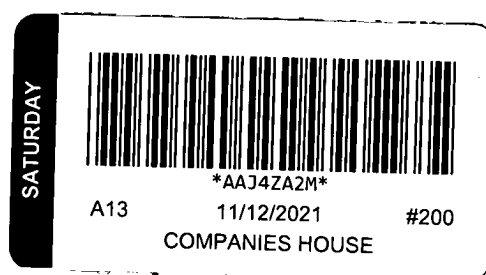


**Registered No: OC397453**

**ALIXPARTNERS SERVICES UK LLP**  
**ANNUAL REPORT**  
**YEAR ENDED 31 DECEMBER 2020**



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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 2020.

#### **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.

#### **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 £3,511k for the year, compared to £1,389k for the prior year. The operating profit in the year was £99k compared to a loss of £371k in 2019.

##### **Financial position at the reporting date**

The Statement of Financial Position shows the LLP's net asset position £2,739k (2019: £2,739k) comprising predominately trade and other receivables £2,240k (2019: £3,393k) and cash £3,231k (2019: £42k), offset by trade and other payables £2,732k (2019: £696k).

***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.
- COVID-19 – Following the emergence of the global coronavirus pandemic, management continue to monitor developments. The COVID-19 outbreak has had a notable impact on general economic conditions, including but not limited to the temporary closures of many businesses; governmental regulations; and reduced consumer spending due to both job losses and other effects attributable to COVID-19. The impact of COVID-19 on our business operations, including the impact on overall client demand is continually monitored by management.
- Brexit – The UK Brexit transition period ended on 31 December 2020 and new rules apply from 1 January 2021. Management consider the key risk is the implication for employment practices and the impact on staff mobility in and out of the EU.
- 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.
- 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.

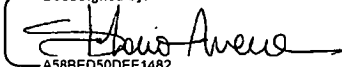
## **ALIXPARTNERS SERVICES UK LLP**

### **STRATEGIC REPORT (continued)**

- 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 30 November 2021 on behalf of the members by:

DocuSigned by:  
  
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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 2020.

#### **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.

#### **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 (2019: £nil).

#### **POST BALANCE SHEET EVENTS**

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

**MEMBERS' REPORT (continued)**

**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**

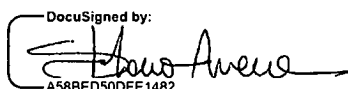
Mazars LLP was appointed auditor to the LLP for the year ended 31 December 2020 and will be re-appointed for the year ending 31 December 2021.

**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

DocuSigned by:  
  
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Stefano Aversa

Director of Designated Member – AlixPartners Limited

30 November 2021



## **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 2020 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 2020 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 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 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.

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

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 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 the financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Based on our understanding of the LLP, we identified that the principal risks of non-compliance with laws and regulations related to the UK tax legislation, anti-bribery, corruption and fraud, money laundering, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements, such as the Companies Act 2006 as applied to as applied to limited liability partnerships.

We evaluated the member's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to work in progress provisions, and significant one-off or unusual transactions.

## **ALIXPARTNERS SERVICES UK LLP**

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

Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements. Our audit procedures included but were not limited to:

- Discussing with the members their policies and procedures regarding compliance with laws and regulations;
- Communicating identified laws and regulations throughout our 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.

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

- Making enquiries of the members 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](http://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.



William Neale Bussey (Senior Statutory Auditor)  
for and on behalf of Mazars LLP  
Chartered Accountants and Statutory Auditor  
Tower Bridge House  
St Katherine's Way  
London  
E1W 1DD

Date 9 DECEMBER 2021

**ALIXPARTNERS SERVICES UK LLP**
**STATEMENT OF COMPREHENSIVE INCOME**
**Year ended 31 December 2020**

	Note	2020 £'000	2019 £'000
Revenue	3	3,511	1,389
Client expenses and disbursements		(66)	(345)
Net revenue		3,445	1,044
Operating costs		(3,346)	(1,415)
Operating profit/loss	4	99	(371)
Finance costs	5	(1)	(1)
<b>PROFIT/LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>98</b>	<b>(372)</b>
Taxation on profit/loss on ordinary activities	6	-	-
<b>PROFIT/LOSS FOR THE YEAR BEFORE MEMBERS' REMUNERATION AND PROFIT SHARE</b>		<b>98</b>	<b>(372)</b>
Members' remuneration charged as an expense	11	(98)	-
<b>PROFIT/LOSS FOR THE YEAR AVAILABLE FOR DIVISION AMONG MEMBERS</b>		<b>-</b>	<b>(372)</b>
<b>OTHER COMPREHENSIVE INCOME</b>		<b>-</b>	<b>-</b>
<b>TOTAL COMPREHENSIVE PROFIT/LOSS FOR THE YEAR AVAILABLE FOR DIVISION AMONG MEMBERS</b>		<b>-</b>	<b>(372)</b>

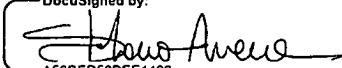
The notes on page 15 to 23 form part of these financial statements.

**ALIXPARTNERS SERVICES UK LLP****STATEMENT OF FINANCIAL POSITION  
As at 31 December 2020**

Company number: OC397453

<b>ASSETS</b>	<b>Note</b>	<b>2020 £'000</b>	<b>2019 £'000</b>
<b>Current assets</b>			
Trade and other receivables	7	2,240	3,393
Cash and cash equivalents	8	3,231	42
		<u>5,471</u>	<u>3,435</u>
<b>Total assets</b>		<u>5,471</u>	<u>3,435</u>
<b>Current liabilities</b>			
Trade and other payables	9	2,732	696
		<u>2,732</u>	<u>696</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Net Assets attributable to members</b>		<u>2,739</u>	<u>2,739</u>
<b>Represented by:</b>			
<b>Loans and other debt due to members</b>			
Members' capital classified as a liability		<u>2,739</u>	<u>2,739</u>
<b>Equity</b>			
Other reserves		-	-
		<u>2,739</u>	<u>2,739</u>
<b>Total members' interests</b>			
Members capital		2,739	2,739
Amounts due from members (included in trade and other receivables)		(201)	(290)
Amounts due to members (included in trade and other payables)		-	-
Other reserves		-	-
<b>Total members' interests</b>		<u>2,538</u>	<u>2,449</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:

DocuSigned by:  
  
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Stefano Aversa

Director of Designated Member – AlixPartners Limited

30 November 2021

The notes on page 15 to 23 form part of these financial statements.

**STATEMENT OF CHANGES IN MEMBERS' INTERESTS  
FOR YEAR ENDED 31 December 2020**

	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	
<b>Total members interests at 1 January 2019</b>	(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	-	-	-	-	(753)	(753)	(753)
Allocation of losses to members	835	-	835	-	-	-	835
<b>Total members interests at 31 December 2019</b>	-	-	-	2,739	(290)	2,449	2,449
<b>Total members interests at 1 January 2020</b>	-	-	-	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
<b>Total members interests at 31 December 2020</b>	-	-	-	2,739	(201)	2,538	2,538

The notes on page 15 to 23 form part of these financial statements.

**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2020**

**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 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 (LLPs). 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.

**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2020  
(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 2020:

	<b>EU effective date Periods beginning on or after</b>
IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors: Amendments in relation to the definition of material	1 January 2020
Conceptual Framework: Amendments to references to the conceptual framework in IFRS standards	1 January 2020

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.

	<b>EU effective date Periods beginning on or after</b>
IAS37 Provisions, Contingent Liabilities and Contingent Assets: Amendments in relation to the cost of fulfilling a contract when assessing onerous contracts	1 January 2022
Annual Improvements to IFRSs (2018 – 2020 cycle)	1 January 2022
IAS 1 Presentation of Financial Statements: Amendments in relation to the classification of liabilities as current or non-current	1 January 2023

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. staffing), to meet its operational needs for the foreseeable future.



**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2020**  
**(continued)**

**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.

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

**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2020  
(continued)**

**2 ACCOUNTING POLICIES (continued)**

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. The contract asset balance was £nil as of December 31, 2020 and December 31, 2019.

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 £nil as of December 31, 2020 and £251k as of December 31, 2019.

**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.

**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2020  
(continued)**

**2 ACCOUNTING POLICIES (continued)**

**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. An analysis is also performed to determine high risk client segments for which an additional incremental reserve is booked. 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.

**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 (2019: US\$1.28: £1), €1.13: £1 (2019: €1.14: £1); the rate ruling at the balance sheet date was US\$1.36: £1 (2019: US\$1.31: £1), €1.11: £1 (2019: €1.17: £1).

**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2020  
(continued)**

**2 ACCOUNTING POLICIES (continued)**

**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.

**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 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. An analysis is also performed to determine high risk client segments for which an additional incremental reserve is booked. The provisions are assessed by management on a regular basis to confirm adequacy of reserves. Whilst every attempt is made to ensure that the

**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2020  
(continued)****2 ACCOUNTING POLICIES (continued)**

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 as capital is refundable to members upon leaving the LLP. 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.

**3 REVENUE**

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

	<b>2020</b> <b>£'000</b>	<b>2019</b> <b>£'000</b>
United Kingdom	13	250
Continental Europe	1,872	1,139
Rest of the World	1,626	-
	<u>3,511</u>	<u>1,389</u>

Included in revenue are amounts of approximately £1.62m (2019: £0.33m) arising on sales to the LLP's largest customer.

**4 OPERATING PROFIT/LOSS**

	<b>2020</b> <b>£'000</b>	<b>2019</b> <b>£'000</b>
Operating profit/loss is stated after charging:		
Auditor's remuneration – audit fees	9	9
Exchange differences	<u>349</u>	<u>(535)</u>

**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2020**  
**(continued)**
**5 FINANCE COST**

	2020 £'000	2019 £'000
Bank and other interest payable	<u>1</u>	<u>1</u>

**6 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.

**7 TRADE AND OTHER RECEIVABLES DUE WITHIN ONE YEAR**

	2020 £'000	2019 £'000
Trade receivables	69	189
Amounts recoverable on contracts	610	481
Amounts due from group undertakings	<u>1,561</u>	<u>2,723</u>
	<u>2,240</u>	<u>3,393</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.

**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:

	2020 £'000	2019 £'000
Cash at bank and in hand	<u>3,231</u>	<u>42</u>

**9 TRADE AND OTHER PAYABLES DUE WITHIN ONE YEAR**

	2020 £'000	2019 £'000
Trade payables	297	8
Accruals and deferred income	-	250
Amounts due to group undertakings	<u>2,435</u>	<u>438</u>
	<u>2,732</u>	<u>696</u>

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

## **ALIXPARTNERS SERVICES UK LLP**

### **NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2020 (continued)**

#### **10 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.

#### **11 MEMBERS' REMUNERATION**

	2020 No.	2019 No.
<b>Information in relation to members:</b>		
The average number of members during the year was	<u>2</u>	<u>2</u>
	<b>£'000</b>	<b>£'000</b>
The amount of profit attributable to the member with the largest entitlement was	<u>98</u>	<u>-</u>

The members are the key management personnel for the LLP.

Members' remuneration charged as an expense in the year was £98K (2019: £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".

#### **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 (2019: £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.

#### **14 POST BALANCE SHEET EVENTS**

There have been no 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.