

Allstate Global Holdings Limited
Annual report and financial statements
for the year ended 31 December 2022

Registered number: NI627888



Allstate Global Holdings Limited

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Allstate Global Holdings Limited

Directors and other information

Directors

Suren Gupta
Stephen McKeown
Jess Merten
Mario Rizzo

Bankers

Citibank, N.A.
Citigroup Centre,
Canary Wharf
London
E14 5LB

Solicitors

Pinsent Masons
1 Lanyon Place
Belfast
BT1 1LP

Registered Office

10 Mays Meadow
Belfast
BT1 3PH

Independent Auditor

Deloitte (NI) Limited
Lincoln Building
27 - 45 Great Victoria Street
Belfast
BT2 7SL

Allstate Global Holdings Limited

Strategic report

The directors, in preparing the Strategic Report, have complied with s414c of the Companies Act 2006.

Principal activities

The principal activity of the company is the holding of investments in subsidiaries.

Business review, key performance indicators and future developments

The business performed in line with expectations in 2022. The primary source of income continues to be dividends from subsidiaries.

Key performance indicators include the loss for the year which amounted to £1,670,111 (2021 – £5,000,361) and the value of investment in subsidiaries which is £57,644,038 (2021: £59,324,038) at the balance sheet date. There were no dividends received in 2022 and an impairment expense was recorded for Arity International. See note 8 for further information.

Interim dividends were paid after the balance sheet date following receipt of dividends from subsidiaries. A £4.2m interim dividend was paid in January 2023. A dividend in specie of £35.8m was received from Arity International Limited which was then paid up in September 2023.

There are no changes planned to the operations of the company.

Principal risks and uncertainties

The Board operates the company's financial risk management objectives and policies. Treasury policies include defined controls on the use of financial instruments in measuring risk.

The global pandemic, the conflict in Ukraine and climate change have created uncertainties for all businesses. In the short term it has not impacted the ability of the company to maintain its investment activities. The ramifications of impacts in the medium to long term could affect the company in the future. This is being monitored by management.

Engaging with stakeholders - s172 statement

Section 172 of the Companies Act 2006 ("the Act") requires Directors to take into consideration the interests of stakeholders in their decision-making having regard to the matters set out in Section 172(1)(a)-(f) of the Act.

As a subsidiary of The Allstate Corporation ("the Corporation"), the Directors consider the impact of the company's activities on its shareholder and the businesses it invests in. The company's stakeholders are consulted on matters including funding decisions as well as compliance with the Corporation's policies with the aim of maximising returns for the benefit of its shareholder and maintaining high standards of business conduct and governance. The company has no employees and few suppliers.

The company engages with its shareholder on an as needed basis. The Directors assess and update the company's strategy regularly with a focus on ensuring alignment with the Corporation's business strategies and maximising long term value.

The Directors continue to provide oversight governance to ensure that they comply with the Corporation's policies and maintain high standards of business conduct.

Allstate Global Holdings Limited

Strategic report (continued)

Approved by the Board and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'Stephen McKeown', written in a cursive style.

Stephen McKeown
Director
10 Mays Meadow, Belfast, BT1 3PH
29 September 2023

Allstate Global Holdings Limited

Directors' report

The directors present their annual report on the affairs of the Company, together with the financial statements and auditor's report, for the year ended 31 December 2022.

Going concern

The financial statements have been prepared using the going concern basis of accounting. The company has a strong net asset position and dividend income is expected to continue. There has been no significant impact of the global coronavirus pandemic or the conflict in Ukraine on the company's operations, however, the situation remains highly uncertain and any future impact cannot be predicted at this time.

Dividends

The directors do not recommend a final dividend. No interim dividends were paid. This makes a total of £nil for the year (2021: £5,000,000).

Future developments and events after the balance sheet date

Details of future developments and events that have occurred after the balance sheet date can be found in the Strategic Report on page 4 and form part of this report by cross-reference.

Financial risk management objectives and policies

The company's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk.

Cash flow risk

The company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates however these are limited to bank balances.

Interest bearing assets and liabilities are held at fixed rate to ensure certainty of cash flows.

Credit risk

The company's principal financial assets are bank balances, cash, and debtors.

The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

Liquidity risk

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the company uses cash reserves.

Further details regarding liquidity risk can be found in the accounting policies note in the financial statements.

Directors

The directors have no beneficial interest in the shares of the company. The directors' interests in the shares of the parent undertaking, The Allstate Corporation and its subsidiaries, are dealt with in the accounts of that company, which is incorporated outside Northern Ireland.

The company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report.

The directors, who served throughout the year were as follows: Suren Gupta, John Healy and Mario Rizzo. Don Civgin resigned on 1 June 2022 and Jess Merten was appointed on 13 September 2022. Stephen McKeown was appointed on 2 May 2023, after the balance sheet date. There have been no other changes to the directors between the balance sheet date and the date of this report.

Allstate Global Holdings Limited

Directors' report (continued)

Streamlined Energy and Carbon Reporting

The company is non-trading and has consumed less than 40,000 kWh of energy during the year. The Streamlined Energy and Carbon Report for subsidiary companies can be found in their respective annual reports.

Auditor

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

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the director has undertaken all steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Deloitte (NI) Limited have expressed their willingness to continue in office as auditor and appropriate arrangements have been put in place for them to be deemed reappointed as auditor in the absence of an Annual General Meeting.

Approved by the Board and signed on its behalf by:



Stephen McKeown
Director
10 Mays Meadow, Belfast, BT1 3PH
29 September 2023

Allstate Global Holdings Limited

Directors' responsibilities statement

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law including FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the company for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditor's report to the members of Allstate Global Holdings Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Allstate Global Holdings Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the profit and loss account;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 14.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (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.

Independent auditor's report to the members of Allstate Global Holdings Limited (continued)

Conclusions relating to going concern

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

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 company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors 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 directors 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.

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.

Independent auditor's report to the members of Allstate Global Holdings Limited (continued)

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors 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 directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory frameworks that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included the UK Companies Act, FRS 102 and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty. These included UK legislation relating to privacy and ethics.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

Independent auditor's report to the members of Allstate Global Holdings Limited (continued)

Extent to which the audit was considered capable of detecting irregularities, including fraud (continued)

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and external legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters 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
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

Independent auditor's report to the members of Allstate Global Holdings Limited (continued)

Use of our report

This report is made solely to the company'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 company'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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Gareth Martin

Gareth Martin (Senior statutory auditor)
For and on behalf of Deloitte (NI) Limited

Belfast, UK

29 September 2023

Allstate Global Holdings Limited

Profit and loss account

At 31 December 2022

		2022 £	2021 £
	Note		
Income from fixed asset investments	7	-	5,000,000
Impairment of fixed asset investment	7	(1,680,000)	-
Foreign currency gain	4	10,321	747
Finance costs	3	(432)	(301)
(Loss)/profit before taxation	4	(1,670,111)	5,000,446
Tax on (loss)/profit	6	(1,879)	(85)
(Loss)/profit for the financial year		<u>(1,671,990)</u>	<u>5,000,361</u>

All recognised gains and losses in the current and prior year have been reflected in the Profit and Loss Account and arise solely from continuing operations. Accordingly a Statement of Comprehensive Income is not presented.

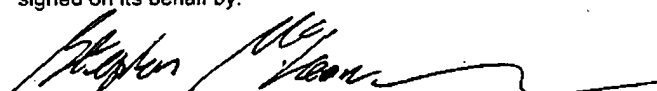
Allstate Global Holdings Limited

Balance sheet

At 31 December 2022

	Note	2022 £	2021 £
Fixed assets			
Investments	8	57,644,038	59,324,038
Current assets			
Debtors	9		1,840
Cash at bank and in hand		91,452	81,948
		91,452	83,788
Creditors: Amounts falling due within one year	10	(3,560)	(3,906)
Net current assets		87,892	79,882
Total assets less current liabilities		57,731,930	59,403,920
Net assets		57,731,930	59,403,920
Capital and reserves			
Called-up share capital	11	150,000	150,000
Share premium account	11	48,616	48,616
Capital contribution	11	59,191,627	59,191,627
Profit and loss account	11	(1,658,313)	13,677
Shareholders' funds		57,731,930	59,403,920

The financial statements of Allstate Global Holdings Limited (registered number NI627888) were approved by the board of directors and authorised for issue on 29 September 2023. They were signed on its behalf by:



Stephen McKeown
Director

Allstate Global Holdings Limited

Statement of changes in equity

For the year ended 31 December 2022

	Called-up share capital £	Share premium £	Capital contribution £	Profit and loss account £	Total £
At 1 January 2021	150,000	48,616	59,191,627	13,316	59,403,559
Profit for the financial year	-	-	-	5,000,361	5,000,361
Total comprehensive income	-	-	-	5,000,361	5,000,361
Dividends paid	-	-	-	(5,000,000)	(5,000,000)
At 31 December 2021	150,000	48,616	59,191,627	13,677	59,403,920
(Loss) for the financial year	-	-	-	(1,671,990)	(1,671,990)
Total comprehensive loss	-	-	-	(1,671,990)	(1,671,990)
Dividends paid	-	-	-	-	-
At 31 December 2022	150,000	48,616	59,191,627	(1,658,313)	57,731,930

Allstate Global Holdings Limited

Notes to the financial statements

For the year ended 31 December 2022

1. Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and the preceding year.

a. General information and basis of accounting

Allstate Global Holdings Limited is a company incorporated in the United Kingdom under the Companies Act 2006 and is registered in Northern Ireland. The address of the registered office is given on page 3. The nature of the Company's operations and its principal activities are set out in the directors' report on page 4.

The financial statements have been prepared under the historical cost convention; modified to include certain items at fair value, and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The functional currency of Allstate Global Holdings Limited is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates.

Allstate Global Holdings Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its financial statements. Exemptions have been taken in relation to share-based payments, financial instruments, presentation of a cash flow statement and remuneration of key management personnel.

b. Going concern

The financial statements have been prepared using the going concern basis of accounting. The company has a strong net asset position and dividend income is expected to continue. There has been no significant impact of the global coronavirus pandemic or the conflict in Ukraine on the company's operations, however, the situation remains highly uncertain and any future impact cannot be predicted at this time.

c. Financial instruments

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the related contractual arrangements. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

(i) Financial assets and liabilities

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Debt instruments which meet these conditions are subsequently measured at amortised cost using the effective interest method.

Debt instruments that have no stated interest rate (and do not constitute financing transaction) and are classified as payable or receivable within one year are initially measured at an undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

Allstate Global Holdings Limited

Notes to the financial statements

For the year ended 31 December 2022

c. Financial instruments (continued)

(i) Financial assets and liabilities (continued)

With the exception of some hedging instruments, other debt instruments not meeting these conditions are measured at fair value through profit or loss.

Commitments to make and receive loans which meet the conditions mentioned above are measured at cost (which may be nil) less impairment.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the company, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

(ii) Investments

Investments in subsidiaries are measured at cost less impairment.

(iii) Equity instruments

Equity instruments issued by the company are recorded at the fair value of cash or other resources received or receivable, net of direct issue costs.

(iv) Fair value measurement

The best evidence of fair value is a quoted price for an identical asset in an active market. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the market is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, the fair value is estimated by using a valuation technique.

d. Impairment of assets

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

Financial assets

For financial assets carried at amortised cost, the amount of an impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date. Impairment losses are recorded in profit and loss.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised. Impairment loss reversals are recorded in profit and loss.

Allstate Global Holdings Limited

Notes to the financial statements

For the year ended 31 December 2022

e. Foreign currency

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date.

f. Taxation

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference.

Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income.

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the company intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are offset only if: a) the company has a legally enforceable right to set off current tax assets against current tax liabilities; and b) the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

2. Critical accounting judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Allstate Global Holdings Limited

Notes to the financial statements

For the year ended 31 December 2022

2. Critical accounting judgements and key sources of estimation uncertainty (continued)

Critical judgements in applying the company's accounting policies

There are no other critical judgements that the directors have made in the process of applying the Company's accounting policies and which have a significant effect on the amounts recognised in the financial statements.

Key source of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Impairment testing in respect of investments

The Company is required to assess at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, the Company shall estimate the recoverable amount of the asset. If there is no indication of impairment, it is not necessary to estimate the recoverability of the amount. In assessing recoverability of its investments the Company has considered the future plans and forecasts of its subsidiaries, including the estimated cash flows and anticipated market conditions. The carrying value of investments as at the year end is £57,644,038 (2021: £59,324,038). Details of the investments are set out in note 8.

3. Finance costs

	2022 £	2021 £
Interest payable and similar charges	432	301

4. (Loss)/profit before taxation

(Loss)/profit before taxation is stated after (charging)/crediting:

	2022 £	2021 £
Impairment of fixed asset investment	(1,680,000)	-
Foreign exchange gain	10,321	747

There were no employees in the Company for the current or prior year.

The audit fees for the Company have been borne by another group company. A reasonable approximation of the audit fee is £5,500 (2021: £5,355).

5. Directors' remuneration and transactions

No director received remuneration from the Company during the current or prior year. Other group companies remunerate the non-local directors and it is not possible to apportion an element of their salaries for services provided to Allstate Global Holdings Limited.

Directors' advances, credits and guarantees

There were no transactions with directors during the year.

Allstate Global Holdings Limited

Notes to the financial statements

For the year ended 31 December 2022

6. Tax on (loss)/profit

The tax charge comprises:

	2022 £	2021 £
Group relief		
Group relief.	1,879	85
Total tax charge on (loss)/profit	1,879	85

The company earns its profits entirely in the UK. The standard rate of tax applied to reported (loss)/profit on ordinary activities is 19% on profits earned to 31 December 2022 (2021: 19%).

The Finance Act 2021 which was substantially enacted on 24 May 2021, increased the corporation tax rate from 19% to 25% with effect from 1 April 2023.

The differences between the total tax charge shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows:

	2022 £	2021 £
(Loss)/profit before tax	(1,670,111)	5,000,446
Tax on (loss)/profit on ordinary activities at standard UK corporation tax rate of 19% (2021: 19%)	(317,321)	950,085
Effects of:		
- Expense not chargeable to tax	319,200	-
- Income not chargeable to tax	-	(950,000)
Total tax charge for period	1,879	85

7. Dividends paid

	2022 £	2021 £
Ordinary Shares:		
Interim dividend of £nil per share (2021: £33.33 per share)	-	5,000,000
		5,000,000

Interim dividends were paid after the balance sheet date following receipt of dividends from subsidiaries. A £4.2m interim dividend was paid in January 2023. A dividend in specie of £35.8m was received from Arly International Limited which was then paid up in September 2023.

Allstate Global Holdings Limited

Notes to the financial statements

For the year ended 31 December 2022

8. Investments

	Shares in subsidiary undertakings £
Cost	
At 1 January 2022	59,324,038
Impairment of fixed asset investment	(1,680,000)
At 31 December 2022	<u>57,644,038</u>

The following companies were subsidiary undertakings at the end of the year:

Company Subsidiary undertakings	Country of incorporation	Registered office	Shares held	
			Class	%
Arity International Limited	Northern Ireland	10 Mays Meadow, Belfast BT1 3PH	Ordinary	100%
Allstate Northern Ireland Limited	Northern Ireland	10 Mays Meadow, Belfast BT1 3PH	Ordinary Preference	100% 100%

The impairment provision relates to the investment in Arity International Limited. This subsidiary is winding up its business in 2023 and a liquidator has been appointed. The carrying value of the investment represents the expected recoverable amount.

The subsidiary undertakings have not been consolidated by the Company as permitted by s401 of the Companies Act 2006 as they are consolidated in the financial statements of the Allstate Corporation.

During the year the company received dividends from investments in subsidiaries amounting to Enil (2021: £5,000,000).

Allstate Global Holdings Limited

Notes to the financial statements

For the year ended 31 December 2022

9. Debtors

	2022 £	2021 £
Amounts falling due within one year:		
Corporation tax	-	1,840
	<u>-</u>	<u>1,840</u>

10. Creditors

	2022 £	2021 £
Amounts falling due within one year:		
Intercompany payables	-	2,225
Group relief payable	3,560	1,681
	<u>3,560</u>	<u>3,906</u>

11. Called-up share capital and reserves

	2022 £	2021 £
150,000 ordinary shares £1 each	<u>150,000</u>	<u>150,000</u>

The Company's other reserves are as follows:

The share premium account contains the premium arising on issue of equity shares, net of issue expenses.

The profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

Capital contributions represent qualifying consideration received by the company and are considered distributable.

12. Related party transactions

The company, a wholly owned subsidiary of The Allstate Corporation, has elected to avail of the disclosure exemption available to subsidiary undertakings in accordance with the terms of FRS102.33.1A.

Allstate Global Holdings Limited

Notes to the financial statements

For the year ended 31 December 2022

13. Parent undertaking and controlling party

During the year, the company's immediate parent undertaking was Allstate Non-Insurance Holdings, Inc. The ultimate parent undertaking and the smallest and largest consolidating group to which the company belongs, is The Allstate Corporation, a company registered in the United States of America. Copies of the Group accounts are available from 2775 Sanders Road, Northbrook, Illinois 60062.

14. Subsequent events

The global pandemic, the conflict in Ukraine and climate change are creating uncertainties for all businesses. In the short term these risks are not impacting the ability of the company to do business. The ramifications of the impact in the medium to long term could affect the company in the future and will be monitored by management.

Arity International Limited is winding up its business in 2023 and a liquidator has been appointed. The carrying value of the investment (note 8) represents the expected recoverable amount.

There have been no other significant events since the balance sheet date.