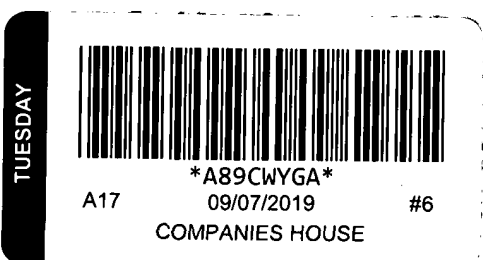


# AllianceBernstein Holdings Limited

## Annual Report

For the year ended 31 December 2018

Registered number: 07095980



## Contents

## Page

Directors, auditors and advisers	1
Strategic report	2
Directors' report	3
Independent auditors' report to the members of AllianceBernstein Holdings Limited	5
Statement of income and retained earnings	8
Statement of financial position	9
Notes to the financial statements	10

## **Directors, auditors and advisers**

**Directors** L Mangan  
M Manley  
J Green

**Company secretary** M Manley

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

**Bankers** HSBC Bank Plc  
79 Piccadilly  
London  
W1V 0EU

**Independent auditors** PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
7 More London Riverside  
London  
SE1 2RT

## Strategic report

*For the year ended 31 December 2018*

The directors present their strategic report for the year ended 31 December 2018.

### Principal activities

AllianceBernstein Holdings Limited (the "company") was incorporated in the United Kingdom, under the Companies Act 2006, as a private company limited by shares, on 4 December 2009. The company's principal activity is to act as an intermediary holding company.

### Business Review

The company has remained as the holding company of AllianceBernstein Limited and AllianceBernstein (Luxembourg) S.a.r.l throughout the year.

### Results and dividends

The company's profit for the year was £79,928,221 (2017 loss: £5,330).

Dividends of £79,883,560 were recommended for payment by the directors and paid during the year (2017: £nil).

### Key Performance Indicators (KPIs)

As the company's principal activity is to act as an intermediate holding company, the carrying value of the company's investments is the most relevant indicator of performance. The carrying value of investments at 31 December 2018 was £20,787,116 (2017: £20,787,116) and no indications of impairment were noted.

### Risk Management

There are a number of risks and uncertainties which could impact the company, and to mitigate these risks the company operates under strict risk management controls. In light of the company's operating history, liquidity, risk management systems, and internal controls, the risk of an unanticipated insolvency and wind-up process is minimal. A more detailed assessment of individual risks is disclosed in the notes to the financial statements.

On behalf of the board



J Green  
Director

12 April 2019

Company registered number: 07095980

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

## **Directors' report**

*For the year ended 31 December 2018*

The directors present their annual report and the audited financial statements for the year ended 31 December 2018.

### **Directors**

The directors who held office during the year and up to the date of signing the financial statements are as follows:

L Mangan  
M Manley  
J Green (appointed 19 June 2018)

### **Results and dividends**

The company's profit for the year was £79,928,221 (2017 loss: £5,330). Dividends of £79,883,560 were recommended for payment by the directors and paid during the year (2017: £nil). The company made no political donations during the year (2017: nil).

### **Directors' insurance**

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

### **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.

### **Risk management**

A statement on financial risk management has been included in the Strategic Report on page 2.

### **Future developments**

Currently there are no significant future developments for the company. The company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

## **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).

## Directors' report *(continued)*

*For the year ended 31 December 2018*

### Statement of directors' responsibilities in respect of the financial statements *(continued)*

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.

The directors of the ultimate parent company are responsible for the maintenance and integrity of the of the ultimate parent company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

### Disclosure of information to auditors

In the case of each of the persons who are directors at the time when this report is approved, so far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware, and the directors have taken all steps that they ought to have taken as directors to make themselves aware of any 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 s.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 the Annual General Meeting.

On behalf of the board



J Green  
Director  
12 April 2019

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

Company registered number: 07095980

## **Independent auditors' report to the members of AllianceBernstein Holdings Limited**

### **Report on the audit of the financial statements**

#### **Opinion**

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

- give a true and fair view of the state of the company's affairs as at 31 December 2018 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, which comprise: the Statement of Financial Position as at 31 December 2018; 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**

ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and the wider economy.

#### **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 Holdings Limited**

*(continued)*

### **Report on the audit of the financial statements (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 the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require 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 2018 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 set out on page 3 - 4, 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.

##### *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.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.



## **Independent auditors' report to the members of AllianceBernstein Holdings Limited**

*(continued)*

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

#### *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.

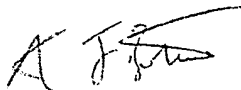
### **Other required reporting**

#### **Companies Act 2006 exception reporting**

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

- we have not received 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.



Alex Bertolotti (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London

12 April 2019

## Statement of Income and Retained Earnings

For the year ended 31 December 2018

	Note	2018 £	2017 £
<b>Revenue</b>			
Income from shares in group undertakings	3	79,933,560	-
Interest income		141	-
Administrative expenses		(6,732)	(6,600)
<b>Operating profit/(loss)</b>	4	79,926,969	(6,600)
<b>Profit/(Loss) before taxation</b>		<u>79,926,969</u>	<u>(6,600)</u>
Tax on profit/(loss)	6	<u>1,252</u>	<u>1,270</u>
<b>Profit/(Loss) for the financial year</b>	14	<u>79,928,221</u>	<u>(5,330)</u>
<b>Accumulated loss brought forward</b>		<u>(39,481)</u>	<u>(34,151)</u>
Dividends paid	13	(79,883,560)	-
<b>Retained profit/(accumulated loss) carried forward</b>		<u>5,180</u>	<u>(39,481)</u>

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 10 to 15.

**Statement of Financial Position**  
*As at 31 December 2018*

	Note	2018 £	2017 £
<b>Fixed assets</b>			
Investments	7	<u>20,787,116</u>	<u>20,787,116</u>
<b>Current assets</b>			
Other receivables	8	1,252	1,271
Cash	9	<u>50,236</u>	<u>95</u>
		51,488	1,366
<b>Creditors: amounts falling due within one year</b>	10	<u>(108,667)</u>	<u>(103,206)</u>
<b>Net current liabilities</b>		(57,179)	(101,840)
<b>Total assets less current liabilities</b>		20,729,937	20,685,276
<b>Net assets</b>		<u>20,729,937</u>	<u>20,685,276</u>
<b>Equity</b>			
Called up share capital	11	20,724,757	20,724,757
Profit and loss account	14	79,888,740	(39,481)
Dividends paid	13	<u>(79,883,560)</u>	<u>-</u>
<b>Total equity</b>	12	<u>20,729,937</u>	<u>20,685,276</u>

Further comments on the balance sheet line items are presented in the notes to the financial statements on pages 10 to 15.

These financial statements on pages 8 to 15 were approved by the board of directors on 12 April 2019 and were signed on its behalf by:

*Green*

J Green  
Director

12 April 2019

AllianceBernstein Holdings Limited

Co. Registered number: 07095980

## Notes to the financial statements for the year ended 31 December 2018

### 1 General Information

AllianceBernstein Holdings Limited (the "company") is an intermediate holding company 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 St, London.

### 2 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company'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 United Kingdom Accounting Standards, including 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.

#### *Going Concern*

The financial statements have been prepared on a going concern basis. The directors are satisfied that should the company lack sufficient cash or other liquid assets to enable it to carry on business as a going concern, the company may, for a period of no less than eighteen months, call upon its subsidiaries to advance the required amount.

#### *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 11.12, 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 L.P., within which this company is included, can be obtained from the address given in Note 16.

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

The company is exempt under FRS 102, paragraph 11.4x, from the requirements concerning disclosure of financial instruments.

#### *Consolidation Exemption*

The financial statements contain information about AllianceBernstein Holdings Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under the Companies Act 2006 section 401 from the requirement to prepare consolidated financial statements as it and its subsidiary undertaking are included by full consolidation in the consolidated financial statements of its parent, AllianceBernstein L.P. which are publicly available at <http://www.alliancebernstein.com/corporate/investor-relations/reports.htm>

#### *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.

## Notes to the financial statements for the year ended 31 December 2018 (continued)

### 2 Accounting policies (continued)

#### **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 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 Statement of Income and Retained Earnings.

#### **Taxation**

The charge for taxation is based on the results for the year ended 31 December 2018 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 in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

A net deferred tax asset is recognised as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on an undiscounted basis. As the company is a member of a group for corporation tax purposes, deferred tax assets will be recognised where losses will be passed to members of the group.

#### **Dividend**

The company would recognise revenue from dividends received on an accruals basis from the time a dividend is declared by one of its subsidiaries.

#### **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. All estimates and assumptions are best estimates undertaken in accordance with the applicable standard, and the directors are of the view that none have a significant risk of causing a material adjustment to the carrying value of assets and liabilities within the next financial year.

No significant judgements have to be made by the directors in preparing these financial statements.

## Notes to the financial statements for the year ended 31 December 2018

(continued)

### 3 Revenue

Revenue for the year was £79,933,701 (2017: zero).

### 4 Operating profit/(loss)

	2018 £	2017 £
This is stated after charging:		
Auditors' remuneration - audit fees	<u>6,732</u>	<u>6,600</u>

### 5 Remuneration of directors

The directors did not receive any emoluments in respect of their services to the company during the financial year (year ended 31 December 2017: £nil). There were also no employees during the year (year ended 31 December 2017: nil).

Certain directors of the company have emoluments paid by related entities of the company, which make no recharge to the company. The remuneration of the directors is deemed to be wholly attributable to their services of their respective related entities. Accordingly, the above details include no remuneration in respect to these directors.

### 6 Tax on profit/(loss)

The taxation credit for the year is set out below:

	2018 £	2017 £
Profit/(loss) before corporation taxation	<u>79,926,969</u>	<u>(6,600)</u>
UK corporation tax (charge)/credit on profits for the year at 19% (2017: 19.25%)	(15,186,124)	1,270
Effects of disallowable income	<u>15,187,376</u>	-
Total tax credit	<u>1,252</u>	<u>1,270</u>

The company's profit is taxed at the standard rate of corporation tax of 19% (2017: 19.25%). No deferred tax charge was recognised during the year. The above tax credit has been recognised currently as a deferred tax asset.

## Notes to the financial statements for the year ended 31 December 2018

(continued)

7	Investments	2018 £	2017 £
<b>Shares in subsidiaries and associates</b>			
AB Arya Partners (Luxembourg) Management, S.a.r.l	Ordinary shares	12,006	12,006
AB Commercial Real Estate Debt Management III, S.a.r.l	Ordinary shares	10,570	10,570
AB Commercial Real Estate Debt Management, S.a.r.l	Ordinary shares	8,981	8,981
AB Infrastructure Debt Management S.a.r.l	Ordinary shares	8,855	8,855
AB Risk Premia Management, S.a.r.l	Ordinary shares	11,548	11,548
AllianceBernstein (Luxembourg) S.a.r.l	Ordinary class B shares	11,090,226	11,090,226
AllianceBernstein Limited	Ordinary class B shares	9,634,530	9,634,530
AllianceBernstein Next 50 Emerging Markets (Luxembourg) Management, S.a.r.l	Ordinary shares	10,400	10,400
		<u>20,787,116</u>	<u>20,787,116</u>

The directors believe that the carrying value of the investments is supported by their underlying net assets.

Name of undertaking	% ownership issued shares	Registered Address	Country of incorporation	Principal activity
AB Arya Partners (Luxembourg) Management, S.a.r.l	100.00	2-4 rue Eugène Ruppert, L-2453 Luxembourg	Luxembourg	General partner of special limited partnership(s)
AB Commercial Real Estate Debt Management III, S.a.r.l	100.00	2-4 rue Eugène Ruppert, L-2453 Luxembourg	Luxembourg	General partner of special limited partnership(s)
AB Commercial Real Estate Debt Management, S.a.r.l	100.00	2-4 rue Eugène Ruppert, L-2453 Luxembourg	Luxembourg	General partner of special limited partnership(s)
AB Infrastructure Debt Management S.a.r.l	100.00	2-4 rue Eugène Ruppert, L-2453 Luxembourg	Luxembourg	General partner of special limited partnership(s)
AB Risk Premia Management, S.a.r.l	100.00	2-4 rue Eugène Ruppert, L-2453 Luxembourg	Luxembourg	General partner of special limited partnership(s)
AllianceBernstein (Luxembourg) S.a.r.l	79.75	2-4 rue Eugène Ruppert, L-2453 Luxembourg	Luxembourg	Administration and management of collective investments
AllianceBernstein Limited	49.95	50 Berkeley Street, London, United Kingdom, W1J 8HA	United Kingdom	Investment management services
AllianceBernstein Next 50 Emerging Markets (Luxembourg) Management, S.a.r.l	100.00	2-4 rue Eugène Ruppert, L-2453 Luxembourg	Luxembourg	General partner of special limited partnership(s)

## Notes to the financial statements for the year ended 31 December 2018

(continued)

### 8 Other receivables

	2018	2017
	£	£
Amounts falling due within one year		
Amounts owed by group undertakings	-	1
Deferred tax asset	1,252	1,270
<b>Total receivables</b>	<b>1,252</b>	<b>1,271</b>

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

In accordance with the company's accounting policies a deferred tax asset has been recognised of £1,252 (2017: £1,270 asset) in the balance sheet in the current year. ABHL is part of a group for corporation tax purposes. Losses incurred by one member of the group can be offset against taxable income of another member. The directors consider that it is more likely than not that ABHL losses will be offset against future taxable income of another member in the group, such as to realise the deferred tax asset, and therefore the asset has been recognized in these financial statements.

### 9 Cash

	2018	2017
	£	£
Cash at bank	50,236	95

### 10 Creditors: amounts falling due within one year

	2018	2017
	£	£
Amounts falling due within one year		
Amounts owed to group undertakings	101,933	98,798
Accruals and deferred income	6,734	4,408
	<b>108,667</b>	<b>103,206</b>

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

### 11 Called up share capital

	2018	2017
	£	£
Issued and fully paid		
20,724,757 (2017: 20,724,757) ordinary shares of £1 each	20,724,757	20,724,757

### 12 Reconciliation of movements in equity

	2018	2017
	£	£
At beginning of the year	20,685,276	20,690,606
Profit/(Loss) for the financial year	79,928,221	(5,330)
Dividends paid	(79,883,560)	-
<b>At end of the year</b>	<b>20,729,937</b>	<b>20,685,276</b>



## Notes to the financial statements for the year ended 31 December 2018

(continued)

### 13 Dividends Paid

	2018	2017
	£	£
Equity		
Ordinary Shares: £1.93 (2017: nil) per £1 share	39,950,000	-
Ordinary Shares: £1.93 (2017: nil) per £1 share	39,933,560	-
	<u>79,883,560</u>	<u>-</u>

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

### 14 Profit and loss account

	2018	2017
	£	£
At beginning of year	(39,481)	(34,151)
Profit/(Loss) for the financial year	<u>79,928,221</u>	<u>(5,330)</u>
At end of year	<u>79,888,740</u>	<u>(39,481)</u>

### 15 Financial risks

**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.

**Foreign Exchange Risk:** The company operates internationally and is exposed to foreign exchange risk arising primarily with respect to the US dollar and the Euro.

**Liquidity Risk:** The company's liquidity risk is mitigated to the extent that it is funded by its subsidiary AllianceBernstein Limited.

**Interest Rate Risk:** The only impact on income from interest rate fluctuations is on interest earned on cash balances.

#### 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. The company is not subject to any base capital resources requirement.

### 16 Immediate and ultimate parent company

The company's immediate holding company is AllianceBernstein International LLC, a company established in Delaware, United States of America. AllianceBernstein L.P. (established in the State of Delaware, USA) is the parent undertaking of the largest and smallest group of undertakings to consolidate these financial statements at 31 December 2018. The consolidated financial statements can be obtained from AllianceBernstein L.P., 1345 Avenue of the Americas, New York, N.Y., USA.

The ultimate holding company and controlling party is AXA, S.A., a French holding company for an international group of companies.

### 17 Subsequent events

On 25 March 2019, AXA, SA, reduced its stake to a minority position in AXA Equitable Holdings, Inc. through an offering of shares. At signing date, the ultimate holding company and controlling party of AllianceBernstein L.P. is AXA Equitable Holdings, Inc., a financial services company based in New York, N.Y., USA.