

Registered number: 00633480

M&G Group Limited

Annual Report and Financial Statements

For the Year Ended 31 December 2021



M&G Group Limited

Company Information

Directors	C B Chaloner A C M Morris M Tosato J M B Daniels (appointed 1 September 2021) S A Fitzgerald (appointed 1 October 2021) R R Turnill (appointed 8 November 2021) C J Bousfield (resigned 1 October 2021) M J Evans (resigned 1 April 2021) J W Foley (resigned 1 September 2021)
Company secretary	M&G Management Services Limited (appointed 14 July 2021) P J Woodcock (resigned 14 July 2021)
Registered number	00633480
Registered office	10 Fenchurch Avenue London EC3M 5AG
Independent auditor	KPMG LLP 15 Canada Square London E14 5GL

M&G Group Limited

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M&G Group Limited

Strategic Report For the Year Ended 31 December 2021

Business review

M&G Group Limited (the 'Company') is a member of the M&G plc group, the UK and international savings and investments business. The Company's immediate parent company is M&G Group Regulated Entity Holding Company Limited which is a direct subsidiary of M&G plc.

The Company along with its direct and indirect subsidiaries form the M&G Group (the 'Group' and 'M&G').

The Group's principal activity is to provide asset management services in equities, public and private fixed income, real estate and other asset classes for its retail, institutional and internal clients. Internal clients refers to other entities that are part of the M&G plc group. The Company's principal activity is to act as a holding company.

The profit before tax for the Company for the year was £142m (2020: £185m). Further details of the results for the year are set out in the Profit and Loss Account and Other Comprehensive Income statement shown on page 16.

Principal risks and uncertainties

The Company is subject to M&G plc Group's internal control and risk management processes as detailed in the Group Governance Framework (GGF) and associated Group Risk Management Framework (RMF). The control procedures and systems established within the M&G plc Group are designed to manage, rather than eliminate, the risk of failure to meet business objectives. The Company generates shareholder value by taking exposure to risks where such risks are adequately rewarded and can be appropriately quantified and managed to safeguard the Company's ability to meet commitments to customers, comply with regulations, and protect its reputation.

The RMF requires all entities within the M&G plc Group, including the Company, to establish processes for identifying, measuring, managing, monitoring and reporting key risks. The RMF is designed to manage risk within agreed appetite levels which are aligned to delivering the Company and M&G plc Group strategy for customers, clients and shareholders. The RMF is approved by the M&G plc Group Risk Committee and operates based on the concept of the three lines of defence: (1) risk identification and management; (2) risk oversight, advice and challenge; and (3) independent assurance.

The Company is exposed to a number of risks. Some are inherent in running an investment management business and are not unique; others are unique and result from business strategy and structure. The outcome of risks may result in harm to customer and clients, the firm and / or the market. These risks may be categorised as follows:

Business environment risk

The Company acknowledges and accepts its exposure to business environment risk. Senior management continually assess the business environment and will take appropriate measures when necessary.

Operational risk and resilience

The Company defines operational risk as the risk of financial and non-financial impact (for example, regulatory and reputational) resulting from inadequate or failed internal processes, or from personnel and systems, or from external events. The Company does not actively seek to take operational risk to generate returns.

Strategic Report (continued)
For the Year Ended 31 December 2021

Operational risk and resilience (continued)

Instead, it accepts a level of risk that means the controls in place should prevent material impacts but should also not excessively restrict business activities. The Company has a robust risk management framework, established risk governance arrangements and effective risk management processes to ensure appropriate challenge and oversight of operational risk exposures and continued effectiveness of controls in the context of risk appetite.

Financial risk

Financial risk is the risk that the Company is unable to maintain adequate capital and liquidity to meet its clients' and stakeholders' requirements under normal and stressed conditions. Financial risk encompasses credit and liquidity.

Credit risk is the exposure to loss arising from a counterparty's failure to meet its contractual obligations, either as a result of business failure or the intentional withholding of amounts due. In order to help ensure the profitability and solvency of the Company, the Company provides ongoing monitoring of key credit risk exposures on its balance sheet and actively manages these exposures via established governance forums.

Liquidity risk is the risk that the Company, although solvent, does not have available financial resources to enable it to meet its obligations as they fall due, or that the Company can secure such resources only at excessive cost. The Company expects to hold sufficient liquidity to ensure the continuity of its business under normal and stressed conditions.

Ukraine conflict

The conflict in Ukraine has the potential to impact our risk profile including but not limited to: adverse and volatile economic and market conditions; impacts on investment performance and underlying assets; increased cyber risk; and regulatory risk from sanctions. The uncertainty around these impacts requires us to continually monitor and assess developments. We have responded to events by mobilising resources and standing up incident response protocols. The impact on assets under management and in turn revenue is not considered significant.

Capital requirements and conflict management

In accordance with the Capital Requirements Directive, the Pillar 3 disclosures for the M&G Group, along with the M&G Group's compliance with the provisions of the FCA's Remuneration Code, are published on the Internet at:

https://www.mandgplc.com/~/_media/Files/M/MandG-Plc/documents/mandg-investments-policies/MGG-Pillar-3-Disclosures-as-at-31st-Dec-2020.pdf

The M&G Group operates administrative and organisational arrangements to identify and manage conflicts of interest that might adversely affect its clients including:

- effective procedures to restrict the exchange of information where such exchange might harm clients;
- effective segregation of duties with appropriate supervision; and
- charging and remuneration policies that are reasonably designed to align the long-term interests of the Company, employees and clients.

M&G Group Limited

Strategic Report (continued) For the Year Ended 31 December 2021

Section 172(1) Statement

Section 172 of the Companies Act 2006 requires a director of the company to act in the way they consider, in good faith, would most likely promote the success of the Company for the benefit of its members as a whole. In doing this, section 172 requires a director to have regard, amongst other matters, to the:

- likely consequences of any decisions 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 environment;
- desirability of the Company maintaining a reputation for high standards of business conduct, and
- need to act fairly as between members of the Company.

In discharging the section 172 duties, the Directors have regard to the factors set out above. It is also recognised that the matters considered by the Board can have unique characteristics, and that the Board can be required to consider additional factors, which are relevant to the specific matter under consideration. There is an acknowledgement from the Board that the relative importance of each factor considered will vary depending on the decision being taken. Across all decisions, the Board are mindful of the Company's purpose, regulatory obligations, strategic priorities and alignment with the M&G plc's overarching culture, vision and values.

As is normal for large companies, authority is delegated for day-to-day management of the Company to the executives who are then engaged in setting, approving and overseeing execution of the business strategy and related policies. The Board review at each regular Board meeting, financial and operational performance as well as risk, compliance, and regulatory reporting. The Board also reviews other areas over the course of the financial year including the Company's business strategy; financial reporting; key risks; stakeholder-related matters; diversity and inclusivity; environmental matters; corporate responsibility and governance, compliance and legal matters. This is done through the consideration and discussion of reports which are sent in advance of each Board meeting and through presentations to the Board.

The Company's key stakeholders are its ultimate beneficial owner, M&G plc, and the stakeholder groups set out in M&G plc's Annual Report. The views and impact of the Company's activities on those stakeholders are an important consideration for the Directors when making relevant decisions. While there are cases where the Board itself judges that it should engage directly with certain stakeholder groups or on certain issues, for example, interaction with regulators, the size and spread of both stakeholders and the M&G plc Group means that generally other stakeholder engagement takes place at Group level. As well as being a more efficient and effective approach, this also helps to achieve a greater positive impact on environmental, social and other issues than by working alone as an individual company.

For details on some of the engagement that takes place with the Company's stakeholders please refer to the M&G plc 2021 Annual Report.

During the period, information has been provided to enhance the understanding of the interests and views of the Company's key stakeholders and other relevant factors when making decisions. This information was distributed in a range of different formats including in reports and presentations on financial and operational performance, non-financial key performance indicators, risk and environmental, social and governance matters.

M&G Group Limited

**Strategic Report (continued)
For the Year Ended 31 December 2021**

Section 172(1) Statement (Continued)

As a result of this, the Board has received an overview of engagement with stakeholders and other relevant factors which allows the Directors to understand the nature of the stakeholders' concerns and to comply with the section 172 duty to promote the success of the Company.

Principal Decision

Set out below is an example of how the matters set out in section 172(1)(a)-(f) have been regarded when discharging the section 172 duty and the effect of that on decisions taken. Principal decisions are defined as both those that are material to the Company and also those that are significant to any key stakeholders. In making the following principal decision, the Board considered the relevant impact on stakeholders as well as the need to maintain a reputation for high standards of business conduct:

Principal decision 1 – Dividends to Parent

Each year the Board makes an assessment of the strength of the Company's balance sheet and future prospects relative to uncertainties in the external environment and makes decisions about the payment of dividends. In 2021, the Board decided to pay total dividends of £142m.

In making these decisions the Board received detailed financial planning materials and considered a range of factors. These factors included any impact on the Company in the short to medium term as well as the long-term viability of the Company; its expected cash flow and financing requirements; and the ongoing need for strategic investment in the M&G's business, the activities of the Company's subsidiaries, including the workforce and the expectations of the Company's ultimate parent, M&G plc.

Financial key performance indicators

Profit before tax

Profit before tax has decreased by 23% to £142m in 2021 from £185m in 2020, driven by a reduction in dividends received in the year.

Net assets and financial position

Net assets have remained consistent year on year, with a balance of £95m as at 31 December 2021 and 31 December 2020.

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



M&G Management Services Limited

Company Secretary

Date: 6 April 2022

M&G Group Limited

**Directors' Report
For the Year Ended 31 December 2021**

The Directors present their report and the financial statements for the year ended 31 December 2021.

Directors' responsibilities statement

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'.

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 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;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Results and dividends

The profit for the year, before taxation, amounted to £142m (2020: £185m). Dividends paid in the year amounted to £142m (2020: £185m).

Directors' Report (continued)
For the Year Ended 31 December 2021

Directors

The Directors who served during the year were:

C B Chaloner

A C M Morris

M Tosato

J M B Daniels (appointed 1 September 2021)

S A Fitzgerald (appointed 1 October 2021)

R R Turnill (appointed 8 November 2021)

C J Bousfield (resigned 1 October 2021)

M J Evans (resigned 1 April 2021)

J W Foley (resigned 1 September 2021)

Political contributions

The Company made no political contributions during the year (2020: £nil)

Qualifying third party indemnity provisions

Qualifying third party indemnity provisions (as defined by section 234 of the Companies Act 2006) were accordingly in force during the course of the financial year ended 31 December 2021 for the benefit of the then Directors and, at the date of this report, are in force for the benefit of the Directors in relation to certain losses and liabilities which may occur (or have occurred) in connection with their duties, power or office.

Going concern

The Directors have a reasonable expectation that the Company has adequate resources to continue its operations for a period of at least 12 months from the date that the financial statements are approved. In making this assessment the Directors have considered the solvency, liquidity and operational resilience of the Company, taking into account current performance and financial position, factors likely to affect the Company's future development, and key risks in the current economic climate. Regarding solvency the Directors assessed the resilience of the Company's financial position in a high inflationary environment, and also considered different COVID scenarios taking into account the global roll out of the vaccination programme. Additionally the Directors reviewed the liquidity projections of the Company and, in a stress scenario, the ability of the M&G Group, of which the Company is a member, to access external funding sources and the management actions that could be used to manage liquidity.

The results of the assessment demonstrated the ability of the Company to meet all obligations and future business requirements for the foreseeable future. For this reason, the Directors continue to adopt the going concern basis in preparing the financial statements.

Directors' Report (continued)
For the Year Ended 31 December 2021

Engagement with Stakeholders

Engagement with M&G's key stakeholder groups helps foster and maintain relationships and forms an important part of the wider Company's operations.

Not all stakeholder engagement is reported directly to the Board or takes place directly with the Board. However, the output of engagement across the wider Company informs business level decisions and proposals, with an overview of developments and relevant feedback being reported to the M&G Board and/or its Committees. The purpose of this is to ensure that the M&G Board can understand and consider the views of relevant stakeholders when making decisions.

Customers

The customer is at the heart of everything M&G does. Throughout 2021, the M&G Board has focused specific attention on improved customer service, ESG, sustainability and impact.

Regulators

It's vitally important that M&G continues to maintain strong regulatory relationships, communicating openly, working collaboratively and providing the FCA, and all global regulators with timely notification of issues. During the year M&G worked hard to ensure they met the regulatory obligations as a global independent business. This approach included significant engagement from the Board and members of the Senior Executive team with our regulators on a range of key risks. The M&G Board receives a report on regulatory matters from the Chief Compliance Officer at every Board meeting and all relevant regulatory correspondence is made available to the Board in a timely manner.

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.

M&G Group Limited

**Directors' Report (continued)
For the Year Ended 31 December 2021**

Auditor

On 28 October 2020, the ultimate parent of the Company (M&G plc) approved the appointment of PricewaterhouseCoopers LLP (PwC) as its auditor for the year ending 31 December 2022. Consequently, KPMG LLP will resign as the Company's statutory auditor at the conclusion of the 2021 audit and the Company will resolve to appoint PwC, subject to shareholder approval at the M&G plc 2022 Annual General meeting.

This report was approved by the Board and signed on its behalf.



M&G Management Services Limited

Company Secretary

Date: 6 April 2022

Independent Auditor's Report to the Members of M&G Group Limited

Opinion

We have audited the financial statements of M&G Group Limited (the "Company"), which comprise the balance sheet as at 31 December 2021, the statements of profit or loss account and other comprehensive income and the statement of changes in equity for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion the accompanying financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2021 and of the Company's profit for the year then ended;
- are properly prepared in accordance with United Kingdom accounting standards, including FRS 101 *Reduced Disclosure Framework*; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including FRC Ethical Standards. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements (the "going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the Company's business model and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate; and
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Company will continue in operation.

Independent Auditor's Report to the Members of M&G Group Limited

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- enquiring of management as to the Company's policies and procedures to prevent and detect fraud as well as enquiring whether management have knowledge of any actual, suspected or alleged fraud;
- reading minutes of meetings of those charged with governance; and
- using analytical procedures to identify any unusual or unexpected relationships.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because the Company's revenue streams are non-judgmental, simple in nature with respect to accounting policy choice and are easily verifiable to external data sources or agreements with little or no requirement for estimation from management. We did not identify any additional fraud risks.

We performed procedures including

- Identifying journal entries and other adjustments to test based on risk criteria and comparing any identified entries to supporting documentation; and
- incorporating an element of unpredictability in our audit procedures.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with management (as required by auditing standards), and discussed with management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

The Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

The Company is subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of litigation or impacts on the Company's ability to operate. We identified Company law as being the area most likely to have such an effect.

Independent Auditor's Report to the Members of M&G Group Limited

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations (continued)

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of management and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remains a higher risk of non-detection of fraud, as this may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

The Directors' report and Strategic report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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.

We have nothing to report in these respects.

Independent Auditor's Report to the Members of M&G Group Limited

Directors' responsibilities

As explained more fully in their statement set out on page 8, the directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the 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 they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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



Bano Sheikh (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL

Date: 08 April 2022

M&G Group Limited

**Profit and Loss Account and Other Comprehensive Income
For the Year Ended 31 December 2021**

	Note	2021 £000's	2020 £000's
Revenue	4	19	—
Operating Profit		19	—
Income from shares in group undertakings	5	142,000	185,000
Interest receivable and other similar income	6	41	198
Profit on ordinary activities before tax		142,060	185,198
Tax on profit on ordinary activities	7	(11)	(38)
Profit for the financial year		142,049	185,160
Profit and other comprehensive income for the financial year		142,049	185,160

The notes on pages 20 to 35 form part of these financial statements.

M&G Group Limited
Registered number:00633480

Balance Sheet
As at 31 December 2021

	Note	2021 £000's	2020 £000's
Fixed assets			
Investments	9	39,475	39,475
		<u>39,475</u>	<u>39,475</u>
Current assets			
Debtors within one year	10	55,554	55,337
Bank and cash balances		110	101
		<u>55,664</u>	<u>55,438</u>
Creditors within one year	11	(178)	—
Net current assets		<u>55,486</u>	55,438
Net assets		<u><u>94,962</u></u>	<u><u>94,913</u></u>
Capital & Reserves			
Called up share capital	12	100	100
Share premium account		88,000	88,000
Profit and loss account		6,862	6,813
		<u>94,962</u>	<u>94,913</u>

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

S Fitzgerald

S Fitzgerald
Director

Date: 6 April 2022

The notes on pages 20 to 35 form part of these financial statements.

M&G Group Limited

Statement of Changes in Equity
For the Year Ended 31 December 2021

	Share capital	Share premium account	Profit and loss account	Total equity
	£000	£000	£000	£000
At 1 January 2021	100	88,000	6,813	94,913
Profit for the year	—	—	142,049	142,049
Total comprehensive income for the year	—	—	142,049	142,049
Dividends	—	—	(142,000)	(142,000)
At 31 December 2021	100	88,000	6,862	94,962

The notes on pages 20 to 35 form part of these financial statements.

M&G Group Limited

Statement of Changes in Equity
For the Year Ended 31 December 2020

	Share capital	Share premium account	Profit and loss account	Total equity
	£000	£000	£000	£000
At 1 January 2020	100	88,000	6,653	94,753
Profit for the year	—	—	185,160	185,160
Total comprehensive income for the year	—	—	185,160	185,160
Dividends	—	—	(185,000)	(185,000)
At 31 December 2020	100	88,000	6,813	94,913

The notes on pages 20 to 35 form part of these financial statements.

**Notes to the Financial Statements
For the Year Ended 31 December 2021**

1. Accounting policies

1.1 Basis of preparation of financial statements

M&G Group Limited (the "Company") is a company incorporated and domiciled in the UK.

The financial statements have been prepared under the historical cost convention except that the following assets and liabilities are stated at their fair value: derivative financial instruments and financial instruments classified as fair value through the profit or loss, and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies Act 2006.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of UK-adopted international accounting standards ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The preparation of financial statements in compliance with FRS 101 can require the use of certain critical accounting estimates, however, the Directors do not consider there to be any critical accounting estimates or judgements in the preparation of the Company's financial statements.

The Company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

1.2 Financial reporting standard 101 – reduced disclosure exemptions

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
 - paragraph 79(a)(iv) of IAS 1
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member
- the requirements in IAS 24 to disclose compensation of Key Management Personnel; and
- the requirements of IAS 24 to disclose transactions with a management entity that provides key management personnel services to the Company.

The Company is a subsidiary undertaking of M&G plc which is the ultimate parent company incorporated in England and Wales. Consolidated financial statements are prepared by M&G plc and copies of these are available to the public and may be obtained from the registered office at 10 Fenchurch Avenue, London, EC3M 5AG.

**Notes to the Financial Statements
For the Year Ended 31 December 2021**

1. Accounting policies (continued)

1.2 Financial reporting standard 101 – reduced disclosure exemptions (continued)

As the consolidated financial statements of M&G plc include the equivalent disclosures the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement

The Company proposes to continue to adopt the reduced disclosure framework of FRS 101 in its next financial statements.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

1.3 Going concern

The Directors have a reasonable expectation that the Company has adequate resources to continue its operations for a period of at least 12 months from the date that the financial statements are approved. In making this assessment the Directors have considered the solvency, liquidity and operational resilience of the Company, taking into account current performance and financial position, factors likely to affect the Company's future development, and key risks in the current economic climate. Regarding solvency the Directors assessed the resilience of the Company's financial position in a high inflationary environment, and also considered different COVID scenarios taking into account the global roll out of the vaccination programme. Additionally the directors reviewed the liquidity projections of the Company and, in a stress scenario, the ability of the M&G Group, of which the Company is a member, to access external funding sources and the management actions that could be used to manage liquidity.

The results of the assessment demonstrated the ability of the Company to meet all obligations and future business requirements for the foreseeable future. For this reason, the Directors continue to adopt the going concern basis in preparing the financial statements.

1.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be easily measured.

1.5 Income from shares in group undertaking

Dividend income is recognised in the Profit and Loss account on the date the entity's right to receive payments is established.

Notes to the Financial Statements
For the Year Ended 31 December 2021

1. Accounting policies (continued)

1.6 Interest payable and similar charges

Interest payable is interest on the loan from the subsidiary company. Interest payable is recognised in profit or loss as it accrues, using the effective interest method.

1.7 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

The calculation of the total tax charge inherently involves a degree of estimation and judgement. The positions taken in tax returns, where applicable tax regulation is subject to interpretation, are recognised in full in the determination of the tax charge included in the financial statements if the Company considers it is probable that the taxation authority will accept those positions. Otherwise, the Company considers an uncertain tax position to exist and a provision is recognised to reflect that a taxation authority, upon review of the positions, could alter the tax returns. From recognition the provision is measured based on management's judgement and estimate of the likely amount of the liability or recovery. This is achieved by providing for the single best estimate of the most likely outcome or the weighted average expected value where there are multiple possible outcomes, taking into account external advice where appropriate. Each uncertain tax treatment is considered separately or together as a group, depending on management's judgement as to which approach better predicts the resolution of the uncertainty. It is assumed that tax authorities will examine the uncertain tax treatments and they have full knowledge of all related information. The judgements and estimates made to recognise and measure the effect of uncertain tax positions are reassessed whenever circumstances change or when there is new information that affects those judgements.

1.8 Financial instruments

(i) Recognition and initial measurement

Trade receivables issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

M&G Group Limited

**Notes to the Financial Statements
For the Year Ended 31 December 2021**

1. Accounting policies (continued)

1.8 Financial instruments (continued)

(ii) Classification and subsequent measurement

(a) Classification

On initial recognition, a financial asset is classified as measured at: amortised cost.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment by investment basis.

(a) Classification

All financial assets not classified as measured at amortised cost or fair value through other comprehensive income as described above are measured at fair value through profit and loss.

Investments in associates and subsidiaries are accounted for at cost less impairment.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

(b) Subsequent measurement and gains and losses

- Financial assets at fair value through profit and loss – these assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
- Financial assets at amortised cost – These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Notes to the Financial Statements
For the Year Ended 31 December 2021

1. Accounting policies (continued)

1.8 Financial instruments (continued)

Financial liabilities and equity

Financial instruments issued by the Company are treated as equity only to the extent that they meet the following two conditions:

- they include no contractual obligations upon the group to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the group; and
- where the instrument will or may be settled in the group's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the group's own equity instruments or is a derivative that will be settled by the group's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the group's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

Financial liabilities are classified as measured at amortised cost and are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit and loss. Any gain or loss on derecognition is also recognised in profit and loss.

Impairment

The Company recognises loss allowances for expected credit losses on financial assets measured at amortised cost. Loss allowances are measured at an amount equal to lifetime expected credit losses, except for other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition, which are measured as 12 month expected credit loss. Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime expected credit loss.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit loss, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward looking information.

Notes to the Financial Statements
For the Year Ended 31 December 2021

1. Accounting policies (continued)

1.8 Financial instruments (continued)

Impairment (continued)

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument. 12 month expected credit losses are the portion of expected credit losses that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months) The maximum period considered when estimating expected credit losses is the maximum contractual period over which the group is exposed to credit risk.

Measurement of expected credit losses

Expected credit losses are a probability weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the group expects to receive). Expected credit losses are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the group assesses whether financial assets carried at amortised cost are credit impaired. A financial asset is 'credit impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Write-offs

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery.

1.9 Adopted IFRS not yet applied

The following UK-adopted IFRSs have been issued but have not been applied in these financial statements. Their adoption is not expected to have a material effect on the financial statements unless otherwise indicated:

- Amendments to IAS 37: Onerous Contracts—Cost of Fulfilling a Contract (effective date 1 January 2022).
- Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statements 2 making Materiality Judgements (effective date to be confirmed).
- Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors to introduce a new definition for accounting estimates (effective date to be confirmed).

The Company is not expecting these pronouncements to have a significant impact on the Company's financial statements

M&G Group Limited

**Notes to the Financial Statements (continued)
For the Year Ended 31 December 2021**

2. Auditor's remuneration

	2021	2020
	£000	£000
Audit of these financial statements	8	8
	8	8
	8	8

Amounts receivable by the Company's auditor in respect of the audit of the Company's financial statements are payable by M&G FA Limited, the immediate subsidiary company.

Amounts receivable by the Company's auditor and its associates in respect of services to the Company and its associates, other than the audit of the Company's financial statements, have not been disclosed as the information is required instead to be disclosed on a consolidated basis in the consolidated financial statements of the Company's ultimate parent, M&G plc.

3. Directors' remuneration for the Company and its subsidiaries

	2021	2020
	£000	£000
Directors' emoluments	1,081	520
Amounts receivable under long term incentive schemes	721	126
Company contributions to defined contribution pension schemes	1	—
	1,803	646
	1,803	646

The aggregate of remuneration for the Company and its subsidiaries, and amounts receivable under long term incentive schemes of the highest paid director was £1,001,293 (2020: £226,219). They are a member of the defined benefit scheme, under which their accrued pension at the year-end was £24,648. During the year, the highest paid director did not exercise share options.

Retirement benefits are accruing to the following number of directors under:

	2021	2020
	No.	No.
Defined contribution schemes	1	—
Defined benefit schemes	1	—

M&G Group Limited

**Notes to the Financial Statements
For the Year Ended 31 December 2021**

3. Directors' remuneration for the Company and its subsidiaries (continued)

	2021 No.	2020 No.
The number of directors for whom shares were received or receivable under long term incentive schemes was	4	2

4. Revenue

	2021 £000	2020 £000
Guarantee income	19	—
	19	—

5. Income from shares in group undertakings

	2021 £000	2020 £000
Dividends received from subsidiaries	142,000	185,000
	142,000	185,000

6. Interest receivable and similar income

	2021 £000	2020 £000
Interest receivable from group companies	41	198
	41	198

7. Taxation

	2021 £000	2020 £000
Corporation tax		
Current tax on profits for the year	(11)	(38)
	(11)	(38)
Total current tax	(11)	(38)
Taxation on profit on ordinary activities	(11)	(38)

M&G Group Limited

Notes to the Financial Statements
For the Year Ended 31 December 2021

7. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2020: lower than) the standard rate of corporation tax in the UK of 19% (2020: 19%).

	2021 £000	2020 £000
Profit on ordinary activities before tax	<u>142,060</u>	<u>185,198</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	26,991	35,188
Effects of:		
Non-taxable income	(26,980)	(35,150)
Total tax charge for the year	<u>11</u>	<u>38</u>

Factors that may affect future tax charges

On 3 March 2021, the UK Government announced a proposal to increase the rate of UK corporation tax from 19% to 25% with effect from 1 April 2023. Changes in tax laws and rates may affect recorded deferred tax assets and liabilities and our effective tax rate in the future. We expect that, in line with the rate increase proposed, there will be an increase to our effective tax rate for periods from 2023 onwards.

8. Guarantees

In July 2021 the Group obtained a controlling interest in Prudential Portfolio Managers (South Africa) (Pty) Limited ('PPMSA'). As part of the transaction the Company provided a guarantee in respect of an existing loan facility between Thesele, the seller of PPMSA, and Nedbank, a third party bank amounting to ZAR 220m. The guarantee is secured on 7% of the shares that Thesele retains in PPMSA.

M&G Group Limited

**Notes to the Financial Statements
For the Year Ended 31 December 2021**

9. Investments

	Investments in subsidiary companies £000	Total £000
Cost or valuation		
At 1 January 2021	39,475	39,475
At 31 December 2021	39,475	39,475
Net book value		
At 31 December 2021	39,475	39,475
At 31 December 2020	39,475	39,475

Investments in subsidiaries

9 (a) Direct subsidiary undertakings

The following were direct subsidiary undertakings of the Company:

Subsidiaries and Associates	Registered Office	Registered Number	Class of Equity Held	Ownership %	
				2021	2020
M&G FA Limited	10 Fenchurch Avenue, London, EC3M 5AG	1048359	Ordinary shares	100%	100%

9. Investments (continued)

9 (b) Indirect subsidiary undertakings

The following were indirect subsidiary undertakings of the Company:

Subsidiaries and Associates	Registered Office	Registered Number	Class of Equity Held	Ownership %	
				2021	2020
M&G Alternatives Investment Management Limited	10 Fenchurch Avenue, London, EC3M 5AG	2059989	Ordinary shares	100%	100%
M&G Alternatives GP Sarl	8, rue Lou Hemmer, L-1748 Findel	B240017	Ordinary shares	100%	100%
M&G Financial Services Limited	10 Fenchurch Avenue, London, EC3M 5AG	923891	Ordinary shares	100%	100%
M&G Founders 1 Limited	10 Fenchurch Avenue, London, EC3M 5AG	4401042	Ordinary shares	100%	100%
M&G General Partner Inc.	190 Elgin Avenue, George Town, Grand Cayman KY1-9005, Cayman Islands	151319	Ordinary shares	100%	100%
M&G (Guernsey) Limited	Dory Court, St Peter Port, Guernsey	21432	Ordinary shares	100%	100%
M&G IMPPP 1 Limited	10 Fenchurch Avenue, London, EC3M 5AG	4382172	Ordinary shares	100%	100%

M&G Group Limited

**Notes to the Financial Statements
For the Year Ended 31 December 2021**

9. Investments (continued)

9 (b) Indirect subsidiary undertakings

Subsidiaries and Associates	Registered Office	Registered Number	Class of Equity Held	Ownership %	
				2021	2020
M&G International Investments Nominees Limited	10 Fenchurch Avenue, London, EC3M 5AG	4195540	Ordinary shares	100%	100%
M&G International Investments SA	16 Boulevard Royal, L-2449, Luxembourg	B213164	Ordinary shares	100%	100%
M&G Investment Management Limited	10 Fenchurch Avenue, London, EC3M 5AG	936683	Ordinary shares	100%	100%
M&G Investments (Americas) Inc	251 Little Falls Drive, Wilmington, DE, 19801	6843211	Ordinary shares	100%	100%
M&G Investments (Australia) Pty Ltd	Level 16, Grosvenor Place, 225 George Street, Sydney, Australia, NSW 2	629 169 160	Ordinary shares	100%	100%
M&G Investments (Hong Kong) Limited	6th Floor, Alexandra House, Hong Kong	1730458	Ordinary shares	100%	100%
M&G Investments Japan Co., LTD	3-1 Toranomon, 4 Chome Minato-ko, Tokyo	010401 124078	Common stock	100%	100%
M&G Investments (Singapore) Pte. Ltd.	138 Market Street, Level 35 Capitagreen, Singapore, 048946	201131425R	Ordinary shares	100%	100%
M&G Luxembourg S.A.	16 Boulevard Royal, L-2449, Luxembourg	B170483	Ordinary shares	100%	100%
M&G Management Services Limited (appointed 14 July 2021)	10 Fenchurch Avenue, London, EC3M 5AG	5286403	Ordinary shares	100%	100%
M&G Nominees Limited	10 Fenchurch Avenue, London, EC3M 5AG	3469213	Ordinary shares	100%	100%
M&G PFI 2018 GP1 Limited	10 Fenchurch Avenue, London, EC3M 5AG	10954144	Ordinary shares	100%	100%
M&G PFI 2018 GP2 Limited	10 Fenchurch Avenue, London, EC3M 5AG	10954003	Ordinary shares	100%	100%
M&G PFI Carry Partnership 2016 LP	50 Lothian Road, Festival Square, Edinburgh, Scotland, EH3 9WJ	SL028237	Limited Partner Capital	25%	25%
M&G Platform Nominees Limited	10 Fenchurch Avenue, London, EC3M 5AG	9581702	Ordinary shares	100%	100%
M&G Real Estate Limited	10 Fenchurch Avenue, London, EC3M 5AG	3852763	Ordinary shares	100%	100%
M&G RED II Employee Feeder GP Limited	50 Lothian Road, Festival Square, Edinburgh, Scotland, EH3 9WJ	SC430540	Ordinary shares	100%	100%
M&G RED II GP Limited	La Plaiderie Chambers La Plaiderie, St Peter Port, Guernsey, GY1 1WG	55378	Ordinary shares	100%	100%
M&G RED II SLP GP Limited	50 Lothian Road, Festival Square, Edinburgh, Scotland, EH3 9WJ	SC430535	Ordinary shares	100%	100%
M&G RED II SLP LP	50 Lothian Road, Festival Square, Edinburgh, Scotland, EH3 9WJ	SL011176	Limited Partner Capital	28%	28%
M&G RED III Employee Feeder GP Limited	50 Lothian Road, Festival Square, Edinburgh, Scotland, EH3 9WJ	SC434132	Ordinary shares	100%	100%
M&G RED III GP Limited	La Plaiderie Chambers La Plaiderie, St Peter Port, Guernsey, GY1 1WG	55393	Ordinary shares	100%	100%
M&G RED III SLP GP Limited	50 Lothian Road, Festival Square, Edinburgh, Scotland, EH3 9WJ	SC434193	Ordinary shares	100%	100%
M&G RED III SLP LP	50 Lothian Road, Festival Square, Edinburgh, Scotland, EH3 9WJ	SL011512	Limited Partner Capital	25%	25%
M&G Securities Limited	10 Fenchurch Avenue, London, EC3M 5AG	90776	Ordinary shares	100%	100%
M&G SFF (CIP GP) Sàrl	51 Avenue J.F. Kennedy, L-1855, Luxembourg, Luxembourg	B220304	Ordinary shares	100%	100%
M&G SFF (GP) Sàrl	51 Avenue J.F. Kennedy, L-1855, Luxembourg, Luxembourg	B219359	Ordinary shares	100%	100%

M&G Group Limited

**Notes to the Financial Statements
For the Year Ended 31 December 2021**

9: Investments (continued)

9 (b) Indirect subsidiary undertakings

Subsidiaries and Associates	Registered Office	Registered Number	Class of Equity Held	Ownership %	
				2021	2020
M&G SIF Management Company (Ireland) Limited	78 Sir John Rogerson's Quay, Dublin 2	511747	Ordinary shares	100%	100%
M&G UKCF II GP Limited	10 Fenchurch Avenue, London, EC3M 5AG	8214036	Ordinary shares	—%	100%
M&G UKEV (SLP) LP	50 Lothian Road, Festival Square, Edinburgh, Scotland, EH3 9WJ	SL032565	Limited Partner Capital	75%	50%
Canada Property Holdings Limited	10 Fenchurch Avenue, London, EC3M 5AG	4415746	Ordinary shares	100%	100%
Digital Infrastructure Investment Partners GP1 Limited	10 Fenchurch Avenue, London, EC3M 5AG	10713853	Ordinary shares	100%	100%
Digital Infrastructure Investment Partners SLP GP1 Limited	10 Fenchurch Avenue, London, EC3M 5AG	10715067	Ordinary shares	100%	100%
Digital Infrastructure Investment Partners SLP GP2 Limited	10 Fenchurch Avenue, London, EC3M 5AG	10715126	Ordinary shares	100%	100%
Embankment GP Limited	10 Fenchurch Avenue, London, EC3M 5AG	10747140	Ordinary shares	100%	100%
Falan GP Limited	50 Lothian Road, Festival Square, Edinburgh, Scotland, EH3 9WJ	SC463668	Ordinary shares	100%	100%
Genny GP Limited	50 Lothian Road, Festival Square, Edinburgh, Scotland, EH3 9WJ	SC536481	Ordinary shares	100%	100%
Genny GP 2 Limited	50 Lothian Road, Festival Square, Edinburgh, Scotland, EH3 9WJ	SC547302	Ordinary shares	100%	100%
George Digital GP Limited	50 Lothian Road, Festival Square, Edinburgh, Scotland, EH3 9WJ	SC576789	Ordinary shares	100%	100%
George Digital GP 2 Limited	50 Lothian Road, Festival Square, Edinburgh, Scotland, EH3 9WJ	SC577098	Ordinary shares	100%	100%
GGE GP Limited	50 Lothian Road, Festival Square, Edinburgh, Scotland, EH3 9WJ	SC504237	Ordinary shares	100%	100%
Green GP Limited	50 Lothian Road, Festival Square, Edinburgh, Scotland, EH3 9WJ	SC569021	Ordinary shares	100%	100%
Greenpark (Reading) General Partner Limited	10 Fenchurch Avenue, London, EC3M 5AG	6529374	Ordinary shares	—%	100%
GS R100 GP Limited	50 Lothian Road, Festival Square, Edinburgh, Scotland, EH3 9WJ	SC620882	Ordinary shares	—%	100%
Highcross Leicester (GP) Limited	Kings Place, 90 York Way, London, N1 9GE	10530428	Ordinary shares	50%	50%
Infracapital (AIRI) GP Limited	50 Lothian Road, Festival Square, Edinburgh, Scotland, EH3 9WJ	SC553164	Ordinary shares	100%	100%
Infracapital (Belmond) GP Limited	50 Lothian Road, Festival Square, Edinburgh, Scotland, EH3 9WJ	SC576332	Ordinary shares	100%	100%
Infracapital (Bio) GP Limited	50 Lothian Road, Festival Square, Edinburgh, Scotland, EH3 9WJ	SC516021	Ordinary shares	100%	100%
Infracapital (Churchill) GP 1 Limited	10 Fenchurch Avenue, London, EC3M 5AG	11460502	Ordinary shares	100%	100%
Infracapital (GC) GP Limited	50 Lothian Road, Festival Square, Edinburgh, Scotland, EH3 9WJ	SC500778	Ordinary shares	100%	100%
Infracapital (Gigaclear) GP 1 Limited	50 Lothian Road, Festival Square, Edinburgh, Scotland, EH3 9WJ	SC602700	Ordinary shares	100%	100%
Infracapital (Gigaclear) GP 2 Limited	50 Lothian Road, Festival Square, Edinburgh, Scotland, EH3 9WJ	SC602698	Ordinary shares	100%	100%
Infracapital (IT PPP) GP Limited	50 Lothian Road, Festival Square, Edinburgh, Scotland, EH3 9WJ	SC550062	Ordinary shares	100%	100%
Infracapital (Leo) GP Limited	50 Lothian Road, Festival Square, Edinburgh, Scotland, EH3 9WJ	SC611979	Ordinary shares	100%	100%

M&G Group Limited

**Notes to the Financial Statements
For the Year Ended 31 December 2021**

9. Investments (continued)

9 (b) Indirect subsidiary undertakings

Subsidiaries and Associates	Registered Office	Registered Number	Class of Equity Held	Ownership %	
				2021	2020
Infracapital (Novos) GP Limited	50 Lothian Road, Festival Square, Edinburgh, Scotland, EH3 9WJ	SC636445	Ordinary shares	100%	100%
Infracapital (Sense) GP Limited	50 Lothian Road, Festival Square, Edinburgh, Scotland, EH3 9WJ	SC553170	Ordinary shares	100%	100%
Infracapital (TLSB) GP Limited	50 Lothian Road, Festival Square, Edinburgh, Scotland, EH3 9WJ	SC486888	Ordinary shares	100%	100%
Infracapital DF II Limited	50 Lothian Road, Festival Square, Edinburgh, Scotland, EH3 9WJ	SC389185	Ordinary shares	100%	100%
Infracapital Employee Feeder GP Limited	50 Lothian Road, Festival Square, Edinburgh, Scotland, EH3 9WJ	SC347134	Ordinary shares	100%	100%
Infracapital F1 GP2 Limited	10 Fenchurch Avenue, London, EC3M 5AG	9180200	Ordinary shares	100%	100%
Infracapital F2 GP Limited	10 Fenchurch Avenue, London, EC3M 5AG	9180249	Ordinary shares	100%	100%
Infracapital F2 GP1 Limited	10 Fenchurch Avenue, London, EC3M 5AG	9183883	Ordinary shares	100%	100%
Infracapital GP II Limited	Unit 2 Spinnaker Court 1c, Becketts Place, Hampton Wick, Kingston Upon Thames, KT1 4 EQ	7372931	Ordinary shares	—%	100%
Infracapital GP Limited	10 Fenchurch Avenue, London, EC3M 5AG	5455448	Ordinary shares	100%	100%
Infracapital Greenfield Partners 1 SLP GP1 Limited	50 Lothian Road, Festival Square, Edinburgh, Scotland, EH3 9WJ	SC554629	Ordinary shares	100%	100%
Infracapital Greenfield Partners 1 SLP GP2 Limited	50 Lothian Road, Festival Square, Edinburgh, Scotland, EH3 9WJ	SC554631	Ordinary shares	100%	100%
Infracapital Greenfield Partners I GP Limited	10 Fenchurch Avenue, London, EC3M 5AG	9901632	Ordinary shares	100%	100%
Infracapital Greenfield Partners I GP 2 Limited	Unit 2 Spinnaker Court 1c, Becketts Place, Hampton Wick, Kingston Upon Thames, KT1 4 EQ	9901644	Ordinary shares	—%	100%
Infracapital Greenfield Partners I Subholdings GP Limited	50 Lothian Road, Festival Square, Edinburgh, Scotland, EH3 9WJ	SC578139	Ordinary shares	100%	100%
Infracapital Greenfield Partners II GP S.à r.l	6 rue Eugène Ruppert, L-2453, Luxembourg	B231185	Ordinary shares	100%	100%
Infracapital Greenfield Partners II Subholdings GP1 Limited	10 Fenchurch Avenue, London, EC3M 5AG	12338577	Ordinary shares	100%	100%
Infracapital Greenfield Partners II Subholdings GP2 Limited	10 Fenchurch Avenue, London, EC3M 5AG	12338790	Ordinary shares	100%	100%
Infracapital Partners II Subholdings GP Limited	50 Lothian Road, Festival Square, Edinburgh, Scotland, EH3 9WJ	SC578127	Ordinary shares	100%	100%
Infracapital Partners III GP S.a.r.l	6, rue Eugene Ruppert, L-2453 Luxembourg	B217179	Ordinary shares	100%	100%
Infracapital Partners III Subholdings GP1 Limited	10 Fenchurch Avenue, London, EC3M 5AG	11347638	Ordinary shares	100%	100%
Infracapital Partners III Subholdings GP2 Limited	10 Fenchurch Avenue, London, EC3M 5AG	11347641	Ordinary shares	100%	100%
Infracapital Sisu GP Limited	50 Lothian Road, Festival Square, Edinburgh, Scotland, EH3 9WJ	SC521443	Ordinary shares	100%	100%
Infracapital SLP Limited	10 Fenchurch Avenue, London, EC3M 5AG	5455461	Ordinary shares	100%	100%
London Green Investments II SLP GP1 Limited	50 Lothian Road, Festival Square, Edinburgh, Scotland, EH3 9WJ	SC648885	Ordinary shares	100%	100%
London Green Investments II SLP GP2 Limited	50 Lothian Road, Festival Square, Edinburgh, Scotland, EH3 9WJ	SC648886	Ordinary shares	100%	100%
London Green Investments II SLP2 GP Limited	50 Lothian Road, Festival Square, Edinburgh, Scotland, EH3 9WJ	SC648887	Ordinary shares	100%	100%
London Stone Investments F3 I Limited	50 Lothian Road, Festival Square, Edinburgh, Scotland, EH3 9WJ	SC583847	Ordinary shares	100%	100%

M&G Group Limited

**Notes to the Financial Statements
For the Year Ended 31 December 2021**

9. Investments (continued)

9 (b) Indirect subsidiary undertakings

Subsidiaries and Associates	Registered Office	Registered Number	Class of Equity Held	Ownership %	
				2021	2020
London Stone Investments F3 II Limited	50 Lothian Road, Festival Square, Edinburgh, Scotland, EH3 9WJ	SC583856	Ordinary shares	100%	100%
MOLE GP 1 Limited	50 Lothian Road, Festival Square, Edinburgh, Scotland, EH3 9WJ	SC664317	Ordinary shares	100%	100%
MOLE GP 2 Limited	50 Lothian Road, Festival Square, Edinburgh, Scotland, EH3 9WJ	SC664318	Ordinary shares	100%	100%
Ox GP 1 Limited	50 Lothian Road, Festival Square, Edinburgh, EH3 9WJ, United Kingdom	SC677634	Ordinary shares	100%	100%
PPM Capital (Holdings) Limited	10 Fenchurch Avenue, London, EC3M 5AG	3852755	Ordinary shares	100%	100%
PPM Managers GP Limited	50 Lothian Road, Festival Square, Edinburgh, Scotland, EH3 9WJ	SC452033	Ordinary shares	100%	100%
Prudential / M&G UKCF GP Limited	10 Fenchurch Avenue, London, EC3M 5AG	6570276	Ordinary shares	—%	100%
Prudential Credit Opportunities GP S.a.r.l	Rue Hildegard von Bingen 1, 1282 Luxembourg, Luxembourg	B210013	Ordinary shares	100%	100%
Prudential GP Limited	Craigforth, Stirling, FK9 4UE	SC206683	Ordinary shares	100%	100%
Prudential Greenfield GP1 Limited	10 Fenchurch Avenue, London, EC3M 5AG	9183905	Ordinary shares	100%	100%
Prudential Greenfield GP2 Limited	10 Fenchurch Avenue, London, EC3M 5AG	9183929	Ordinary shares	100%	100%
Prudential Loan Investments GP S.a.r.l	Rue Hildegard von Bingen 1, 1282 Luxembourg, Luxembourg	B212677	Ordinary shares	100%	100%
Prudential Trustee Company Limited	10 Fenchurch Avenue, London, EC3M 5AG	1863305	Ordinary shares	100%	100%
Prudential Unit Trusts Limited	10 Fenchurch Avenue, London, EC3M 5AG	1796126	Ordinary shares	100%	100%
Rift GP 1 Limited	50 Lothian Road, Festival Square, Edinburgh, Scotland, EH3 9WJ	SC425352	Ordinary shares	—%	100%
Rift GP 2 Limited	50 Lothian Road, Festival Square, Edinburgh, Scotland, EH3 9WJ	SC425365	Ordinary shares	—%	100%
Selly Oak Shopping Park (General Partner) Ltd	10 Fenchurch Avenue, London, EC3M 5AG	11104396	Ordinary shares	100%	100%
Sayer DOF IV Limited	50 Lothian Road, Festival Square, Edinburgh, Scotland, EH3 9WJ	SC662796	Ordinary shares	100%	—%
Stableview Limited	10 Fenchurch Avenue, London, EC3M 5AG	5506654	Ordinary shares	100%	100%
Staple Nominees Limited	10 Fenchurch Avenue, London, EC3M 5AG	2076846	Ordinary shares	—%	100%
Sustainable Multi Asset Balanced Fund	10 Fenchurch Avenue, London, EC3M 5AG	IC 160	Class L shares	100%	100%
Sustainable Multi Asset Cautious Fund	10 Fenchurch Avenue, London, EC3M 5AG	IC 160	Class L shares	100%	100%
Sustainable Multi Asset Growth Fund	10 Fenchurch Avenue, London, EC3M 5AG	IC 160	Class L shares	100%	100%
The First British Fixed Trust Company Limited	10 Fenchurch Avenue, London, EC3M 5AG	255830	Ordinary shares	100%	100%
M&G (Lux) Emerging Markets Corporate ESG Bond Fund	49, Avenue J.F. Kennedy, L - 1855 Luxembourg	B210615	SICAV Shares	55%	55%
M&G (Lux) Global Enhanced Equity Premia Fund	49, Avenue J.F. Kennedy, L - 1855 Luxembourg	B210615	SICAV Shares	100%	100%
M&G Emerging Markets Monthly Income Fund	10 Fenchurch Avenue, London, EC3M 5AG	IC000552	Class L shares	98%	98%
Leo DOF IV Limited	50 Lothian Road, Festival Square, Edinburgh, Scotland, EH3 9WJ	SC662801	Ordinary shares	100%	—%
ICP (Finch) GP1 Limited	10 Fenchurch Avenue, London, EC3M 5AG	13716580	Ordinary shares	100%	—%

M&G Group Limited

**Notes to the Financial Statements
For the Year Ended 31 December 2021**

9. Investments (continued)

9 (b) Indirect subsidiary undertakings

Subsidiaries and Associates	Registered Office	Registered Number	Class of Equity Held	Ownership %	
				2021	2020
ICP (Finch) GP2 Limited	10 Fenchurch Avenue, London, EC3M 5AG	13716590	Ordinary shares	100%	—%
MandG Investments Southern Africa (Pty) Ltd	PO Box 44813, Claremont 7735, South Africa	1993/004503/07	Ordinary shares and A class	50%	50%
M&G (Lux) Reserved Investment Funds (2) GP S.à.r.l		B219359	Ordinary shares	100%	—%

10. Debtors

	2021 £000	2020 £000
Amounts falling due within one year		
Amounts owed by group undertakings	55,370	55,337
Other debtors	184	—
	<u>55,554</u>	<u>55,337</u>

Included within Other Debtors are amounts due after more than one year of £120,000 in respect of the guarantee referred to in Note 8.

11. Creditors: amounts falling due within one year

	2021 £000	2020 £000
Corporation tax	4	—
Guarantee financial liability	174	—
	<u>178</u>	<u>—</u>

Included within Guarantee financial liability are amounts payable after more than one year of £135,000 in respect of the guarantee referred to in Note 8.

12. Capital and reserves

	2021 £000	2020 £000
Allotted, called up and fully paid		
400,004 (2020 - 400,004) Ordinary shares of £0.25 each	100	100

14. Related parties

The Company has taken advantage of the exemption under paragraph 8(k) of FRS101 relating to the disclosure of transactions with other wholly owned subsidiary undertakings of the M&G plc Group. There are no other transactions with related parties.

15. Ultimate parent company

The Company's immediate parent company is M&G Group Regulated Entity Holding Company Limited. The Company is a subsidiary undertaking of M&G plc which is the ultimate parent company incorporated in England and Wales. Consolidated financial statements are prepared by M&G plc and copies of these are available to the public and may be obtained from the registered office at 10 Fenchurch Avenue, London, EC3M 5AG.