year ended 31 December 2010 which comprise the profit and loss account, the balance sheet and the related notes 1 to 16. 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).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of directors and auditors**

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

**Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

**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 2010 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.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GLG PARTNERS UK GROUP LIMITED**

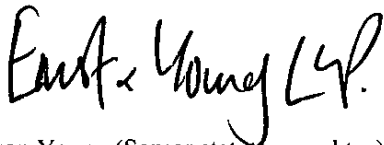
**Opinion on other matter prescribed by the Companies Act 2006**

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
- 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 'Ernst & Young LLP'.

Julian Young (Senior statutory auditor)

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

London

Date 30 March 2011

# GLG PARTNERS UK GROUP LIMITED

## PROFIT AND LOSS ACCOUNT

For the year ended 31 December 2010

	Notes	2010 £	2009 £
Administrative Income		-	694,353
Administrative expenses		(2,400)	(34,078)
<b>Operating (loss) / profit</b>		<b>(2,400)</b>	<b>660,275</b>
Interest receivable and similar income	4	39,445	76,690
Dividend receivable from subsidiary undertaking	7	1,037,500	1,037,500
		1,074,545	1,774,465
<b>Finance costs:</b>			
Distributions payable to preference shareholders	5	-	(196,130)
<b>Profit on ordinary activities before taxation</b>		<b>1,074,545</b>	<b>1,578,335</b>
Tax (charge) on profit on ordinary activities	6	(10,373)	(279,600)
<b>Profit on ordinary activities after taxation for the financial year</b>		<b>1,064,172</b>	<b>1,298,735</b>

The accompanying notes, as set out on pages 9 to 14, form an integral part of the financial statements

A reconciliation of movement in shareholders' funds is shown in note 14

There have been no recognised gains or losses attributable to the shareholders other than the loss for the current and preceding financial year and accordingly a statement of total recognised gains and losses is not presented

The results for the current and preceding financial year have been derived from continuing operations

# GLG PARTNERS UK GROUP LIMITED

## BALANCE SHEET

As at 31 December 2010

	Notes	2010 £	2009 £
<b>Fixed assets</b>			
Investments	10	<u>24,750,008</u>	<u>24,750,008</u>
<b>Current assets</b>			
Debtors			
Amounts falling due within one year	11	<u>5,914,342</u>	<u>8,225,948</u>
		5,914,342	8,225,948
<b>Creditors:</b>			
Amounts falling due within one year	12	<u>(5,000)</u>	<u>(3,380,778)</u>
<b>Net current assets</b>		<u>5,909,342</u>	<u>4,845,170</u>
<b>Total assets less current liabilities</b>		<u>30,659,350</u>	<u>29,595,178</u>
<b>Net assets</b>		<u>30,659,350</u>	<u>29,595,178</u>
<b>Capital and reserves</b>			
Called up share capital	13	34,163,708	34,163,708
Share premium account	14	3,690,000	3,690,000
Profit and loss account	14	<u>(7,194,358)</u>	<u>(8,258,530)</u>
<b>Shareholders' funds</b>		<u>30,659,350</u>	<u>29,595,178</u>

These financial statements were approved by the Board of Directors and authorised for issue on 29 March 2011

Signed on behalf of the Board of Directors

Emmanuel Roman  
Director



# **GLG PARTNERS UK GROUP LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS** **For the year ending 31 December 2010**

### **1. Accounting Policies**

#### **Basis of preparation**

The financial statements have been prepared in accordance with applicable United Kingdom law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The particular accounting policies adopted are described below and they have all been applied consistently throughout the year and the preceding years. The accounts have been prepared under the historical cost convention.

#### **Taxation**

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

Deferred tax is recognised in respect of timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences between the Company's taxable profits and its results as stated in the financial statements arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

#### **Investments**

Fixed asset investments are held at cost less any provision for impairment.

#### **Financial liabilities and equity**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Financial liabilities and equity instruments are recorded at the proceeds received, net of issue costs.

#### **Finance costs**

Finance costs are accounted for on an accrual basis. In line with the classification of the cumulative redeemable preference shares as a financial liability, the distributions payable to preference shareholders represent a finance cost.

#### **Cash flow statement**

The Company has not prepared a cash flow statement as it has taken advantage of the exemption available in Financial Reporting Standard No 1 (Revised 1996) Cash Flow Statements. The Company was, as at 31 December 2010, a wholly-owned subsidiary of its immediate parent undertaking GLG FA Sub 4 Limited, a company incorporated in the United Kingdom, which prepares consolidated financial statements including a cash flow statement incorporating the results of the Company.

# GLG PARTNERS UK GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS For the year ending 31 December 2010 (continued)

### Accounting Policies (Continued)

#### Consolidated financial statements

The Company has taken advantage of the exemption not to produce group accounts available under Section 401 of the Companies Act 2006 as it is included in the consolidated financial statements of its immediate parent company as at the balance sheet date, GLG FA Sub 4 Limited, incorporated in the United Kingdom. These financial statements therefore present information about the Company as an individual undertaking and not about its group.

#### 2. Administrative income / expenses

Administrative income represents one-off gains made following the release of certain liabilities following the GLG acquisition. Directors' remuneration was borne by GLG Partners UK Holdings Limited (a wholly-owned subsidiary company) until May 2009 when the employment contracts of GLG Partners UK Holdings Ltd were transferred to an affiliate, GLG Partners LP. The company had no employees during the year (2009 Nil).

#### 3. Profit on ordinary activities before taxation

This is stated after charging

	2010 £	2009 £
Auditors' remuneration - audit fees	5,000	5,000

#### 4. Interest receivable and similar income

	2010 £	2009 £
Interest receivable	39,445	76,690

#### 5. Finance costs:

##### Distributions payable to preference shareholders

	2010 £	2009 £
Distribution accrued on cumulative preference shares at 5p per share	-	196,130

The distribution accrued on cumulative shares as reported for 2009 was calculated pro-rata up to the date of redemption of the preference shares. On 11 March 2009, all the "A" cumulative redeemable preference shares, both issued and unissued, were sub-divided into cumulative redeemable preference shares of 10p each. On the same date all the "A" cumulative redeemable preference shares, both issued and unissued, were re-designated into ordinary shares of 10p each.

For the period up to and including 10 March 2009 the cumulative redeemable preference shares carried an entitlement to dividends. The rate of dividend entitlement on the cumulative redeemable preference shares was 5p per share per annum.

# GLG PARTNERS UK GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS For the year ending 31 December 2010 (continued)

### 6. Taxation

The tax assessed for the period is lower (2009 – lower) than that resulting from applying the standard rate of corporation tax in the UK of 28% (2009 – 28%) The differences are explained below

	2010 £	2009 £
<b>Current tax</b>		
Profit on ordinary activities before tax	1,074,545	1,578,335
Tax (charge)/credit on profit on ordinary activities at standard rate	(300,873)	(441,934)
Factors affecting charge		
UK dividend income	290,500	290,500
UK dividend expense	-	(54,916)
Movement in short term timing differences	-	300,436
Over/(Under) provision for prior year	-	75,913
<b>Current tax (charge) / credit for the year</b>	<b>(10,373)</b>	<b>169,999</b>
 <b>Analysis of the tax charge for the period</b>		
<i>Corporation Tax</i>		
Corporation tax credit for the year	(10,373)	94,086
Over/(Under) provision for prior year	-	75,913
<b>Total current tax</b>	<b>(10,373)</b>	<b>169,999</b>
 <i>Deferred Tax</i>		
The origination and reversal of timing differences	-	(300,436)
Prior year adjustment deferred tax	-	(149,163)
<b>Total Deferred Tax</b>	<b>-</b>	<b>(449,599)</b>
<b>Tax (charge) /credit on ordinary activities</b>	<b>-</b>	<b>(279,600)</b>

### 7. Dividend receivable

	2009 £	2008 £
Dividend accrued on cumulative redeemable preference shares of GLG Partners UK Holdings Ltd at 5% per annum	1,037,500	1,037,500

# GLG PARTNERS UK GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS For the year ending 31 December 2010 (continued)

### 8. Staff costs

The Company has no employees (2009 – nil) Due to the Company acting solely as holding company there is no allocation of staff costs other than the emoluments of directors of the Company Accordingly, there are no staff costs other than the directors' emoluments disclosed below

### 9. Directors' remuneration

	2010 £	2009 £
The remuneration of the directors for services provided to the Company during the year was as follows		
Emoluments	-	66,157
Company contributions to money purchase pension schemes	-	9,555
	<u>-</u>	<u>75,712</u>

From 1 January 2009 to 3 April 2009 the previous directors, who resigned on 3 April 2009 after the sale of SGAM UK to GLG Partners Inc, were remunerated in respect of their services as directors of the company while it was part of the SGAM UK group Since 3 April 2009, the director's are remunerated through GLG Partners LP, GLG Partners Inc, Laurel Heights LLP, GLG Partners Services LP and Man Group Services Limited, fellow subsidiaries of Man Group plc No emoluments were paid to, or are due to, any director in respect of services as directors of the company for the year ended 31 December 2010

#### Highest paid director

The above amount for remuneration includes the following in respect of the highest paid director

	2010 £	2009 £
Emoluments	-	66,157
Company contribution to money purchase pension scheme	-	9,555
	<u>-</u>	<u>75,712</u>

### 10. Fixed asset investments

The Company has a 100% interest in the following wholly-owned subsidiary undertaking

	2010 £	2009 £
GLG Partners UK Holdings Limited		
Ordinary shares of £1 each	4,000,008	4,000,008
Cumulative redeemable preference shares of £1 each	<u>20,750,000</u>	<u>20,750,000</u>
	<u>24,750,008</u>	<u>24,750,008</u>

GLG Partners UK Holdings Limited is a company registered in England and Wales The principal activity of GLG Partners UK Holdings Limited is to act as a holding company for certain investment management companies

# GLG PARTNERS UK GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS For the year ending 31 December 2010 (continued)

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

	2010 £	2009 £
Group relief receivable	-	94,086
Accrued dividends	4,150,000	3,112,500
Amounts due from subsidiary companies	1,764,342	5,019,362
	<u>5,914,342</u>	<u>8,225,948</u>

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

	2010 £	2009 £
Accruals and deferred income	5,000	3,380,778
	<u>5,000</u>	<u>3,380,778</u>

### 13. Called up share capital

	2010 £	2009 £
<b>Authorised:</b>		
350,000,000 ordinary shares of 10p each	35,000,000	35,000,000
	<u>35,000,000</u>	<u>35,000,000</u>
<b>Called up, allotted and fully paid:</b>		
341,637,080 ordinary shares of 10p each	34,163,708	34,163,708
	<u>34,163,708</u>	<u>34,163,708</u>

### 14. Reconciliation of movement in shareholders' funds

	Share capital £	Share premium £	Profit and loss £	Total £
Balance at 1 January 2009	13,000,000	3,690,000	(9,557,265)	7,132,735
Share Capital issued for the year	21,163,708	-	-	21,163,708
Profit for the year	-	-	1,298,735	1,298,735
	<u>34,163,708</u>	<u>3,690,000</u>	<u>(8,258,530)</u>	<u>29,595,178</u>
Balance at 31 December 2009	34,163,708	3,690,000	(8,258,530)	29,595,178
Profit for the year	-	-	1,064,172	1,064,172
	<u>34,163,708</u>	<u>3,690,000</u>	<u>(7,194,358)</u>	<u>30,659,350</u>
Balance at 31 December 2010	34,163,708	3,690,000	(7,194,358)	30,659,350

## **GLG PARTNERS UK GROUP LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS** **For the year ending 31 December 2010 (continued)**

#### **15. Ultimate parent company**

The Company's ultimate parent company was Man Group plc, a company incorporated in the United Kingdom and listed on the London Stock Exchange. Copies of the annual financial statements of Man Group plc are available to the public from the Man Group website ([www.mangroupplc.com](http://www.mangroupplc.com)).

The smallest group of which GLG Partners UK Group Limited is a member, and for which group accounts are drawn up, is the group headed by GLG FA Sub 4 Limited, a company incorporated in the United Kingdom. Copies of the annual accounts of GLG FA Sub 4 Limited can be obtained from the company secretary of GLG Partners UK Group Limited at Centennium House, 100 Lower Thames Street, London, EC3R 6DL.

The largest group of which GLG Partners UK Group Limited is a member, and for which group financial statements are drawn up, is the group headed by Man Group plc.

#### **16. Related party transactions**

In the prior year and from the start of the year until 14 October 2010, the Company's ultimate parent undertaking was GLG Partners Inc, a company incorporated in the United States of America. After 14 October the ultimate parent undertaking was Man Group plc as disclosed in note 15 above. The company has taken advantage of the exemption in paragraph 3(c) of FRS 8 Related Party Transactions (amended 2008) not to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary undertaking which is a party to the transaction is wholly owned by a member of that group. The exemption has been applied in relation to transactions with the GLG group in the prior year and up to 14 October 2010, and in relation to the Man group subsequent to that date.

There were no other related party transactions requiring disclosure.