

Registration number: 09761378

PA Consulting Group Holdings Ltd

Annual Report and Unaudited Financial Statements

for the Year Ended 31 December 2021

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Company Information

Directors	K Januah K Toombs
Registered office	10 Bressenden Place London SW1E 5DN
Bankers	HSBC Bank plc West End CBC 69 Pall Mall London SW1Y 5EY

Strategic Report for the Year Ended 31 December 2021

The directors present their strategic report for the year ended 31 December 2021.

Principal activity

The principal activity of the Company is that of a holding company.

Review of the business

The Company's loss for the year was £227,028,401 (2020: profit of £8,735,466) as a result of the loss on the deconsolidation of the employee benefit trust of £199,321,549 and significant exceptional costs incurred in the year of £22,353,347. The directors consider the result for the year and the financial position at the end of the year to be in line with expectations.

Principal risks and uncertainties

The Company is exposed to liquidity risk and manages its cash and borrowings in order to meet its working capital requirements, maximise interest income and minimise interest expense as effectively as possible.

The Company is a member of the PA Consulting Group Limited 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, with the exception of the liquidity risk described above, further analysis is not necessary here. A detailed review of the business performance of the Group and a description of the principal risks and uncertainties facing it can be found in the PA Consulting Group Limited report and accounts for 2021.

Strategic Report for the Year Ended 31 December 2021

Section 172(1) Statement

This section comprises our Section 172(1) Statement and should be read in conjunction with the strategic report on page 2.

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 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.

The Company is a wholly-owned subsidiary of PA Consulting Group Limited and its governance and operating practices are aligned with the Group.

The PA Consulting Group has 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. These values are enshrined in our Code of Conduct and drive the way PA and its board behave with clients, with each other and with everyone else we meet through our work.

Our core values, which are set by the board of PA Consulting Group Limited, 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 PA Group ensures that our core values are upheld and that decisions made by the board of the Company give due regard to the long-term impact of those decisions, the interests of the Group and 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 directors of the Company 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. No disclosure is provided regarding engagement with employees as the Company had no employees in the year. Disclosure of the PA Group's engagement with employees can be found in the PA Consulting Group Limited report and accounts for 2021.

Approved by the Board on 22 September 2022 and signed on its behalf by:



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K Janjuah
Director

Directors' 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:

K Janjuah

J Alexander (resigned 2 March 2021)

R Cameron (appointed 31 March 2021 and resigned 29 November 2021)

S Dingemans (resigned 2 March 2021)

A Middleton (resigned 31 December 2021)

F Robson (resigned 2 March 2021)

K Toombs (appointed 31 March 2021)

The following director was appointed after the year end:

H Maule (appointed 12 January 2022)

Dividends

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

Future developments

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

Directors' Report 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. Despite being loss making in the year and having net liabilities at 31 December 2021, the Company has the full support of its immediate 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).

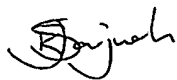
The Company and Group do not operate in either Ukraine or Russian territories and therefore the conflict is not expected to create a significant disruption to the current business model. A forecast scenario representing a reasonable increase to costs and prices has been prepared and reviewed to understand 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.

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.

Approved by the Board on 22 September 2022 and signed on its behalf by:



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K Janjuah
Director

Statement of Directors' Responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations. Company law requires the directors to prepare the 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, specifically FRS 102 'The Financial Reporting Standard applicable to the UK and Republic of Ireland', 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:

- 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 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.

Income Statement for the Year Ended 31 December 2021

	Note	2021 £	2020 £
Turnover		-	-
Administrative expenses		208,579	(579,623)
Exceptional items	2	<u>(22,353,347)</u>	<u>(7,024,460)</u>
Operating loss	3	(22,144,768)	(7,604,083)
Loss on deconsolidation of employee benefit trust	4	(199,321,549)	-
Other interest receivable and similar income	5	26,860,749	23,998,737
Interest payable and similar charges	6	<u>(27,372,383)</u>	<u>(4,711,853)</u>
(Loss)/profit before tax		(221,977,951)	11,682,801
Taxation	9	<u>(5,050,450)</u>	<u>(2,947,335)</u>
(Loss)/profit for the financial year		<u><u>(227,028,401)</u></u>	<u><u>8,735,466</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.

Statement of Comprehensive Income for the Year Ended 31 December 2021

	2021 £	2020 £
(Loss)/profit for the year	<u>(227,028,401)</u>	<u>8,735,466</u>
Total comprehensive (loss)/income for the year	<u><u>(227,028,401)</u></u>	<u><u>8,735,466</u></u>

Statement of Financial Position as at 31 December 2021

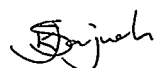
	Note	2021 £	2020 £
Fixed assets			
Investments	10	15,633,313	15,633,313
Current assets			
Debtors: amounts falling due within one year	11	251,388,828	39,430,720
Debtors: amounts falling due after more than one year	12	-	186,527,245
Cash at bank and in hand	13	55	124,166
		251,388,883	226,082,131
Creditors: amounts falling due within one year	14	(52,418,634)	(26,278,161)
Net current assets		198,970,249	199,803,970
Total assets less current liabilities		214,603,562	215,437,283
Creditors: amounts falling due after more than one year	15	(267,235,229)	(224,502,157)
Net liabilities		(52,631,667)	(9,064,874)
Capital and reserves			
Called up share capital	16	902,102	902,102
Share premium reserve	17	9,871,399	9,871,399
Own shares reserve	17	-	(4,122,626)
Profit and loss account	17	(63,405,168)	(15,715,749)
Total equity		(52,631,667)	(9,064,874)

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.

Directors' 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 directors acknowledge their 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 Board of Directors on 22 September 2022 and signed on its behalf by:



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K Janjuah
Director

PA Consulting Group Holdings Ltd
Registration number: 09761378

The notes on pages 11 to 24 form an integral part of these financial statements.

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

	Share capital £	Share premium £	Own shares reserve £	Profit and loss account £	Total £
At 1 January 2021	902,102	9,871,399	(4,122,626)	(15,715,749)	(9,064,874)
Loss for the year	-	-	-	(227,028,401)	(227,028,401)
Total comprehensive loss	-	-	-	(227,028,401)	(227,028,401)
Consideration for own shares	-	-	-	179,338,982	179,338,982
Movement in own shares held by employee trust	-	-	4,122,626	-	4,122,626
At 31 December 2021	902,102	9,871,399	-	(63,405,168)	(52,631,667)

	Share capital £	Share premium £	Own shares reserve £	Profit and loss account £	Total £
At 1 January 2020	902,102	9,871,399	(264,000)	(24,748,554)	(14,239,053)
Profit for the year	-	-	-	8,735,466	8,735,466
Total comprehensive income	-	-	-	8,735,466	8,735,466
Consideration for own shares	-	-	-	297,339	297,339
Movement in own shares held by employee trust	-	-	(3,858,626)	-	(3,858,626)
At 31 December 2020	902,102	9,871,399	(4,122,626)	(15,715,749)	(9,064,874)

The notes on pages 11 to 24 form an integral part of these financial statements.
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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.

Until 31 December 2018 the Company prepared financial statements in accordance with FRS 102. For the years ended 31 December 2019 and 31 December 2020 the Company prepared financial statements in accordance with FRS 101. In accordance with FRS 102 paragraph 35.2, FRS 102 has been retrospectively applied to the preparation of these financial statements as if the Company had never stopped applying this FRS.

There is no impact to the financial statements of the Company as a result of the retrospection application of FRS 102.

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. Despite being loss making in the year and having net liabilities at 31 December 2021, the Company has the full support of its immediate 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

The financial statements contain information about the Company 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 parent company, PA Consulting Group Limited, which are publicly available.

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

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.

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 currency transactions and balances

(a) Functional and presentation currency

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 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 at the date of the initial transactions.

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

Tax

The tax charge comprises current tax payable and deferred 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 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.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position 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 probable 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.

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.

Fixed asset investments

In the Company statement of financial position, investment in subsidiaries is stated at cost less provision for impairment in value.

Cash

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Share capital

Issued share capital is classified as equity instruments or financial liabilities according to the substance of the contractual arrangement entered into.

Preference shares

The liability for the preference shares arises because their rights oblige the Company to pay accrued dividends (12%) and capital in certain events. As a result, the preference shares are recorded as financial liabilities.

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

Exceptional items

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

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

Employee benefit trusts

The PA Group's trust is a separately administered discretionary trust for the benefit of employees. Although it is administered by independent trustees and its assets are held separately from those of the PA Group, in practice the PA Group's recommendations on how the assets are used for the benefit of employees are normally followed. Therefore the PA Group recognises the assets and liabilities of the trust in its own accounts. An assessment is made on which Company is making the recommendations, and the Company that does will also recognise the assets and liabilities in its own standalone accounts.

For further details please refer to note 4.

The carrying value of the Company's ordinary shares held by the trust is recorded as a deduction in arriving at shareholders' funds until such time as the shares transfer to employees.

Consideration received for the sale of such shares is also recognised in shareholders' funds, with any difference between the proceeds from sale and the carrying value taken to the profit and loss reserve. No gain or loss is recognised on the purchase, sale or cancellation of equity shares.

The Company's preference shares held by the trusts are recorded as financial assets at amortised cost.

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:

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.

2 Exceptional items

	2021 £	2020 £
Legal provisions	2,985,000	-
Advisory costs	19,277,608	6,775,983
Other exceptional costs	90,739	248,477
	<u>22,353,347</u>	<u>7,024,460</u>

The advisory costs relate to professional fees incurred on the change of the Group's ultimate parent entity.

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

3 Operating loss

Arrived at after crediting/(charging)

	2021 £	2020 £
Foreign exchange gains/(losses)	<u>38,790</u>	<u>(2,445)</u>

4 Deconsolidation of employee benefit trust

Until 2 March 2021, the Company had the control of the employee benefit trust as the recommendations of the Company on how the assets were used for the benefit of the employees were normally followed. Hence the Company recognised the assets and liabilities of the employee benefit trust.

However on 2 February 2021, PA Group's shareholders approved an investment scheme of arrangement enabling the Group's former majority investor, Carlyle, to exit from its holding in the Group in a transaction which valued PA at £1.85 billion. The scheme of arrangement was court sanctioned and effective on 2 March 2021, after which 100% of the ordinary and preference share capital of the Company was acquired by a newly incorporated UK company, PA Consulting Group Limited, for £1,576m consideration. As part of the scheme, existing employee shareholders obtained a 35% holding in the new company, alongside the Group's new majority investor, Jacobs, owning a 65% holding.

Therefore as at 2 March 2021, the control of employee benefit trust switched from the Company to PA Consulting Group Limited, which necessitated the deconsolidation of the employee benefit trust. The loss of £199,321,549 represents the value of the net assets of the employee benefit trust at this point in time.

5 Interest receivable

	2021 £	2020 £
Interest income on bank deposits	-	15,926
Interest receivable on shareholder loan	4,608,932	4,115,118
Interest receivable on shareholder loan notes	<u>22,251,817</u>	<u>19,867,693</u>
	<u>26,860,749</u>	<u>23,998,737</u>

6 Interest payable

	2021 £	2020 £
Net preference share interest	27,019,000	3,453,177
Interest payable on amounts owed to group undertakings	353,383	55,029
Int Payable - disc unwinding	<u>-</u>	<u>1,203,647</u>
	<u>27,372,383</u>	<u>4,711,853</u>

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

7 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 either directors of PA Consulting Management Services Limited or PA Consulting Group Limited, fellow group companies, and are included in the disclosure of directors remuneration in the respective accounts of those companies, where they received remuneration.

8 Auditor's remuneration

	2021 £	2020 £
Audit of the financial statements	-	419,168

9 Taxation

(a) Tax on (loss)/profit on ordinary activities

Tax charged in the income statement

	2021 £	2020 £
Current taxation		
UK corporation tax	8,031,862	4,081,762
UK corporation tax adjustment to prior periods	(4,076,851)	(38,988)
	<u>3,955,011</u>	<u>4,042,774</u>
Deferred taxation		
Arising from origination and reversal of timing differences	325,280	(761,685)
Deferred tax adjustment relating to previous years	770,159	(333,754)
	<u>1,095,439</u>	<u>(1,095,439)</u>
Total deferred taxation		
	<u>5,050,450</u>	<u>2,947,335</u>
Tax expense in the income statement		

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

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

The differences are reconciled below:

	2021 £	2020 £
(Loss)/profit before tax	<u>(221,977,951)</u>	<u>11,682,801</u>
Corporation tax at standard rate	(42,175,811)	2,219,732
Effect of expense not deductible in determining taxable profit (tax loss)	46,842,890	1,100,345
Group relief surrendered for nil consideration	3,690,062	-
Adjustments in respect of prior periods	<u>(3,306,691)</u>	<u>(372,742)</u>
Total tax charge	<u>5,050,450</u>	<u>2,947,335</u>

Deferred tax

Deferred tax assets and liabilities

2021

There were no deferred tax assets as at 31 December 2021.

2020

	Asset £
Provisions	<u>1,095,439</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

10 Fixed asset investments

	2021 £	2020 £
Investments in subsidiaries	<u>15,633,313</u>	<u>15,633,313</u>
Subsidiaries		£
Cost		
At 1 January 2021		<u>15,633,313</u>
Provision		
Carrying amount		
At 31 December 2021		<u>15,633,313</u>
At 31 December 2020		<u>15,633,313</u>

Details of undertakings

The subsidiary undertakings as at 31 December 2021 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, Nyra Limited and Nyra Capital LLP, which prepare accounts up to 31 March.

Directly held

Name	Country	Registered office address	Class of share held	Nature of business
Garden MidCo 1 Limited	United Kingdom	10 Bressenden Place, London, SW1E 5DN	Ordinary and preference	Holding company

Indirectly held

Name	Country	Registered office address	Class of share held	Nature of business
PA Consulting Group A/S	Denmark	Portland Towers, Goteborg Plads 1, K-1250 Copenhagen	Ordinary	Consultancy
PA Consulting Holdings ApS	Denmark	Portland Towers, Goteborg Plads 1, DK-2150 Copenhagen	Ordinary	Holding company
PA Consulting Group GmbH	Germany	An der Welle 3, 60322 Frankfurt, Germany	Ordinary	Consultancy
PA Consulting Group Limited	Hong Kong	Suite 1106-8, 11/F, Tai Yau Building, No. 181 Johnston Road, Wanchai	Ordinary	Consultancy
PA Consulting Services (India) Private Limited	India	4A & 4B Gold Nest, Wind Tunnel Road, Murugeshpalya, Bangalore 560017	Ordinary	Dormant
PA Consulting Group, S.de R.L. de C.V	Mexico	Torre Mayor, Paseo de la Reforma, No. 505, Piso 2, Col. Cuauhtemoc, Cuauhtemoc, 06500 Mexico City	Quota	Consultancy
PA Consulting Mexico Services S.A.de C.V.	Mexico	Torre Mayor, Paseo de la Reforma, No. 505, Piso 2, Col. Cuauhtemoc, Cuauhtemoc, 06500 Mexico City	Ordinary	Consultancy
PA Consulting Group BV	Netherlands	Gebouw B, Papendorpseweg 97, 3528 BJ Utrecht	Ordinary	Holding company

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

PA Consulting Services BV	Netherlands	Gebouw B, Papendorpseweg 97, 3528 BJ Utrecht	Ordinary	Consultancy
PA Holdings BV	Netherlands	Gebouw B, Papendorpseweg 97, 3528 BJ Utrecht	Ordinary and preference	Holding company
PA International Holdings BV	Netherlands	Gebouw B, Papendorpseweg 97, 3528 BJ Utrecht	Ordinary	Holding company
PA Consulting Group Limited	New Zealand	BDO Auckland, Level 4, BDO Centre, 4 Graham Street, Auckland Central 1010	Ordinary	Consultancy
PA Consulting Group AS	Norway	Verkstedveien 1, PO Box 150, Skøyen, 0277 Oslo	Ordinary	Consultancy
PA Consulting Group (Qatar) LLC	Qatar	Level 14, Commercial Bank Plaza, West Bay, Doha	Ordinary	Consultancy
PA Consulting Group AB	Sweden	Jakobsbergsgatan 17, 111 44 Stockholm	Ordinary	Consultancy
7 Safe Limited	United Kingdom	10 Bressenden Place, London, SW1E 5DN	Ordinary	Consultancy
Garden Finance Limited	United Kingdom	10 Bressenden Place, London, SW1E 5DN	Ordinary and preference	Holding company
PA Consulting Group Finance Limited	United Kingdom	10 Bressenden Place, London, SW1E 5DN	Ordinary and preference	Holding company
Myras Capital LLP	United Kingdom	10 Bressenden Place, London, SW1E 5DN		Consultancy
Myras Limited	United Kingdom	10 Bressenden Place, London, SW1E 5DN	Ordinary	Consultancy
PA Consulting Government Services Limited	United Kingdom	10 Bressenden Place, London, SW1E 5DN	Ordinary	Consultancy
PA Consulting Holdings Limited	United Kingdom	10 Bressenden Place, London, SW1E 5DN	Ordinary	Holding company
PA Consulting Management Services Limited	United Kingdom	10 Bressenden Place, London, SW1E 5DN	Ordinary and preference	Management services
PA Consulting Services Limited	United Kingdom	10 Bressenden Place, London, SW1E 5DN	Ordinary	Consultancy
PA Finance Limited	United Kingdom	10 Bressenden Place, London, SW1E 5DN	Ordinary	Holding company
PA Group Treasury Services Limited	United Kingdom	10 Bressenden Place, London, SW1E 5DN	Ordinary	Treasury services company
PA Holdings Limited	United Kingdom	10 Bressenden Place, London, SW1E 5DN	Ordinary	Holding company
PA International Consulting Group Limited	United Kingdom	10 Bressenden Place, London, SW1E 5DN	Ordinary	Holding company
PA Knowledge Limited	United Kingdom	10 Bressenden Place, London, SW1E 5DN	Ordinary	Consultancy
PA Middle East Limited	United Kingdom	10 Bressenden Place, London, SW1E 5DN	Ordinary	Consultancy
PA Netherlands Treasury Services Limited	United Kingdom	10 Bressenden Place, London, SW1E 5DN	Ordinary	Treasury services company

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

PA Pension Trustees Two Limited ²	United Kingdom	10 Bressenden Place, London, SW1E 5DN	Ordinary	Dormant
PA Perfect Cost Grid Limited	United Kingdom	10 Bressenden Place, London, SW1E 5DN	Ordinary	Consultancy
PA Technology Solutions Limited	United Kingdom	10 Bressenden Place, London, SW1E 5DN	Ordinary	Consultancy
PA Treasury Services (US) Limited	United Kingdom	10 Bressenden Place, London, SW1E 5DN	Ordinary	Treasury services company
PACG2 Limited	United Kingdom	10 Bressenden Place, London, SW1E 5DN	Ordinary	Holding company
Sparkler Limited	United Kingdom	3rd Floor, 58-60 Berners Street, London, W1T 3NQ	Founder shares, growth shares and ordinary shares	Consultancy
The PA Foundation	United Kingdom	10 Bressenden Place, London, SW1E 5DN		Charity
We Are Friday Limited	United Kingdom	50 Farringdon Road, London, EC1M 3HE	Ordinary	Dormant
Cooper Perkins Inc	USA	10 Maguire Road, Building 4, Lexington MA 02421	Common stock of no par value	Consultancy
PA Consulting Group Inc.	USA	Suite 903, 55 Cambridge Parkway, Cambridge, MA 02142	Common and preference	Consultancy
PA US Holdings Inc.	USA	Suite 903, 55 Cambridge Parkway, Cambridge, MA 02142	Common and preference	Holding company
Essential Inc	USA	143 South Street, 6th Floor, Boston MA 02111	Common	Dormant

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

2. 48% owned by PA Consulting Services Limited, 52% owned by Trustees.

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

11 Debtors: amounts falling due within one year

	2021 £	2020 £
Amounts owed by group undertakings	688,449	-
Other debtors	60	533,217
Prepayments	-	488,876
Income tax asset	-	861
Unsecured transferable shareholder loan	43,016,697	38,407,766
Unsecured transferable shareholder loan notes	207,683,622	-
	<u>251,388,828</u>	<u>39,430,720</u>

On 11 December 2015, the Company provided an unsecured transferable shareholder loan of £21,644,164 to Garden Midco 1 Limited. The shareholder loan is repayable on demand and interest accrues at up to a maximum of 12%, compounded each year, as determined by the directors of PA Consulting Group Limited. The directors have determined that an interest rate of 12% is applied to the loans.

On 11 December 2015, Garden Midco 1 Limited issued £104,497,524 unsecured transferable 12% shareholder loan notes to the Company. Interest accrues at 12%, compounded each year. The shareholder loan notes were repayable on the earlier of a Carlyle exit or 11 December 2023. Carlyle exited from its holding in the Group in a transaction on 2 March 2021. Hence these are now disclosed as current as at 31 December 2021.

12 Debtors: amounts falling due after one year

	2021 £	2020 £
Deferred tax	-	1,095,439
Unsecured transferable shareholder loan notes	-	185,431,806
	<u>-</u>	<u>186,527,245</u>

As described in note 11 the unsecured transferable shareholder loan notes are disclosed as current in the financial statements for the year ended 31 December 2021.

13 Cash and cash equivalents

	2021 £	2020 £
Cash at bank	<u>55</u>	<u>124,166</u>

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

14 Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	-	22,400
Amounts owed to group undertakings	40,905,272	16,313,529
Social security and other taxes	-	1,000
Other payables	-	15,377
Accrued expenses	3,481,501	5,849,005
Corporation tax liability	8,031,861	4,076,850
	<u>52,418,634</u>	<u>26,278,161</u>

15 Creditors: amounts falling due after one year

	2021 £	2020 £
Amounts owed to group undertakings	-	48,890,659
Preference shares	267,235,229	175,611,498
	<u>267,235,229</u>	<u>224,502,157</u>

16 Share capital

Allotted, called up and fully paid shares

	2021		2020	
	No.	£	No.	£
Ordinary Shares A of £0.01 each	38,250,000	382,500	38,250,000	382,500
Ordinary Shares B of £0.01 each	34,886,530	348,865	34,886,530	348,865
Ordinary Shares C of £0.01 each	17,073,708	170,737	17,073,708	170,737
	<u>90,210,238</u>	<u>902,102</u>	<u>90,210,238</u>	<u>902,102</u>

17 Reserves

Share premium

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

Own shares reserve

The purpose of the PA 2004 ESOP is to facilitate and encourage the ownership of shares by employees by holding shares for subsequent sale or grant. Own shares held are treated as a deduction from shareholders' funds.

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

18 Parent and ultimate parent undertaking

The company's immediate parent is PA Consulting Group 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