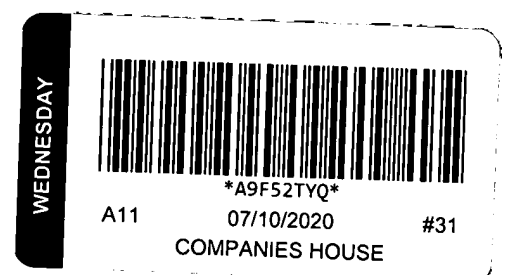


Registered No: OC397453

ALIXPARTNERS SERVICES UK LLP
ANNUAL REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2019



ALIXPARTNERS SERVICES UK LLP

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ALIXPARTNERS SERVICES UK LLP

LLP INFORMATION

DESIGNATED MEMBERS

AlixPartners Limited
AlixPartners Investments Services Limited

REGISTERED NUMBER

OC397453

REGISTERED OFFICE

6 New Street Square
London
EC4A 3BF

INDEPENDENT AUDITOR

Mazars LLP
Chartered Accountants and Statutory Auditor
Tower Bridge House
St Katharine's Way
London
E1W 1DD

ALIXPARTNERS SERVICES UK LLP

STRATEGIC REPORT

The members present their Strategic Report for AlixPartners Services UK LLP (the "LLP") for the year ended 31 December 2019.

PRINCIPAL ACTIVITY

The principal activity of the LLP is the provision of insolvency and corporate advisory services. The LLP is a Limited Liability Partnership incorporated and registered in England and Wales. The LLP is a wholly owned subsidiary of AlixPartners Limited.

TRANSFER OF TRADE, ASSETS AND LIABILITIES

On 1 January 2018, the LLP transferred the majority of its trading operations and certain assets and liabilities at fair value to AlixPartners UK LLP.

REVIEW AND ANALYSIS OF THE BUSINESS DURING THE CURRENT YEAR

Key performance indicators

The key financial performance indicators of the LLP are well known and monitored by Management monthly, they include: revenue growth, both in total value and by consultant, cash collections, days of sales outstanding, staff utilisation, and EBITDA.

Development and financial performance during the year

The LLP generated revenue, as shown in the Statement of Comprehensive Income, of £1,389k for the year, compared to £8,950k for the prior year. The operating loss in the year was £372k compared to a loss of £463km in 2018. The results for the current year and prior year were impacted by the transfer of the majority of the trading operations on 1 January 2018 to AlixPartners UK LLP, with performance now based on the select few engagements maintained in the LLP.

Financial position at the reporting date

The Statement of Financial Position shows the LLP's net asset position £2,739k (2018: £2,739k) comprising predominately trade and other receivables £3,393k (2018: cash £5,144k and trade and other receivables £862k) offset by trade and other payables £696k (2018: £3,267k).

ALIXPARTNERS SERVICES UK LLP

STRATEGIC REPORT (continued)

PRINCIPAL RISKS AND UNCERTAINTIES FACING THE BUSINESS

The Executive Committee continually monitors the key risks facing the LLP together with assessing the controls used for managing these risks. The Executive Committee formally reviews and documents the principal risks facing the business at least annually.

The principal risks and uncertainties facing the LLP are as follows:

- Competitor pressure – the market in which the LLP operates is considered to be relatively competitive, and therefore competitor pressure could result in losing sales to key competitors. Mainstream consulting groups are creating some specific offerings to try and compete in the niche area of the market.
- Brexit – following the UK's departure from the European Union (EU) on 31 January 2020, uncertainty surrounding the outlook of the UK economy continues. The terms on which the UK may withdraw from the EU are still not clear. Management continue to monitor Brexit developments closely and consider the key risk is the implication for employment practices and the impact on staff mobility in and out of the EU.
- COVID-19 – Following the emergence of the global coronavirus pandemic, management continue to monitor developments. The near-term impacts of COVID-19 are primarily with respect to risk of reduced customer revenue volume and customer credit risk, which has increased as a result of related economic uncertainty. Customer credit risk may impact the collectability of client receivables, as well as the timing and amount of revenue to be recognised. The LLP continues to monitor the increased impact from COVID-19. As lockdowns were imposed across regions the Firm was able to successfully transition to full remote working with minimal impact to operations, with the safety and wellbeing of our staff and clients a top priority. The initial impact saw a decrease in customer demand but as lockdowns have lifted and restrictions ease, demand has increased and for some offerings such as restructuring, demand for services has increased. However, the circumstances continue to be dynamic and the longer term impacts of COVID-19 on our business operations, including the duration and impact on overall customer demand, cannot be reasonably estimated at this time and could have a material adverse impact on our business, results of operations, financial position and cash flows in 2020.
- Loss of key personnel – this would present significant difficulties for the LLP. Management seeks to ensure that key personnel are appropriately remunerated to ensure that good performance is recognised and key staff retained.
- Reliance of key accounts – exposure to over reliance of a few large accounts to maintain the LLP KPI's and revenue growth. The LLP manages this risk by ensuring there is enough breadth in its client base and maintaining a pipeline of potential and new clients.
- Liquidity and cash flow risk – the LLP produces cash flow forecasts covering a twelve month period to manage its liquidity requirements. The LLP's Management and board review these forecasts regularly.
- Currency risk – an increasing value of income and expenses are denominated in foreign currencies. The LLP does not have a strategy to manage transactional currency exposure on an active basis as the Members believe the risks associated with currency exposure would be no greater than the risks associated with entering into hedging arrangements, as the costs of hedging can be significant, which may be greater than the cost of the fluctuation in currency. Some of the LLP's assets and liabilities are denominated in foreign currency.

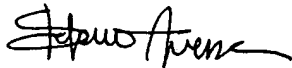
ALIXPARTNERS SERVICES UK LLP

STRATEGIC REPORT (continued)

- Credit risk – The LLP's credit risk is primarily attributable to its trade receivables. Risks are mitigated by obtaining advances from customers together with regular monitoring of balances. In addition, the LLP has exposure to credit risk relating to the financial assets of the LLP including cash and deposits that are placed with financial institutions which are regulated. At the Statement of Financial Position date, the credit risk was concentrated with one financial institution but the risk of default is considered minimal as the institution is rated BBB by Standard & Poor's.
- Operational risk - The LLP has put in place measures to minimise and manage risks to the disruption of its business. This plan has been put in place to manage its strategic and operational business risks during emergencies and is aimed at bringing together particular responses such as IT disaster recovery, contingency plans, off-site storage of records, data back-up and recovery procedures, evacuation procedures and customer/staff communications. The LLP's insurance policies are reviewed each year prior to policy renewal.

APPROVAL

This report was approved on 22 September 2020 on behalf of the members by:



Stefano Aversa
Director of Designated Member – AlixPartners Limited
6 New Street Square
London
EC4A 3BF

ALIXPARTNERS SERVICES UK LLP

MEMBERS' REPORT

The members present their annual report and financial statements for AlixPartners Services UK LLP (the "LLP") for the year ended 31 December 2019.

MANAGEMENT

The LLP is led by the Executive Committee, which is headed by the Chairman. The Executive Committee is responsible for developing and implementing strategy for the LLP. The LLP maintains liability insurance cover. Such insurance policies were renewed during the period and remain in force.

DESIGNATED MEMBERS

The designated members (as detailed in the Limited Liability Partnership Act 2000) during the period and up to the date of signing of the financial statements were:

AlixPartners Limited
AlixPartners Investments Services Limited

MEMBERS' INTERESTS AND POLICY ON MEMBERS' DRAWINGS

The members have agreed a Members' Drawings Plan. Any profits or losses not allocated to other members under the Members' Drawings Plan and all capital profits and losses are allocated to AlixPartners Limited.

All Members are required to subscribe to a fixed capital requirement on appointment. There is no interest on members' capital and current account balances. On departure, a Member will be entitled to a return of capital and outstanding balances on the current account.

Individual members' entitlements under the Members' Drawings Plan are subject to annual review and agreement with the designated members.

BRANCHES

The LLP operates no branches.

POLITICAL DONATIONS

The LLP made no donations for political purposes (2018: £nil).

POST BALANCE SHEET EVENTS

Other than the item disclosed in note 15, there have been no significant events between the period end and the date of approval of these accounts which would require a change or disclosure in the accounts.

GOING CONCERN

The impact of COVID-19 on the business has been assessed through scenario analyses and stress testing, with both medium-term and long-term consideration of the impact on utilisation and revenue declines. Under all scenarios the Group has sufficient resources to meet operational needs. The financial statements have been prepared on a going concern basis as the Executive Committee has reasonable expectation that the LLP has adequate financial resources and continued support from the Group to meet its operational needs for at least the next 12 months.

ALIXPARTNERS SERVICES UK LLP

MEMBERS' REPORT (continued)

STATEMENT OF MEMBERS' RESPONSIBILITIES

The Companies Act 2006, as applied to Limited Liability Partnerships, require the members to prepare the Strategic Report, Members' Report and financial statements for each financial year that give a true and fair view of the state of affairs of the LLP and of the profit or loss of the LLP for that period. Under that law the Members have elected to prepare financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 "Reduced Disclosure Framework (FRS 101)".

In preparing these financial statements, the Members are required to:

- select suitable accounting policies and then apply them consistently, subject to any changes disclosed and explained in the financial statements;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards, including FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- notify the LLP's members in writing about the use of disclosure exemptions, if any, of FRS 101 used in the preparation of financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the LLP will continue in business.

The members are also responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the LLP and enable them to ensure that the financial statements comply with the Companies Act 2006, as applied to Limited Liability Partnerships. They are also responsible for safeguarding the assets of the LLP and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

These responsibilities are fulfilled by the Executive Committee on behalf of the members. The Executive Committee confirms that it has complied with the above requirements in preparing the financial statements.

AUDITOR

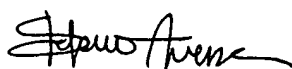
Mazars LLP was appointed auditor to the LLP for the year ended 31 December 2019 and will be re-appointed for the year ending 31 December 2020.

STATEMENT OF DISCLOSURE TO AUDITOR

Each of the persons who is a member at the date of approval of this annual report confirms that:

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

On behalf of the members



Stefano Aversa
Director of Designated Member – AlixPartners Limited
22 September 2020

ALIXPARTNERS SERVICES UK LLP

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ALIXPARTNERS SERVICES UK LLP

Opinion

We have audited the financial statements of AlixPartners Services UK LLP (the 'LLP') for the year ended 31 December 2019 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Members Interests, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the LLP's affairs as at 31 December 2019 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to limited liability partnerships.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter – Impact of the outbreak of COVID-19 on the financial statements

In forming our opinion on the company financial statements, which is not modified, we draw your attention to the Members' view on the impact of the COVID-19 as disclosed on page 5, and the consideration in the going concern basis of preparation on page 17 and non- adjusting post balance sheet events on page 24.

Since the balance sheet date there has been a global pandemic from the outbreak of COVID-19, The potential impact of COVID-19 became significant in March 2020 and is causing widespread disruption to normal patterns of business activity across the world, including the UK.

The full impact following the recent emergence of the COVID-19 is still unknown. It is therefore not currently possible to evaluate all the potential implications to the company's trade, customers, suppliers and the wider economy.

ALIXPARTNERS SERVICES UK LLP

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ALIXPARTNERS SERVICES UK LLP (continued)

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the members' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the members have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the LLP'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.

Other information

The members are responsible for the other information. The other information comprises the information included in the Annual Report and Accounts, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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 in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 as applied to limited liability partnerships requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

ALIXPARTNERS SERVICES UK LLP

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ALIXPARTNERS SERVICES UK LLP (continued)

Responsibilities of Members

As explained more fully in the members' responsibilities statement set out on page 8, the members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the members 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 members are responsible for assessing the LLP'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 members either intend to liquidate the LLP or to cease operations, or have no realistic alternative but to do so.

Auditor's 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 auditor's 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 Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of the audit report

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

Elisabeth Maxwell

Elisabeth Maxwell (Sep 30, 2020 18:27 GMT+1)

Elisabeth Maxwell (Senior Statutory Auditor) for and on behalf of Mazars LLP
Chartered Accountants and Statutory Auditor
Tower Bridge House
St Katharine's Way
London
E1W 1DD

Date Sep 30, 2020

ALIXPARTNERS SERVICES UK LLP**STATEMENT OF COMPREHENSIVE INCOME****Year ended 31 December 2019**

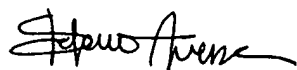
	Note	2019 £'000	2018 £'000
REVENUE	3	1,389	8,950
Operating costs		(1,760)	(9,411)
Operating loss	4	(371)	(461)
Finance costs	5	(1)	(2)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(372)	(463)
Taxation on loss on ordinary activities	6	-	-
LOSS FOR THE YEAR BEFORE MEMBERS' REMUNERATION AND PROFIT SHARE		(372)	(463)
Members' remuneration charged as an expense	11	-	-
LOSS FOR THE YEAR AVAILABLE FOR DIVISION AMONG MEMBERS		(372)	(463)
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE LOSS FOR THE YEAR AVAILABLE FOR DIVISION AMONG MEMBERS		(372)	(463)

The notes on page 15 to 25 form part of these financial statements.

ALIXPARTNERS SERVICES UK LLP**STATEMENT OF FINANCIAL POSITION****As at 31 December 2019****Company number: OC397453**

ASSETS	Note	2019 £'000	2018 £'000
Current assets			
Trade and other receivables	7	3,393	862
Cash and cash equivalents	8	42	5,144
		<u>3,435</u>	<u>6,006</u>
Total assets		<u>3,435</u>	<u>6,006</u>
Current liabilities			
Trade and other payables	9	696	3,267
		<u>696</u>	<u>3,267</u>
EQUITY AND LIABILITIES			
Net Assets attributable to members		<u>2,739</u>	<u>2,739</u>
Represented by:			
Loans and other debt due to members			
Members' capital classified as a liability		<u>2,739</u>	<u>2,739</u>
Equity			
Other reserves		-	-
		<u>2,739</u>	<u>2,739</u>
Total members' interests			
Members capital		2,739	2,739
Amounts due from members (included in trade and other receivables)		(290)	-
Amounts due to members (included in trade and other payables)		-	-
Other reserves		-	-
Total members' interests		<u>2,449</u>	<u>2,739</u>

The financial statements were approved and authorised for issue by the members of AlixPartners Services UK LLP and were signed on their behalf by:



Stefano Aversa
Director of Designated Member – AlixPartners Limited
22 September 2020

The notes on page 15 to 25 form part of these financial statements.

ALIXPARTNERS SERVICES UK LLP

**STATEMENT OF CHANGES IN MEMBERS' INTERESTS
FOR YEAR ENDED 31 December 2019**

	EQUITY			DEBT		Total	
	Members' other interests	Loans and other amounts due to members less any amounts due from members included in debtors				members' interests	
	Retained Earnings	Capital contribution	Total	Members' capital (classified as liability)	Other amounts	Total	
	£'000	£'000	£'000	£'000	£'000	£'000	
Total members interests at 1 January 2018	-	790	790	4,644	34,829	39,473	40,263
Loss for the financial year available for division among members	(463)	-	(463)	-	-	-	(463)
Capital withdrawn by members during the year	-	-	-	(1,905)	-	(1,905)	(1,905)
Other advances (to)/from members during the year	-	-	-	-	(34,366)	(34,366)	(34,366)
Transfer of business	-	(790)	(790)	-	-	-	(790)
Total members interests at 31 December 2018	(463)	-	(463)	2,739	463	3,202	2,739
Total members interests at 1 January 2019	(463)	-	(463)	2,739	463	3,202	2,739
Loss for the financial year available for division among members	(372)	-	(372)	-	-	-	(372)
Other advances (to)/from members during the year	835	-	835	-	(753)	(753)	82
Total members interests at 31 December 2019	-	-	-	2,739	(290)	2,449	2,449

The notes on page 15 to 25 form part of these financial statements.

ALIXPARTNERS SERVICES UK LLP

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2019

1 CORPORATE INFORMATION

AlixPartners Services UK LLP is a limited liability partnership incorporated and domiciled in England and Wales.

The address of the registered office is given on page 3 of the financial statements. The nature of the LLP's operations and its principal activities are set out on pages 4 to 6.

2 ACCOUNTING POLICIES

Basis of preparation

Statement of compliance

The financial statements of AlixPartners Services UK LLP have been prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101) and those parts of the Companies Act 2006 applicable to Limited Liability Partnerships (LLPs). The recognition, measurement and disclosure requirements (except for certain disclosure exemptions detailed below) of International Financial Reporting Standards as adopted by the EU (EU-adopted IFRSs) have been applied to these financial statements and, where necessary, amendments have been made in order to comply with Companies Act 2006, The Large and Medium-sized Companies and Groups Regulations 2008/410 ('Regulations') and the Statement of Recommended Practice – Accounting by Limited Liability Partnerships.

Basis of measurement

The financial statements have been prepared under the historical cost convention.

Disclosure exemptions applied

The LLP has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS101, paragraph 8:

- (i) The requirement of IFRS 7 'Financial Instruments: Disclosures' relating to the disclosure of financial instruments and the nature and extent of risks arising from such instruments;
- (ii) The requirement of IFRS 13 'Fair Value Measurement' paragraphs 91 to 99 relating to the fair value measurement disclosures of financial assets and financial liabilities that are measured at fair value, such as the available for sale investments and derivative financial instruments;
- (iii) The applicable requirements of IAS 1 'Presentation of Financial Statements' relating to the disclosure of comparative information in respect of the number of shares outstanding at the beginning and end of the year (IAS 1.79(a)(iv)), the reconciliation of the carrying amount of property, plant and equipment (IAS 16.73(e)) and the reconciliation of the carrying amount of intangible assets (IAS 18(118)(e));
- (iv) The applicable requirements of IAS 36 'Impairment of Assets' relating to the disclosures of estimates used to measure recoverable amounts;
- (v) The requirement of IAS 1 'Presentation of Financial Statements' paragraphs 134 to 136 relating to the disclosure of capital management policies and objectives;
- (vi) The requirements of IAS 7 'Statement of Cash Flows' and IAS 1 'Presentation of Financial Statements' paragraph 10(d), 111 relating to the presentation of a Cash Flow Statement;
- (vii) The requirements of IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' paragraphs 30 and 31 relating to the disclosure of standards, amendments and interpretations in issue but not yet effective; and
- (viii) The requirements of IAS 24 'Related Party Disclosures' paragraph 17 relating to the disclosure of key management personnel compensation and relating to the disclosure of related party transactions entered into between the LLP and other wholly-owned subsidiaries of the group.

ALIXPARTNERS SERVICES UK LLP

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2019 (continued)

2 ACCOUNTING POLICIES (continued)

For the disclosure exemptions listed in points (i) to (iii), the equivalent disclosures are included in the consolidated financial statement of the group, AlixPartners Limited, which the LLP is consolidated into and that are publicly available from Companies House, Crown Way, Cardiff, CF14 3UZ.

The following standards and interpretations have been adopted in the financial statements as they are mandatory for the year ended 31 December 2019:

	<i>EU effective date Periods beginning on or after</i>
IFRS 16 Leases	1 January 2019
IFRS 9 Financial Instruments (Amendment): Prepayment Features with Negative Compensation	1 January 2019
IAS 19 Employee Benefit (Amendment): Plan Amendment, Curtailment or Settlement	1 January 2019
IAS 28 Investments in Associates and Joint Ventures (Amendment): Long-term interests in Associates and Joint Ventures	1 January 2019
Annual Improvements to IFRSs 2015 – 2017	1 January 2019
IFRIC 23 Uncertainty over Income Tax Treatments	1 January 2019

The LLP holds no leases and therefore the implementation of IFRS 16 has had £nil effect.

The adoption of the standards and interpretations above has not had a material impact on the Company's financial statements.

The adoption of the following mentioned standards and amendments in future years are not expected to have a material impact on the Company's financial statements.

	<i>EU effective date Periods beginning on or after</i>
IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (Amendment); Definition of Material	1 January 2020 ±*
IFRS 3 Business Combinations (Amendment); Definition of a Business	1 January 2020 ±*
IFRS 9 Financial Instruments, IAS 39 Financial Instruments; Recognition and Measurement and IFRS 7 Financial Instruments; Disclosures (Amendments): Interest Rate Benchmark Reform	1 January 2020 ±*
Conceptual Framework (Amendment): Amendments to References to the Conceptual Framework in IFRS Standards	1 January 2020 ±^
IFRS 17 Insurance Contracts	±**

Standards, amendments and interpretations cannot, in general, be adopted in the EU until they have been EU-endorsed.

± Pending endorsement.

* Expected to be endorsed by the IASB effective date

** Expected endorsement date not yet announced

^ Scope of endorsement limited to related references in IFRS Standards

ALIXPARTNERS SERVICES UK LLP

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2019 (continued)

2 ACCOUNTING POLICIES (continued)

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Going concern

The impact of COVID-19 on the business has been assessed through scenario analyses and stress testing, with both medium-term and long-term consideration of the impact on utilisation and revenue declines. Under all scenarios the Group has sufficient resources to meet operational needs. The financial statements have been prepared on a going concern basis as the Executive Committee has reasonable expectation that the LLP has adequate financial resources and continued support from the Group to meet its operational needs for at least the next 12 months.

Revenue recognition

Revenue represents amounts chargeable to clients for professional services rendered through the financial period. Revenue excludes value added tax and includes expenses recoverable from clients.

Revenue recognised during the current period may include revenue recognised from performance obligations satisfied or partially satisfied in previous periods. This primarily occurs when the estimated transaction price has changed based on a re-assessment of the expected probability of achieving the agreed-upon outcome for our performance based and contingent arrangements, resulting in catch-up adjustment for service provided in previous periods. For the year ended December 31, 2019, the LLP recorded £nil in additional revenue related to estimated variable consideration, (2018: £nil).

Unfulfilled performance obligations represent the remaining contract transaction prices allocated to the performance obligations that are unsatisfied, or partially unsatisfied, and therefore revenues have not yet been recorded. Unfulfilled performance obligations primarily consist of the remaining fees not yet recognised under our proportional performance method for both our fixed fee arrangements, and the portion of performance based and contingent arrangements which we have deemed probable. The majority of our contracts include termination for convenience clauses which generally require 30 days' notice with no penalty. The notice period required determines the contract duration resulting in very few agreements which are contractually enforceable beyond one year. We elected to utilise the optional exemption to exclude from this disclosure, fixed fee and performance based and contingent arrangements with an original expected duration of one year or less and to exclude our time and expense arrangements for which revenues are recognised using the right to invoice practical expedient.

Contract assets are defined as assets for which revenue is recorded because it was determined probable that the LLP will earn a performance based or contingent fee, but is not yet entitled to receive the fees, because certain events, such as completion of the measurement period or client approval, must occur. The contract asset balance was £nil as of December 31, 2019 and December 31, 2018.

Contract liabilities are defined as liabilities incurred when consideration is received from a client but the agreed upon services have not yet been performed. This may occur when advance billings are received before delivery and when clients pay up-front fees before work begins. The contract liability balance was £251k as of December 31, 2019 and £510k as of December 31, 2018.

**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2019
(continued)**

2 ACCOUNTING POLICIES (continued)

Financial liabilities and equity

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that creates a residual interest in the assets of LLP.

Equity instruments

Equity instruments issued by the LLP are recorded at the proceeds received, net of direct issue costs.

Financial assets

The LLP classifies its financial assets as trade and other receivables. Classification of financial assets depends on the purpose for which the financial assets were acquired. The LLP determines the classification of its financial assets at initial recognition.

Trade and other receivables

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for trade receivables is established based on aging of receivables in conjunction with a review of clients engagements based on experience and knowledge of the client and historical collection patterns. The amount of the provision is the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the statement of total comprehensive income.

Trade and other receivables are not amortised when the effect is immaterial.

Unbilled income consists of revenue for services performed but not yet billed to clients. The LLP estimates the allowance for unbilled income by reviewing client engagements and records a provision based on experience and knowledge of the client and historical collection patterns. Unbilled income is recognised in debtors as amounts recoverable on contracts.

Financial liabilities

The LLP classifies its financial liabilities as trade and other payables. Classification of financial liabilities depends on the purpose for which the financial liabilities arose. The LLP determines the classification of its financial liabilities at initial recognition.

Trade and other payables are initially recognised at fair value, which in most cases approximates to the nominal value.

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, short term deposits and other short-term deposits and liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

ALIXPARTNERS SERVICES UK LLP

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2019 (continued)

2 ACCOUNTING POLICIES (continued)

Foreign currencies

The financial statements are presented in Sterling which is the LLP's functional currency. Foreign currency transactions are translated at the rates ruling when they occurred. Foreign currency monetary assets and liabilities are translated at the rates ruling at the statement of financial position date. Any differences are taken to the statement of comprehensive income.

The average rate ruling in the accounting period was US\$1.28: £1 (2018: US\$1.33: £1), €1.14: £1 (2018: €1.13: £1); the rate ruling at the balance sheet date was US\$1.31: £1 (2018: US\$1.27: £1), €1.17: £1 (2018: €1.11: £1).

Taxation

The taxable profits of AlixPartners Services UK LLP are assessed on the members personally. The LLP is not therefore liable to tax on trading profits or investment income and no provision is made in the financial statements for the members' personal taxation and deferred taxation liabilities.

Members' remuneration

Profits of the LLP for all accounting periods are automatically allocated between members in accordance with the provisions of the LLP Agreement. Remuneration to members which arises from a contractual obligation is charged to the Statement of Comprehensive Income as "members' remuneration charged as an expense". Contractual obligations comprise fixed non-discretionary profit share arrangements. Discretionary profit share arrangements are allocated to members in accordance with the LLP Agreement.

Profits allocated to members in excess of amounts drawn are carried forward in the Statement of Financial Position as liabilities owed to members. Amounts drawn by members in excess of allocated profits are carried forward in the statement of financial position as assets due from members.

Members' interests

The LLP's objective when managing capital is to safeguard its ability to continue as a going concern so as to provide returns to members and benefits for other stakeholders. Capital comprises total members' interests which represents equity, members' capital and other amounts due to members, less amounts due from members.

Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amount in revenue, expenses, assets and liabilities and the disclosure of contingent assets and liabilities. Estimates and judgements are continually evaluated and are based on historical experience and expectations of future events that are considered reasonable in the circumstances. Actual results may differ from those estimated.

**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2019
(continued)**

2 ACCOUNTING POLICIES (continued)

Critical judgements in applying the LLP's accounting policy

Revenue recognition

The LLP evaluates revenue from contracts with customers based on the five-step model under IFRS 15: (1) Identify the contract with the customer; (2) Identify the performance obligations in the contract; (3) Determine the transaction price; (4) Allocate the transaction price to separate performance obligations; and (5) Recognise revenue when (or as) each performance obligation is satisfied. If, at the outset of an arrangement, it is determined that a contract with enforceable rights and obligations does not exist, revenue is deferred until all criteria for an enforceable contract are met. The LLP generates the majority of its revenue by providing consulting services to its clients. Most consulting service contracts are based on one of the following types of arrangements:

Time and expense arrangements require the client to pay based on the number of hours worked by revenue generating professionals at contractually agreed-upon rates. The LLP recognises revenue for these arrangements based on hours incurred at contracted rates utilising a right-to-invoice practical expedient, an election allowed under the standard, because the LLP has a right to consideration for services completed to date. When a time and expense arrangement includes a not-to-exceed or "cap" amount and the LLP expects to perform work in excess of the cap, revenue is recognised up to the agreed cap amount specified by the client, based on the efforts or hours incurred as a percentage of total efforts or hours expected to be incurred (e.g. proportional performance method). Certain time and materials arrangements may be subject to third party approval, e.g., a court or other regulatory institution, with interim billing and payments made and received based upon preliminarily agreed upon rates. Revenue for these services is recorded based on the LLP's assessment of the expected probability of amounts ultimately to be agreed upon by the court or regulator. These assessments are made on a case-by-case basis depending on the nature of the engagement, client economics, historical experience and other appropriate factors.

Fixed fee arrangements require the client to pay a pre-established fee in exchange for a predetermined set of professional services. Revenue is recognised for these arrangements based on the proportional performance related to individual performance obligations within each arrangement, however, these arrangements generally have one performance obligation.

Performance-based or contingent arrangements represent forms of variable consideration. In these arrangements, fees are based on the attainment of contractually defined objectives, such as completing a business transaction or assisting the client in achieving a specific business objective. When the LLP's performance obligation(s) are satisfied over time, the transaction price is determined based on the expected probability of achieving the agreed-upon outcome and revenue is recognised by applying the proportional performance method to the extent it is probable that a significant reversal will not occur.

Certain revenues are based on units of data stored or processed. Unit-based revenues are recognized as services are provided, based on either the amount of data stored or processed, the number of concurrent users accessing the information or the number of pages or images processed for a client, and agreed-upon per unit rates.

Time-and-expense and fixed fee billing arrangements may include client incentives in the form of volume-based discounts, where if certain fee levels are reached, the client can receive future services at a discounted hourly rate. Contracts with customers that have a discounted pricing option are evaluated to determine whether they include a material right, which is an option that provides a customer the right to acquire free or discounted goods or services in the future. If the option provides a material right to the customer, a portion of the transaction price is allocated to

ALIXPARTNERS SERVICES UK LLP

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2019 (continued)

2 ACCOUNTING POLICIES (continued)

the material right and revenue is deferred during the pre-discount period.

Reimbursable expenses, including those relating to travel, out-of-pocket expenses, outside consultants and other outside service costs, are generally included in revenues, and an equivalent amount of reimbursable expenses is included in costs of services in the period in which the expense is incurred.

Key sources of estimation uncertainty

Bad debt provisions

The provisions are determined based on the aging of receivables in conjunction with a review of client engagements based on experience and knowledge of the client and historical collection patterns. The provisions are assessed by management on a regular basis to confirm adequacy of reserves. Whilst every attempt is made to ensure that the bad debt provisions are as accurate as possible, there remains a risk that the provisions do not match the level of debts which ultimately prove to be uncollectible.

Unbilled income provisions

The provision is determined based on reviewing client engagements and recording a provision based on experience and knowledge of the client and historical collection patterns. The provisions are assessed by management on a regular basis to confirm adequacy of reserves. Whilst every attempt is made to ensure that the accrued income provisions are as accurate as possible, there remains a risk that the provisions do not match the level of debts which ultimately prove to be uncollectible.

In the process of applying the LLP's accounting policies which are described above, management has not had to make any further significant judgements on the amounts recognised in the financial statements.

Nature and purpose of reserves

Members' capital

Members capital is classified as liabilities. AlixPartners Limited has made a capital contribution to the LLP of £2,739k. The capital contribution of all other members is set out in the Partnership agreement. There is no interest on members' capital.

Capital contribution

Capital contributions in relation to the share based payment plans are recorded direct to reserves.

3 REVENUE

All revenue has been derived from the LLP's principal activity of consultancy services and has been generated in the United Kingdom 18% (2018: 0%), Continental Europe 82% (2018: 100%) and Rest of the World 0% (2018: 0%).

Included in revenue are amounts of approximately £331k (2018: £6,390k) arising on sales to the LLP's largest customer.

ALIXPARTNERS SERVICES UK LLP**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2019
(continued)****4 OPERATING LOSS**

	2019 £'000	2018 £'000
Operating loss is stated after charging:		
Auditor's remuneration – audit fees	9	8
Auditor's remuneration – partnership tax compliance	-	1
Exchange differences	<u>(535)</u>	<u>143</u>

5 FINANCE COST

	2019 £'000	2018 £'000
Bank and other interest payable	<u>1</u>	<u>2</u>

6 TAXATION

The taxable profits of AlixPartners Services UK LLP are assessed on the members personally. The LLP is not therefore liable to tax on trading profits or investment income and no provision is made in the financial statements for the members' personal taxation and deferred taxation liabilities.

7 TRADE AND OTHER RECEIVABLES DUE WITHIN ONE YEAR

	2019 £'000	2018 £'000
Trade receivables	189	-
Amounts recoverable on contracts	481	789
Taxation and social security	-	73
Amounts due from parent undertaking	290	-
Amounts due from group undertakings	<u>2,433</u>	<u>-</u>
	<u>3,393</u>	<u>862</u>

Amounts due from group undertakings are unsecured, interest free, have no fixed repayment date and are repayable on demand.

Before clients are taken on, a credit assessment is made and retainers obtained in the event of default. Provisions are determined based on management's specific review and assessment of the collectability of amounts recorded as receivables from clients.

ALIXPARTNERS SERVICES UK LLP**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2019
(continued)****8 CASH AND CASH EQUIVALENTS**

Cash and cash equivalents at the end of the financial period can be reconciled to the related items in the statement of financial position as follows:

	2019 £'000	2018 £'000
Cash at bank and in hand	<u>42</u>	<u>5,144</u>

9 TRADE AND OTHER PAYABLES DUE WITHIN ONE YEAR

	2019 £'000	2018 £'000
Trade payables	8	103
Accruals and deferred income	250	510
Amounts due to group undertakings	<u>438</u>	<u>2,654</u>
	<u>696</u>	<u>3,267</u>

The amounts due to group undertakings are unsecured and interest free.

10 EMPLOYEES

There are no employees or employment costs incurred by AlixPartners Services UK LLP.

11 MEMBERS' REMUNERATION

	2019 No.	2018 No.
Information in relation to members:		
The average number of members during the year was	<u>2</u>	<u>2</u>
	£'000	£'000
The amount of profit attributable to the member with the largest entitlement was	<u>-</u>	<u>-</u>

The members are the key management personnel for the LLP.

Members' remuneration charged as an expense in the year was £nil (2018: £nil).

Profits of the LLP for all accounting periods are automatically allocated between members in accordance with the provisions of the LLP Agreement. Remuneration to members which arises from a contractual obligation is charged to the Statement of Comprehensive Income as "members' remuneration charged as an expense".

ALIXPARTNERS SERVICES UK LLP

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2019 (continued)

12 RELATED PARTY RELATIONSHIPS AND TRANSACTIONS

The LLP has taken advantage of the exemption offered by FRS 101 from "the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group" where there is 100% ownership.

There were no transactions with other related parties during the financial year (2018: £nil).

13 DISCONTINUED OPERATIONS

On 1 January 2018, substantially all the trade, assets and liabilities of AlixPartners Services UK LLP were transferred to AlixPartners UK LLP

Assets and liabilities

	2018
	£'000
Property, plant and equipment	65
Intangible assets	582
Goodwill	38,786
Trade and other receivables	33,197
Cash and cash equivalents	13,592
Total assets	86,222
Trade and other payables	(78,113)
Capital contribution	(790)
Total liabilities	(78,903)
Net assets disposed	7,319

14 ULTIMATE CONTROLLING PARTY

The ownership structure is a group led by Lakeview Capital and three leading global investors, including Caisse de dépôt et placement du Québec, Public Sector Pension Investment Board, and Investcorp Group. No single investor is an ultimate controlling party.

The immediate parent company is AlixPartners Limited, a company registered in England.

The parent undertaking of the smallest group and largest of undertakings for which consolidated financial statements are drawn up and of which the company is a member is AlixPartners Holdings, LLP, a company registered in the United States of America.

15 POST BALANCE SHEET EVENTS

On 31 December 2019, the World Health Organisation was informed that a limited number of cases of pneumonia, of an unknown cause, were detected in Wuhan, Hubei. On 7 January 2020, Chinese authorities identified a new type of coronavirus (COVID-19) as the cause. Since 31 December 2019, the development and spread of COVID-19 has resulted in the occurrence of a multitude of associated events. Among these are the identification of the virus, its spread in terms of number of infected and geographical prevalence, actions taken by governments and non-governmental organisations, actions taken by private entities, and the resulting economic effects of these. The Company continues to monitor the increased impact from COVID-19. As lockdowns were imposed across regions the Firm was able to successfully transition to full remote working with minimal impact to operations, with the safety and wellbeing of our staff and clients a top priority. The initial impact saw a decrease in customer demand but as lockdowns have lifted and restrictions ease, demand has increased and for some offerings such as restructuring, demand for services has increased. However, the circumstances continue to be dynamic and the longer

**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2019
(continued)**

15 POST BALANCE SHEET EVENTS (continued)

term impacts of COVID-19 on our business operations, including the duration and impact on overall customer demand, cannot be reasonably estimated at this time and could have a material adverse impact on our business, results of operations, financial position and cash flows in 2020.

There have been no other significant events between the end and the date of approval of these accounts which would require a change to or disclosure in the accounts.