

Registration number: 01984216

# PA Group Treasury Services Limited

Annual Report and Unaudited Financial Statements

for the Year Ended 31 December 2021

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## **Company Information**

<b>Directors</b>	K Januah
<b>Company secretary</b>	J Greenfield
<b>Registered office</b>	10 Bressenden Place London SW1E 5DN
<b>Bankers</b>	HSBC Bank plc West End CBC 69 Pall Mall London SW1Y 5EY

## **Director's Report for the Year Ended 31 December 2021**

The directors present their report and the financial statements for the year ended 31 December 2021.

### **Directors of the Company**

The directors who held office during the year ended 31 December 2021 and up to the date of signing the financial statements were as follows:

R Cameron (resigned 29 November 2021)

K Janjuah

A Middleton (resigned 31 December 2021)

The following directors were appointed after the year end:

W Lambe (appointed 28 June 2022)

H Maule (appointed 12 January 2022)

### **Dividends**

The directors do not recommend the payment of a dividend (2020: nil).

### **Going concern**

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. The Company provides treasury services for other companies within the PA Consulting Group and, as such, is reliant on their trading performance and ability to generate cash to settle loans due from them. However the Company has the full support of its intermediate parent PA Consulting Group Limited, a company with a strong financial position at 31 December 2021.

As described in the Group Annual Report the Directors have taken into account short and mid-term trading and cash forecasts, potential global or economic impacts on the numbers included in those forecasts and the availability of funding sources for the Group. The base forecasts used as part of the review align with the Group's board-approved budget and long-term plan and show operating cashflow to be strong throughout. Consideration has been given to any potential downside from the current Ukraine-Russia conflict and the increasing inflationary environment in the UK (the Group's predominant geography).

The Company and Group do not operate in either Ukraine or Russian territories and therefore the conflict is not expected to create a significant disruption to the current business model. A forecast scenario representing a reasonable increase to costs and prices has been prepared and reviewed to understand the potential impact on the business from continued inflation which demonstrated that a sufficient amount of operational cash headroom is available to the Group to tolerate such increases. The Group's business model has meant that historically the Group is self-funding from its operating cash generation. Trading and cash conversion has mostly been unaffected by the economic uncertainty in the last two years which has shown that this business model is robust and flexible to adapt to external volatility.

On the basis of the Group's forecast position, and from the outcome of the downside scenario, the directors are satisfied that the Group'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.

### **Future developments**

The future operations of the company are expected to remain consistent with the current year.

## **Director's Report for the Year Ended 31 December 2021**

### **Director's 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.

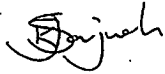
### **Financial instruments**

The Company uses forward contracts to reduce exposure to foreign currency exchange rate movements for other PA Consulting Group Companies.

### **Strategic report**

The directors have taken advantage of the exemption to prepare a Strategic Report in accordance with paragraph 414b of the Companies Act 2006.

Approved by the Board on 15 September 2022 and signed on its behalf by:



.....  
K Janjua  
Director

## **Statement of Director's Responsibilities**

The director is responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations. Company law requires the directors to prepare the financial statements for each financial year.

Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom accounting standards, specifically FRS 102 'The Financial Reporting Standard applicable to the UK and Republic of Ireland', and applicable law).

Under company law the director must not approve the financial statements unless 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 director is required to:

- 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.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

The director is 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 to ensure that the financial statements comply with the Companies Act 2006. 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.

## Income Statement for the Year Ended 31 December 2021

	Note	2021 £	2020 £
Turnover		-	-
Administrative expenses		<u>1,071,936</u>	<u>(2,358,313)</u>
Operating profit/(loss)	2	1,071,936	(2,358,313)
Interest receivable and similar income	3	6,245,807	5,025,310
Interest payable and similar charges	4	<u>(1,571,087)</u>	<u>(1,948,186)</u>
Profit before tax		5,746,656	718,811
Taxation	6	<u>605,296</u>	<u>(407,508)</u>
Profit for the financial year		<u><u>6,351,952</u></u>	<u><u>311,303</u></u>

The above results were derived from continuing operations.

The Company has no recognised gains or losses for the year other than the results above.

The notes on pages 9 to 17 form an integral part of these financial statements.

## Statement of Comprehensive Income for the Year Ended 31 December 2021

	2021 £	2020 £
Profit for the year	<u>6,351,952</u>	<u>311,303</u>
Total comprehensive income for the year	<u><u>6,351,952</u></u>	<u><u>311,303</u></u>

The notes on pages 9 to 17 form an integral part of these financial statements.

## Statement of Financial Position as at 31 December 2021

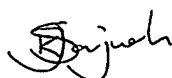
	Note	2021 £	2020 £
<b>Current assets</b>			
Debtors: amounts falling due within one year	7	561,354,490	419,607,135
Debtors: amounts falling due after more than one year	8	-	48,890,659
Cash at bank and in hand	9	<u>119,294,726</u>	<u>148,036,001</u>
		680,649,216	616,533,795
<b>Creditors: Amounts falling due within one year</b>	10	<u>(538,668,613)</u>	<u>(480,243,823)</u>
<b>Total assets less current liabilities</b>		141,980,603	136,289,972
<b>Creditors: Amounts falling due after more than one year</b>	11	<u>(8,310,947)</u>	<u>(8,972,268)</u>
<b>Net assets</b>		<u>133,669,656</u>	<u>127,317,704</u>
<b>Capital and reserves</b>			
Called up share capital	12	71,494,198	71,494,198
Capital redemption reserve	13	119,000,000	119,000,000
Profit and loss account		<u>(56,824,542)</u>	<u>(63,176,494)</u>
<b>Total equity</b>		<u>133,669,656</u>	<u>127,317,704</u>

For the financial year ending 31 December 2021 the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

Director's responsibilities:

- The members have not required the Company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

The financial statements of the Company were authorised for issue by the director of Directors on 15 September 2022



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K Januah  
Director

**PA Group Treasury Services Limited**  
**Registration number: 01984216**

## Statement of Changes in Equity for the Year Ended 31 December 2021

	Share capital £	Capital redemption reserve £	Profit and loss account £	Total £
At 1 January 2021	71,494,198	119,000,000	(63,176,494)	127,317,704
Profit for the year	-	-	6,351,952	6,351,952
Total comprehensive income	-	-	6,351,952	6,351,952
At 31 December 2021	71,494,198	119,000,000	(56,824,542)	133,669,656

	Share capital £	Capital redemption reserve £	Profit and loss account £	Total £
At 1 January 2020	71,494,198	119,000,000	(63,487,797)	127,006,401
Profit for the year	-	-	311,303	311,303
Total comprehensive income	-	-	311,303	311,303
At 31 December 2020	71,494,198	119,000,000	(63,176,494)	127,317,704

The notes on pages 9 to 17 form an integral part of these financial statements.

## **Notes to the Financial Statements for the Year Ended 31 December 2021**

### **1 Accounting policies**

#### **Statement of compliance**

The Company is a private company limited by shares and is incorporated in England. The registered office is 10 Bressenden Place, London, SW1E 5DN.

The Company's financial statements have been prepared in compliance with FRS 102 'The Financial Reporting Standard applicable to the United Kingdom and the Republic of Ireland' as it applies to the financial statements of the Company for the year ended 31 December 2021.

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.

In preparing financial statements, management develops 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 going concern basis of accounting under the historical cost convention.

The financial statements are presented in pounds sterling.

## Notes to the Financial Statements for the Year Ended 31 December 2021

### Going concern

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. The Company provides treasury services for other companies within the PA Consulting Group and, as such, is reliant on their trading performance and ability to generate cash to settle loans due from them. However the Company has the full support of its intermediate parent PA Consulting Group Limited, a company with a strong financial position at 31 December 2021.

As described in the Group Annual Report the Directors have taken into account short and mid-term trading and cash forecasts, potential global or economic impacts on the numbers included in those forecasts and the availability of funding sources for the Group. The base forecasts used as part of the review align with the Group's board-approved budget and long-term plan and show operating cashflow to be strong throughout. Consideration has been given to any potential downside from the current Ukraine-Russia conflict and the increasing inflationary environment in the UK (the Group's predominant geography).

The Company and Group do not operate in either Ukraine or Russian territories and therefore the conflict is not expected to create a significant disruption to the current business model. A forecast scenario representing a reasonable increase to costs and prices has been prepared and reviewed to understand the potential impact on the business from continued inflation which demonstrated that a sufficient amount of operational cash headroom is available to the Group to tolerate such increases. The Group's business model has meant that historically the Group is self-funding from its operating cash generation. Trading and cash conversion has mostly been unaffected by the economic uncertainty in the last two years which has shown that this business model is robust and flexible to adapt to external volatility.

On the basis of the Group's forecast position, and from the outcome of the downside scenario, the directors are satisfied that the Group'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.

### Summary of disclosure exemptions

FRS 102 paragraphs 1.12 and 33.1A allow a qualifying entity certain disclosure exemptions. These disclosure exemptions are available subject to certain conditions, which have been complied with, including notification of, and no objection to, the use of exemptions by the Company's shareholders. The equivalent disclosures are included in the consolidated financial statements of PA Consulting Group Limited.

The Company has taken advantage of the following exemptions:

- (i) from preparing a statement of cash flows as required by FRS 102 Section 7 Statement of Cash Flows and Section 3 Financial Statement Presentation paragraph 3.17(d);
- (ii) from disclosing transactions entered into between the Company and other wholly owned companies within the PA Consulting Group Limited group as required by FRS 102 paragraphs 33.8 to 33.14;
- (iii) from disclosing the Company key management personnel compensation, as required by FRS 102 paragraph 33.7;
- (iv) from disclosing the financial instrument disclosures, required under FRS 102 paragraphs 11.41(b) / (c) / (e) / (f), 11.42, 11.44 to 11.45, 11.47, 11.48 (a) (iii) / (iv), 11.48 (b) / (c) and paragraphs 12.26 to 12.27, 12.29 (a) / (b) and 12.29A, as the information is provided in the consolidated financial statement disclosures.

The financial statements of PA Consulting Group Limited may be obtained from 10 Bressenden Place, London, SW1E 5DN.

## **Notes to the Financial Statements for the Year Ended 31 December 2021**

### **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.

### **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 dates of transactions. 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 income statement 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.

### **Tax**

The tax charge/(credit) comprises current tax payable/(receivable).

The current tax charge/(credit) represents an estimate of the amounts payable to/(receivable from) 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 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.

### **Financial instruments**

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

Other payables are not interest-bearing and are stated at amortised cost.

All interest-bearing loans and deposits are initially recognised at net proceeds. After initial recognition, debt is increased by the finance cost in respect of the reporting period and reduced by repayments made in the period.

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

### **Derivative financial instruments and hedging**

#### **Derivatives**

The Company uses forward foreign currency contracts to reduce exposure to foreign exchange rates for the PA Consulting Group Limited group. Derivative financial instruments are initially measured at fair value on the date on which the derivative contract is entered into and subsequently measured at fair value through the income statement. The fair value of the forward currency contracts is calculated by reference to market prices for similar instruments.

### **Cash**

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

### **Share capital**

The 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 issued by the Company are recorded as the proceeds received net of direct issue costs, with the nominal value of the instrument credited to share capital and the excess to the share premium account.

## Notes to the Financial Statements for the Year Ended 31 December 2021

### Critical accounting judgements and 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:

### Provisions for intercompany receivables

Management completes an annual review of the intercompany receivables balances due to assess recoverability. Factors considered include: -

- (i) Reviewing the net asset position of the counterparty.
- (ii) Reviewing valuations of the investments held by the counterparty.

Provisions are made where there is doubt over the recoverability of the intercompany receivable.

### 2 Operating profit

Arrived at after crediting

	2021 £	2020 £
Foreign exchange gains	<u>(79,078)</u>	<u>(12,887)</u>

### 3 Interest receivable

	2021 £	2020 £
Interest on loans to group undertakings	6,145,738	4,823,103
Interest income on bank deposits	<u>100,069</u>	<u>202,207</u>
	<u>6,245,807</u>	<u>5,025,310</u>

### 4 Interest payable

	2021 £	2020 £
Net discounting impact of long-term liabilities	-	366,457
Interest payable on amounts owed to group undertakings	<u>1,571,087</u>	<u>1,581,729</u>
	<u>1,571,087</u>	<u>1,948,186</u>

### 5 Directors' remuneration

No emoluments were paid by the Company to the directors during the year (2020: £nil).

All directors were employed by and received all emoluments from 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 the services provided and remuneration are expected to be negligible. All directors of the Company are directors of PA Consulting Management Services Limited and are included in the disclosure of directors' remuneration in the accounts of that company.

## Notes to the Financial Statements for the Year Ended 31 December 2021

### 6 Taxation

(a) Tax on profit on ordinary activities

Tax (credited)/charged in the income statement

	2021 £	2020 £
<b>Current taxation</b>		
UK corporation tax	-	572,822
UK corporation tax adjustment to prior periods	<u>(605,296)</u>	<u>(165,314)</u>
	<u>(605,296)</u>	<u>407,508</u>

The tax on profit before tax for the year is lower than the standard rate of corporation tax in the UK of 19% (2020 higher than the standard rate of corporation tax in the UK - 19%).

The differences are reconciled below:

	2021 £	2020 £
Profit before tax	<u>5,746,656</u>	<u>718,811</u>
Corporation tax at standard rate	1,091,865	136,574
Effect of (income)/expense not deductible in determining taxable profit	(187,833)	436,248
Group relief claimed for nil consideration	(904,032)	-
Adjustments in respect of prior periods	<u>(605,296)</u>	<u>(165,314)</u>
Total tax (credit)/charge	<u>£ (605,296)</u>	<u>407,508</u>

(b) Factors that may affect future tax charges

The Finance Act 2016 included legislation to reduce the main rate of UK corporation tax from 20 per cent to 19 per cent from 1 April 2017 and to 17 per cent from 1 April 2020. The rate reduction to 17 per cent was subsequently reversed by the Finance Act 2020, such that the main rate of UK corporation tax from 1 April 2021 remains at 19 per cent.

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 and this was substantively enacted by the statement of financial position date.

## Notes to the Financial Statements for the Year Ended 31 December 2021

### 7 Debtors: amounts falling due within one year

	2021 £	2020 £
Amounts owed by group undertakings	561,306,057	419,465,187
Other debtors	22,095	118,450
Withholding tax asset	26,338	23,498
	<u>561,354,490</u>	<u>419,607,135</u>

Amounts owed by group undertakings are stated after provisions for impairment of £16,231,955 (2020: £17,220,548). Amounts that are repayable on demand have been classified as falling due within one year. For £519,429,306 (2020: £374,851,407) of the amount classified as falling due within one year, the balance has been assessed as recoverable only through the counterparty realising the value of its investments. As a result these amounts could not be repaid on demand.

### 8 Debtors: amounts falling due after one year

	2021 £	2020 £
Amounts owed by group undertakings	<u>-</u>	<u>48,890,659</u>

Amounts owed by group undertakings as at 31 December 2020 related solely to amounts due from the employee benefit trust. Carlyle exited its holding in the Group in a transaction on 2 March 2021. An impact of this was that the trust received consideration of £249.2m in respect of its shares held in the PA Group of which £48.9m was used to settle its loans with the Company.

### 9 Cash

	2021 £	2020 £
Cash at bank	<u>119,294,726</u>	<u>148,036,001</u>

### 10 Creditors: amounts falling due within one year

	2021 £	2020 £
Amounts owed to group undertakings	538,668,613	479,610,432
Other payables	-	28,094
Corporation tax liability	-	605,297
	<u>538,668,613</u>	<u>480,243,823</u>

## Notes to the Financial Statements for the Year Ended 31 December 2021

### 11 Creditors: amounts falling due after one year

	2021	2020
	£	£
Amounts owed to group undertakings	<u>8,310,947</u>	<u>8,972,268</u>

### 12 Share capital

#### Allotted, called up and fully paid shares

	2021		2020	
	No.	£	No.	£
Ordinary shares of £1 each	<u>71,494,198</u>	<u>71,494,198</u>	<u>71,494,198</u>	<u>71,494,198</u>

### 13 Reserves

Capital redemption reserve

This reserve is the result of the cancellation of preferences shares.

## Notes to the Financial Statements for the Year Ended 31 December 2021

### 14 Financial instruments

#### Derivatives

##### *Forward currency contracts*

The Company uses forward contracts to buy foreign currency to hedge its deferred employee remuneration liability and to sell foreign currency in relation to certain of its foreign currency-denominated commercial contracts. The fair value of outstanding forward contracts at the reporting date is shown in the table below. This represents the market value if the Group were to close the contracts out at the reporting date.

#### As at 31 December 2021

	Buy		Sell		Fair value £
	Average rate	Currency CCY'000	Average rate	Currency CCY	
<b>Current</b>					
US dollar	-	-	1.3323	(1,244,015)	19,521
					<b>19,521</b>

#### As at 31 December 2020

	Buy		Sell		Fair value £
	Average rate	Currency CCY	Average rate	Currency CCY	
<b>Current</b>					
US dollar	1.4487	1,050,308	1.3276	(3,254,015)	113,100
Euro	1.0914	403,558	1.1082	(792,956)	(4,309)
Danish krone	8.0636	2,902,896	-	-	(9,577)
Norwegian krone	10.8762	1,207,255	-	-	(7,215)
Swedish krona	10.7996	680,375	-	-	(2,014)
Swiss Franc	-	-	1.2064	(141,553)	(456)
Singapore dollar	1.7866	120,000	1.7821	(120,000)	17
					<b>89,546</b>

## **Notes to the Financial Statements for the Year Ended 31 December 2021**

### **15 Parent and ultimate parent undertaking**

The company's immediate parent is PA Overseas Holdings Limited, incorporated in England and Wales.

The ultimate parent is Jacobs Engineering Group, Inc, incorporated in the United States of America.

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

The ultimate controlling party is Jacobs Engineering Group, Inc.

### **Relationship between entity and parents**

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

The address of Jacobs Engineering Group, 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