

REGISTERED NUMBER: 02235016 (England and Wales)

PA Holdings Limited
Strategic Report, Directors' Report and
Unaudited Financial Statements for the Year Ended 31 December 2023

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PA Holdings Limited

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for the Year Ended 31 December 2023**

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PA Holdings Limited
Company Information
for the Year Ended 31 December 2023

Directors:	C R Barrett K Janjua H Maule C D F Norris
Secretary:	J W Greenfield
Registered office:	10 Bressenden Place London United Kingdom SW1E 5DN
Registered number:	02235016 (England and Wales)
Bankers:	HSBC Bank plc West End CBC 69 Pall Mall London SW1Y 5EY

PA Holdings Limited
Strategic Report
for the Year Ended 31 December 2023

The directors present their strategic report for the year ended 31 December 2023.

Review of business

The Company provides consulting and administrative staff to PA Consulting Services Limited, a subsidiary of the Company, and derives all turnover from this. Turnover remained consistent year on year at £411.2 million (2022: £409.9 million), in line with the trading performance of PA Consulting Services Limited resulting in a gross profit of £19.3 million (2022: £27.3 million).

2023 was a challenging year for the consulting industry. Economic headwinds, arising in part from inflationary pressures and political uncertainty ahead of general elections in the UK and US in 2024, contributed to a reduction in client demand. As a result, we took decisive action to reduce our overall cost base which included ensuring we had the right skills on the team to match client needs. During the year we have incurred £6.1m of cost directly related to these actions.

During the year the Company received no dividend income from subsidiaries (2022: £nil).

Principal risks and uncertainties

The Company is a member of the PA Consulting Group of companies ('the Group'). Business performance and principal risks and uncertainties of the Company are integrated with the performance and principal risks of the Group and are not managed separately. For this reason, the Company's directors believe that further analysis is not necessary for an understanding of the development, performance, position or risks of the business. A detailed review of the business of the Group and a description of the risks and uncertainties facing it can be found in the PA Consulting Group Limited report and accounts for 2023.

PA Holdings Limited
Strategic Report
for the Year Ended 31 December 2023

Section 172(1) statement

The directors of PA Holdings Limited present their Section 172(1) Statement.

The directors of the Company have acted in a way they considered, in good faith, to be most likely to promote the success of the Company for the benefit of the members as a whole, and in doing so had regard, among other things to:

- the likely consequences of any decision in the long term
- the interests of the Company's employees
- the need to foster business relationships with suppliers, customers and others
- the impact of the Company's operations on the community and the environment
- the desirability of the Company maintaining its reputation for high standards of business conduct
- the need to act fairly as between the members of the Company.

PA's six core values - passionate about people, inspired by client value, creating commercial success, prizing our ethical approach, seeking to excel and achieving success through shared endeavours - are enshrined in our Code of Conduct and drive the way PA and its directors behave with clients, with each other and with everyone else we meet through our work.

Our core values define our organisation and represent a personal commitment by every one of our people worldwide.

The governance and control framework which is in place across the Group ensures that our core values are upheld and that decisions made by the board of PA Holdings Limited give due regard to the long-term impact of those decisions, the interests of the Company's stakeholders, and the impact of the Company's activities on the community, the environment and the Company's reputation. The key stakeholders which are considered by the board when making decisions include our people, clients and shareholders, as well as suppliers, the environment and the communities around us.

The board receives regular and timely information on all key aspects of the business, and decisions made are done so after careful consideration and debate of all information and detailed papers which focus on relevant stakeholder considerations.

The directors also have access to advice and guidance from the Group Company Secretary, as well as PA's company secretariat and Group legal functions when discharging their duties.

We engage with our people regularly throughout the year and in a variety of ways. We have a comprehensive intranet site, digital learning academy, weekly PA news updates, and regular all-staff messages from our Chief Executive Officer and other members of our senior leadership team. We also hold many in-person events and gatherings throughout our global offices and provide updates to employees throughout the year on financial and economic factors affecting the performance of the Company.

We regularly undertake an engagement survey of our people, most recently in Q3 2023. Listening and responding to this feedback is a huge part of delivering on our commitment to creating a place which attracts the best and brightest minds and enables everyone to thrive and develop their skills, every day.

We frequently assess our ethical responsibilities to ensure fairer treatment of our people, gender parity, and social mobility through recruitment. To improve how we collect data on our people, we introduced a new HR system in 2023 which is informing our new gender, ethnicity, and recruitment strategies.

We are proud that our people engage in our communities, giving their time and expertise to develop and inspire others, particularly those facing disadvantage, to be the innovators and leaders of tomorrow. In 2023, we continued to give back to our communities through The PA Foundation and our PA in the Community Programme.

Investing in our communities also extends to ensuring our actions as an organisation make a positive contribution to addressing the climate crisis. As well as the innovative work we do with our clients to tackle climate changes and environmental challenges, we've set Science-Based Targets to ensure our own environmental practices contribute to limiting the global temperature rise to 1.5°C.

PA Holdings Limited
Strategic Report
for the Year Ended 31 December 2023

Economic responsibility is enshrined in our purpose, our values and our business processes. PA supports sustainable procurement methods, whether prescribed by legislation, or through our own policies. As well as the traditional procurement benchmarking criteria of price and quality, we support the 'triple bottom line' ideology and consider social, *environmental and economic factors in the procurement decision-making process*. Our *supplier diversity* principles help ensure that we treat all suppliers fairly and that we engage with a diverse range of businesses, including minority-owned, women-owned, veteran-owned and small businesses.

We remain an approved signatory to the UK Prompt Payment Code and we report twice annually on our payment practices and performance in accordance with the regulations made under the Small Business, Enterprise and Employment Act 2015 in the UK.

Approved by the board and signed on its behalf by:



K Janjua - Director

28 June 2024

PA Holdings Limited
Directors' Report
for the Year Ended 31 December 2023

The directors present their report with the financial statements of the Company for the year ended 31 December 2023.

Principal activity

The principal activity of the Company in the year under review was that of holding investments and the supply of consultants and administrative staff services to PA Consulting Services Limited, a subsidiary of the Company.

Dividends

No dividends will be distributed for the year ended 31 December 2023.

Future developments

In 2024 the Company will continue to provide consulting and administrative staff to PA Consulting Services Limited, a subsidiary of the Company, and will continue to derive all of its turnover from this activity.

Events since the end of the year

Information relating to events since the end of the year is given in the notes to the financial statements.

Directors

The directors shown below have held office during the whole of the period from 1 January 2023 to the date of this report.

C R Barrett
K Janjuah
H Maule

Other changes in directors holding office are as follows:

W A Lambe - resigned 18 January 2023

C D F Norris was appointed as a director after 31 December 2023 but prior to the date of this report.

PA Holdings Limited
Directors' Report
for the Year Ended 31 December 2023

Going concern

PA Holdings Limited is a subsidiary of PA Consulting Group Limited (the "Group"). The Company heads up the operational PA Group, and has access to substantially all of the resources available to the wider group, with the exception of the debt funding.

Having considered the financial position, trading performance and forecast cash flows, along with the principal risks of the business, of the Company and wider PA Group, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future.

As described in the Group Annual Report the Directors have taken into account short and mid-term trading and cash forecasts, covering the period to December 2025, potential global or economic impacts on the numbers included in those forecasts and the availability of funding sources for the Group. The base forecast used as part of the review is founded from the board-approved 2024 budget, with extrapolation at growth rates deemed achievable for the 12 months after this. In creating the budget, consideration has been given to the shape and size of the workforce required to service anticipated demand and rates of utilisation achievable in the current economic climate, potential impact on demand from the UK general election, continued inflationary impacts on the more volatile cost base components, such as utilities, and have assumed financing rates remain towards the top end of the rates experienced in 2023. The forecast shows operating cashflow to be strong throughout the review period.

The directors have also assessed the tolerance of the cash flows to adverse impacts on these assumptions for the key financial performance drivers. These are considered in the review period to be the risk of client demand dropping through continued pressure on discretionary spend in parallel with the UK post-election government tightening the public spending policy on professional services and continued wage inflation above budgeted rates. The downside case, incorporating a combination of significant revenue reduction and employment cost increase, demonstrated that the Group's business model is sufficiently robust and has excess liquidity headroom to absorb a sizeable and sustained downturn. Other global events have been considered as part of the review, principally the on-going Israel-Gaza conflict, but these are not considered by the directors to create a significant risk of impact for the Group's operations.

On the basis of the Group's forecast position, and from the outcome of the downside scenario, the directors are satisfied that the Company's business model is robust and flexible. The directors are further satisfied that the Company has sufficient resources and liquidity to continue to trade for the foreseeable future and conclude that there are no significant doubts about the Company's ability to continue as a going concern.

Directors liabilities

In accordance with the Articles of Association, the sole shareholder has provided to all the directors an indemnity (to the extent permitted by the Companies Act 2006) in respect of liabilities incurred as a result of their office. The Group has taken out an insurance policy in respect of those liabilities for which directors may not be indemnified. Neither the indemnity nor insurance provides cover in the event that the director is proved to have acted dishonestly or fraudulently.

PA Holdings Limited
Directors' Report
for the Year Ended 31 December 2023

Investing in our people

Full details of PA's commitment to investing in our people, inclusion and diversity

Our people are our inspiration. Every day, our multidisciplinary teams bring collective knowledge and insights that enable our clients to solve the world's most complex challenges. We are as committed to making PA a great place to work as we are to delivering great outcomes for our clients.

That's why we've created a culture that's collaborative, diverse, inclusive, and rewarding, where our people feel valued and motivated to do their best.

Inclusion and diversity

We have continued to expand our Inclusion and Diversity programme during 2023. Growing the representation of women at partner level and in other senior fee and non-fee-based roles across PA remains a priority, is supported by our Women in Leadership programme, advancements in our recruiting practices, our performance and career frameworks, and by our Women's and PA Women in Tech Networks.

Our employee network groups continue to drive change as partners to our business. Joining our five existing networks in 2023: Racial Inclusion and Social Equity (RISE); Mental Health and Wellbeing; Pride; Women's and Military Networks; were our new Accessibility, Neurodiversity & Disability (AND); and Working Families Networks, alongside network Communities representing Christians, Hindus and parents with caring responsibilities. These groups are empowered to deliver impactful and inspirational campaigns for our people.

Our 'inclusive by design' recruitment strategy successfully contributes towards recruiting diverse talent at every level. New improved processes and systems, along with partnerships with schools, colleges and universities, specialist recruitment firms and Generation Success, continue to deliver increasingly diverse results for all new hires.

We have made progress against our commitments to challenge non-inclusive stereotypes, language and assumptions and drive lasting culture change within our firm. We ran firm-wide training on respectful workplace behaviours, which was required learning for all our people and are continuing to empower our leaders through workshops on inclusive leadership and psychological safety.

PA is committed to creating a work environment that enables all people to work at their best and meet their potential. We give full consideration to applications from people with disabilities. Arrangements are made for PA employees who become disabled in their time at PA to be supported in their current roles, or to be trained for other positions within our organisation. In all relevant circumstances, employees with disabilities are provided with the same access to learning, career development and promotions, as are reasonably available to all employees.

Employee wellbeing and development

We continue to prioritise the health of our people, adopting an approach which recognises that overall wellbeing is a composite of mental, physical, financial, social and career-related elements. We have been working to address each of these areas through education (webinars and live events), as well as improvements to our policies and processes, to ensure our people feel fully supported.

In terms of mental wellbeing, we continued to offer our Employee Assistance Programme services, as well as a free subscription to the mindfulness and meditation app, CALM, for all our people globally. We offer regular Mental Health First Aid training and have an active network of mental health first aiders and champions to support our people.

In terms of career wellbeing, our evidence-based approach to supporting the wellbeing of our consultants on assignment, includes guidance for assignment managers, team charters, wellbeing plans, and a regular feedback loop within assignment teams. We are expanding this work further in 2024, by introducing more support for our people's wellbeing at critical employee touchpoints.

PA Holdings Limited
Directors' Report
for the Year Ended 31 December 2023

We have introduced a new policy provision to support those experiencing or suffering from domestic abuse. This vital resource enables people to seek support (both financial and pastoral) from PA in times of extreme need. We ran our engagement survey in Q3 2023, to gather feedback on how we can continue to enhance and support our people's experience at PA. Our people told us that what sets PA apart, is the opportunity it offers to work with great people, to learn and grow, and to deliver great work that makes a meaningful difference to our society and communities. In 2024, we will continue to enhance our people's experiences by focusing on opportunities to learn and grow, and on inclusion, and wellbeing. Finally, our LifeAtPA Champions initiative, provides resources to each of our offices to run social events to bring PA people together beyond their day jobs. In 2023, over 50 events took place globally, including quiz nights, mental health walks, sports leagues, and talks from external speakers, all helping to boost our people's sense of social cohesion and community.

Supporting our communities

Building a positive human future extends beyond our clients and people to include our contribution to social and environmental outcomes in the communities where we live and work. We give our time and expertise to develop and inspire people, particularly those facing disadvantages, to be the innovators and leaders of tomorrow, applying their ingenuity to solving the world's biggest challenges.

We do that at a firm-wide level through our PA in the Community programme and by partnering with charitable organisations that are having a demonstrable impact in society.

In 2023, we continued our support to The PA Foundation, which, by the end of 2023, had disbursed over £2 million of grant funding to 33 charitable organisations in the UK, US, Nordics, and Netherlands with the aim of reaching over 9,000 people from disadvantaged backgrounds and more than 65 social enterprises.

Through our community engagement initiatives, PA people delivered more than 21,000 hours of volunteer time and supported over 200 charities and non-profit organisations.

At PA, we prize our ethical approach and are committed to complying with all laws and regulations applicable to our business, including taking steps to ensure compliance with anti-corruption laws.

Our Code of Conduct contains our anti-bribery policies and guidelines on how to report suspicious practices. Every PA employee has access to our Code of Conduct and receives annual training on the implications of the Bribery Act and other related international legislation.

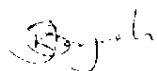
Governance

The Company is a subsidiary of PA Consulting Group Limited. The Group has established a governance structure which is appropriate for the business in terms of complexity and risk profile. During the year, one director of PA Holdings Limited sat on the board of PA Consulting Group Limited. As a subsidiary within the Group the Company did not apply a separate corporate governance code.

The board of PA Consulting Group Limited (The "Board") is the key governance body and is responsible for overall strategy, performance of the business and ensuring appropriate and effective risk management. During the year, the board comprised a non-executive Director, the Chief Executive Officer, the representatives from the executive management team, and three directors appointed by the Group's majority shareholder.

The corporate governance arrangements in place at PA are aligned to the Wates Corporate Governance Principles for Large Private Companies. Full details of the corporate governance practices are disclosed in the group annual report.

Approved by the board and signed on its behalf by:



K Januah - Director

28 June 2024

PA Holdings Limited

**Statement of Directors' Responsibilities
for the Year Ended 31 December 2023**

The directors are responsible for preparing the Strategic Report, the Directors' 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 Financial Reporting Standard 102 '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 accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

PA Holdings Limited
Income Statement
for the Year Ended 31 December 2023

		2023	2022 as restated
	Notes	£	£
Turnover	4	411,177,005	409,895,573
Cost of sales		<u>(386,470,013)</u>	<u>(382,585,124)</u>
Gross profit		24,706,992	27,310,449
Administrative expenses		<u>(1,947,452)</u>	<u>(1,672,130)</u>
		22,759,540	25,638,319
Exceptional items	8	<u>(6,185,848)</u>	<u>90,495</u>
Operating profit	7	16,573,692	25,728,814
Net interest payable and similar items	9	<u>(4,727,243)</u>	<u>(2,168,680)</u>
Profit before taxation		11,846,449	23,560,134
Tax on profit	10	<u>(4,237,270)</u>	<u>(5,584,406)</u>
Profit for the financial year		<u><u>7,609,179</u></u>	<u><u>17,975,728</u></u>

The notes on pages 15 to 32 form part of these financial statements

PA Holdings Limited

**Other Comprehensive Income
for the Year Ended 31 December 2023**

	2023	2022 as restated
Notes	£	£
Profit for the year	7,609,179	17,975,728
Other comprehensive loss		
Net loss on defined benefit pension	(3,400)	-
Income tax relating to other comprehensive loss	<u>-</u>	<u>-</u>
Other comprehensive loss for the year, net of income tax	<u>(3,400)</u>	<u>-</u>
Total comprehensive income for the year	<u><u>7,605,779</u></u>	<u><u>17,975,728</u></u>

The notes on pages 15 to 32 form part of these financial statements

PA Holdings Limited (Registered number: 02235016)

**Statement of Financial Position
31 December 2023**

	Notes	2023 £	2022 as restated £
Fixed assets			
Investments	12	326,397,407	326,397,407
Current assets			
Debtors: amounts falling due within one year	13	25,367,049	30,717,854
Debtors: amounts falling due after more than one year	13	9,811,136	12,510,373
Cash at bank	14	<u>3,136,905</u>	<u>3,529,262</u>
		38,315,090	46,757,489
Creditors			
Amounts falling due within one year	15	<u>(63,436,420)</u>	<u>(83,494,809)</u>
Net current liabilities		<u>(25,121,330)</u>	<u>(36,737,320)</u>
Total assets less current liabilities		301,276,077	289,660,087
Creditors			
Amounts falling due after more than one year	16	(324,625)	(1,648,050)
Pension liability	19	<u>(196,700)</u>	<u>(619,500)</u>
Net assets		<u><u>300,754,752</u></u>	<u><u>287,392,537</u></u>
Capital and reserves			
Called up share capital	17	13,455,679	13,455,679
Share premium	18	35,968,626	35,968,626
Capital redemption reserve	18	415,000	415,000
Other reserves	18	12,692,319	6,935,883
Retained earnings	18	<u>238,223,128</u>	<u>230,617,349</u>
Shareholders' funds		<u><u>300,754,752</u></u>	<u><u>287,392,537</u></u>

The Company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 December 2023.

The members have not required the Company to obtain an audit of its financial statements for the year ended 31 December 2023 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

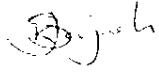
- ensuring that the Company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and
- preparing financial statements which give a true and fair view of the state of affairs of the Company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the Company.

The notes on pages 15 to 32 form part of these financial statements

PA Holdings Limited (Registered number: 02235016)

**Statement of Financial Position - continued
31 December 2023**

The financial statements were approved by the Board of Directors and authorised for issue on 28 June 2024 and were signed on its behalf by:

A handwritten signature in black ink, appearing to read 'K Januah', is positioned above the name of the director.

K Januah - Director

The notes on pages 15 to 32 form part of these financial statements

PA Holdings Limited

Statement of Changes in Equity
for the Year Ended 31 December 2023

	Called up share capital £	Retained earnings £	Share premium £
Balance at 1 January 2022	13,455,679	212,641,621	35,968,626
Profit for the year	-	18,091,200	-
Total comprehensive income	-	18,091,200	-
Balance at 31 December 2022	13,455,679	230,732,821	35,968,626
Prior year adjustment	-	(115,472)	-
As restated	13,455,679	230,617,349	35,968,626
Profit for the year	-	7,609,179	-
Other comprehensive income	-	(3,400)	-
Total comprehensive income	-	7,605,779	-
Balance at 31 December 2023	13,455,679	238,223,128	35,968,626
	Capital redemption reserve £	Other reserves £	Total equity £
Balance at 1 January 2022	415,000	3,832,634	266,313,560
Profit for the year	-	-	18,091,200
Total comprehensive income	-	-	18,091,200
Share based payment transactions	-	3,103,249	3,103,249
Balance at 31 December 2022	415,000	6,935,883	287,508,009
Prior year adjustment	-	-	(115,472)
As restated	415,000	6,935,883	287,392,537
Profit for the year	-	-	7,609,179
Other comprehensive income	-	-	(3,400)
Total comprehensive income	-	-	7,605,779
Share based payment transactions	-	5,756,436	5,756,436
Balance at 31 December 2023	415,000	12,692,319	300,754,752

The notes on pages 15 to 32 form part of these financial statements

PA Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2023

1. Statutory information

PA Holdings Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

2. Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The principal accounting policies used in preparing these financial statements are set out below. These policies have been consistently applied to all the years presented in dealing with items that are considered material in relation to the financial statements.

3. Accounting policies

Basis of preparing the financial statements

The financial statements have been prepared in accordance with the Companies Act 2006 and applicable United Kingdom accounting standards.

The financial statements have been prepared on the going concern basis of accounting under the historical cost convention.

Going concern

PA Holdings Limited is a subsidiary of PA Consulting Group Limited (the "Group"). The Company heads up the operational PA Group, and has access to substantially all of the resources available to the wider group, with the exception of the debt funding.

Having considered the financial position, trading performance and forecast cash flows, along with the principal risks of the business, of the Company and wider PA Group, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future.

As described in the Group Annual Report the Directors have taken into account short and mid-term trading and cash forecasts, covering the period to December 2025, potential global or economic impacts on the numbers included in those forecasts and the availability of funding sources for the Group. The base forecast used as part of the review is founded from the board-approved 2024 budget, with extrapolation at growth rates deemed achievable for the 12 months after this. In creating the budget, consideration has been given to the shape and size of the workforce required to service anticipated demand and rates of utilisation achievable in the current economic climate, potential impact on demand from the UK general election, continued inflationary impacts on the more volatile cost base components, such as utilities, and have assumed financing rates remain towards the top end of the rates experienced in 2023. The forecast shows operating cashflow to be strong throughout the review period.

The directors have also assessed the tolerance of the cash flows to adverse impacts on these assumptions for the key financial performance drivers. These are considered in the review period to be the risk of client demand dropping through continued pressure on discretionary spend in parallel with the UK post-election government tightening the public spending policy on professional services and continued wage inflation above budgeted rates. The downside case, incorporating a combination of significant revenue reduction and employment cost increase, demonstrated that the Group's business model is sufficiently robust and has excess liquidity headroom to absorb a sizeable and sustained downturn. Other global events have been considered as part of the review, principally the on-going Israel-Gaza conflict, but these are not considered by the directors to create a significant risk of impact for the Group's operations.

On the basis of the Group's forecast position, and from the outcome of the downside scenario, the directors are satisfied that the Company's business model is robust and flexible. The directors are further satisfied that the Company has sufficient resources and liquidity to continue to trade for the foreseeable future and conclude that there are no significant doubts about the Company's ability to continue as a going concern.

PA Holdings Limited

Notes to the Financial Statements - continued for the Year Ended 31 December 2023

3. Accounting policies - continued

Financial Reporting Standard 102 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirement of paragraph 3.17(d);
- the requirements of paragraphs 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of paragraphs 12.26, 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- the requirement of paragraph 33.7.

Preparation of consolidated financial statements

The financial statements contain information about PA Holdings Limited as an individual Company and do not contain consolidated financial information as the parent of a group. The Company is exempt under Section 400 of the Companies Act 2006 from the requirements to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its parent, PA Consulting Group Limited, 10 Bressenden Place, London, SW1E 5DN.

Related party exemption

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 not to disclose related party transactions with wholly owned subsidiaries within the PA Consulting Group Limited group.

PA Holdings Limited

Notes to the Financial Statements - continued for the Year Ended 31 December 2023

3. Accounting policies - continued

Critical accounting judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions in the application of accounting policies that affect reported amounts of assets and liabilities, income and expenses. The Company bases its estimates and judgements on historical experience and other factors deemed reasonable under the circumstances, including any expectations of future events. Actual results may differ from these estimates. The estimates and judgements considered to be significant are detailed below:

Taxation

Judgement is required when determining the provision for taxes as the tax treatment of some transactions cannot be finally determined until a formal resolution has been reached with the tax authorities. Assumptions are made around the level of disallowable expenses, and provisions are also made for uncertain exposures; this affects the tax calculation and can have an impact on both deferred and current tax. Tax assets are not recognised unless it is probable that the benefit will be realised. The final resolution of these transactions may give rise to adjustments to the income statement and/or cash flow in future periods. The Group reviews each significant tax asset or liability each period to assess the appropriate accounting treatment.

Impairment of investments

Annually, the Company considers whether investments are impaired. This requires an estimation of the value-in-use of the underlying cash-generating units to which the investments relate. Value-in-use calculations require assumptions to be made regarding the expected future cash flows from the cash-generating unit and choice of suitable discount rate to calculate the present value of those cash-flows. If the actual cash flows are lower than estimated, impairments may be necessary.

Pension assets and liabilities

The present values of pension assets and liabilities are determined on an actuarial basis and depend on a number of actuarial assumptions that are disclosed in note 19. Any change in these assumptions will impact on the carrying amount of pension liabilities. Note 19 describes the key assumptions used in the accounting for retirement benefit obligations.

Share based payments

The Company provides benefits to certain senior personnel in the form of equity-settled share-based payment transactions, whereby employees render services in exchange for shares in PA Consulting Group Limited (the "Group").

Equity-settled share awards are recognised as an expense based on their fair value at date of grant. The fair value of equity-settled awards is estimated through the use of an option pricing model which requires inputs such as the share price, risk-free interest rate, expected dividends, expected volatility and the expected option life. While most of these inputs can be based to a certain extent on historical factual data for shares that are freely traded, as the Group's Management Equity Plan shares are not traded, alternative methods which are more judgemental are required to obtain certain of the input values, the most significant being the share price/equity value (derived from the Group's deemed enterprise value) and volatility.

The Group's equity value has been assessed using the recent acquisition price as an observable market transaction occurring in close proximity to the award grant date. In subsequent years, an estimation of equity value will be derived using third party expert valuations which rely on inputs such as management's performance forecasts and application of an appropriate discount factor. If these forecasts were overly aggressive or prudent, the resulting fair value and related share-based payment charge to be recognised could be higher or lower.

As there is insufficient historical share price data to calculate an appropriate company-specific volatility, an estimation, using a selection of comparable listed companies, is required. The choice of companies included and methodology adopted to calculate volatility can influence the volatility outcomes and in turn, the resulting fair value and related charge.

PA Holdings Limited

Notes to the Financial Statements - continued for the Year Ended 31 December 2023

3. Accounting policies - continued

The resulting cost recognised in profit/(loss) is based on applying the fair value to the number of awards expected to vest. As the only performance criteria is continued employment, the vesting judgement applied is in relation to the level of leavers (and therefore award lapses) expected during the vesting period. Should the level of lapses be different from the initial estimated level, the charge booked will be adjusted to reflect the actual lapse level which may lead to a higher or lower charge.

The input values used in the fair value model are included in the PA Consulting Group Limited annual report.

Turnover

All turnover recognised within PA Holdings Limited is received from PA Consulting Services Limited, a fellow group company, via recharges under the revenue sharing agreement.

Government grants

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grants will be received.

The Company has adopted the accrual model for the recognition of government grants.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs are recognised in profit or loss in the period in which they become receivable.

Investments in subsidiaries

Fixed asset investments are recognised initially at fair value which is normally the transaction price (but excludes any transaction costs, where the investment is subsequently measured at fair value through profit and loss). Subsequently, they are measured at fair value through profit and loss except for those equity investment that are not publicly traded and whose fair value cannot otherwise be measured reliably which are recognised at cost less impairment until a reliable measure of fair value becomes available.

If a reliable measure of fair value is no longer available, the equity investment's fair value on the last date the instrument was reliably measurable is treated as the cost of the instrument.

The carrying value of fixed asset investments are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. The value in use method is used to value the investment.

Financial instruments

Trade receivables and other receivables do not carry interest and are stated at amortised cost net of any provisions.

Trade and other payables are not interest bearing and are stated at amortised cost.

Tax

Taxation for the year comprises current and deferred tax.

Current tax

The current tax charge/credit represents an estimate of the amounts payable/receivable to tax authorities in respect of the Company's taxable profit and is based on an interpretation of existing tax laws. Taxable profit differs from profit before tax as reported in the income statement as it excludes certain items of income and expense that are taxable or deductible in other years or are never taxable or deductible.

PA Holdings Limited

Notes to the Financial Statements - continued for the Year Ended 31 December 2023

3. Accounting policies - continued

Deferred tax

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial purposes and the amounts used for taxation purposes.

- Deferred tax assets are recognised only to the extent that the directors consider that it is probable that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.
- Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted, or substantively enacted, at the balance sheet date.
- Deferred tax assets and liabilities are offset against each other where there is a legally enforceable right to set off current taxation assets against current taxation liabilities and it is the intention to settle these on a net basis.

Foreign currencies

(a) Functional and presentation currency

The functional currency of the Company is the currency of the primary economic environment in which it operates. The financial statements are presented in sterling, which is the Company's functional and presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at rates ruling at the statement of financial position date. Such exchange differences are included in the profit and loss account under other administrative expenses. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the date of the initial transactions.

Pension costs and other post-retirement benefits

Defined benefit pension obligation

The cost of providing benefits under the defined benefit plans is determined separately for each plan using the projected unit credit method, which attributes entitlement to benefits to the current period (to determine current service cost) and to the current and prior periods (to determine the present value of defined benefit obligations), and is based on actuarial advice. When a settlement, amendment or a curtailment occurs, the change in the present value of the scheme liabilities and the fair value of the plan assets reflects the gain or loss that is recognised in the income statement during the period in which it occurs.

The net interest element is determined by multiplying the net defined benefit liability by the discount rate at the start of the period, and taking into account any changes in the net defined benefit liability during the period as a result of contribution and benefit payments. The net interest is recognised in profit or loss as other finance revenue or cost.

Remeasurements, comprising actuarial gains and losses, the effect of the asset ceiling and the return on the net defined benefit liability (excluding amounts included in net interest) are recognised immediately in other comprehensive income in the period in which they occur. Remeasurements are not reclassified to the income statement in subsequent periods.

The defined net benefit pension asset or liability in the statement of financial position comprises the total for each plan of the present value of the defined benefit obligation (using a discount rate based on high-quality corporate bonds) less the fair value of plan assets out of which the obligations are to be settled directly. Fair value is based on market price information and in the case of quoted securities is the published bid price. The value of a net pension benefit asset is limited to the amount that may be recovered either through reduced contributions or agreed refunds from the scheme.

PA Holdings Limited

Notes to the Financial Statements - continued for the Year Ended 31 December 2023

3. Accounting policies - continued

Defined contribution pension obligation

Contributions to defined contribution schemes are recognised in the income statement in the period in which they become payable.

Share based payments

The Company provides benefits to certain senior personnel in the form of equity-settled share-based payment transactions, whereby employees render services in exchange for shares in PA Consulting Group Limited.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight line basis over the vesting period (the expense being recorded within the Company's employment costs together with a corresponding capital contribution from PA Consulting Group Limited recorded in other reserves), based on the estimate of the number of equity instruments that will eventually vest. At each reporting date, the estimate of the number of equity instruments expected to vest as a result of the effect of service or non-market-based vesting conditions is revised. The impact of the revision of the original estimates, if any, is recognised in employment costs in the income statement such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to reserves.

The cumulative capital contributions from PA Consulting Group Limited are recorded in the other reserve.

Details of the share-based payment arrangements are disclosed in the annual report of PA Consulting Group Limited.

Exceptional items

Items are disclosed as exceptional if by virtue of their size or nature they distort the underlying trading performance.

Interest income and expense

Interest income and expense is accrued on a time basis by reference to the principal outstanding and at the effective interest rate applicable.

Cash

Cash includes cash in hand, deposits held with banks, other short-term deposits and other liquid investments accessible within 24 hours without penalty.

Provisions

The Company recognises a provision when it has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefit will be required to settle that obligation. Provisions are measured at the directors' best estimate of the expenditure required to settle the obligation at the statement of financial position date.

Share capital

Ordinary shares are classified as equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments are measured at the fair value of the cash or other proceeds received or receivable, net of direct issue costs, with the nominal value of the instrument credited to share capital and the excess to the share premium account.

Dividends

Dividend distribution to the Company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

PA Holdings Limited

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2023**

4. Turnover

The turnover and profit before taxation are attributable to the one principal activity of the Company.

An analysis of turnover by class of business is given below:

	2023 £	2022 £
Rendering of services	<u>411,177,005</u>	<u>409,895,573</u>
	<u><u>411,177,005</u></u>	<u><u>409,895,573</u></u>

All revenue is derived from the rendering of services to PA Consulting Services Limited, a subsidiary of the Company.

5. Employees and directors

The aggregate payroll costs (including directors' remuneration) were as follows:

	2023 £	2022 £
Wages and salaries	310,762,662	310,341,887
Social security costs	31,427,088	29,181,452
Pension costs for the defined contribution scheme	18,809,185	17,539,097
Share-based payment expenses	5,756,436	3,103,248
Other employee expense	<u>25,511,084</u>	<u>22,419,440</u>
	<u><u>392,266,455</u></u>	<u><u>382,585,124</u></u>

The average number of persons employed by the Company (including directors) during the year, analysed by category was as follows:

	2023 No.	2022 No.
Consultants	2,639	2,615
Administration and support	<u>595</u>	<u>604</u>
	<u><u>3,234</u></u>	<u><u>3,219</u></u>

6. Directors' emoluments

	2023 £	2022 £
Directors' remuneration	1,454,054	1,890,161
Directors' pension contributions to money purchase schemes	<u>12,824</u>	<u>12,270</u>

The number of directors to whom retirement benefits were accruing was as follows:

Defined benefit schemes	<u><u>1</u></u>	<u><u>1</u></u>
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PA Holdings Limited

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2023**

6. Directors' emoluments - continued

Information regarding the highest paid director is as follows:

	2023	2022
	£	£
Emoluments etc	<u>721,604</u>	<u>521,561</u>

The emoluments of all of the directors of the Company are disclosed above including emoluments paid by other PA Group undertakings. The directors perform duties for multiple entities in the PA Group. There is no allocation of their compensation between group entities as it is impractical to do so.

7. Operating profit

The operating profit is stated after charging/(crediting):

	2023	2022
	£	as restated £
Foreign exchange differences	<u>(53,350)</u>	<u>128,858</u>

8. Exceptional costs

		2023	2022
	Note	£	£
Pension adviser fees	8.1	109,045	123,106
Restructuring	8.2	6,076,803	-
Defined benefit pension scheme historic service	8.3		(399,000)
Acquisition-related charge	8.4	-	41,422
Business closure costs	8.5	<u>-</u>	<u>143,957</u>
		<u>6,185,848</u>	<u>(90,495)</u>

(1) These costs were professional fees associated with the winding-up of the PA Pension Scheme.

(2) These costs relate to restructuring plans executed during the year.

(3) Following the Lloyds case ruling in November 2020, this is a reduction to the estimated cost of the additional uplift required for the equalisation of guaranteed minimum pension for historic transfers out of the PA Pension Scheme.

(4) These costs relate to professional fees in relation to the Design Partners Ltd acquisition, offset by the final true-up to consideration accounted for as employment costs in relation to historical acquisitions made by the Company.

(5) These costs relate to the closure of businesses driven by the PA Group simplification initiative in the year.

9. Net interest payable and similar items

	2023	2022
	£	£
Interest on defined benefit pension arrangement	23,800	19,000
Interest payable on amounts owed to group undertakings	4,767,525	2,153,093
Interest income on bank deposits	<u>(64,082)</u>	<u>(3,413)</u>
	<u>4,727,243</u>	<u>2,168,680</u>

PA Holdings Limited

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2023**

10. Taxation

Analysis of the tax charge

The tax charge on the profit for the year was as follows:

	2023	2022 as restated
	£	£
Current tax:		
UK corporation tax	1,572,162	2,068,708
UK corporation tax adjustment to prior periods	<u>(34,696)</u>	<u>(65,253)</u>
Total current tax	<u>1,537,466</u>	<u>2,003,455</u>
Deferred tax:		
Deferred tax adjustment relating to previous years	(48,259)	453,732
Arising from origination and reversal of timing differences	<u>2,748,063</u>	<u>3,127,219</u>
Total deferred tax	<u>2,699,804</u>	<u>3,580,951</u>
Tax on profit	<u>4,237,270</u>	<u>5,584,406</u>

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2023	2022 as restated
	£	£
Profit before tax	<u>11,846,449</u>	<u>23,560,134</u>
Profit multiplied by the standard rate of corporation tax in the UK of 23.500% (2022 - 19%)	2,783,916	4,476,425
Effects of:		
Expenses not deductible for tax purposes	1,536,309	611,558
Adjustments to tax charge in respect of previous periods	(82,955)	388,479
Deferred tax rate difference	<u>-</u>	<u>107,944</u>
Total tax charge	<u>4,237,270</u>	<u>5,584,406</u>

Tax effects relating to effects of other comprehensive income

	2023	
	Gross	Net
	£	£
Net loss on defined benefit pension	<u>(3,400)</u>	<u>(3,400)</u>

PA Holdings Limited

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2023**

10. Taxation - continued

Deferred tax

Deferred tax assets and liabilities

	Asset 2023 £	Asset 2022 £
Accelerated capital allowances	4,361	7,331
Recognition of tax losses	<u>9,806,775</u>	<u>12,503,042</u>
	<u>9,811,136</u>	<u>12,510,373</u>

As at 31 December 2023 there are unrecognised tax losses of £nil (2022: £nil).

Factors that may affect future tax charges

The Finance Act 2021 confirmed an increase of UK corporation tax rate from 19 per cent to 25 per cent with effect from 1 April 2023. Temporary differences have been measured using the enacted tax rates that are expected to apply when the liability is settled or the asset realised.

11. Prior year adjustment

In 2022, the deferred consideration for shareholders relating to the Design Partners Limited acquisition was recognised as employment costs in the acquired entity. This area of judgement was revisited in 2023 and has now been categorised as deferred consideration. As such, the 2022 comparative figures have been restated accordingly.

The impact of this adjustment on the 2022 figures was to increase investments in subsidiaries by £2,768,128, and increase current and non-current liabilities by £1,441,800 each. The adjustment decreased profit for 2022 by £115,472 due to foreign exchange losses.

12. Investments in subsidiaries

	Shares in group undertakings £
Cost	
At 1 January 2023	
and 31 December 2023	<u>326,397,407</u>
Net book value	
At 31 December 2023	<u>326,397,407</u>
At 31 December 2022	<u>326,397,407</u>

PA Holdings Limited

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2023**

12. Investments in subsidiaries - continued

Subsidiary undertakings

The subsidiary undertakings as at 31 December 2023 are shown below. All are wholly owned either directly or indirectly by the Company unless otherwise stated. All subsidiaries prepare accounts up to 31 December each year except for PA Consulting Services (India) Private Limited which prepares accounts up to 31 March.

Directly held

Name	Country	Registered office address	Class of share held
PA Consulting Services Limited	United Kingdom	10 Bressenden Place, London, SW1E 5DN	Ordinary
PA Consulting Government Services Limited	United Kingdom	10 Bressenden Place, London, SW1E 5DN	Ordinary
Nyras Limited	United Kingdom	10 Bressenden Place, London, SW1E 5DN	Ordinary
PA Knowledge Limited	United Kingdom	10 Bressenden Place, London, SW1E 5DN	Ordinary
7 Safe Limited	United Kingdom	10 Bressenden Place, London, SW1E 5DN	Ordinary
PA Perfect Cost Grid Limited	United Kingdom	10 Bressenden Place, London, SW1E 5DN	Ordinary
PA International Consulting Group Limited	United Kingdom	10 Bressenden Place, London, SW1E 5DN	Ordinary
Sparkler Limited	United Kingdom	3rd Floor, 58-60 Berners Street, London, W1T 3NQ	Founder shares, growth shares and ordinary shares
We Are Friday Limited	United Kingdom	50 Farringdon Road, London, EC1M 3HE	Ordinary
PA Consulting Design Partners Limited	Ireland	IDA Business Park, Southern Cross Road, Bray. Co. Wicklow, Ireland	Ordinary
PA Consulting Mexico Services S.A.de C.V.	Mexico	Torre Mayor, Paseo de la Reforma, No. 505, Piso 2, Col. Cuauhtemoc, 06500 Mexico City	Ordinary
The PA Foundation	United Kingdom	10 Bressenden Place, London, SW1E 5DN	Company limited by guarantee; PA Holdings Limited guarantee of £1

Indirectly held

Name	Country	Registered office address	Class of share held
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PA Holdings Limited

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2023**

12. Investments in subsidiaries - continued

<u>PA Consulting Group A/S Limited</u>	<u>Denmark</u>	<u>Portland Towers, Goteborg Plads 1, K-1250 Copenhagen</u>	<u>Ordinary</u>
<u>PA Consulting Holdings ApS</u>	<u>Denmark</u>	<u>Portland Towers, Goteborg Plads 1, K-1250 Copenhagen</u>	<u>Ordinary</u>
<u>PA Consulting Group GmbH</u>	<u>Germany</u>	<u>An der Welle 3, 60322 Frankfurt</u>	<u>Ordinary</u>
<u>PA Consulting Group Limited</u>	<u>Hong Kong</u>	<u>Suite 1106-8, 11/F, Tai Yau Building, No. 181 Johnston Road, Wanchai</u>	<u>Ordinary</u>
<u>PA Consulting Services (India) Private Limited</u>	<u>India</u>	<u>4A & 4B Gold Nest, Wind Tunnell Road, Murugeshpalya, Bangalore 560017</u>	<u>Ordinary</u>
<u>PA Consulting, S.de R.L. de C.V.</u>	<u>Mexico</u>	<u>Torre Mayor, Paseo de la Reforma, No. 505, Piso 2, Col. Cuauhtemoc, 06500 Mexico City</u>	<u>Quota</u>
<u>PA Consulting Services BV</u>	<u>Netherlands</u>	<u>Gebouw B, Papendorpseweg 97, 3528 BJ Utrecht</u>	<u>Ordinary</u>
<u>PA International Holdings BV</u>	<u>Netherlands</u>	<u>Gebouw B, Papendorpseweg 97, 3528 BJ Utrecht</u>	<u>Ordinary</u>
<u>PA Consulting Group BV</u>	<u>Netherlands</u>	<u>Gebouw B, Papendorpseweg 97, 3528 BJ Utrecht</u>	<u>Ordinary</u>
<u>PA Holdings BV</u>	<u>Netherlands</u>	<u>Gebouw B, Papendorpseweg 97, 3528 BJ Utrecht</u>	<u>Ordinary</u>
<u>PA Consulting Group Limited</u>	<u>New Zealand</u>	<u>BDO Auckland, Level 4, BDO Centre, 4 Graham Street, Auckland Central 1010</u>	<u>Ordinary</u>
<u>PA Consulting Group AS</u>	<u>Norway</u>	<u>Verkstedveien 1, PO Boc 150, Skoyen, 0277 Oslo</u>	<u>Ordinary</u>
<u>PA Consulting Group (Qatar) LLC (1)</u>	<u>Qatar</u>	<u>Level 14, Commercial Bank Plaza, West Bay, Doha</u>	<u>Ordinary</u>
<u>PA Consulting Group AB</u>	<u>Sweden</u>	<u>Jakobsbergsgaten 17, 111 44 Stockholm</u>	<u>Ordinary</u>
<u>Nyras Capital LLP</u>	<u>United Kingdom</u>	<u>10 Bressenden Place, London, SW1E 5DN</u>	<u>Ordinary</u>
<u>PA Finance Limited</u>	<u>United Kingdom</u>	<u>10 Bressenden Place, London, SW1E 5DN</u>	<u>Ordinary</u>
<u>PA Group Treasury Services Limited</u>	<u>United Kingdom</u>	<u>10 Bressenden Place, London, SW1E 5DN</u>	<u>Ordinary</u>
<u>PA Middle East Limited</u>	<u>United Kingdom</u>	<u>10 Bressenden Place, London, SW1E 5DN</u>	<u>Ordinary</u>

PA Holdings Limited

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2023**

12. Investments in subsidiaries - continued

<u>PA Netherlands Treasury Services Limited</u>	<u>United Kingdom</u>	<u>10 Bressenden Place, London, SW1E 5DN</u>	<u>Ordinary</u>
<u>PA Overseas Holdings Limited</u>	<u>United Kingdom</u>	<u>10 Bressenden Place, London, SW1E 5DN</u>	<u>Ordinary</u>
<u>PA Technology Solutions Limited</u>	<u>United Kingdom</u>	<u>10 Bressenden Place, London, SW1E 5DN</u>	<u>Ordinary</u>
<u>PA Treasury Services (US) Limited</u>	<u>United Kingdom</u>	<u>10 Bressenden Place, London, SW1E 5DN</u>	<u>Ordinary</u>
<u>PA Pension Trustees Limited</u>	<u>United Kingdom</u>	<u>10 Bressenden Place, London, SW1E 5DN</u>	<u>Ordinary</u>
<u>PA Pension Trustees Two Limited (2)</u>	<u>United Kingdom</u>	<u>10 Bressenden Place, London, SW1E 5DN</u>	<u>Ordinary</u>
<u>PA Consulting Group Inc.</u>	<u>USA</u>	<u>Suite 903, 55 Cambridge Parkway, Cambridge, MA 02142</u>	<u>Common and preference</u>
<u>PA US Holdings Inc.</u>	<u>USA</u>	<u>Suite 903, 55 Cambridge Parkway, Cambridge, MA 02142</u>	<u>Common and preference</u>
<u>Essential Inc.</u>	<u>USA</u>	<u>143 South Street, 6th Floor, Boston, MA 02111</u>	<u>Common</u>
<u>Cooper Perkins Inc.</u>	<u>USA</u>	<u>10 Maguire Road, Building 4, Lexington MA 02421</u>	<u>Common stock of no-par value</u>
<u>The Cambridge Group LLC</u>	<u>USA</u>	<u>850 New Burton Road, Suite 201, Dover, DE 19904, USA</u>	<u>Member interests</u>

(1) 49% holding in accordance with Qatar Commercial Companies Law.

(2) 48% owned by PA Consulting Services Limited, 52% owned by trustees.

13. Debtors

	2023 £	2022 £
Amounts falling due within one year:		
Amounts owed by group undertakings	25,145,626	30,560,268
Other debtors	29,566	-
VAT asset	32,097	9,314
Prepayments	159,760	148,272
	<u>25,367,049</u>	<u>30,717,854</u>
Amounts falling due after more than one year:		
Deferred tax	<u>9,811,136</u>	<u>12,510,373</u>
Aggregate amounts	<u>35,178,185</u>	<u>43,228,227</u>

PA Holdings Limited

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2023**

14. Cash at bank		2023	2022
		£	£
Cash at bank		<u>3,136,905</u>	<u>3,529,262</u>
15. Creditors: amounts falling due within one year		2023	2022
			as restated
		£	£
Trade creditors		27	9,372
Amounts owed to group undertakings		54,949,547	76,980,708
Corporation tax liability		6,359,531	4,821,497
Deferred income		64,925	51,563
Other creditors		561,960	-
Deferred consideration on acquisition of subsidiaries		1,416,142	1,441,800
Accrued expenses		<u>84,288</u>	<u>189,869</u>
		<u>63,436,420</u>	<u>83,494,809</u>
16. Creditors: amounts falling due after more than one year		2023	2022
			as restated
		£	£
Deferred consideration on acquisition of subsidiaries		-	1,441,800
Deferred income		<u>324,625</u>	<u>206,250</u>
		<u>324,625</u>	<u>1,648,050</u>

Deferred income relates to government grants received and released to the Income Statement over the periods the grant is intended to compensate, ending 31 December 2029. An initial grant of £202,500 was received in 2019. A further grant of £262,500 was received in 2021, and another grant of £142,500 was received in 2023.

17. Called up share capital			2023	2022
Allotted, issued and fully paid:				
Number:	Class:	Nominal value:		
			£	£
134,556,790	Ordinary shares	£0.10	<u>13,455,679</u>	<u>13,455,679</u>

18. Reserves

Share premium

This reserve records the amount above the nominal value received for shares sold, less transaction costs.

Capital redemption

This reserve is the result of the purchase of own shares and subsequent cancellation of those shares.

Other reserve

This reserve records the capital contribution from PA Consulting Group Limited as a result of share-based payments.

PA Holdings Limited

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2023**

19. Employee benefit obligations

PA Mirror Legacy Pension Scheme

The most recent actuarial funding valuation has been updated by Lane Clark & Peacock LLP, in order to assess the liabilities of the scheme at 31 December 2023, Scheme assets are stated at their market value at 31 December 2023.

The total credit relating to this defined benefit scheme for the year recognised in the income statement was £nil (2022: £399,000).

The amounts recognised in the balance sheet are as follows:

	Defined benefit pension plans	
	2023	2022
	£	£
Present value of funded obligations	(25,518,800)	(25,611,600)
Fair value of plan assets	<u>25,322,100</u>	<u>24,992,100</u>
	(196,700)	(619,500)
Present value of unfunded obligations	<u>-</u>	<u>-</u>
Deficit	<u>(196,700)</u>	<u>(619,500)</u>
Net liability	<u>(196,700)</u>	<u>(619,500)</u>

The amounts recognised in profit or loss are as follows:

	Defined benefit pension plans	
	2023	2022
	£	£
Current service cost	-	-
Net interest from net defined benefit asset/liability	23,800	18,500
Past service cost	<u>-</u>	<u>(399,000)</u>
	<u>23,800</u>	<u>(380,500)</u>
Actual return on plan assets	<u>-</u>	<u>-</u>

PA Holdings Limited

Notes to the Financial Statements - continued
for the Year Ended 31 December 2023

19. Employee benefit obligations - continued

Changes in the present value of the defined benefit obligation are as follows:

	Defined benefit pension plans	
	2023	2022
	£	£
Opening defined benefit obligation	25,611,600	36,917,700
Past service cost	-	(399,000)
Interest cost	1,210,300	686,800
Benefits paid	(1,899,300)	(1,490,300)
Remeasurements:		
Actuarial (gains)/losses from changes in demographic assumptions	(290,600)	(326,600)
Actuarial (gains)/losses from changes in financial assumptions	416,000	(11,861,100)
Experience losses	470,800	2,084,100
	<u>25,518,800</u>	<u>25,611,600</u>

Changes in the fair value of scheme assets are as follows:

	Defined benefit pension plans	
	2023	2022
	£	£
Opening fair value of scheme assets	24,992,100	35,917,700
Interest income	1,186,500	668,300
Contributions by employer	450,000	-
Benefits paid	(1,899,300)	(1,490,300)
Return on plan assets (excluding interest income)	592,800	(10,103,600)
	<u>25,322,100</u>	<u>24,992,100</u>

The amounts recognised in other comprehensive income are as follows:

	Defined benefit pension plans	
	2023	2022
	£	£
Actuarial (gains)/losses from changes in demographic assumptions	290,600	326,600
Actuarial (gains)/losses from changes in financial assumptions	(416,000)	11,861,100
Experience losses	(470,800)	(2,084,100)
Return on plan assets (excluding interest income)	592,800	(10,103,600)
	<u>(3,400)</u>	<u>-</u>

PA Holdings Limited

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2023**

19. Employee benefit obligations - continued

The major categories of scheme assets as amounts of total scheme assets are as follows:

	Defined benefit pension plans	
	2023	2022
	£	£
Buy-in insurance policy	<u>25,322,100</u>	<u>24,992,100</u>
	<u>25,322,100</u>	<u>24,992,100</u>

Return on scheme assets

	2023	2022
	£	£
Return on scheme assets	<u>711,450</u>	<u>(9,435,300)</u>

The pension scheme has not invested in any of the Company's own financial instruments or in properties or other assets used by the Company.

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages):

	2023	2022
Retail Price Inflation	3.20%	3.40%
CPI until 31 January 2030	2.20%	2.40%
CPI after 31 January 2030	3.10%	3.30%
Weighted average CPI	2.60%	2.80%
Discount rate	4.50%	4.90%
Pension increase rate RPI	3.20%	3.40%
Pension increase rate CPI	2.60%	2.80%

Post retirement mortality assumptions

	2023	2022
	Years	Years
Current UK pensioners at retirement age - male	28.4	28.7
Current UK pensioners at retirement age - female	31.1	31.2
Future UK pensioners at retirement age - male	29.7	29.9
Future UK pensioners at retirement age - female	32.3	32.6

Defined contribution scheme

The company operated a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the Company to the scheme and amounted to £18,809,185 (2022: £17,539,097).

PA Holdings Limited

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2023**

20. Parent and ultimate parent undertaking

The Company's immediate parent is PACG2 Limited, incorporated in England and Wales.

The ultimate controlling shareholder is Jacobs Solutions Inc. incorporated in United States of America.

The most senior parent entity producing publicly available financial statements is Jacobs Solutions Inc. These financial statements are available upon request from 1999 Bryan Street, Suite 1200, Dallas, TX 75201, USA.

The ultimate controlling party is Jacobs Solutions Inc.

Relationship between entity and parents

The parent of the largest group in which these financial statements are consolidated is Jacobs Solutions Inc. incorporated in the United States of America.

The address of Jacobs Solutions Inc is:
1999 Bryan Street, Suite 1200, Dallas, TX 75201, USA.

The parent of the smallest group in which these financial statements are consolidated is PA Consulting Group Limited, incorporated in England and Wales.

The address of PA Consulting Group Limited is:
10 Bressenden Place, London, SW1E 5DN.

21. Post balance sheet events

On 29 February 2024, the buy-in insurance policy in respect of the remaining members in the PA Mirror Legacy Pension Scheme was converted into individual policies in the members' names with Pension Insurance Corporation plc (PIC), the insurer, resulting in the pension liabilities being transferred from the Scheme to PIC.

This was treated as a settlement of benefits from the PA Mirror Legacy Pension Scheme, converting the PA Mirror Legacy Pension Scheme to a buy-out status. The estimated liability of £0.2 million in relation to potential top-ups in respect of GMP equalisation for members who transferred out of the PA Pension Scheme prior to the purchase of the original buy-in policy on 14 June 2018, will be transferred to the Company. There is no impact expected on the balance sheet from either of these events as the Company held no net asset or liability in relation to the PA Mirror Legacy Pension Scheme and will retain the GMP equalisation liability within the Company.