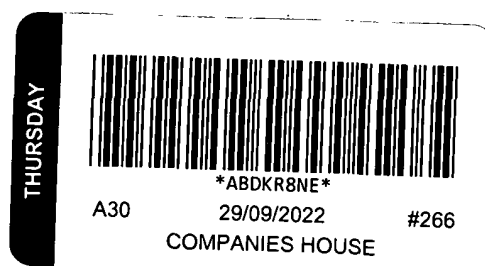


AllianceBernstein Services Limited

Annual Report and Financial Statements

For the year ended 31 December 2021

Registered number: 01961063



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Directors, auditors and advisers

Directors	I Foster J Green
Company secretary	M Liparato
Registered Office	50 Berkeley Street London United Kingdom W1J 8HA
Bankers	HSBC Bank Plc 79 Piccadilly London United Kingdom W1V OEU
Independent auditors	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors 7 More London Riverside London United Kingdom SE1 2RT

Strategic report

For the year ended 31 December 2021

The directors present their strategic report for the year ended 31 December 2021.

Principal activities and business review

AllianceBernstein Services Limited (the "company") is incorporated in the United Kingdom, under the Companies Act 2006, as a private company limited by shares. The company's principal activity is to provide administration services to entities within the AllianceBernstein corporate group primarily within the United Kingdom.

The company's profit for the year was £1,449,360 (2020: £922,284). Revenue increased by 4% to £24.7m (2020: £23.7m) due to an increase in recharges to group companies and administrative expenses increased by 4% to £23.6m (2020: £22.7m), reflecting higher compensation and benefits costs compared to previous year, as detailed in note 6 to the financial statements.

Key performance indicators

The directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the company.

Description of risks and uncertainties

Financial risks

Market risk

- (i) Interest rate risk - The company earns interest on cash balances and is not otherwise directly exposed to interest rate risk.
- (ii) Foreign exchange risk - The company is exposed to foreign exchange risk, arising mainly from foreign currency denominated transactions and recognised assets.
- (iii) Price risk - The company is not exposed to price risk.

Credit risk

Credit risk arises from cash deposits with banks and financial institutions as well as credit exposures in respect of outstanding receivables. The cash deposits with banks and high-quality financial institutions are a means of minimising credit risk. There is a credit control monitoring process whereby aged receivables are reviewed on a regular basis and where appropriate, an amount set aside as provision for debts that are not expected to be collected in full.

Liquidity risk

The company's liquidity risk is mitigated to the extent that it is funded by its parent AllianceBernstein Limited.

Non-financial risks

Operational risk

Operational risk can result from inadequate or failed internal processes, people and systems or from external events. The firm has a dedicated Risk Management function which facilitates the ongoing identification, assessment, monitoring, controlling and mitigation of risks. The COVID-19 corona virus pandemic outbreak resulted in the implementation of business continuity measures, including travel restrictions and a work-from-home requirement for almost all personnel (other than a relatively small number of employees whose physical presence in our offices was considered critical), which has remained in place to ensure operating continuity for all critical functions. No operating issues, vendor issues or decrease in profitability was experienced by the company and the directors' have determined that no issues from operational risk have arisen with regards to going concern.

Strategic report *(continued)*

For the year ended 31 December 2021

Section 172 Statement

The directors are aware of their duty under Section 172(1) of the Companies Act 2006 to report on the success of the company for the benefit of its shareholders. It is the opinion of the directors that they have met the “enlightened shareholder value” requirement through stakeholder engagement activities, which help inform Board decisions and ensure the directors are always aware of their stakeholders' interests.

The key stakeholders of the company include the employees, vendors, corporate responsibilities towards the wider community and the environment and the parent company.

Engagement Activities

COVID-19 continued to have a profound impact on business globally in 2021 and the directors adapted their engagement activities to rapidly changing circumstances.

Engagement with employees was increased while the remote working model was in place due to COVID-19. As well as maintaining the usual engagement models such as hosting local and global town halls and conducting regular employee engagement surveys, there has been a focus on employee wellbeing and frequent communications around changes to public health guidance and return to office plans. Directors have delegated to Employee Resource Groups, which have also provided another forum for employees to share information, educate, and engage in outreach with the clients and

The directors delegate to key employees, who engage with suppliers on a regular basis, ensuring that its suppliers' relationships are built on collaboration.

The directors have delegated to the Diversity and Inclusion Committee which has continued its work engaging the communities in which the company operates and supporting the highest standards of client service through encouraging the diverse ideas and solutions that inclusive teams generate. The directors have also continued to provide a platform for all staff members to give back up to two days per year to either a charitable organisation or a local community project. In 2021 the immediate parent company established a Philanthropy Committee, which made corporate donations were made to a number of projects to support education and career development in our communities.

Principal Decision in 2021:

- Group Reorganisation

As part of a reorganisation of the group, the directors and parent company reviewed the purpose of the company and agreed to simplify the group's company structure. To this end, and after obtaining appropriate tax and legal advice, the directors decided that all employees of the company and vendor contracts would be transferred to its parent company via the operation of the Transfer of Undertaking (Protection of Employment) regulations (TUPE) and novation respectively, to be effective from 1 January 2022. The company also consulted with their employees as required by TUPE prior to the transfer of their employment taking effect.

Strategic report *(continued)*

For the year ended 31 December 2021

Section 172 Statement *(continued)*

Key Initiatives in 2021:

- Employee Wellbeing

The direct parent company has focused on creating a diverse slate of initiatives to support physical and mental well-being of its staff in ABSL. These initiatives include tools for sleep improvement, connections with licensed therapists, podcasts and activity classes to promote physical fitness. Employees were offered paid health half-days and were encouraged to have the COVID-19 vaccine, as well as being offered 3 wellness days, in addition to their usual holiday allowance, to be taken over the summer months. Recognising the mental health impact of on some staff of long periods of working from home, staff were permitted to voluntarily return to the office when allowed by the public health guidance. After consultation with staff, the group further implemented a "Work that Works" initiative allowing increased flexibility around working from home, start and finish times, and dress code as staff pivot to back to working from the office.

- Office Move

After employee engagement highlighted environmental factors and location were a priority for employees and clients for the new office, the immediate parent company signed a 10-year lease for office space at 60 London Wall in the City of London for employees in the company. 60 London Wall has an excellent sustainability BREEAM rating and ample bike storage and changing facilities to encourage fitness and wellness of employees. Employees were given the opportunity to visit the building, employee consultation was undertaken to feed into the design and fit out, and an employee transition team was formed to facilitate the transition for employees to the new ways of working in the new office.

- Diversity and Inclusion

The directors are committed to fostering an inclusive environment in which all employees and colleagues feel valued, are treated fairly and have the opportunity to succeed based on merit. The immediate parent company is also committed to engaging with the communities in which it operates and creating opportunities for people from disadvantaged or underrepresented communities with a view to building diverse and inclusive teams and delivering better client outcomes. In 2021 the immediate parent company included the company in the below initiatives:

- participated in the 'Big City, Bright Future' mentoring programme, '10,000 Black Interns' internship programme and the 'Investment 20/20' recruitment programme;
- focused on 'Inclusion Education and Events', 'Best Practices Benchmarking' and 'Community partnerships' through its Diversity and Inclusion Committee; and
- formed an EMEA Philanthropy Committee, which aims to target three core areas: Education & Career Development; Anti-Discrimination & Human Rights; and Sustainability. Corporate donations were made to programs such as Into University, Envision, Debate Mate and Action Tutoring during the year.

On behalf of the board



J Green
Director

12 April 2022

Company registered number: 01961063

Registered
office:
50 Berkeley
Street
London
United Kingdom

Directors' report

For the year ended 31 December 2021

The directors present their annual report and the audited financial statements for the year ended 31 December 2021.

Financial risk management

Financial risks and how the company mitigates these risks has been addressed in note 17 to the financial statements as well as in the strategic report under description of risks and uncertainties.

Going Concern

The financial statements have been prepared on a going concern basis. The impact of COVID 19 during the year has been taken into consideration through monitoring the impact on stakeholders such as employees and suppliers. As at signing date, no indications of impairment were shown and it is the opinion of the directors that no decline in services or change in revenue methodology is likely to occur. No change in profitability occurred in the year for the company. The directors have no plans to liquidate the company. The directors are satisfied that, at the time of approving the financial statements, there is a reasonable expectation that the company has adequate resources to continue in operational existence for the at least the next 12 months. For this reason, the directors continue to adopt the going concern basis in preparing the financial statements.

Results and dividend

The statement of income and retained earnings for the year is set out on page 9. Profit for the financial year amounted to £1.4m in 2021 (2020: £0.9m). No dividend has been recommended for payment by the directors (2020: £nil).

Directors

The directors of the company who were in office during the year and up to the date of signing the financial statements are D Hutchins (resigned 3 February 2022)

I Foster

J Green

Directors' insurance

AllianceBernstein L.P. maintains qualifying insurance for the directors in respect of their duties as directors of the company, including third party indemnity. This was in force during 2021 and at the date of signing the financial statements.

Future developments

In 2022, the company plans to transfer its employees to the immediate parent company, AllianceBernstein Limited, to simplify the organisational structure. Following the transfer, the directors do not foresee any major changes in the operating structure or transfer pricing reimbursement process for the company but will continue to review any further strategic opportunities which arise and are aligned with the long term success of the business.

Employees

The company recognises the importance of ensuring that employees understand the aims and objectives of the company, are clear on what is expected of them, and has policies and practices that make the company a desirable place to work. The company requires employees to act ethically and encourages staff to be aware of the wider community. Communication with employees is via email and AllianceBernstein's intranet site. In addition, employees' views on decisions that are likely to impact them may be aired either at frequent town hall meetings or via the annual employee performance review process. The decision to transfer all employees to the parent company in 2022 was made after consultation with employees. This is further detailed under s172 disclosures in the Strategic Report.

Non-discrimination and equal opportunity policy

The company does not discriminate against any employee or applicant for employment on the basis of sex or sexual orientation, race, colour, religion, age, disability or any other basis that is prohibited by law. AllianceBernstein's policies, as well as its practices, seek to ensure that employment opportunities are available to all employees and applicants, based solely on job-related criteria. This policy of non-discrimination applies to all employment practices including, but not limited to, hiring, compensation, benefits eligibility, promotions, transfers and redundancies.

Disabled employee note

The company gives full and fair consideration to applications for employment from disabled persons, having regard to their particular aptitudes, skills and abilities. Appropriate arrangements are made for the continued employment and training, career development and promotion of disabled persons employed by the company. If members of staff become disabled the company continues employment, either in the same or an alternative position, with appropriate retraining being given if necessary.

Directors' report *(continued)*

For the year ended 31 December 2021

Donations

The company made no political donations during the year (2020: £0).

Creditor payment policy

The company agrees payment terms when entering into new business contracts with its suppliers. The company seeks to abide by the agreed terms whenever it is satisfied that the supplier has provided the goods or services in accordance with the agreed terms and conditions.

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires, directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; 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 safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are also 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.

Directors' confirmations

In the case of each director in office at the date the directors' report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This information is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

Independent auditors

The independent auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the quarterly board meetings.

On behalf of the board



J Green, Director
12 April 2022

Registered office:
50 Berkeley Street
London
United Kingdom
W1J 8HA

Company registered number: 01961063

Independent auditors' report to the members of AllianceBernstein Services

Report on the audit of the financial statements

Opinion

In our opinion, AllianceBernstein Services Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Statement of financial position as at 31 December 2021; the Statement of income and retained earnings for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

Independent auditors' report to the members of AllianceBernstein Services Limited *(continued)*

Reporting on other information *(continued)*

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the year ended 31 December 2021 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also 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.

In preparing the financial statements, the directors are responsible for 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 the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Independent auditors' report to the members of AllianceBernstein Services Limited *(continued)*

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to the Companies Act 2006, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries. Audit procedures performed by the engagement team included:

- Enquiries of management, including legal, compliance and internal audit, including consideration of known or suspected instances of non-compliance with laws and regulations including fraud;
- Reviewing of relevant meeting minutes, including those of the Board;
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations, entries which were posted after the year end close, entries posted containing unusual account descriptions and entries posted with unusual amounts, where any such journal entries were identified;
- Designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing;
- Understanding of management's internal controls designed to prevent and detect irregularities; and
- Reviewing of the financial statement disclosures to check compliance with Companies Act 2006 and agree to underlying supporting documentation.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

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

Independent auditors' report to the members of AllianceBernstein Services Limited *(continued)*

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Caroline Palau (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
12 April 2022

Statement of income and retained earnings
for the year ended 31 December 2021

	<i>Note</i>	2021 £	2020 (restated) £
Revenue	3	24,678,791	23,732,305
Administrative expenses		(23,625,464)	(22,668,061)
Operating profit		<u>1,053,327</u>	<u>1,064,244</u>
Finance Income	4	-	15,056
Profit before taxation	5	<u>1,053,327</u>	<u>1,079,300</u>
Tax credit/(charge) on profit	7	396,033	(157,016)
Profit for the financial year	15	<u><u>1,449,360</u></u>	<u><u>922,284</u></u>
Retained earnings brought forward		<u>9,198,378</u>	<u>8,276,094</u>
Retained earnings carried forward		<u><u>10,647,738</u></u>	<u><u>9,198,378</u></u>

The company has no recognised other comprehensive income, other than the profit for the financial year as disclosed in the profit and loss account, and therefore no separate statement of other comprehensive income has been presented.

All the amounts above are in respect of continuing operations.

Further comments on the statement of income and retained earnings line items are presented in the notes to the financial statements on pages 13 to 21. The accompanying notes are an integral part of the financial statements.

Statement of financial position

At 31 December 2021

	Note	2021 £	2020 £
Non-current assets			
Property, plant and equipment	8	1,859,206	2,695,113
Other receivables	9	<u>1,134,582</u>	<u>425,378</u>
		2,993,788	3,120,491
Current assets			
Trade receivables	10	6,426,105	3,398,223
Cash	11	<u>5,703,530</u>	<u>6,645,928</u>
		12,129,635	10,044,151
Creditors: amounts falling due within one year	13	<u>(4,224,935)</u>	<u>(3,715,514)</u>
Net current assets		7,904,700	6,328,637
Total assets less current liabilities		10,898,488	9,449,128
		-	-
Net assets		<u>10,898,488</u>	<u>9,449,128</u>
Equity			
Called up share capital	14	1,000	1,000
Share premium account		249,750	249,750
Profit and loss account		<u>10,647,738</u>	<u>9,198,378</u>
Total equity	15	<u>10,898,488</u>	<u>9,449,128</u>

Further comments on the statement of financial position are presented in the notes to the financial statements. The notes on pages 13 to 21 are an integral part of these financial statements.

These financial statements on pages 11 to 21 were approved by the board of directors on 12 April 2022 and were signed on its behalf by:

Green

J Green
Director
12 April 2022

AllianceBernstein Services Limited
Company registered number 01961063

Notes to the financial statements for the year ended 31 December 2021

1 General information

AllianceBernstein Services Limited (the "company") provides administration services to entities within the AllianceBernstein corporate group primarily within the United Kingdom.

The company is a private company limited by shares and is incorporated in the United Kingdom and registered in the United Kingdom. The address of its registered office is 50 Berkeley Street, London W1J 8HA, United Kingdom.

2 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

Basis of preparation

These financial statements are prepared on the going concern basis, under the historical cost convention, in accordance with the Companies Act 2006 and Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". The principal accounting policies which have been applied consistently throughout the year are set out below.

In the historical financial statements, the allocation of administration services to entities within the AllianceBernstein corporate group had not been correctly recognised within the financial statement line items within the statement of income and retained earnings. The current year financial statements have been restated to correct this error by recognising an increase to revenue and administrative expenses of the company.

The impact of the restatement on the company Statement of income and retained earnings is as follows:

	2020 (Restated) £	Restatement £	2020 £
Revenue	23,732,305	1,348,027	22,384,278
Administrative expenses	(22,668,061)	(1,348,027)	(21,320,034)

Notes to the financial statements for the year ended 31 December 2021 *(continued)*

2 Accounting policies *(continued)*

Going concern

The financial statements have been prepared on a going concern basis. The potential impact of COVID 19 has been taken into consideration through monitoring the impact on stakeholders such as employees and suppliers. As at signing date, no indications of impairment were shown and it is the opinion of the directors that no decline in services or change in revenue methodology is likely to occur. As a result, the directors continue to adopt the going concern basis for preparing the financial statements.

Cash flow statement and related party disclosures

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with, including notification of, and no objection to, the use of exemptions by the company's shareholder. The company has taken advantage of the following exemptions:

The company is exempt from preparing a cash flow statement under FRS 102, paragraph 1.12, as it is a wholly owned subsidiary of a company which prepares consolidated financial statements which are publicly available. The consolidated financial statements of AllianceBernstein Limited and AllianceBernstein L.P., within which this company is included, can be obtained from the addresses given in Note 18.

The company is exempt under FRS 102, paragraph 33, from the requirements concerning wholly owned group related party transaction disclosures.

Property, plant and equipment and depreciation

Property, plant and equipment are stated at historic purchase cost less accumulated depreciation. Cost includes the original purchase price of the asset and the cost attributable to bringing the asset to its working condition for its intended use.

Depreciation is provided by the company to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Leasehold improvements	-	lesser of their useful lives or the terms of the related leases
Furniture, fixtures and fittings	-	6 years
Computers	-	3 years
Other equipment	-	6 years

Notes to the financial statements for the year ended 31 December 2021 *(continued)*

2 Accounting policies *(continued)*

Lease commitments

Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as 'operating leases'. Costs under operating leases are charged to the statement of income and retained earnings on a straight line basis over the life of the lease.

Pension costs

During the year the company continued to contribute to a Group Personal Pension plan (which is a defined contribution scheme) paying contributions for its employees. Pension contributions are based on a percentage of employee salary. The amount charged against profits represents the contributions payable to the plan in respect of the accounting period. Once contributions have been made the group has no further payment obligation.

The assets of the plan are held separately from those of the company in independently administered funds. There were no outstanding or prepaid contributions at the year end.

Taxation

The charge for taxation is based on the results for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Deferred tax is recognised, without discounting, in respect of any timing differences which have arisen but not reversed by the balance sheet date. Provision is made for any deferred taxation only to the extent that it is probable that an actual liability will crystallise. As the company is a member of a group for corporation tax purposes, deferred tax assets will not be recognised where losses will be passed between members of the group.

Functional currency

The functional currency of the company is pound sterling. Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the statement of financial position date and the gains or losses on translation are included in the statement of income and retained earnings.

Cash

Cash represents deposits held at call with banks. The company's cash balance is held by HSBC Bank plc, which is an independently rated party with an A-1 rating.

Revenue

Revenue represents the charges for administrative services, all of which is derived from group companies and accounted for on an accrual basis plus a margin.

Administrative expenses

Administrative expenses are recognised on an accruals basis.

Financial instruments

The entity has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments. The company is exempt under FRS 102, paragraph 11.41(b) - 11.48(c), as applicable, from the requirements concerning disclosure of financial instruments.

Financial assets

The company recognises financial assets initially at fair value from the trade date, and continues to recognise them through the statement of income and retained earnings until the rights to receive cash flows have expired or the company has transferred substantially all the risks and rewards of ownership.

Notes to the financial statements for the year ended 31 December 2021 (continued)

2 Accounting policies (continued)

Impairment of financial assets

The company assesses at each balance sheet date whether there is objective evidence that a financial asset or a portfolio of financial assets, including trade receivables, is impaired. The factors that the company takes into account include age of the trade receivables and specific knowledge regarding the receivables.

Financial liabilities

The company recognises financial liabilities from the trade date, and continues to recognise them until the liability has been settled, extinguished or has expired.

Employee benefits - deferred compensation

The company participates in a group wide deferred incentive compensation scheme for selected employees of the company. Awards are granted to certain employees under this scheme in the form of AllianceBernstein Holding Units which have the option to be received in cash ('deferred cash'). The awards vest over four years. The cost of employee services received in respect of the stock awards or deferred cash is fully recognised in the income statement in the year that the award is granted as the directors do not believe there are substantive service conditions.

Critical accounting judgements and estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities at the date of the statement of financial position and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that the actual outcomes could differ from those estimates. The company is subject to income taxes, and judgement is required in determining the extent to which it is probable that taxable profits will be available in the future against which deferred tax assets can be utilised. Based on forecasts, the company expects to recover its deferred tax asset within the next four years.

3 Revenue

The turnover and profit before taxation are attributable to the principal activity of the company - recharges due to provision of administration services to entities within the AllianceBernstein corporate group. The services are primarily provided to UK companies, however the revenue which is derived from the US is due to the transfer pricing process. An analysis of turnover on a contractual basis by geographical location is as follows:

	2021	2020 (restated)
	£	£
UK	7,828,139	7,510,835
Overseas	<u>16,850,652</u>	<u>16,221,470</u>
	<u>24,678,791</u>	<u>23,732,305</u>

Further information about the restatement of prior year revenue is outlined in Note 2 to the financial statements.

4 Finance Income

	2021	2020
	£	£
Bank and other interest	<u>-</u>	<u>15,056</u>

Notes to the financial statements for the year ended 31 December 2021 (continued)

5 Profit before taxation

	2021 £	2020 £
<i>In addition to wages, salaries and other employee costs as stated in note 6 this is stated after charging:</i>		
Auditors' remuneration - audit fee	51,148	41,063
Depreciation and other amounts written off (see note 8)	1,752,432	1,265,532
Net exchange (gain)/loss	(134)	2,152
Rental of premises – rentals payable under other operating leases	3,970,536	3,871,828
	<u> </u>	<u> </u>

6 Staff numbers and costs

	2021 £	2020 (restated) £
Wages and salaries	7,134,052	6,389,943
Social security costs	1,272,500	1,047,302
Other pension costs	427,839	381,790
	<u> </u>	<u> </u>
	<u>8,834,391</u>	<u>7,819,035</u>

The monthly average number of employees during the year in administrative and central functions was 67 (2020: 64). The directors did not receive any emoluments in respect to their services to the company. The prior year restatement for Social Security costs is further detailed in Note 2 to the financial statements.

The directors are directors of other group companies, and it is not possible to make an accurate apportionment of their remuneration in respect of each of the group companies.

7 Tax on profit

The taxation charge for the year is set out below:

Analysis of tax charge

	2021 £	2020 £
Current tax:		
UK corporation tax on profit for the year at 19.00% (2020: 19.00%)	229,592	230,312
Adjustments in respect of prior years	606,708	(25,476)
Total current tax	<u>836,300</u>	<u>204,836</u>
Deferred tax (note 12)		
Current year	111,551	99,101
Prior year adjustment	(611,283)	(75,090)
Recognition of DTA	(296,852)	-
Revaluation of DTA (from 17.00% to 19.00%)	-	(71,831)
Revaluation of DTA (from 19.00% to 25.00%)	(435,749)	-
Total deferred tax	<u>(1,232,333)</u>	<u>(47,820)</u>
Tax on profit	<u>(396,033)</u>	<u>157,016</u>

Notes to the financial statements for the year ended 31 December 2021 (continued)

7 Tax on profit (continued)

Factors affecting tax charge for the year

The taxation (credit)/charge for the year is lower (2020: lower) than the standard effective rate of corporation tax in the UK at 19.00% (2020: 19.00%). The differences are explained below.

	2021 £	2020 £
Profit before taxation	1,053,327	1,079,300
Profit before taxation multiplied by the standard rate in the UK of 19.00% (2020: 19.00%)	200,132	205,067
Effect of disallowable expenditure	141,011	124,345
Recognition of DTA	(296,852)	-
Revaluation of DTA (from 17.00% to 19.00%)	-	(71,831)
Revaluation of DTA (from 19.00% to 25.00%)	(435,749)	-
Adjustments in respect of prior years	(4,575)	(100,565)
Total tax (credit)/charge	(396,033)	157,016

The company's profits are taxed at the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%). In the Spring Budget 2020, the UK Government announced that from 1 April 2020 the corporation tax rate would remain at 19.00% (rather than reducing to 17.00%, as previously enacted). The Government made a number of budget announcements on 3 March 2021. These include confirming that the rate of corporation tax will increase to 25.00% from 1 April 2023. This new law was substantively enacted on 24 May 2021. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

8 Property, plant and equipment

	Leasehold improvements £	Furniture, fixtures and fittings £	Computers and other equipment £	Total £
Cost				
At beginning of the year	9,169,882	1,552,912	5,431,331	16,154,125
Additions	-	-	916,527	916,527
Disposals	-	-	-	-
At end of the year	9,169,882	1,552,912	6,347,858	17,070,652
Accumulated depreciation				
At beginning of the year	8,085,968	1,227,965	4,145,081	13,459,014
Charge for the year	685,182	194,956	872,294	1,752,432
Disposals	-	-	-	-
At end of the year	8,771,150	1,422,921	5,017,375	15,211,446
Net book value				
At 31 December 2021	398,732	129,991	1,330,483	1,859,206
At 31 December 2020	1,083,914	324,947	1,286,250	2,695,111

Notes to the financial statements for the year ended 31 December 2021 *(continued)*

9 Other Receivables	2021	2020
	£	£
Deferred tax asset (see note 12) due in more than one year	<u>1,134,582</u>	<u>425,378</u>

10 Trade Receivables	2021	2020
	£	£
Amounts owed by group undertakings	2,452,743	1,537,637
Other receivables	770,229	213,854
Deferred tax asset (see note 12) due in less than one year	681,040	157,911
Prepayments and accrued income	<u>2,522,093</u>	<u>1,488,821</u>
	<u>6,426,105</u>	<u>3,398,223</u>

The amounts owed by group undertakings comprise:

Autonomous Research UK LLP	1,461,882	129,551
AllianceBernstein L.P.	530,887	531,007
AllianceBernstein (Luxembourg) S.à r.l.	152,532	144,720
Sanford C. Bernstein Ltd	48,449	435,908
AllianceBernstein Preferred Ltd	41,048	146,302
CPH Capital Fondsmæglerselskab	15,965	91,011
Other	<u>201,980</u>	<u>59,138</u>
	<u>2,452,743</u>	<u>1,537,637</u>

The amounts owed by group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand. The directors consider that the carrying value of receivables due in less than one year is approximate to their fair value.

11 Cash	2021	2020
	£	£
Cash at bank and in hand	<u>5,703,530</u>	<u>6,645,928</u>

The company's cash balance is held by HSBC Bank plc, an independently rated party with an A-1 rating.

12 Deferred tax	2021	2020
	£	£
Deferred tax asset brought forward	583,289	535,468
Timing difference between accumulated depreciation and capital allowances	202,778	(108,862)
Difference arising on provisions and accruals that become tax deductible once paid	(17,477)	9,762
Capital loss utilisation	(296,852)	-
Prior year adjustment and rounding difference	611,283	75,090
Recognition of DTA	296,852	-
Revaluation from 17.00% to 19.00%	-	71,831
Revaluation from 19.00% to 25.00%	435,749	-
Deferred tax carried forward	<u>1,815,622</u>	<u>583,289</u>
Timing difference between accumulated depreciation and capital allowances	1,625,478	421,302
Difference arising on provisions and accruals that become tax deductible once paid	190,144	161,987
Deferred tax carried forward	<u>1,815,622</u>	<u>583,289</u>

Notes to the financial statements for the year ended 31 December 2021 (continued)

13 Creditors: amounts falling due within one year

	2021	2020
	£	£
Trade creditors	4,429	168
Amounts owed to group undertakings	2,145,711	1,543,874
Taxation and social security	256,068	180,870
Accruals and deferred income	1,818,727	1,990,602
	<u>4,224,935</u>	<u>3,715,514</u>

The amounts owed to group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

The directors consider that the carrying value of creditors due in less than one year is approximate to their fair value.

14 Called up share capital

	2021	2020
	£	£
<i>Allotted and fully paid</i>		
1,000 (2020: 1,000) Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

15 Reconciliation of movements in total equity

	2021	2020
	£	£
At 1 January	9,449,128	8,526,844
Profit for the financial year	1,449,360	922,284
At 31 December	<u>10,898,488</u>	<u>9,449,128</u>

16 Total of future minimum lease payments under non-cancellable operating leases

Annual commitments under operating leases which cannot be terminated prior to the expiry of their term are as follows:

	2021	2020
	£	£
Expiring within 1 year	2,294,526	4,589,052
Expiring during years 1 to 5	-	2,294,526
	<u>2,294,526</u>	<u>6,883,578</u>

17 Financial risks

Credit risk

The sum of the total receivables and total cash as per notes 10 and 11 gives a maximum credit risk exposure of £12,129,635 (2020: £10,044,151). The material concentration of this risk is in the United Kingdom.

The company does not hold any collateral as security. For the purposes of the company's disclosures regarding credit quality, all financial assets subject to credit risk fall into the category "Financial assets neither past due nor impaired".

Notes to the financial statements for the year ended 31 December 2021 (continued)

17 Financial risks (continued)

Credit risk (continued)

Financial assets neither past due nor impaired can be analysed according to the geographical location used by the company when assessing customers and counterparties. The majority of the company's domestic and international customers and counterparties are located in the United Kingdom.

Liquidity risk

The company's liquidity risk is mitigated to the extent that it is funded by its parent AllianceBernstein Limited.

Market risk

a) Interest rate risk

The only impact on income from interest rate fluctuations is on interest earned on cash balances.

b) Foreign exchange risk

The Company had no significant foreign currency assets at 31 December 2021, nor at 31 December 2020.

Capital risk management

The company's objectives when managing capital are:

- to safeguard the company's ability to continue as a going concern;
- to provide returns for shareholders and benefits for other stakeholders;
- to maintain an optimal capital structure to reduce the cost of capital;
- to maintain financial strength to support new business growth; and
- to satisfy the requirements of its clients.

The board has a dividend payment policy in place, which assesses the distributable reserves of the company and its cash flow position in its decision to pay dividends. This is consistent with prior years. The company is not subject to a capital adequacy requirement.

18 Immediate and ultimate holding company

The immediate holding company is AllianceBernstein Limited, a company registered in the United Kingdom. Copies of the financial statements of AllianceBernstein Limited may be obtained from 50 Berkeley Street, London, W1J 8HA, United Kingdom.

The consolidated financial statements of AllianceBernstein L.P. (established in the State of Tennessee, USA), within which this company and its immediate holding company are included, can be obtained from AllianceBernstein L.P., 501 Commerce Street, Nashville, TN 37203, USA.

The ultimate holding company and controlling party of AllianceBernstein L.P. is Equitable Holdings, Inc., a financial services company based in New York, N.Y., USA.

19 Subsequent events

The current Berkeley Street office premises lease will expire 22 June 2022. In January 2022, the company transferred its employees to the immediate parent company, AllianceBernstein Limited, to simplify the organisational structure.

The current situation in Ukraine is very volatile and events are changing rapidly. In response to the 2022 conflict, the EU, US, and UK along with other countries have updated their sanctions regimes relating to Russia and persons linked to Russia. The directors continue to closely monitor the situation and its impact on the company. The directors are of the opinion that the situation will not affect the net assets or net profit of the business and currently will not impact on the going concern of the business.