AllianceBernstein Limited

Annual Report

For the year ended 31 December 2020

Registered number: 02551144

Contents

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Directors, auditors and advisers

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

Strategic report

For the year ended 31 December 2020

The directors present their strategic report and the audited consolidated financial statements for the year ended 31 December 2020.

Principal activities

AllianceBernstein Limited (the "company" or "ABL") is incorporated in England and Wales, under the Companies Act 2006, as a private company limited by shares. The principal activities of the company and its subsidiary company, AllianceBernstein Services Limited (together "the group") are those of investment management and advice or the provision of administrative services to group companies. The company is regulated by the Financial Conduct Authority.

Business review

The group recorded a profit for the financial year of £37.0m in 2020 (2019: £35.2m). The group's turnover, which is derived from the provision of investment management services and allocations from the wider group's global transfer pricing policy, decreased by 7% to £132.1m (2019: £142.5m). Administrative expenses decreased by 10% to £89.5m (2019: £99.2m). This decrease was mainly driven by lower travel & entertainment and promotion costs.

The group sold its European subsidiary company, branches and representative offices to Alliance Bernstein (Luxembourg) S.a.r.l., effective 1 January 2020 for Germany, Sweden, Italy and the Netherlands, and effective 20 March 2020 for Spain.

Key Performance Indicators

The directors regard revenue as well as AUM as key performance indicators. Please see note 3 for details on revenue. Closing AUM contracted with ABL was £20.0bn (2019: £21.1bn). The decrease in AUM, which is reported in USD, is primarily due to the weakened exchange rate compared to 2019. Both revenue and AUM saw a small decrease compared to prior year, due to the volatile operating environment and an unfavourable exchange rate compared to previous year.

Description of risks and uncertainties

Financial risks

Business risk

Changes in financial market levels have a direct and significant impact on the company's assets under management. A significant reduction in AUM could have a material adverse effect on the revenues and financial condition of the company. The volatility of the financial markets due to the COVID-19 corona virus pandemic outbreak ("COVID-19") is an additional risk to AUM.

In July 2020, the board of directors approved an Internal Capital Adequacy Assessment Process (ICAAP). The ICAAP has been incorporated into the operating arrangements of the group as a core process to be used by senior management to guide their activities and the execution of their risk management roles and responsibilities, especially in the management of regulatory capital.

The management has identified and assessed the Brexit related risks that apply to the group and are of the opinion that this will not affect the going concern of the remaining business.

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 group operates internationally and is therefore exposed to foreign exchange risk, arising mainly from foreign denominated transactions. The group is also exposed to USD risk through allocations of revenue and expenses from head office. The group has a policy of regularly selling down excess foreign currencies to mitigate foreign exchange 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 a provision for debts that are not expected to be collected in full.

Strategic report *(continued)*

For the year ended 31 December 2020

Description of risks and uncertainties *(continued)*

Financial risks *(continued)*

Liquidity risk

The company manages its exposure to liquidity risk by monitoring its cash balances, to ensure sufficient capital is available to meet its obligations as they come due.

Non-financial risks

Operational risk

Operational risk can result from inadequate or failed internal processes, people and systems or from external events. On an annual basis the directors approve an Operational Risk Management Framework to control, monitor and mitigate the group's operational risk. The Risk Oversight Committee meets quarterly to review key risk indicators, top risks, processes and control reports and to develop recommendations to prioritise resources required to advance the risk agenda. COVID-19 resulted in the implementation of business continuity measures, including travel restrictions and a work-from-home requirement for almost all employees (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.

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 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 clients, employees, the wider community, the environment, the related party companies including parent companies and the regulator, the Financial Conduct Authority.

Engagement Activities

COVID-19 is having a profound impact on business globally. The company has needed to adapt its engagement activities to rapidly changing circumstances.

Engagement with clients has continued to be a fundamental component of the company's day-to-day business activities during 2020. The company has adapted to a working from home environment seamlessly, engaging with clients through, video-conferences, and phone calls. These engagement efforts have helped develop, maintain and foster the close relationships necessary to continue to deliver our services in a remote environment.

Engagement with employees has been even more critical due to COVID-19 which has resulted in a mostly working from home environment. As well as maintaining the usual engagement models such as hosting local and global town halls and conducting regular employee engagement surveys, the company has regularly kept all employees informed of decisions to open or close the office in-line with government guidelines. Employee Resource Groups have continued to provide another forum for employees to share information, educate, and engage in outreach with the clients and communities.

Maintaining the highest standards of service and business conduct is a top priority for the company. To facilitate this, one of the key measures taken is to ensure employees attend external seminars and conferences and engage in consultation on upcoming industry change and legislation. Through a robust governance program, management information flows across departments and into the Board and the company's Code of Business Conduct and Ethics summarises the values, principles and business practices that guide business conduct and employees towards responsible behaviour in all of their activities.

COVID-19 caused vast suffering, disruption to the global economy and financial markets, and was particularly devastating for people from underserved or marginalised communities. The company has 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. By participating together, the company engages with its communities and facilitates working with each other in different settings to forge stronger relationships.

Strategic report *(continued)*

For the year ended 31 December 2020

Section 172 statement *(continued)*

Key Initiatives in 2020:

- Employee Mental and Physical Health

The company has focused on creating a diverse slate of initiatives to support physical and mental well-being. These initiatives include tools for sleep improvement, connections with licensed therapists, podcasts and activity classes to promote physical fitness.

- Working from Home

Except for a handful of critical employees, the company moved to a 100% remote working model. Where needed, employees were provided with IT and office equipment. Teams functioned fully outside the office in a secure technology environment, with virtual access to office desktops and videoconferencing technologies, enabling them to collaborate and communicate with each other and clients.

- Office Move

As part of the search for a new London office location, environmental factors and location were a significant factor in the Board's decision. Employee engagement highlighted that this was a priority for employees and clients. The building that was shortlisted has an excellent BREEAM rating, it provides low energy fan coil air conditioning, energy recovery on the ventilation system, high performance façade insulation and daylight-linked lighting controls. In addition, there are over 380 bike spaces and 38 showers and changing facilities, outlining the company's commitment to the fitness and wellness of employees.

- UK OEIC Range

The company launched a further four new OEIC sub-funds taking the UK domiciled equity fund range to five sub-funds. This demonstrates the company's commitment to the UK market. This was a significant development in the strategy to foster the company's business relationships and provide a wider range of investment opportunities to the UK clients.

- Big City, Bright Future and Investment 20/20 Programmes

Knowing that diverse and inclusive teams generate better ideas and reach more balanced decisions, the directors decided to participate in the 'Big City, Bright Future' programme for the fourth consecutive year. This programme gives students from disadvantaged areas in the UK a work experience opportunity that opens up a world of new life-possibilities, including professional and corporate careers before they head into higher education. Unfortunately, due to COVID-19 the program couldn't proceed in its usual format however, multiple employees participated in mentoring students.

The directors also participated in the 'Investment 20/20' scheme for the second year, which is an asset management specific recruitment program aimed at bringing young people into the industry. Again, unfortunately, we were unable to offer any roles in 2020 as a result of COVID-19, however, the company has carried funding over to 2021 when it hopes to offer more roles.

-Brexit

As widely anticipated, the trade agreement did not make provision for financial services firms in the UK to continue to access the EU single market and, as a result, UK firms lost their passporting rights. The company was well prepared for this outcome. The board made the decision to obtain additional investment management permissions in Luxembourg and make certain structural changes to ensure that the company can continue to offer the full range of investment services to all our clients.

Strategic report *(continued)*

For the year ended 31 December 2020

Section 172 statement *(continued)*

Key Initiatives in 2020 (continued):

- Diversity and Inclusion Committee

The company is 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 directors understand that diverse and inclusive teams generate better ideas and reach more balanced decisions and therefore seek to leverage the unique backgrounds of employees to best engage the communities in which the company operates and meet the needs of a broad range of clients. The new Diversity and Inclusion Committee will be focusing on 4 key areas, Inclusion and Education, Accelerating the development of diverse talent, Implementing initiatives that enable more effective access to diverse candidates and Community partnerships.

- European Commercial Real Estate Debt – Appointed Representative Arrangement

The company launched a European Commercial Real Estate Debt ("ECRED") business through the appointment of Lacarne Holdings Limited as an Authorised Representative. The ECRED business will have a UK and European market focus. ECRED 's launch is a natural extension of the AB group's broader strategy of continuing to diversify and grow its Private Alternatives franchise.

Future developments

The group will continue to maintain a stable business platform and seek to maximise client returns at minimal risk levels in the current market. The directors do not foresee any major changes in the principal activities of the company, but will continue to review any further strategic opportunities which arise and are aligned with the long term success of the business.

On behalf of the Board

Green

J Green
Director
19 April 2021

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

Company registered number: 02551144

Directors' report

For the year ended 31 December 2020

The directors present their annual report and the audited consolidated financial statements for the year ended 31 December 2020.

Financial risk management
Financial risks and how the Company mitigates these risks has been addressed in note 26 to the financial statements as well as in the strategic report under description of risks and uncertainties.

Going Concern
The impact of COVID-19 has been taken into consideration through stress testing procedures. In 2020, no significant decrease in revenue was attributed to the effects of COVID-19 uncertainty, and restrictions against travel reduced the administrative expenses in 2020. There was the implementation of business continuity measures in early 2020, including travel restrictions and a work-from-home requirement for almost all personnel. The financial statements have been prepared under going concern basis, using cashflows and forecasting to substantiate this. Stress testing aims to ensure that capital adequacy is maintained in a variety of scenarios, even in a 'severe' market downturn scenario case. The stress testing did not result in any issues with regards to going concern and as a result, the directors have assessed no going concern issues are likely to arise for the company. No decrease in revenue was attributed to Brexit in 2020 and it was observed that marketing costs associated with the European branch offices decreased in the year. Brexit has not any negative impact on the Group's profitability during the year and the directors are of the opinion that Brexit has not affected the going concern of the business.

Branches and representative offices
The group had a subsidiary company in Germany, branch offices in Sweden and Spain and representative offices in the Netherlands and Italy. As a result of Brexit planning, the group sold its European subsidiary company, branches and representative offices to the Alliance Bernstein (Luxembourg) S.a.r.l. on 1 January 2020 (except for Spain, which was effective 20 March 2020). The management has identified and assessed the Brexit related risks that apply to the group and are of the opinion that this will not affect the going concern of the remaining business.

Dividends
The consolidated income statement for the year is set out on page 13. An ordinary and preference dividend of £15.0m and £7.1m respectively were recommended and paid during the year (2019: £20m ordinary and £7.1m preference). As at the date of signing these financial statements the Directors have not proposed a final dividend for the year.

Directors
The directors of the company who were in office during the year and up to the date of signing of the financial statements are as follows:
J Green
L Mah
I Foster
D Hutchins
J Hammond (resigned 22 January 2021)
M Phelps (resigned 3 June 2020)
R Spurr (appointed 1 September 2020)
J Taylor (appointed 1 September 2020)

Directors' insurance
AllianceBernstein L.P. maintains insurance for the Directors in respect of their duties as directors of the company, including qualified third party indemnity. This was in force in 2020 and up to the date of signing the financial statements.

Climate-related Financial Disclosures (TCFD)
The company is committed to being a responsible firm in its approach to environmental stewardship, and being a responsible investor in consideration of climate change risks and opportunities. ABL supports the Paris Agreement and endorses the recommendations of the Taskforce on Climate-related Financial Disclosure (TCFD). Consequently, its management of climate change risk is subject to a multi-layered governance and implementation model that rolls up from the responsibility, investment and operational teams through the Responsibility Committee, Risk Management Committees, and the Board Audit and Risk Committee to the board of Directors. As investors, environmental, social and governance (ESG) and climate considerations are a fundamental part of the company's research, investment and stewardship processes. To better the understanding of climate risks and opportunities, AB is investing in data, systems, training and people. In 2020, ABL hired a Director of Responsible Investing Strategy, and an ESG-focused Product Manager.

Directors' report *(continued)*
For the year ended 31 December 2020

Climate-related Financial Disclosures (TCFD) *(continued)*
Globally, AB has partnered with Columbia University's Earth Institute to develop a Climate Science and Portfolio Risk curriculum in which all investment staff have participated. A climate scenario and portfolio analysis tool has been procured, and AB has developed a proprietary engagement and ESG research collaboration platform ESIGHT. AB's Climate Change/TCFD Statement provides further detail on climate-change strategy, governance, risk management and targets. It is available at the AB website https://www.alliancebernstein.com/corporate/en/corporate-responsibility/environmental-stewardship.html

Streamlined Energy and Carbon Reporting (SECR) Obligations
Effective from 1st April 2019, the Company is required to adhere to the mandatory Streamlined Energy and Carbon Reporting regulation introduced by the UK Government. The emissions reported below relates to the office in London, United Kingdom, where the company exercised direct operational control in the year. The calculations were performed according to the EPA Stationary Source and Indirect Emissions from the Purchases/Sales of Electricity Guidance using the GHG protocols.

Emissions by Scope:
Scope 1 Emissions - nil
Scope 2 Emissions - 66.93 metric tons CO2e (converted from 238,943 kWh electricity)
Scope 3 Emissions - 40.53 metric tons CO2e (converted from 5,750 rail miles and 241,268 air miles)
Total - 107.46 metric tons CO2e

Intensity Metric:
As the company is a "people" business, the most suitable metric is 'emissions per employee'.
Scope 1 Emissions - nil
Scope 2 Emissions - 303.23 kg CO2e
Scope 3 Emissions - 183.65 kg CO2e
Total - 486.88 kg CO2e

No specific actions have been taken in 2020 to improve energy efficiency. In the shortlist for the future 2021/2022 office move, the favoured building has an excellent BREEAM rating, it provides low energy fan coil air conditioning, energy recovery on the ventilation system, high performance façade insulation and daylight-linked lighting controls. Furthermore, reduction of air travel and increased virtual meetings is anticipated to be the 'new normal'.

Employees
The group recognises the importance of ensuring that employees understand the aims and objectives of the group, and 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 quarterly town hall meetings or via the annual employee performance review process.

Non-discrimination and equal opportunity policy
The group 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. The group'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.

Donations
The company made no political donations during the year (2019: £nil).

Disabled employee note
The group 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 group. If members of staff become disabled the group continues employment, either in the same or an alternative position, with appropriate retraining being given if necessary.

Other disclosures
Information on matters such as the future developments of the business are not shown in the directors report because it is discussed in the strategic report instead under s414C(11).

Directors' report *(continued)*
For the year ended 31 December 2020

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 the directors to prepare financial statements for each financial year. Under that law the directors have prepared the group and company 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 group and company and of the profit or loss of the group and 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 group and company will continue in business.

The directors are also responsible for safeguarding the assets of the group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and 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 group and 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 auditors, PricewaterhouseCoopers LLP. have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at quarterly board meetings.

On behalf of the board

Green

J Green, Director
19 April 2021

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

Company registered number: 02551144

Independent auditors' report to the members of AllianceBernstein Limited

Report on the audit of the financial statements

Opinion

In our opinion, AllianceBerstein Limited 's group financial statements and company financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the company's affairs as at 31 December 2020 and of the group's profit and the group's cash flows 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, which comprise: the Consolidated statement of financial position and Company statement of financial position as at 31 December 2020; the Consolidated income statement, Consolidated statement of Comprehensive Income, Consolidated statement of cash flows, Consolidated statement of changes in equity and Company statement of changes in equity 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 group 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 group's and 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 group's and 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 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 2020 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 group and company and their 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 in respect of the financial statements, 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 group's and 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 group or the company or to cease operations, or have no realistic alternative but to do so.

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.

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

Responsibilities for the financial statements and the audit *(continued)*

Auditors' responsibilities for the audit of the financial statements (continued)

Based on our understanding of the group and industry, we identified that the principal risks of non-compliance with laws and regulations related to breaches of UK regulatory principles, such as those governed by the Financial Conduct Authority ('FCA'), 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 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 posted containing unusual account descriptions and entries posted with unusual amounts, where any such journal entries were identified;
- Reviewing FCA correspondence and breaches log; and
- Designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing.

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 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 company financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Sarah Chandler

Sarah Chandler (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
21 April 2021

Consolidated income statement
For the year ended 31 December 2020

	Note	2020 £ Continuing Operations	2020 £ Discontinued Operations	2020 £ Total	2019 £ Continuing Operations	2019 £ Discontinued Operations	2019 £ Total
Revenue	*3*	**132,148,547**	**-**	**132,148,547**	137,056,855	5,492,881	142,549,736
Administrative expenses		**(88,986,042)**	**(504,138)**	**(89,490,180)**	(86,553,838)	(12,660,166)	(99,214,004)
Other operating income/(expenses)	*7*	**5,317**	**23**	**5,340**	(340,784)	283	(340,501)
Operating profit		**43,167,822**	**(504,115)**	**42,663,707**	50,162,233	(7,167,002)	42,995,231
Gain on disposal of subsidiary entity, branch and representative offices	*8*	**-**	**2,892,454**	**2,892,454**	-	-	-
Finance income	*9*	**238,097**	**-**	**238,097**	636,793	-	636,793
Finance costs	*10*	**(4,879)**	**(4,440)**	**(9,319)**	-	(2,274)	(2,274)
Profit before taxation	*4*	**43,401,040**	**2,383,899**	**45,784,939**	50,799,026	(7,169,276)	43,629,750
Tax on profit	*11*	**(8,746,563)**	**(18,614)**	**(8,765,177)**	(8,077,728)	(317,397)	(8,395,125)
Profit for the financial year	*21*	**34,654,477**	**2,365,285**	**37,019,762**	42,721,298	(7,486,673)	35,234,625

Consolidated statement of Comprehensive Income
For the year ended 31 December 2020

	Note	2020 £ Continuing Operations	2020 £ Discontinued Operations	2020 £ Total	2019 £ Continuing Operations	2019 £ Discontinued Operations	2019 £ Total
Profit for the financial year	*21*	**34,654,477**	**2,365,285**	**37,019,762**	42,721,298	(7,486,673)	35,234,625
Currency translation difference	*21*	**-**	**-**	**-**	-	(133,484)	(133,484)
Total comprehensive income		**34,654,477**	**2,365,285**	**37,019,762**	42,721,298	(7,620,156)	35,101,141

Further comments on the consolidated income statement and the consolidated statement of comprehensive income line items are presented in the notes to the financial statements.

The accompanying notes from pages 18 to 30 form an integral part of these financial statements.

Consolidated statement of financial position

At 31 December 2020

	Note		2020		2019
		£	£	£	£
Fixed assets					
Property, plant and equipment	*13*		**2,695,111**		3,411,734
Current assets					
Trade and other receivables	*15*	**48,556,899**		66,830,969	
Cash at bank and in hand	*16*	**109,733,882**		83,425,009	
		158,290,781		150,255,978	
Creditors: amounts falling due within one year	*18*	**(42,273,373)**		(47,531,607)	
Net current assets			**116,017,408**		102,724,371
Total assets less current liabilities			**118,712,519**		106,136,105
Net assets			**118,712,519**		106,136,105
Equity					
Called up share capital	*19*		**19,286,524**		19,286,524
Retained earnings	*21*		**99,425,995**		86,849,581
Total shareholders' funds	*20*		**118,712,519**		106,136,105

Further comments on the consolidated statement of financial position are presented in the notes to the financial statements on pages 18 to 30. The accompanying notes are an integral part of these financial statements.

These financial statements on pages 13 to 30 were approved by the board of directors on 16 April 2021 and were signed on its behalf by:

Green

J Green
Director
19 April 2021

AllianceBernstein Limited
Company registered number: 02551144

Company statement of financial position

At 31 December 2020

	Note	2020	2020	2019	2019
		£	**£**	£	£
Fixed assets					
Property, plant and equipment	*13*		**-**		29,671
Investments	*14*		**1,400,000**		1,417,102
			1,400,000		1,446,773
Current assets					
Trade and other receivables	*15*	**46,274,250**		62,316,360	
Cash at bank and in hand	*16*	**103,087,954**		73,094,009	
		149,362,204		135,410,369	
Creditors: amounts falling due within one year	*18*	**(40,098,830)**		(40,180,964)	
Net current assets			**109,263,374**		95,229,405
Total assets less current liabilities			**110,663,374**		96,676,178
Net assets			**110,663,374**		96,676,178
Capital and reserves					
Called up share capital	*19*		**19,286,524**		19,286,524
Profit for the financial year	*21*		**36,097,479**		34,159,673
Retained earnings	*21*		**55,279,371**		43,229,981
Total shareholders' funds	*20*		**110,663,374**		96,676,178

The company has taken section 408 exemption with respect to company profit and loss statement. The company reported a profit of £36.1m for the year (2019: £34.2m).

Further comments on the company statement of financial position are presented in the notes to the financial statements on pages 18 to 30. The accompanying notes are an integral part of these financial statements.

These financial statements on pages 13 to 30 were approved by the board of directors on 16 April 2021 and were signed on its behalf by:

Green

J Green
Director
19 April 2021

AllianceBernstein Limited
Company registered number: 02551144

Consolidated statement of changes in equity

For the year ended 31 December 2020

	Note	Called-up share capital	Retained earnings	Total shareholders' funds
		£	£	£
Balance at 1st January 2019	*20*	**19,286,524**	**78,858,723**	**98,145,247**
Profit	*21*	-	35,234,625	35,234,625
Translation adjustment	*21*	-	(133,484)	(133,484)
Profit and total comprehensive income for the year		-	35,101,141	35,101,141
Dividends	*12*	-	(27,110,283)	(27,110,283)
Balance at 31st December 2019	*20*	**19,286,524**	**86,849,581**	**106,136,105**
Profit	*21*	-	37,019,762	37,019,762
Translation adjustment	*21*	-	-	-
Total comprehensive income for the year		-	37,019,762	37,019,762
Disposal of subsidiary - AB Europe GmBH		-	(2,333,065)	(2,333,065)
Dividends	*12*	-	(22,110,283)	(22,110,283)
Balance at 31st December 2020	*20*	**19,286,524**	**99,425,995**	**118,712,519**

Company statement of changes in equity

For the year ended 31 December 2020

	Note	Called-up share capital	Retained earnings	Total shareholders' funds
		£	£	£
Balance at 1st January 2019	*20*	**19,286,524**	**70,340,264**	**89,626,788**
Profit and total comprehensive income for the year		-	34,159,673	34,159,673
Dividends	*12*	-	(27,110,283)	(27,110,283)
Balance at 31st December 2019	*20*	**19,286,524**	**77,389,654**	**96,676,178**
Total comprehensive income for the year		-	36,097,479	36,097,479
Dividends	*12*	-	(22,110,283)	(22,110,283)
Balance at 31st December 2020	*20*	**19,286,524**	**91,376,850**	**110,663,374**

The accompanying notes from pages 18 to 30 form an integral part of these financial statements.

Consolidated statement of cash flows

For the year ended 31 December 2020

	Note	2020 £	2019 £
Net cash from operating activities	25	**60,047,212**	28,132,174
Taxation paid		**(14,200,386)**	(8,395,125)
Net cash generated from operating activities		**45,846,826**	19,737,049
Cash flow from investing activities			
Purchase of property, plant and equipment	13	**(595,674)**	(1,681,122)
Disposals of subsidiary entities, branch and representative offices	8	**2,939,226**	-
Interest received	9	**238,097**	636,793
Net cash generated from/(used in) investing activities		**2,581,649**	(1,044,329)
Cash flow from financing activities			
Dividends paid	12	**(22,110,283)**	(27,110,283)
Interest paid	10	**(9,319)**	(2,274)
Net cash used in financing activities		**(22,119,602)**	(27,112,557)
Net increase/(decrease) in cash and cash equivalents		**26,308,873**	(8,419,837)
Cash and cash equivalents at the beginning of the year		**83,425,009**	91,844,846
Cash and cash equivalents at the end of the year	16	**109,733,882**	83,425,009
Cash and cash equivalents consists of:			
Cash at bank and in hand	16	**109,733,882**	83,425,009

The accompanying notes from pages 18 to 30 form an integral part of these financial statements.

Notes to the financial statements for the year ended 31 December 2020

1 General information

AllianceBernstein Limited (the "company") and its subsidiary, AllianceBernstein Services Limited (together "the group") provide investment management and advice or the provision or administrative services to group companies.

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

2 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the group's 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 accordance with section 408 of the Companies Act 2006 AllianceBernstein Limited is exempt from the requirement to present its own statement of income and statement of comprehensive income in these financial statements. The profit after tax of the company for the year was £36.1m (2019: £34.2m), arising from the operations of the company.

Going Concern

The financial statements have been prepared on a going concern basis. The directors are satisfied that the company has adequate resources to continue in operational existence for the foreseeable future. The potential impact of COVID 19 has been taken into consideration through stress testing procedures. Stress testing aims to ensure that capital adequacy is maintained in a variety of scenarios, even in a 'severe' market downturn scenario case. The stress testing did not result in any issues with regards to going concern and as a result, the directors have assessed no going concern issues are likely to arise for the company.

Basis of consolidation

The group financial statements consolidate the financial statements of AllianceBernstein Limited and all its subsidiary undertakings. These financial statements are made up to 31 December 2020. The consolidated financial statements are based on financial statements that are coterminous with those of the parent company, and also on uniform accounting policies.
All intra-group transactions, balances, income and expenses are eliminated on consolidation.
The company is taking up exemption from the requirements of Financial Reporting Standard 1 to produce a company cash flow statement.

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 2020 (continued)

2 Accounting policies *(continued)*

Fixed asset investments

Fixed asset investments are stated at cost less provision for impairment. Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying values of these assets exceed their recoverable amount. The recoverable amount is the greater of net realisable value and value in use, and is determined based on management's assumptions and estimates.

Functional currencies

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 the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account in the consolidated statement of comprehensive income.

The prior year results of subsidiary undertakings drawn up in currencies other than sterling were translated at average rates of exchange during the year. The assets and liabilities of those entities were translated at the rate of exchange ruling at the balance sheet date. Exchange differences arising on the translation of these amounts from average rates used in the consolidated income statement to the closing rate in the statement of financial position were taken directly to the consolidated statement of comprehensive income.

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, including the effect of lease incentives, are charged to the consolidated income statement on a straight line basis over the life of the lease.

Pension costs

During the year, the group 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 year. 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.

Investments

Current asset investments are stated at fair value, which is determined by reference to official quoted market bid prices at the close of business on the balance sheet date. Any resulting gain or loss is included in "Other operating income and charges" in the consolidated income statement.

Investments in subsidiaries

Investment in a subsidiary company is held at cost less accumulated impairment losses.

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.

Notes to the financial statements for the year ended 31 December 2020 (continued)

2 Accounting policies *(continued)*

Cash

Cash includes deposits held at call with banks and bank overdrafts. The company's cash balances are held by HSBC Bank plc and MUFG, which are independently rated parties with an A-1 and A-1 rating respectively.

Revenue

Revenue comprises investment management fees, advisory fees and management recharges received from group companies in respect of services rendered by the group. Revenue is accounted for on an accruals basis.

Certain investment management contracts provide for performance based fees that are calculated as a percentage of investment results in excess of a stated benchmark over a predetermined time frame. These performance fees are subsequently recorded as revenue when crystallised (right to receive payment is established).

Administrative expenses

Administrative expenses are recognised on an accruals basis.

Interest

Interest income is recognised using the effective interest rate method in the consolidated income statement.

Finance costs

All finance costs are recognised in profit or loss in the period in which they are incurred.

Financial assets

The company recognises financial assets initially at fair value from the trade date, and continues to recognise them through the consolidated income statement until the rights to receive cash flows have expired or the company has transferred substantially all the risks and rewards of ownership. The company has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial assets.

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 receivable and specific knowledge regarding the receivable.

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. The company has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial liabilities.

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 consolidated income statement in the year that the award is granted as the directors do not believe there are substantive service conditions.

Notes to the financial statements for the year ended 31 December 2020 (continued)

2 Accounting policies *(continued)*

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 activities of the group. An analysis of turnover by geographical location is as follows:

	2020	2019
	£	£
UK	14,157,609	15,655,359
Overseas	117,990,938	126,894,377
	132,148,547	142,549,736

	2020	2019
	£	£
Investment Management Fees	43,813,369	42,855,595
Recharges	88,335,178	99,694,141
	132,148,547	142,549,736

4 Profit before taxation

	2020	2019
Group	£	£
In addition to wages, salaries, and other related employee costs in note 6, this is stated after charging:		
Remuneration		
- audit of the company's annual financial statements	118,877	84,243
Fees payable to the Auditors for other services:		
- audit of company's subsidiaries	41,078	35,061
- other assurance services	8,000	7,000
Depreciation	1,282,626	1,164,201
Severance payments	17,500	63,997
Rent of premises - rentals payable under operating leases	4,044, 509	3,616,767

5 Remuneration of directors

The remuneration of directors for their roles as directors of the Company was as follows:

	2020	2019
	£	£
Directors' emoluments	3,025,607	3,306,232
Aggregate amounts receivable under long term incentive schemes	974,971	1,194,882
Contributions to defined contribution pensions	75,691	60,782
	4,076,269	4,561,896

Notes to the financial statements for the year ended 31 December 2020 (continued)

5 Remuneration of directors *(continued)*

The aggregate emoluments of the highest paid director for their role as a director of the company were £884,885 (2019: £1,173,287). No pension contributions were paid on behalf of the highest paid director for their role as director of the company during (2019: nil). Money received by the highest paid director for their role as a director of the company under long term incentive schemes was £367,628 (2019: £636,290).

The number of directors to whom retirement benefits are accruing under a defined contribution pension plan was 6 (2019: 4). The number of directors in respect of whose qualifying services shares were received or receivable under a long term incentive scheme was 8 (2019: 6).

The highest paid director of the company was determined using the highest amount paid for their role as director of the company. There are directors who receive more total remuneration, as they have roles within other group companies, for which the total remuneration is paid by the company and no recharge is made.

6 Staff numbers and costs

The aggregate payroll costs were as follows:

	Group		Company	
	2020	2019	**2020**	2019
	£	£	**£**	£
Wages and salaries	**50,275,746**	54,009,934	**43,885,803**	44,628,027
Social security costs	**7,493,980**	7,267,217	**6,598,688**	6,252,451
Other pension costs	**1,712,154**	1,849,480	**1,330,364**	1,399,750
	59,481,880	63,126,631	**51,814,855**	52,280,228

The monthly average number of employees during the year was 191 (2019: 212).

Monthly average number of employees by business group	**2020**	2019
	Number	Number
Front office	**127**	147
Administrative and central functions	**64**	65
	191	212

7 Other operating income/(expenses)

	2020	2019
	£	£
Net exchange gain/(loss) on other operations	**5,340**	(340,501)

8 Gain on disposal of subsidiary entity, branch and representative offices

The group sold its European subsidiary company, branches and representative offices to Alliance Bernstein (Luxembourg) S.a.r.l., effective 1 January 2020 for Germany, Sweden, Italy and the Netherlands, and effective 20 March 2020 for Spain.

		2020	2019
Subsidiary Company		**£**	£
Cost of Investment - AB Europe GmbH	(17,102)		-
Proceeds of Sale - AB Europe GmbH, effective 1 January 2020	22,493		-
Net Gain		**5,391**	-
Branch Offices			
Cost of Investment	-		-
Disposal of Fixed Assets at Cost	(7,406)		
Proceeds of Sale - Sweden branch office, effective 1 January 2020	264,818		-
Proceeds of Sale - Spain branch office, effective 20 March 2020	328,304		-
Net Gain		**585,716**	-
Representative Offices			
Cost of Investment	-		
Disposal of Fixed Assets at Cost	(22,264)		
Proceeds of Sale - Netherlands representative office, effective 1 January 2020	1,145,442		-
Proceeds of Sale - Italy representative office, effective 1 January 2020	1,178,169		-
		2,301,347	-
		2,892,454	-

Notes to the financial statements for the year ended 31 December 2020 (continued)

9 Finance income	**2020**	2019
	£	£
Bank interest receivable	**238,097**	636,793

10 Finance costs	**2020**	2019
	£	£
Interest payable in respect of tax charges	**9,319**	2,274

11 Tax on profit

Analysis of tax charge	**2020**	2019
	£	£
Current tax :		
United Kingdom Corporation tax at 19.00% (2019: 19.00%)	**8,733,193**	8,568,570
Foreign Tax	**883,856**	269,324
Trade tax	**-**	84,036
Double tax relief	**(570,316)**	(83,836)
Adjustments in respect of prior periods - UK Tax	**237,872**	(253,018)
Total current tax	**9,284,605**	8,585,076
Deferred tax (see note 17)		
Origination of timing differences	**101,678**	(323,736)
Timing differences - Prior year	**(321,423)**	99,708
Deferred tax assets transferred to other Companies in the Group	**145,777**	-
Revaluation of DTA (from 17.00% to 19.00%)	**(445,460)**	34,077
Total deferred tax	**(519,428)**	**(189,950)**
Tax on profit on ordinary activities	**8,765,177**	8,395,125

Factors affecting tax charge for the year

The current tax charge for the year is higher (2019: higher) than the standard effective rate of corporation tax in the UK 19.00% (2019: 19.00%). The differences are explained below:

	2020	2019
	£	£
Profit before taxation	**45,784,939**	43,629,750
UK corporation tax charge on profit before tax of the year at 19.00% (2019: 19.00%)	**8,699,138**	8,219,949
Additional German corporation tax charge on profit before tax of the year at 36.48% (2019: 36.48%)	**-**	145,971
Effect of disallowable expenditure	**135,732**	(37,049)
Adjustments in respect of prior periods - UK Tax	**237,872**	(253,018)
Adjustments in respect of prior periods - Deferred	**(321,423)**	99,708
Deferred tax assets transferred to other Companies in the Group	**145,777**	-
Revaluation of DTA (from 17% to 19%)	**(445,460)**	34,077
Double tax relief	**(570,316)**	(83,837)
Foreign taxes	**883,857**	269,324
Total tax	**8,765,177**	8,395,125

Factors that may affect future tax charges

The company's profits are taxed at the standard rate corporation tax in the UK of 19.00% (2019: 19.00%)

A deferred tax credit of £519,428 was recognised during the year (2019: £189,950 credit). The 2020 deferred tax charge relates to timing differences between the tax written down value and net book value of qualifying assets as well as timing differences on deferred compensation.

Notes to the financial statements for the year ended 31 December 2020 (continued)

12 Dividends

	Group and Company	
	2020	2019
	£	£
Equity		
Ordinary Shares 2020: £1.5569 (2019: £2.0759) per £1 share	**15,000,000**	20,000,000
Preferred Shares 2020: £0.7367 (2019: £0.7367) per £1 share	**7,110,283**	7,110,283
	22,110,283	27,110,283

The amounts paid above were the final dividends for the financial years ended 31st December.

13 Property, plant and equipment

	Leasehold improvements	Furniture, fixtures and fittings	Computers and other equipment	Total
Group	£	£	£	£
Cost				
At beginning of the year	9,172,820	1,728,129	4,995,835	15,896,784
Additions	57,122	-	538,552	595,674
Disposals	(29,002)	(147,012)	(106,981)	(282,995)
At end of the year	9,200,940	1,581,117	5,427,406	16,209,463
Accumulated depreciation				
At beginning of the year	7,579,882	1,298,760	3,606,408	12,485,050
Charge for the year	565,410	101,327	615,889	1,282,626
Disposals	(21,810)	(143,311)	(88,203)	(253,324)
At end of the year	8,123,482	1,256,776	4,134,094	13,514,352
Net book value				
At 31 December 2020	**1,077,458**	**324,341**	**1,293,312**	**2,695,111**
At 31 December 2019	1,592,938	429,369	1,389,427	3,411,734

	Leasehold improvements	Furniture, fixtures and fittings	Computers and other equipment	Total
Company	£	£	£	£
Cost				
At beginning of the year	29,002	147,012	106,981	282,995
Additions	-	-	-	-
Disposals	(29,002)	(147,012)	(106,981)	(282,995)
At end of the year	-	-	-	-
Accumulated depreciation				
At beginning of the year	21,810	143,311	88,203	253,324
Charge for the year	-	-	-	-
Disposals	(21,810)	(143,311)	(88,203)	(253,324)
At end of the year	-	-	-	-
Net book value				
At 31 December 2020	-	-	-	-
At 31 December 2019	7,192	3,701	18,778	29,671

Notes to the financial statements for the year ended 31 December 2020 (continued)

14 Investments

	Company	
	2020	2019
	£	£
Shares in group undertakings		
AllianceBernstein Services Limited	**1,400,000**	1,400,000
AB Europe GmbH	**-**	17,102
	1,400,000	1,417,102

The company owns 100% of the issued share capital consisting of 1000 ordinary £1 shares of AllianceBernstein Services Limited ("ABSL"), a company registered in England and Wales, registration address 50 Berkeley Street, London, United Kingdom, W1J 8HA and which has been included in the consolidation. ABSL provides administration services to other group companies.

On 1 January 2020, the company transferred its ownership of 100% of the ordinary shares of a Germany subsidiary company, AB Europe GmbH, to the sister company AllianceBernstein (Luxembourg) s.a.r.l. AB Europe GmBH was a company incorporated in Germany with the registered address at Maximillianstrasse 21, 80539, Munich, Germany. This subsidiary company has not been included in the consolidation from 1 January 2020.

15 Trade and other receivables

	Group		Company	
	2020	2019	**2020**	2019
	£	£	**£**	£
Trade receivables	**891,826**	3,520,948	**891,826**	3,520,948
Amounts owed by group undertakings	**30,950,435**	46,470,577	**30,953,751**	46,076,592
Other receivables	**816,789**	1,426,812	**602,935**	513,515
Net deferred tax assets (see note 17)	**3,984,411**	3,464,985	**3,401,121**	2,929,515
Prepayments and accrued income	**11,913,438**	11,947,647	**10,424,617**	9,275,790
Total trade and other receivables	**48,556,899**	66,830,969	**46,274,250**	62,316,360

The amounts owed by group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand. Group net deferred tax includes an estimated £2,490k (2019: £2,638K) due in more than one year. Company net deferred tax includes an estimated £2,065k (2019: £2,162K) due in more than one year.

The directors consider that the carrying value of receivable amounts falling due within and after one year is approximate to their fair value.

Trade receivables includes £nil (2019: £nil) falling due after more than one year.

16 Cash

	Group		Company	
	2020	2019	**2020**	**2019**
	£	£	**£**	**£**
Cash at bank and in hand	**109,733,882**	83,425,009	**103,087,954**	**73,094,009**

Cash includes deposits held at call with banks and bank overdrafts. The company's cash balances are held by HSBC Bank plc and MUFG which are independently rated parties with A-1 and A-1 ratings respectively. AllianceBernstein Limited has access to a HSBC Bank Plc class guaranteed facility of £102,818.

Notes to the financial statements for the year ended 31 December 2020 (continued)

17 Deferred taxation

	Group		Company	
	2020	2019	**2020**	2019
	£	£	**£**	£
Deferred tax brought forward	**3,464,985**	3,278,424	**2,929,515**	2,695,840
Timing difference between accumulated depreciation and capital allowances	**(107,479)**	(7,618)	**1,383**	2,204
Difference arising on provisions and accruals that become tax deductible once paid	**5,801**	327,962	**(3,962)**	352,501
Prior year adjustment and rounding difference	**321,421**	(99,706)	**246,333**	(83,336)
Revaluation from 17.00% to 19.00%	**445,460**	(34,077)	**373,629**	(37,694)
Deferred tax assets transferred to other Companies in the Group	**(145,777)**	-	**(145,777)**	-
Deferred tax asset carried forward	**3,984,411**	3,464,985	**3,401,121**	2,929,515
Timing difference between accumulated depreciation and capital allowances	**436,550**	401,469	**15,248**	(960)
Difference arising on provisions and accruals that become tax deductible once paid	**3,547,861**	3,063,516	**3,385,873**	2,930,475
Deferred tax carried forward	**3,984,411**	3,464,985	**3,401,121**	2,929,515

Recognition has been reported for a deferred tax asset of £3,984,411 (2019: £3,464,985 asset) in the balance sheet in the current year. Deferred tax assets/liabilities relate to timing differences between the tax written down value and the net book value of qualifying assets as well as timing differences on deferred compensation. The directors consider that it is more likely than not that there will be sufficient taxable profits in the future such as to realise the deferred tax asset, and therefore the asset has been recognised in these financial statements.

18 Creditors: amounts falling due within one year

	Group		Company	
	2020	2019	**2020**	2019
	£	£	**£**	£
Trade payables	**167**	39,538	**-**	25,139
Amounts owed to group undertakings	**5,063,551**	7,581,025	**5,060,628**	2,954,664
Taxation and social security	**26,102,483**	29,314,981	**25,921,613**	29,012,280
Accruals	**11,107,172**	10,596,063	**9,116,589**	8,188,881
	42,273,373	47,531,607	**40,098,830**	40,180,964
Taxation and social security comprises				
Corporation tax payable	**(14,674)**	4,160,840	**(116,856)**	3,935,162
VAT, PAYE and National Insurance	**26,117,157**	25,154,141	**26,038,469**	25,077,118
	26,102,483	29,314,981	**25,921,613**	29,012,280

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 creditor amounts due in less and after more than one year is approximate to their fair value.

Notes to the financial statements for the year ended 31 December 2020 (continued)

19 Called up share capital

	Group and company	
	2020	2019
	£	£
Issued and fully paid		
Preferred Shares of £1 each	**9,651,994**	9,651,994
Ordinary Class B Shares of £1 each	**9,634,530**	9,634,530
	19,286,524	19,286,524

20 Reconciliation of movements in shareholders' funds

	Group		Company	
	2020	2019	**2020**	2019
	£	£	**£**	£
Total shareholders' funds at 1 January	**106,136,105**	98,145,247	**96,676,178**	89,626,788
Profit for the financial year	**37,019,762**	35,234,625	**36,097,479**	34,159,673
Dividends (see note 12)	**(22,110,283)**	(27,110,283)	**(22,110,283)**	(27,110,283)
Disposal of subsidiary - AB Europe GmBH	**(2,333,065)**	-	-	-
Currency translation difference	-	(133,484)	-	-
Total shareholders' funds at 31 December	**118,712,519**	106,136,105	**110,663,374**	96,676,178

21 Retained earnings

	Group		Company	
	2020	2019	**2020**	2019
	£	£	**£**	£
At 1 January	**86,849,581**	78,858,723	**77,389,654**	70,340,264
Profit for the financial year	**37,019,762**	35,234,625	**36,097,479**	34,159,673
Dividends (see note 11)	**(22,110,283)**	(27,110,283)	**(22,110,283)**	(27,110,283)
Disposal of subsidiary - AB Europe GmBH	**(2,333,065)**	-	-	-
Currency translation difference	-	(133,484)	-	-
At 31 December	**99,425,995**	86,849,581	**91,376,850**	77,389,654

22 Related party transactions

During the year transactions relating to the principal activities of both the group and the company arose with AllianceBernstein L.P. and its subsidiaries. These transactions included purchases paid on behalf of the group as well as services provided by the group. The net amount of these transactions for the year was £8,234k (2019: -£24,046k) for the group, and £3,214k (2019: -£15,789k) for the company. The company discloses transactions with related parties which are not wholly owned with the same group. It does not disclose transactions with its parent or with members of the same group that are wholly owned. The company is exempt under FRS 102, paragraph 33, from the requirements concerning wholly owned group related party transaction disclosures.

Notes to the financial statements for the year ended 31 December 2020 (continued)

23 Financial instruments

The group has the following financial instruments	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Financial assets that are debt instruments measured at amortised cost				
Trade receivables	**891,826**	3,520,948	**891,826**	3,520,948
Amounts owed by group undertakings	**30,950,435**	46,470,577	**30,953,751**	46,076,592
Other receivables	**816,789**	1,426,812	**602,934**	513,515
	32,659,050	51,418,337	**32,448,511**	50,111,055
Financial liabilities measured at amortised cost				
Trade payables	**167**	39,538	**-**	25,139
Amounts owed to group undertakings	**5,063,551**	7,581,025	**5,060,628**	2,126,400
Accruals	**11,107,172**	10,596,063	**9,116,589**	8,188,881
	16,170,890	18,216,626	**14,177,217**	10,340,420

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

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

	2020 £	2019 £
Group and Company		
Operating leases in respect of land and buildings:		
Due within 1 year	**4,589,052**	4,939,163
Due during years 2 to 5	**2,294,526**	7,017,939
	6,883,578	11,957,102

With respect to all significant litigation matters, the company considers the likelihood of the outcome. If the company determines the likelihood of a negative outcome is probable, and the amount of the loss can be reasonably estimated, an estimated loss for the expected outcome of the litigation is recorded. If the likelihood of a negative outcome is reasonably possible and the company is able to determine an estimate of the possible loss or range of loss in excess of amounts already accrued, if any, that fact together with the estimate of the possible loss or range of loss is disclosed. However, it is often difficult to predict the outcome or estimate a possible loss or range of loss because litigation is subject to inherent uncertainties, particularly when plaintiffs allege substantial or indeterminate damages. Such is also the case when the litigation is in its early stages, or when the litigation is highly complex or broad in scope. In such cases, the company discloses that it is unable to predict the outcome or estimate a possible loss or range of losses.

As at 31 December 2020 the company had no ongoing, pending or threatened litigation matters.

Notes to the financial statements for the year ended 31 December 2020 (continued)

25 Reconciliation of operating profit to net cash inflow from operating activities

	2020	2019
	£	£
Operating profit	**42,663,707**	42,995,231
Depreciation of property, plant and equipment	**1,282,626**	1,164,201
Foreign currency translation gain	**-**	(133,484)
Decrease/(Increase) in trade receivables	**18,274,070**	(21,515,398)
(Decrease)/increase in creditors	**176,975**	5,621,624
Disposal of subsidiary assets - AB Europe	**(2,350,166)**	-
Net cash flow from operating activities	**60,047,212**	28,132,174

26 Financial risks

Credit risk

The sum of the total cash and total receivable balances as per notes 15 and 16 gives a maximum credit risk exposure of £158,290,782 (2019: £150,255,978). 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".

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. The company's cash balances are held by HSBC Bank plc and MUFG, which are independently rated parties both with an A-1 rating.

Liquidity risk

The company has large cash balances and therefore is not exposed to liquidity risk. No liquidity risk arises from the current asset investments.

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
At 31 December 2020, the company had net US Dollar assets of £2,409,212 (2019: £849,779) and net Euro assets of £5,632,967 (2019: £5,084,431). All fall due within twelve months of the balance sheet date.

	2020	**2020**
	£	**£**
Impact on profit for the year (loss) / gain	If currency weakens 10% vs GBP	If currency strengthens 10% vs GBP
US Dollar	(240,921)	240,921
Euro	(563,297)	563,297

In addition the company is exposed to currency fluctuations in the different currencies which it invoices clients. Client fees are often calculated using a dollar denominated assets under management figure translated at quarter end rates, which also gives rise to a foreign exchange risk.

Notes to the financial statements for the year ended 31 December 2020 (continued)

26 Financial risks (continued)

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 and regulators.

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 subject to a base capital resources requirement of €50,000 for regulatory purposes. In accordance with the rules of the Financial Conduct Authority the Pillar III risk management disclosure is available on the internet at www.alliancebernstein.com.

27 Immediate and ultimate parent company

The company's immediate holding company is AllianceBernstein Preferred Limited, a company registered in England and Wales. The consolidated financial statements of AllianceBernstein L.P. (established in the State of Delaware, USA), within which this company is included, can be obtained from AllianceBernstein L.P., 1345 Avenue of the Americas, New York, N.Y., USA.

The ultimate holding company and controlling party of AllianceBernstein L.P. is Equitable Holdings, Inc., a financial services company based at 1290 Avenue of the Americas, New York, N.Y., USA.

28 Subsequent events

A new office lease was signed during March 2021, relating to the main London, United Kingdom premises. That lease will commence 29 September 2021 for a term of 10 years. The current Berkeley Street office premises will be vacated upon expiry of the lease in June 2022.

During March 2021, the legal ownership of Larcarne Holdings Limited was transferred to AllianceBernstein Limited from AllianceBernstein LP.