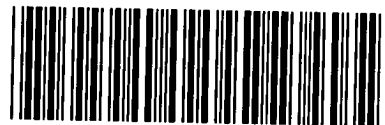


Registered No: OC397453

ALIXPARTNERS SERVICES UK LLP
ANNUAL REPORT
YEAR ENDED 31 DECEMBER 2021

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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
30 Old Bailey
London
EC4M 7AU

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 2021.

PRINCIPAL ACTIVITY

The principal activity of the LLP is the provision of insolvency and corporate advisory services.

MANAGEMENT

The LLP is led by the Executive Committee of AlixPartners Group, 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.

FUTURE DEVELOPMENTS

The Executive Committee continually monitor the performance of the LLP and look to develop its offerings alongside that of the AlixPartners Group restructuring business.

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 (2020: £nil).

POST BALANCE SHEET EVENTS

Other than the item disclosed in note 14, there have been no significant events between the year end and the date of approval of these accounts which would require a change or disclosure in the accounts.

GOING CONCERN

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. In addition, the LLP is part of the

ALIXPARTNERS SERVICES UK LLP

MEMBERS' REPORT (continued)

group of companies headed by AlixPartners Holdings, LLP (the "AlixPartners Group") and as such has access to sufficient resources (i.e. financial resources), to meet its operational needs for the foreseeable future.

STATEMENT OF MEMBERS' RESPONSIBILITIES

The Companies Act 2006, as applied to Limited Liability Partnerships, require the members to prepare the 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 2021 and will be re-appointed for the year ending 31 December 2022.

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 that LLP member is aware, there is no relevant audit information of which the LLP's auditor is unaware; and
- (b) that member has taken all the steps that they ought to have taken as a member 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

Paul Thompson
Director of Designated Member – AlixPartners Limited
12 December 2022

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 2021 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Members' Interests and the 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 affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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 LLP 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.

Conclusions relating to going concern

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

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 LLP'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.

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The members are responsible for the other information contained within the annual report. 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.

ALIXPARTNERS SERVICES UK LLP

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

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Responsibilities of Members

As explained more fully in the Members' Responsibilities Statement set out on page 5, 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 the financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

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.

ALIXPARTNERS SERVICES UK LLP

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

Based on our understanding of the LLP and its industry, we identified that the principal risks of non-compliance with laws and regulations related to the UK tax legislation, anti-bribery, corruption and fraud, and money laundering and we considered the extent to which non-compliance might have a material effect on the financial statements.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Inquiring of management and, where appropriate, those charged with governance, as to whether the LLP is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the LLP which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as the Companies Act 2006 as applied to limited liability partnerships.

In addition, we evaluated the members' and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of management override of controls, and determined that the principal risks related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to unbilled income provisions, and significant one off or unusual transactions.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the members and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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.

ALIXPARTNERS SERVICES UK LLP

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

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.

Neale Bussey

Neale-Bussey (Dec 16, 2022 16:03 GMT)

William Neale Bussey (Senior Statutory Auditor)
for and on behalf of Mazars LLP
Chartered Accountants and Statutory Auditor
30 Old Bailey
London
EC4M 7AU
Date Dec 16, 2022

ALIXPARTNERS SERVICES UK LLP**STATEMENT OF COMPREHENSIVE INCOME**
Year ended 31 December 2021

	Note	2021 £'000	2020 £'000
Revenue	3	5,064	3,511
Client expenses and disbursements		(472)	(66)
Net revenue		<u>4,592</u>	<u>3,445</u>
Operating costs		(3,572)	(3,346)
Operating profit	4	<u>1,020</u>	<u>99</u>
Finance costs	6	(1)	(1)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>1,019</u>	<u>98</u>
Taxation on profit on ordinary activities	7	-	-
PROFIT FOR THE YEAR BEFORE MEMBERS' REMUNERATION AND PROFIT SHARE		<u>1,019</u>	<u>98</u>
Members' remuneration charged as an expense	11	(1,019)	(98)
PROFIT FOR THE YEAR AVAILABLE FOR DIVISION AMONG MEMBERS		<u>-</u>	<u>-</u>
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE PROFIT FOR THE YEAR AVAILABLE FOR DIVISION AMONG MEMBERS		<u>-</u>	<u>-</u>

The notes on page 13 to 21 form part of these financial statements.

ALIXPARTNERS SERVICES UK LLP**STATEMENT OF FINANCIAL POSITION**
As at 31 December 2021

Company number: OC397453

ASSETS	Note	2021 £'000	2020 £'000
Current assets			
Trade and other receivables	8	4,091	2,240
Cash and cash equivalents	9	1,545	3,231
		<u>5,636</u>	<u>5,471</u>
Total assets		<u>5,636</u>	<u>5,471</u>
Current liabilities			
Trade and other payables	10	(5,636)	(2,732)
		<u>(5,636)</u>	<u>(2,732)</u>
EQUITY AND LIABILITIES			
Net Assets attributable to members		<u>-</u>	<u>2,739</u>
Represented by:			
Loans and other debt due to members			
Members' capital classified as a liability		<u>-</u>	<u>2,739</u>
Equity			
Other reserves		<u>-</u>	<u>-</u>
		<u>-</u>	<u>2,739</u>
Total members' interests			
Members capital		-	2,739
Amounts due from members (included in trade and other receivables)		-	(201)
Amounts due to members (included in trade and other payables)		856	-
Other reserves		-	-
Total members' interests		<u>856</u>	<u>2,538</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:

Paul Thompson
Director of Designated Member – AlixPartners Limited
12 December 2022

The notes on page 13 to 21 form part of these financial statements.

ALIXPARTNERS SERVICES UK LLP

**STATEMENT OF CHANGES IN MEMBERS' INTERESTS
FOR YEAR ENDED 31 December 2021**

	EQUITY Members' other interests		DEBT Loans and other amounts due to members less any amounts due from members included in debtors			Total members' interests
	Retained Earnings	Total	Members' capital (classified as liability)	Other amounts	Total	
	£'000	£'000	£'000	£'000	£'000	£'000
Total members interests at 1 January 2020	-	-	2,739	(290)	2,449	2,449
Profit for the financial year available for division among members	-	-	-	-	-	-
Other advances (to)/from members during the year	-	-	-	89	89	89
Total members interests at 31 December 2020	-	-	2,739	(201)	2,538	2,538
Total members interests at 1 January 2021	-	-	2,739	(201)	2,538	2,538
Profit for the financial year available for division among members	-	-	-	-	-	-
Capital withdrawn by members in the year	-	-	(2,739)	-	(2,739)	(2,739)
Other advances (to)/from members during the year	-	-	-	1,057	1,057	1,057
Total members interests at 31 December 2021	-	-	-	856	856	856

The notes on page 13 to 21 form part of these financial statements.

ALIXPARTNERS SERVICES UK LLP

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2021

1 CORPORATE INFORMATION

AlixPartners Services UK LLP (the 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 5.

2 ACCOUNTING POLICIES

Basis of preparation

Statement of compliance

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and those parts of the Companies Act 2006 applicable to Limited Liability Partnerships. The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the LLP's accounting policies.

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 2021 (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 adoption of the new standards and interpretations in the year has not had a material impact on the LLP's financial statements. The adoption of the standards and amendments in future years is not expected to have a material impact on the LLP's financial statements.

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 financial statements have been prepared on a going concern basis as the Executive Committee has reasonable expectation that the LLP has adequate financial resources. In addition, the LLP is part of the AlixPartners Group and as such has access to sufficient resources (i.e. financial resources), to meet its operational needs for the foreseeable future.

2 ACCOUNTING POLICIES (continued)

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.

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 "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.

**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2021
(continued)**

2 ACCOUNTING POLICIES (continued)

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.

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 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.

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.

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 highly 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.

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

ALIXPARTNERS SERVICES UK LLP

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2021 (continued)

2 ACCOUNTING POLICIES (continued)

are received before delivery and when clients pay up-front fees before work begins. The contract liability balance was £nil as of December 31, 2021 and £nil as of December 31, 2020.

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 by applying the simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. The expected loss rates are based on the payment profiles of sales over the prior year 12-month period and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward looking information affecting the ability of the clients to settle receivables. 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 2021 (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\$1.38: £1 (2020: US\$1.28: £1), €1.16: £1 (2020: €1.13: £1); the rate ruling at the balance sheet date was US\$1.35: £1 (2020: US\$1.36: £1), €1.19: £1 (2020: €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.

Members' capital

Members capital is classified as a liability as capital is refundable to members upon leaving the LLP. AlixPartners Limited has made a capital contribution to the LLP of £1. Excess capital above this requirement was returned to AlixPartners Limited in the year. There is no interest on members' capital.

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 2021
(continued)

2 ACCOUNTING POLICIES (continued)

Key sources of estimation uncertainty

Revenue recognition

Revenue recognition can involve estimates of the total fees payable under contracts that involve variable consideration, allocations of the total fees among performance obligations and estimates regarding the portion of the contract completed. Management believes its assumptions and estimates are reasonable and appropriate.

Bad debt provisions

The provisions are determined by applying the simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. The expected loss rates are based on the payment profiles of sales over the prior year 12-month period and the corresponding historical credit losses experienced within this period. The historical loss ratios are adjusted to reflect current and forward looking information affecting the ability of the clients to settle receivables. 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.

3 REVENUE

All revenue has been derived from the LLP's principal activity of consultancy services and has been generated as follows:

	2021 £'000	2020 £'000
United Kingdom	1,513	13
Continental Europe	561	1,806
Rest of the World	2,518	1,626
	<u>4,592</u>	<u>3,445</u>

Included in revenue are amounts of approximately £2.73M (2020: £1.62M) arising on sales to the LLP's largest customer.

ALIXPARTNERS SERVICES UK LLP**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2021
(continued)****4 OPERATING PROFIT**

	2021 £'000	2020 £'000
Operating profit is stated after charging/(crediting):		
Auditor's remuneration – audit fees	15	9
Exchange differences	(795)	349

5 EMPLOYEES

There are no employees or employment costs incurred by AlixPartners Services UK LLP. The LLP utilises group employees through the group cross staffing agreement to staff the LLP engagements.

6 FINANCE COST

	2021 £'000	2020 £'000
Bank and other interest payable	1	1

7 TAXATION

The taxable profits of AlixPartners Services UK LLP are assessed on the members. 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.

8 TRADE AND OTHER RECEIVABLES DUE WITHIN ONE YEAR

	2021 £'000	2020 £'000
Trade receivables	911	69
Taxation and social security	12	-
Amounts recoverable on contracts	351	610
Amounts due from members	-	201
Amounts due from other group undertakings	2,817	1,360
	<u>4,091</u>	<u>2,240</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.

9 CASH AND CASH EQUIVALENTS

	2021 £'000	2020 £'000
Cash at bank and in hand	<u>1,545</u>	<u>3,231</u>

ALIXPARTNERS SERVICES UK LLP

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2021 (continued)

10 TRADE AND OTHER PAYABLES DUE WITHIN ONE YEAR

	2021 £'000	2020 £'000
Trade payables	17	297
Amounts due to members	856	-
Amounts due to other group undertakings	4,763	2,435
	<u>5,636</u>	<u>2,732</u>

The amounts due to group undertakings are unsecured, interest free and repayable on demand.

11 MEMBERS' REMUNERATION

	2021 No.	2020 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>1,019</u>	 <u>98</u>

Key management personnel for the LLP are provided under the group cross staffing agreement.

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".

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 (2020: £nil).

13 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 for which consolidated financial statements are drawn up and of which the company is a member is AlixPartners Limited, a company registered in England. The parent undertaking of the largest group 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.

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2021
(continued)

14 POST BALANCE SHEET EVENTS

On 24 February 2022, Russian troops invaded Ukraine with the ongoing conflict creating further global economic uncertainty and volatility. Many sectors/jurisdictions are already facing the impacts of rising commodity prices and increased raw material costs, as a result of surging consumer demand as the COVID-19 pandemic eases. Conditions may be significantly exacerbated by the wider effects of the conflict in Ukraine, increasing inflationary pressures and weakening the global post-pandemic recovery. Management continue to monitor the situation, but given existing operations of the LLP, the impact is expected to be minimal to business operations and results. There have been no other significant events between the year end and the date of approval of these accounts which would require a change to or disclosure in the accounts.