

PA Consulting Services Limited

Annual Report and Financial Statements

**for the year ended
31 December 2013**

Registration number: 00414220

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The following do not form part of the audited financial statements:

Directors and advisers	29
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Strategic Report

Strategic Report for the year ended 31 December 2013

Business review In what was a difficult economic climate, the Company delivered acceptable financial results for the year to 31 December 2013, with operating profit increasing by £0.6m (2012: £9.5m) due to a 15% (2012: 20%) increase in turnover to £334.5m (2012: £291.3m). Retained profit after tax for the year was £11.9m (2012: £10.9m).

Principal risks and uncertainties The Company is a member of the PA Consulting Group of Companies ("the Group"), which is managed in sectors and groups. Business performance and principal risks and uncertainties of the Company are integrated with the performance and principal risks and uncertainties 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 principal risks and uncertainties facing it can be found in the PA Consulting Group Limited Annual Report for 2013.

Future developments In 2014 we continue to have a strong balance sheet and a healthy stock of work which gives the directors confidence that the Company can continue to deliver a good business performance in the new financial year.

Approved by the board on 16/7/14 and signed on its behalf by:



M Gordon
Director

PA Consulting Services Limited

Directors' report

Directors' report for the year ended 31 December 2013

The directors present their annual report and the audited financial statements of the company for the year ended 31 December 2013.

Principal activity	The principal activity of the Company is the provision of a range of consultancy services to government and industry. The Company is based in the United Kingdom with branches in the Republic of Ireland and Dubai.
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Results and dividends	The Company's profit for the financial year was £11.9m (2012: profit of £10.9m). The directors consider that the result for the year and the financial position at the end of the year were satisfactory.
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The directors do not recommend the payment of a dividend.

Research and development	PA is committed to new knowledge creation through the provision of research and development for clients and through investing in projects internally. The Company will continue its policy of investment in research and development in order to retain a competitive position in the market.
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Branches outside the United Kingdom	The Company operates branches in the Republic of Ireland and Dubai.
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Going concern	After making reasonable enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly they continue to adopt the going concern basis in preparing the financial statements.
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Supplier payment practice	The Company does not follow any specified code or standard on payment practice. However, the Company's policy is to agree payment terms when first contracting with each supplier and pay invoices in line with those terms, subject to the other terms and conditions for the supply of goods or services being met by the supplier. PA's payment terms are specified in individual contracts agreed with the supplier.
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The amount owed to trade creditors by the Company at 31 December 2013 was equivalent to 20 days purchases (2012: 15 days) as calculated with reference to the total amount invoiced by suppliers during the financial year.

Directors' report

Directors' report for the year ended 31 December 2013 (continued)

Directors	<p>The directors who held office during the year and up to the date of approving this report were as follows:</p> <p>C Barrett</p> <p>M Gordon (appointed 25 July 2013)</p> <p>K Janjua</p> <p>A Middleton</p> <p>J Moynihan (resigned 31 December 2013)</p> <p>D Vickerstaffe</p>
Directors' indemnity and insurance	<p>In accordance with the Articles of Association, PA Consulting Group Limited 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. PA Consulting Group Limited 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.</p>
Statement of directors' responsibilities	<p>The directors are responsible for preparing the Strategic report, the Directors' report and the financial statements in accordance with applicable law and regulations.</p> <p>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). 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:</p> <ul style="list-style-type: none">• select suitable accounting policies and 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. <p>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.</p>

Directors' report

Directors' report for the year ended 31 December 2013 (continued)

**Disclosure of
information to the
auditors**

Each director has taken such steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information. Each director, as far as they are aware, confirms there is no relevant audit information of which the Company's auditor is unaware.

**Reappointment of
auditors**

The auditors Ernst & Young LLP are deemed to be reappointed under section 487(2) of the Companies Act 2006.

Laying of accounts

In accordance with the Companies Act 2006, the Company is not required to lay its accounts before the members in a general meeting. Members, however, may by notice in writing to the Company at its registered office require that accounts are laid before the members in general meeting.

Approved by the Board on 16/7/14 and signed on its behalf by:



M Gordon
Director

PA Consulting Services Limited

Independent auditor's report

Independent auditor's report to the members of PA Consulting Services Limited

We have audited the financial statements of PA Consulting Services Limited for the year ended 31 December 2013, which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet and the related notes 1 to 21. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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.

Respective responsibilities of directors and auditor

As explained more fully in the Statement of directors' responsibilities, set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Annual Report and Financial Statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Independent auditor's report

Independent auditor's report to the members of PA Consulting Services Limited (continued)

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2013 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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

Ernst & Young LLP

.....
Tony McCartney (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor

Date: 22/7/14.
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Profit and loss account

Profit and loss account for the year ended 31 December 2013

	Note	2013 £'000	2012 £'000
Turnover	2	334,520	291,331
Administrative expenses		(319,469)	(277,194)
Other operating income		2,011	2,277
Operating profit	3	<u>17,062</u>	<u>16,414</u>
Profit on ordinary activities before investment income and interest		17,062	16,414
Interest receivable	5	246	98
Interest payable	6	<u>(47)</u>	<u>(66)</u>
Profit on ordinary activities before taxation		17,261	16,446
Tax on profit on ordinary activities	7	<u>(5,353)</u>	<u>(5,573)</u>
Profit for the financial year		<u><u>11,908</u></u>	<u><u>10,873</u></u>

All amounts above relate to continuing operations and are generated in the UK.

Statement of total recognised gains and losses

Statement of total recognised gains and losses for the year ended 31 December 2013

	Note	2013 £'000	2012 £'000
Profit for the financial year		11,908	10,873
Foreign currency translation differences		37	-
Total recognised gains and losses relating to the year		<u>11,945</u>	<u>10,873</u>
Total recognised gains and losses since last annual report		<u>11,945</u>	<u>10,873</u>

Balance sheet

Balance sheet at 31 December 2013

	Note	2013 £'000	2012 £'000
Fixed assets			
Intangible fixed assets	8	10,024	15,254
Tangible fixed assets	9	14,572	15,712
Investments	10	1	1
		<u>24,597</u>	<u>30,967</u>
Current assets			
Debtors	11	119,369	99,889
Cash at bank and in hand		1,391	1,513
		<u>120,760</u>	<u>101,402</u>
Creditors: Amounts falling due within one year	12	(63,076)	(60,980)
Net current assets		<u>57,684</u>	<u>40,422</u>
Total assets less current liabilities		82,281	71,389
Creditors: Amounts falling due after more than one year	13	(19,486)	(19,185)
Provisions for liabilities	14	(3,116)	(4,470)
Net assets		<u>59,679</u>	<u>47,734</u>
Capital and reserves			
Called up share capital	15	200	200
Profit and loss account	17	59,479	47,534
Equity shareholders' funds	16	<u>59,679</u>	<u>47,734</u>

The financial statements were approved by the Board on 16/7/14 and signed on its behalf by:



 M Gordon
 Director

PA Consulting Services Limited
Registration number: 00414220

Notes to the financial statements

Principal accounting policies 1

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

The preparation of the financial statements requires the development of estimates and judgements that affect the reported amount of assets and liabilities, revenues and costs and related disclosure of contingent assets and liabilities at the date of the financial statements. Actual results may differ from these estimates under different assumptions or conditions.

Basis of preparation 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 accruals basis of accounting under the going concern basis and the historic cost convention.

The financial statements contain information about PA Consulting Services Limited as an individual company and do not contain consolidated financial information. The Company has taken advantage of the exemption under section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its ultimate parent company, PA Consulting Group Limited, which are publicly available.

Turnover Turnover represents the fair value of the consideration received or receivable for consulting services on each client assignment provided during the year, including expenses and disbursements but excluding discounts, value added tax and other similar sales taxes. Expenses and disbursements include mileage, accommodation, materials and subcontractor fees.

Turnover from time and materials contracts is recognised as the services are provided on the basis of time worked at an hourly or daily rate and as direct expenses are incurred.

Turnover from fixed price long-term contracts is recognised over the contract term based on the stage of completion of each assignment as at the balance sheet date compared to the total estimated services to be provided over the entire contract.

Turnover in respect of contingent fee assignments (over and above any agreed minimum fee) is only recognised when the contingent event occurs and collectability of the fee is assured.

No turnover is recognised if there are significant uncertainties regarding recovery of the consideration due or associated costs. An expected loss on a contract is recognised immediately in the profit and loss account.

The gross amount invoiced to clients is separately disclosed within debtors as trade debtors. Unbilled turnover on individual client assignments is included as accrued income within debtors. Where billings exceed turnover on client assignments the excess is classified as payments on account within creditors.

Notes to the financial statements

Amortisation Intangible fixed assets are stated in the balance sheet at cost less accumulated amortisation and impairment.

Amortisation is provided on intangible fixed assets so as to write off the cost, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Amortisation method and rate
Licences	Straight-line basis up to a maximum of 10 years

Depreciation Tangible fixed assets are stated in the balance sheet at cost less accumulated depreciation and impairment. Cost comprises purchase price after discounts and rebates plus all directly attributable costs of bringing the asset to working condition for its intended use. Finance costs are not capitalised and are recognised as an expense when incurred. The carrying values of tangible fixed assets are reviewed for impairment when events or circumstances indicate that carrying values may not be recoverable.

Depreciation is calculated so as to write off the cost of tangible fixed assets, less their estimated residual values, on a straight-line basis over the expected useful economic lives of the assets concerned. Depreciation is charged on assets from the date in which they are brought into use. The principal annual rates used for this purpose are:

Asset class	Depreciation method and rate
Computer equipment	20 - 50% on cost
Motor vehicles	15 - 25% on cost
Office furniture, equipment and machinery	10 - 33% on cost
Freehold property	2 - 10% on cost
Leasehold property	Equal instalments over the remaining period of lease/economic life

Research and development Research and development expenditure is charged as administrative expenses to the profit and loss account in the year in which it is incurred.

Fixed asset investments In the Company's balance sheet, investments in subsidiaries are stated at cost less provision for impairment in value.

Notes to the financial statements

Taxation The tax charge comprises current tax payable and deferred tax.

(a) Current tax

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

(b) Deferred tax

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 is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date which will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exceptions:

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Provision is made for deferred tax that would arise on remittance of the retained earnings of overseas subsidiaries, associates and joint ventures only to the extent that, at the balance sheet date, dividends have been accrued as receivable.

Cash flow statement The Company is a wholly-owned subsidiary of PA Holdings Limited and is included in the consolidated financial statements of PA Consulting Group Limited, which are publicly available. Consequently, the Company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 1.

Notes to the financial statements

Foreign currency (a) Functional and presentation currency

The functional currency of the Company and its overseas branches is the currency of the primary economic environment in which each operates. These 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 dates of transactions. Monetary assets and liabilities denominated in foreign currencies are translated at rates ruling at the balance sheet 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 as at the dates of the initial transactions.

(c) Reporting

For the purpose of presenting financial statements, the results and financial position of overseas branches (none of which has the currency of a hyperinflationary economy) that have a functional currency other than sterling are translated into sterling as follows:

Assets and liabilities for each balance sheet are translated at the exchange rate at the balance sheet date;

Income and expenses for each profit and loss account are translated at the exchange rate ruling at the time of each period the transaction occurred;

All resulting exchange differences are taken directly to the profit and loss reserve via the Statement of Total Recognised Gains and Losses.

Hire purchase and leasing

Operating lease rentals are charged as other administrative expenses to the profit and loss account in equal annual amounts over the lease term. Assets leased under operating leases are not recorded on the balance sheet because the lessor retains a significant portion of the risks and rewards of ownership.

Operating lease income consists of rentals from sub-tenant agreements and are recognised on a straight line basis over the lease term and classified as other operating income in the profit and loss account.

Assets held for use in operating leases are included as a separate category in fixed assets at cost and depreciated over their useful life.

The benefit/cost of lease incentives such as rent-free periods or up-front cash payments are spread equally on a straight-line basis over the lease term or to the first break clause where applicable.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Where shares are issued, any component that creates a financial liability of the Company is presented as a liability in the balance sheet. The corresponding dividends relating to the liability component are charged as interest expense in the profit and loss account.

Notes to the financial statements

Provisions for liabilities The Company recognises a provision for restructuring costs and legal claims when it has a present obligation as a result of a past event and it is probable that the Company 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 balance sheet date.

Provision is made for onerous property lease commitments, after allowance for anticipated sublet rental income, and to restore premises to their original condition upon vacating them where such an obligation exists under the lease.

Notes to the financial statements

Turnover and segmental reporting 2

An analysis of turnover by geographical destination is given below:

	2013 £'000	2012 £'000
United Kingdom	306,754	273,829
Europe (excluding UK & Scandinavia)	14,630	8,918
Scandinavia	1,927	2,122
Americas	7,156	3,666
Asia Pacific	1,866	1,313
Middle East	2,187	1,296
Rest of the world	-	187
	<u>334,520</u>	<u>291,331</u>

An analysis of the profit before tax and net assets by geographic region is not provided as there is no suitable basis of allocating the profit before tax, assets and related liabilities to geographical segments because the Company's resources are utilised flexibly over all geographical segments.

The Company only has one business segment, which is consulting.

Operating profit 3

Operating profit is stated after charging/(crediting):

	2013 £'000	2012 £'000
Operating leases - plant and machinery	274	295
Operating leases - land and buildings	4,896	5,877
Foreign currency (gains)/losses	(290)	192
Loss on sale of tangible fixed assets	22	102
Depreciation of owned assets	4,195	3,571
Rent receivable	(2,011)	(2,277)
Amortisation of intangible assets	5,230	5,230
Auditor's remuneration	84	96

The Company has no employees and, therefore, no staff costs. PA Holdings Limited employs UK staff and invoices PA Consulting Services Limited for their services.

Notes to the financial statements

Directors' remuneration 4

The directors' remuneration for the year was as follows:

	2013 £'000	2012 £'000
Aggregate emoluments in respect of qualifying services	3,405	2,783
Aggregate amounts receivable under long-term incentive schemes	7	15
Contributions to defined contribution pension arrangements	43	37
Remuneration (including benefits in kind)	<u>3,455</u>	<u>2,835</u>

During the year the number of directors who were receiving benefits and share incentives was as follows:

	2013 No.	2012 No.
Accruing benefits under defined benefit pension scheme	2	2
Accruing benefits under money purchase pension scheme	<u>5</u>	<u>4</u>

In respect of the highest paid director:

	2013 £'000	2012 £'000
Remuneration	1,454	1,245

Included in the highest paid director's remuneration is £63,795 (2012 : £61,774) paid to Vos Amis Limited, a related party, for the provision of support services and administration. The amount owed to Vos Amis Limited at 31 December 2013 was £nil (2012 : £6,380).

Notes to the financial statements

Interest receivable 5

	2013 £'000	2012 £'000
Bank interest receivable	106	-
Other interest receivable	140	98
	<u>246</u>	<u>98</u>

Interest payable 6

	2013 £'000	2012 £'000
Interest on loans from group undertakings	4	2
Other interest payable	43	64
	<u>47</u>	<u>66</u>

Notes to the financial statements

Taxation 7

Tax on profit on ordinary activities

	2013 £'000	2012 £'000
Current tax		
Corporation tax charge	5,933	6,455
Adjustments in respect of previous years	(848)	(727)
Group relief payable/(receivable)	(138)	-
UK Corporation tax	<u>4,947</u>	<u>5,728</u>
Deferred tax		
Origination and reversal of timing differences	(155)	(594)
Deferred tax adjustment relating to previous years	561	439
Total deferred tax	<u>406</u>	<u>(155)</u>
Total tax on profit on ordinary activities	<u>5,353</u>	<u>5,573</u>

Factors affecting current tax charge for the year

Tax on profit on ordinary activities for the year is higher than (2012 - higher than) the standard rate of corporation tax in the UK of 23.25% (2012 - 24.50%).

The differences are reconciled below:

	2013 £'000	2012 £'000
Profit on ordinary activities before taxation	<u>17,261</u>	<u>16,446</u>
Corporation tax at standard rate	4,013	4,029
Origination and reversal of timing differences	155	594
Group relief adjustment	(138)	-
Expenses not deductible for tax purposes (including goodwill amortisation)	2,346	2,229
Adjustments in respect of prior periods	(848)	(727)
Research and development tax credits	(581)	(397)
Total current tax	<u>4,947</u>	<u>5,728</u>

Notes to the financial statements

Intangible fixed assets 8

	Licences £'000
Cost	
At 1 January 2013	52,301
At 31 December 2013	52,301
Amortisation	
At 1 January 2013	37,047
Charge for the year	5,230
At 31 December 2013	42,277
Net book value	
At 31 December 2013	10,024
At 31 December 2012	15,254

Notes to the financial statements

Tangible fixed assets 9

	Freehold land and buildings £'000	Short leasehold and property £'000	Computer equipment £'000	Office furniture, motor vehicles, equipment & machinery £'000	Total £'000
Cost or valuation					
At 1 January 2013	17,834	13,543	3,808	3,650	38,835
Effects of movements in exchange rates	-	-	-	3	3
Additions	455	45	2,039	552	3,091
Disposals	-	-	(186)	-	(186)
Transfers between group	-	-	(11)	-	(11)
At 31 December 2013	18,289	13,588	5,650	4,205	41,732
Depreciation					
At 1 January 2013	9,712	7,998	2,731	2,682	23,123
Effects of movements in exchange rates	-	-	-	3	3
Charge for the year	1,782	1,211	904	298	4,195
Eliminated on disposals	-	-	(161)	-	(161)
At 31 December 2013	11,494	9,209	3,474	2,983	27,160
Net book value					
At 31 December 2013	6,795	4,379	2,176	1,222	14,572
At 31 December 2012	8,122	5,545	1,077	968	15,712

Notes to the financial statements

Investments held as fixed assets 10

	2013 £'000	2012 £'000
Shares in group undertakings and participating interests	<u>1</u>	<u>1</u>

	Subsidiary undertakings £'000
Cost	
At 1 January 2013	<u>1</u>
At 31 December 2013	<u>1</u>
Net book value	
At 31 December 2013	<u>1</u>

Details of undertakings list Details of the investments in which the Company holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Holding	Proportion of voting rights and shares held	Principal activity
Significant holdings			
PA Technology Solutions Limited	Ordinary Shares	100.00%	Consultancy
PA Middle East Limited	Ordinary Shares	100.00%	Consultancy
PA Pension Trustees Limited	Ordinary Shares	48.00%	Dormant

Notes to the financial statements

Debtors 11

	2013 £'000	2012 £'000
Amounts falling due within one year		
Trade debtors	26,261	19,471
Amounts owed by group undertakings	71,151	59,667
Other debtors	654	639
Prepayments and accrued income	16,951	15,354
	<u>115,017</u>	<u>95,131</u>

	2013 £'000	2012 £'000
Amounts falling due after more than one year		
Deferred tax	4,352	4,758
	<u>4,352</u>	<u>4,758</u>

Total debtors	<u>119,369</u>	<u>99,889</u>
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Deferred tax

The movement in the deferred tax asset in the year is as follows:

	£'000
At 1 January 2013	4,758
Deferred tax charged to the profit and loss account	(406)
At 31 December 2013	<u>4,352</u>

Analysis of deferred tax

	2013 £'000	2012 £'000
Difference between accumulated depreciation and amortisation and capital allowances	(345)	(516)
Other timing differences	4,697	5,274
	<u>4,352</u>	<u>4,758</u>

Notes to the financial statements

Creditors: Amounts falling due within one year 12

	2013 £'000	2012 £'000
Trade creditors	3,559	1,865
Payments received on account	7,505	7,464
Amounts owed to group undertakings	2,541	5,096
Corporation tax	501	1,249
Other taxes and social security	13,059	11,768
Other creditors	31,817	27,889
Accruals and deferred income	4,094	5,649
	<u>63,076</u>	<u>60,980</u>

Creditors: Amounts falling due after more than one year 13

	2013 £'000	2012 £'000
Other creditors	<u>19,486</u>	<u>19,185</u>

Notes to the financial statements

Provisions for liabilities 14

	Property provision £'000
At 1 January 2013	4,470
Utilised during the year	(1,354)
At 31 December 2013	<u>3,116</u>

Property provisions are recognised for obligations under leasehold property contracts that are onerous and for leasehold obligations to restore premises to their original condition upon vacating them. Such provisions have been made with respect to leases with terms varying between 1 and 17 years.

Share capital 15

Allotted, called up and fully paid shares

	2013 No. 000	2013 £'000	2012 No. 000	2012 £'000
Ordinary Shares of £1 each	<u>200</u>	<u>200</u>	<u>200</u>	<u>200</u>

Notes to the financial statements

Reconciliation of movement in shareholders' funds 16

	2013 £'000	2012 £'000
Profit attributable to the members of the Company	11,908	10,873
Other recognised gains and losses relating to the year	37	-
Net addition to shareholders' funds	11,945	10,873
Shareholders' funds at 1 January	47,734	36,861
Shareholders' funds at 31 December	59,679	47,734

Reserves 17

	Profit and loss account £'000
At 1 January 2013	47,534
Profit for the year	11,908
Foreign currency translation gains	37
At 31 December 2013	59,479

Notes to the financial statements

Contingent liabilities 18

In common with comparable consultancy organisations, the Company maintains a variety of insurance policies including professional indemnity insurance. If a claim is raised, the directors assess each claim and provide for legal and settlement costs where, on the basis of the advice received, it is considered a liability may exist. Having sought advice, no additional provision has been made in the current year.

PA Consulting Services Limited is currently, and may be from time to time, involved in a number of legal proceedings. While the outcome of current outstanding actions and claims remain uncertain, it is expected that they will be resolved without a material impact on the Company's financial position.

Notes to the financial statements

Commitments 19

Operating lease commitments

As at 31 December 2013 the Company had annual commitments under non-cancellable operating leases as follows:

Operating leases which expire:

	2013 £'000	2012 £'000
Land and buildings		
Within one year	176	255
Between two and five years	6,075	118
Over five years	-	6,002
	<u>6,251</u>	<u>6,375</u>
Other		
Within one year	7	56
Between two and five years	143	82
	<u>150</u>	<u>138</u>

Leases as lessor

The Company sub-leases out certain freehold buildings and short leasehold properties under operating leases.

The minimum rent receivable under non-cancellable operating are as follows:

	2013 £'000	2012 £'000
Within one year	6	9
Between two and five years	2,195	1,559
	<u>2,201</u>	<u>1,568</u>

Notes to the financial statements

Related party transactions 20

The Company has taken advantage of the exemption in FRS 8 "Related Party Disclosures" from disclosing transactions with other members of the group.

Ultimate parent and controlling undertaking 21

The Company is controlled by PA Consulting Group Limited.

The directors regard PA Holdings Limited as the immediate parent company and PA Consulting Group Limited as both the ultimate parent company and controlling party. Both PA Holdings Limited and PA Consulting Group Limited are incorporated in the United Kingdom.

The Company's results have been included in the consolidated financial statements of PA Consulting Group Limited, copies of which can be obtained from the registered office at 123 Buckingham Palace Road, London SW1W 9SR.

Directors and advisers

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K Janjua
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