Annual Report
Twenty twenty-four

Bringing Ingenuity to Life.
paconsulting.com

We believe in the power of ingenuity to build a positive human future.

As strategies, technologies, and innovation collide, we create opportunity from complexity.

Our diverse teams of experts combine innovative thinking and breakthrough technologies to progress further, faster. Our clients adapt and transform, and together we achieve enduring results.

PA. Bringing Ingenuity to Life.

Contents

Strategic report

The board of directors of PA Consulting Group Limited presents its strategic report for the financial year ending 31 December 2024. This report includes the consolidated and company financial results for the same period.

We believe in the power of ingenuity to build a positive human future. That's our purpose, and it guides our every action. Our purpose runs deep – we've been living it for over eight decades, seeking out complex challenges to change the face of businesses, economies, and societies, for the better. Operating across the globe, we bring together humans and technology in innovative ways – always looking ahead and finding opportunities to drive positive change. We continue to grow a dynamic culture, guided by purpose-led values that encapsulate how we behave when we're at our best.

This was the year we launched our updated strategy which reaffirmed our purpose. Our strategy is to continue to leverage our insight and impact to change the face of businesses, economies, and societies for the better.

Our strategy demonstrates that we are perfectly positioned to address the major megatrends shaping the world today: harnessing data and AI to drive business transformation, responding to evolving consumer and regulatory demands, building advanced infrastructure for a sustainable future, improving human health, and ensuring the safety of people and nations.

In the face of incredible opportunities and challenges, our expert teams are relentless in helping clients discover innovative ways to grow their products and services and transform their businesses. We do this through meaningful collaboration and partnership with clients, by applying breakthrough technologies, and by bringing together the very best people for each engagement – professionals with extensive expertise and diverse perspectives and experiences.

In 2024, we accelerated Unilever's innovation time-to-market with a groundbreaking AI-powered research and development engine, ensuring the company remains a leader in consumer goods. We significantly enhanced punctuality at Heathrow Airport through a suite of capacity-optimising initiatives aligned with the airport's strategic objectives. Additionally, we collaborated with a global life sciences consortium to boost the speed and effectiveness of R&D in clinical trials.

Our partnership with our strategic investor Jacobs enabled us to deliver even more client value, combining our innovation and transformation expertise with Jacobs' skills in infrastructure and advanced manufacturing. Future-focused and relentlessly outcomes-driven, the strength of our partnership lies in our ability to deliver end-to-end solutions, from strategy and planning through to design, programme management, and implementation.

Highlights from our strategic partnership included developing a National Biosurveillance Network for the United Kingdom's Health Security Agency, so the UK can better respond to future pandemics. Delivering innovation and design capabilities to the UK's Department for Environmental Security and Net Zero's Carbon Capture, Usage, and Storage Programme. And working as part of a joint venture with the United States passenger rail service, Amtrak, to transform a 10-mile section of the Northeast Corridor.

Key to the successful delivery of our work is continued investment in our people, building a dynamic, caring, and inclusive culture that fuels insight and impact. In 2024, we laid the foundations for launching our new PA Values, which underpin our purpose and culture.

The year was a challenging one for leaders everywhere. Clients exercised caution regarding the timing of investments. In the UK, the General Election slowed decision-making, with our defence and security business particularly affected due to external realignment of spending priorities.

Despite the headwinds, our disciplined execution enabled us to deliver on the bottom line. With the Election behind us, and a renewed focus by the UK government on defence spending, we saw an acceleration of our business in the latter months of 2024, and ended the year with a strong pipeline of opportunities that was up year-on-year. By early 2025, we had returned to growth.

By living our purpose, driving growth through innovation, and turning transformation into reality – guided by our culture – we look forward to another year of bringing ingenuity to life to shape a positive human future.

Results and performance

PA ended the year with £752.9 million in fee income. Through consistent focus on cost control, we achieved a three percent improvement in adjusted earnings before interest, taxes, depreciation, and amortisation (EBITDA) margin, despite ongoing economic pressures and political changes in key geographies. With £280.1 million in sales under contract and a significantly higher year-on-year sales pipeline, we entered 2025 with a solid foundation for growth.

Our Key Performance Measures

How we monitor the business

Revenue measure: Fee income

Represents the fair value of consideration received or receivable for consulting services provided, plus the margin on rechargeable project costs.

Profit measure: Adjusted EBITDA

Represents profit before interest, tax, depreciation, amortisation, certain costs or income from non-trade activities, and non-cash gain or loss on disposal of assets.

£m	2024	2023	
Fee income	**752.9**	**789.7**	**-5%**
Project costs recharged	175.4	165.2	+6%
Revenue	928.3	954.9	-3%
Adjusted EBITDA*	**218.4**	**205.0**	**+7%**
Margin	24%	21%	

*Excluding non-trade related adjusting items. Reconciliation of these numbers to GAAP reporting measures is detailed in Note 6.

Fee income

Fee income was £752.9 million compared with £789.7 million in the prior year. As noted earlier, clients were cautious about the timing of investments. In the UK, the General Election slowed decision-making, with our defence and security business particularly affected due to external realignment of spending priorities.

Despite the headwinds, we saw an acceleration of our business in the latter months of 2024, and ended the year with a pipeline of opportunities that was up year-on-year and one of the strongest ever. By early 2025, we had returned to growth.

Our fees were driven by client needs arising from the megatrends that our go-to-markets (GTMs) are strategically designed to address.

Our experts continued to equip clients to empower their customers. Our Financial Services GTM protected global banking clients against financial crime. While our Consumer and Manufacturing GTM partnered with global consumer goods, retail clients, and start-ups to innovate their products and services.

Responding to the need to build advanced infrastructure for a sustainable future, our Energy and Utilities GTM delivered transformational work to build a clean, smart, and resilient world. While our Transport GTM advised airports, airlines, and investors on the transition to Sustainable Aviation Fuels.

In our Health and Life Sciences GTM, as part of our commitment to creating healthier lives, our experts combined real-world clinical experience with our data and AI expertise to help companies accelerate time-to-market and reduce the costs of clinical trials.

Finally, our Public Sector and Defence and Security GTMs advised clients ranging from national governments to private sector organisations as they advanced safety and security initiatives. We supported the UK Ministry of Defence across a range of programmes to bring innovation to introduce innovative ways of working, from procurement to force readiness.

Adjusted EBITDA

The Group generated adjusted EBITDA of £218.4 million, and a margin of 24 percent, ahead of the prior year performance of £205.0 million and 21 percent respectively. Adjusted EBITDA is the main profit measure used by the Board to monitor the Group's performance and excludes certain costs and income related to non-trade activities (detailed in Note 6). The Group includes The PA Foundation which continued its charitable work in the year providing over £2 million of funding to 42 charitable organisations to reach 8,900 individuals directly, resulting in a £1.2 million net cost (2023: £1.6 million net cost).

Underlying personnel and direct costs fell by five percent to £662.3 million, driven by a reduction in employment costs. Personnel costs excluding adjusting items reduced by £41.3 million, eight percent, against 2023, as the cost benefit of the restructuring actions undertaken in 2023 materialised. These actions concluded in 2024. Achieving a comparable level of revenue during the year with an average fee-earning headcount that was seven percent lower than in 2023 demonstrates the success of the actions taken in 2023 in aligning the workforce more effectively with current areas of customer demand. Non-partner consultant utilisation increased, UK utilisation remained strong, and in our United States region utilisation was up six percent.

Direct costs, including those recoverable, increased by £6.7 million on the prior year. The largest source of direct costs is third-party subcontract resources, which increased by nearly £10 million during the year, although they remain fully recoverable. Subcontracting is a fundamental component of delivering our clients' larger-scale strategic programmes of work, where we are increasingly being asked by our clients to lead larger project consortia or partnerships. Non-recoverable costs also increased, up £2.4 million, primarily due to the full-year impact of employment-related expenses incurred to support resourcing for our work in Australia, which started mid-2023. These cost increases have been partially offset by £5.3 million in additional R&D tax credit income.

Focus on administrative cost control has continued through the year, in particular achieving further reductions in recruitment costs, lower cost of materials related to our Oakdoor products from improved stock management processes, and lower energy prices achieved through our energy fund participation at the end of 2023. These savings have been countered with increases in business rates from CPI along with additional properties, and software costs, leaving administration costs excluding currency, amortisation, and depreciation broadly in-line with the prior year.

Currency market volatility continued in 2024, particularly affecting sterling, the Group's dominant currency. Uncertainty surrounding the UK election weakened sterling against most other currencies, while the US election contributed to the strengthening of the dollar. The Group's largest currency exposures continue to be dollar-denominated assets created from central funding of overseas trading subsidiaries, these resulting in a £1.5 million foreign currency gain against a £3.7 million loss in the prior year.

As in previous years, there have been several non-trade related activities which collectively cost £22.8 million (2023: £28.3 million). As detailed in Note 6, the main activities contributing to this were the £13.6 million Management Equity Plan share-based payment charge (2023: £8.8 million), a higher charge due to the increasing number of concurrently running annual issuances (Note 19 contains more details of the Plan's issuances and the movements in the year); the Group's restructuring initiative which incurred £3.9 million of employment, legal, and other related costs; and £3.0 million of charges for deferred payments linked with the Group's prior acquisitions (2023: £7.2 million).

Amortisation charges totalled £65.4 million (2023: £65.1 million), primarily related to acquired intangible asset amortisation which has on average a remaining nine years to run. Depreciation of property, plant, and equipment has fallen by £2.1 million to £6.3 million, a result of lengthening our laptop and mobile phone refresh cycle following a review of the durability of the devices now used in the business and aligning with our sustainability goals, combined with headcount decreases enabling existing devices to be redeployed. Depreciation of right-of-use assets of £9.2 million has fallen slightly (2023: £9.9 million, of which £0.3 million was an accelerated charge due to exiting leases as part of the 2023 restructuring activities).

After taking into account these charges, the Group operating profit finished at £114.6 million, or £137.4 million excluding adjusting items (2023: £93.5 million and £121.8 million respectively).

Loss before tax

The Group had net financing costs of £221.0 million (2023: £201.0 million), of which the most significant element relates to the 12 percent accumulating dividend on preference shares issued as part of the Company's share units, stapled 5.6:1 to an A or B ordinary share. The preference shares are accounted for as debt-like due to their terms and conditions and consequently the cost of the dividend is accounted for as a financing charge which was £185.4 million for the year (2023: £166.3 million).

The financing costs and profit before tax, excluding the impact of the preference shares, is noted below to provide a more comparable view had the preference shares terms and conditions enabled equity classification. Excluding the impact of preference shares, net financing costs would have been £35.6 million (2023: £34.7 million) and profit before tax of £101.8 million (2023: £87.1 million).

	Reported		Underlying		Excluding preference shares*	
£m	2024	2023	2024	2023	2024	2023
Group operating profit (Note 6)	**114.6**	**93.5**	**137.4**	**121.8**	**137.4**	**121.8**
Net finance costs	(221.0)	(201.0)			(35.6)	(34.7)
(Loss)/Profit on ordinary activities before taxation	**(106.4)**	**(107.5)**			**101.8**	**87.1**

*Excludes £185.4 million (2023: £166.3 million) relating to the accumulating dividend on the Group's preference shares.

Interest payable on the Group's term loan and revolving credit facility are the main part of the remaining net finance costs. Both instruments have pricing referenced off the Sterling Overnight Index Average (SONIA), which remained high through the majority of the year resulting in a weighted average borrowing rate of 8.36 percent compared with 7.00 percent in 2023. Despite the significantly higher rate, overall interest charges increased by only £2.4 million due to continued debt repayment and were partially compensated by higher deposit rates achieved on surplus funds generating £1.2 million additional interest income. Financing charges on lease obligations remained broadly consistent with the prior year at £1.9 million (2023: £2.2 million).

The Group closed the year with a reported loss before tax of £106.4 million (2023: £107.5 million) but excluding preference shares dividend and non-trade activity costs would have been £101.8 million profit (2023: £87.1 million profit), the increase primarily driven by employment cost savings.

Statement of financial position and cashflow

The Group's financial position at the end of the year showed net liabilities of £573.7 million (2023: £451.3 million), due to the required accounting treatment of the Group's preference shares which results in inclusion in the Group's borrowings rather than alongside the ordinary share capital within equity. These represent 80 percent of the Group's non-current liabilities at the end of the year and are ultimately what drives the Group's balance sheet into a net liability position.

The position, excluding these capital instruments, is a net asset of £1,151.6 million (2023: £1,100.2 million), representing a five percent improvement compared with the prior year position and management believe this is a better reflection of the Group's operational financial position. Further information relating to the preference shares is available in Note 17.

	Reported		Excluding preference shares*		
£m	**2024**	2023	**2024**	2023	
Non-current assets	**1,640.0**	1,710.4	**1,640.0**	1,710.4	
Net current (liabilities)/assets	98.3	38.0	**98.3**	38.0	
Non-current liabilities - Borrowings	(2,155.3)	(2,026.5)	**(430.0)**	(475.0)	
Non-current liabilities - Other	(156.7)	(173.2)	**(156.7)**	(173.2)	
Non-current liabilities	(2,312.0)	(2,199.7)	**(586.7)**	(648.2)	
Net (liabilities)/assets	**(573.7)**	**(451.3)**	**1,151.6**	**1,100.2**	**+5%**

*Removes the preference share net liability at 31 December of £1,725.3 million (2023: £1,551.5 million)

Net current assets

Working capital

The Group's working capital receivables consist of trade receivables and contract assets, these are flat year-on-year at £142.6 million (2023: £142.0 million), reflecting the broadly consistent year-on-year trading and maintenance of an efficient collection cycle. Debtor days remain low at 38 days (2023: 39 days) with over 80 percent of customer receivables current in both years.

The slightly adverse overall working capital position of £109.4 million (2023: £103.8 million) has mainly come from a reduction in contract liabilities, the largest impact due to significant advance payments received in 2023 being worked off during the year. The Group also continues to be a member of the UK Prompt Payment code, ensuring payment practices are upheld, resulting in our trade creditors remaining low at £5.4 million (2023: £4.3 million).

Cashflow, cash and cash equivalents

The Group had another year of strong operational cash generation, closing the year with a healthy cash and cash equivalents balance of £152.9 million (2023: £130.2 million) and has improved its revenue-to-cash conversion efficiency.

£m	2024	2023	
Operating cash flows before payments for taxes	175.6	161.0	
Removing payments not related to underlying trading			
Restructuring activities	6.2	9.0	
Payments linked with past acquisitions	7.5	5.0	
Underlying operating cash flows before payments for taxes	**189.3**	**175.0**	**+8%**
% revenue to cash conversion	20%	18%	

During the year there have been significant non-trade related cash payments, £6.2 million from business restructuring and £7.5 million from payments linked with the Group's prior acquisitions which are included in the reported operating cash flows. Excluding these items the Group generated £189.3 million before tax payments (2023: £175.0 million), an increase of eight percent in the year.

Following the successful completion of the refurbishment project of the Group's UK Global Innovation and Technology Centre last year, investment cash flows on property, plant and equipment returned to more normal levels in 2024 at £5.1 million with focus on assets used in business operations. During the year, most noticeably the Group spent £2.4 million on plant and machinery in connection with its continued partnership with Pulpac, constructing a bespoke full-scale pilot production line to handle multiple applications of Pulpac's paper-based material with a further £1.1 million continuing the Group's normal laptop and mobile phone refresh cycle.

The Group made total debt servicing and reduction payments of £43.4 million and £45.0 million respectively during the year. Weighted average cost of borrowing was up 136bps compared with 2023 as lower rate loans reached their reset and replacement pricing reflected the higher UK bank rate and when combined with £5.0 million timing impact of moving to shorter interest payment periods to secure expected bank rate reductions promptly, interest payments rose by £10.6 million in the year.

The Group continues to repurchase its shares from leavers where this is deemed an appropriate use of surplus cash. Buybacks were actioned throughout 2024, retrieving 1.7 million B-share units and 2.4 million C-ordinary shares at an overall cost of £13.4 million including stamp duty. Sales of own shares held generated cash proceeds of £1.8 million and a further £1.0 million was received from C-ordinary shares awarded under the Group's Management Equity Plan, £0.5 million of this from new share issuance.

Non-current assets: £1,640.0 million (2023: £1,710.4 million)

Non-current assets predominantly consist of goodwill and acquired intangible assets from the Group's historical acquisitions, which represents 94 percent of the overall non-current asset value. This remains consistent with 2023, with the book value of these reducing in the year due to £64.4 million of amortisation. The remaining £3.4 million of other intangible assets relates to development costs capitalised in prior years.

Property, plant and equipment decreased by £1.3 million, ending the year at £37.2 million. With capital expenditure returning to a more normal run-rate for operational business support, the depreciation charged of £6.3 million has been the driver of the decrease. Of the amount included in assets under construction at year-end, £1.9 million relates to machinery supporting the pilot production line, the machinery is expected to be fully tested and complete during early 2025. The level of laptops and other computer hardware additions reduced slightly in the year to £1.4 million as a result of the lengthened refresh cycle and new demand being serviced by redeployment of existing kit.

During the year, the Group entered into new leases in our Belfast and Utrecht locations and exercised options to extend the lease term on three other existing global properties. This contributed an additional £3.0 million to lease asset value, these additions being offset by £9.2 million of depreciation on the overall lease portfolio.

Other non-current assets have increased by £3.3 million to £10.4 million, primarily due to an increase in R&D tax credits where the level of qualifying work has increased in comparison with the prior year.

Non-current liabilities: £2,312.0 million (2023: £2,199.7 million)

As described earlier, the largest element of non-current liabilities is the amount relating to the Group's issued preference shares, a net liability of £1,725.3 million (2023: £1,551.5 million). This consists of a gross liability of £1,826.9 million, which has increased £195.7 million due to the accumulating 12 percent dividend, offset by the shares held by the Group's employee benefit trust at year-end, 65.7 million shares valued at £101.6 million, (2023: 57.7 million shares and £79.7 million).

Excluding the net preference share liability, the non-current liabilities of the Group reduced from £648.2 million to £586.7 million, the key movements from each component being:

- Drawn debt under the Group's £400 million term loan and £300 million RCF reduced by £45 million following principal repayments during the year while also maintaining timely interest servicing, £43.4 million paid in year.
- Total lease liabilities reduced by £4.9 million with the non-current portion reducing from £39.0 million to £33.8 million, the overall reduction primarily from the contracted lease payments offset by small additional liabilities from new leases or lease extensions. Of the closing £45.1 million liability, property leases represent £44.8 million with over 65 percent being contributed by the UK head office lease which has annual repayments of £4.7 million through to 2032.
- Deferred tax liabilities mainly relate to the Group's previously acquired intangible assets and have reduced in correlation with the amortisation of those assets. When offset against other deferred tax movement this has led to a net reduction of £12.9 million in the year.
- Other movements in non-current liabilities mainly consist of a £0.8 million fair value increase in the liability relating to C-ordinary shares retained by leavers and a £1.0 million increase in the Group's German pension liability.

Our people

Our people are at the heart of everything we do. Every day, our multidisciplinary teams collaborate, bringing diverse expertise and insights to help our clients tackle the world's most complex challenges.

We are just as dedicated to creating an exceptional workplace as we are to delivering impactful results. That's why we've built a culture that fosters collaboration, diversity, inclusion, and growth - where our people feel valued, empowered, and inspired to do their best work.

Employee engagement

At PA, we believe that engaged employees are fundamental to driving innovation, delivering exceptional outcomes for our clients, and fuelling long-term organisational growth. When our people feel heard, valued, and empowered, they bring their best ideas and energy to work - enabling us to thrive as a business and make a greater impact in the world.

That's why listening to our people remains a top priority. Our employee engagement surveys are a vital tool in helping us understand their experiences, assess how our strategy is resonating, and identify opportunities to improve.

In 2024, we continued to enhance our engagement approach. Following the October engagement survey, we continued to refine our approaches and introduced new initiatives to strengthen employee experience.

We also evolved our survey strategy to gather feedback more frequently and effectively. Through a new format of three shorter pulse surveys each year we will collect timely insights and respond with greater agility to enhance our people's experience. This approach will allow us to stay closely connected to employee sentiment and act quickly on what matters most.

Growth

At PA, we believe in the power of personal growth and development. Embracing a growth mindset and a strong drive to keep evolving is essential for both our people and our business. Our core philosophy is that every individual at PA, from the most senior to the most junior, should passionately invest in their own growth and development. When we all commit to this journey, we safeguard our collective talents and ensure we reach our highest performance potential.

Learning and development is an integral part of how PA delivers excellence to our clients and creates a dynamic learning culture. We apply a widely used model to ensure learning and development can be achieved primarily through on-the-job experiences, supplemented by learning from others and complemented by formal learning – ranging from self-directed online learning to face-to-face workshops and certified courses.

Our inclusive blended learning approach brings digital learning, virtual classrooms, in-person sessions, and LinkedIn Learning together, ensuring everyone has access to diverse and enriching educational experiences. We prioritise accessibility and are deeply committed to inclusivity, empowering every learner to fully participate, thrive, and reach their highest potential.

Inclusion

Our people strategy is 'inclusive by design', fostering a culture of inclusivity and meritocracy, encouraging diverse thought and experience, mitigating bias in all areas of work, and ensuring we attract, retain, and promote the very best talent throughout our organisation.

Our 2024 Pay and Inclusion Report, which is published on our external website, provides a detailed overview of our broader work on inclusion and equality and demonstrates our progress and activity over the last year.

Wellbeing

We continue to prioritise the health and wellbeing of our people, recognising that this spans five key areas: mental, physical, financial, social, and career-related wellbeing.

We are actively addressing each of these through education - such as webinars and live events - as well as ongoing improvements to our policies, resources and processes, ensuring our people feel fully supported in every aspect of their wellbeing inside and outside of work. For the first time, we are also reporting externally on our work in this space, following the UK Government's voluntary reporting framework, where more information is available on how we are supporting and managing mental health and wellbeing at work.

Supporting our communities

Building a positive human future extends beyond our clients and our people to include our contribution to social and environmental outcomes in the communities where we live and work. We give our time and expertise to develop and inspire people, particularly those facing disadvantage, to be the innovators and leaders of tomorrow, applying their ingenuity to solve the world's biggest challenges. We do that at a firm-wide level through our PA in the Community programme and by partnering with charitable organisations that are having a demonstrable impact in society.

In 2024, we delivered community impact at scale through our partnership with The PA Foundation. By the end of 2024, the Foundation had distributed over £2 million in grant funding to 42 charitable organisations in the UK, US, Nordics and Netherlands, reaching 8,900 people from disadvantaged backgrounds.

Through all our community engagement initiatives, PA's people contributed more than 21,000 hours of volunteer time and supported over 250 charities and non-profit organisations. Of this, 73 percent of our volunteering activity was skills-based, demonstrating our commitment to sharing expertise and skills for the benefit of our communities.

Our community engagement highlights from 2024 include:

- Winning several national awards including Social Mobility Initiative of the Year at the British Diversity Awards, Professional Services Charity Partnership of the Year at the Business Charity Awards, and Innovation of the Year at the UK Social Mobility Awards.
- Delivering two global campaigns across our 20 offices to highlight important issues in our local communities including environmental initiatives during Earth Day in April 2024, and supporting local charities through PA's Global Volunteer Week in October.
- Reaching the milestone of 100 PA volunteers who have supported our charity partner, StandOut, to deliver employability workshops and provide mentoring opportunities to people in prisons across London.
- Setting up our first-ever coding club at our offices in Copenhagen for young people to learn new digital skills and develop their understanding of emerging technologies.
- Welcoming 55 students from low-income backgrounds on to our Springboard programme to provide meaningful work experience and skills training in London, Cambridge and Denver.
- Supporting the Royal British Legion's annual Poppy Day appeal by raising over £130,000 across London through the support of 120 PA volunteers from across the firm.
- Delivering our Raspberry Pi Competition for the 12th year, challenging over 1,000 students to put their engineering and coding skills to the test, using a Raspberry Pi microcomputer to invent products that improve health and wellbeing.

Environmental sustainability and climate response

The latest step of our transition to a low-carbon business saw the approval of our Science-Based Targets in 2024. We have chosen to set targets covering all of our operations and the whole of our greenhouse gas (GHG) inventory, to represent the full extent of our impact on the planet. These targets are:

- Reduce our Scope 1 and 2 emissions by 75 percent
- Reduce our Scope 3 emissions intensity (per £m of EBITDA) by 55 percent
- Source 100 percent of our electricity from renewable sources.

All by 2030 and based on a 2019 baseline. Also, we will aim to achieve net zero GHG emissions across the value chain by 2040.

During 2024, we made further progress towards these targets by continuing our efforts to decarbonise our Global Innovation and Technology Centre, in Cambridgeshire, UK (our only owned site) and improving our supply chain sustainability management systems. We also invested in a number of Sustainable Aviation Fuel (SAF) Scope 3 credits. While this investment represents a small amount of emissions mitigation for 2024, we hope that this is the beginning of a long-term partnership and will help to seed the SAF industry for the future. We have also purchased renewable energy credits to compensate for any non-renewable electricity sourcing across our global operations. This accounts for the majority of our Scope 2 emissions reduction in the year.

We are continually working to improve biodiversity on areas we control and have introduced a 'no mow' area of grassland at our Global Innovation and Technology Centre and are developing our monitoring processes in preparation for setting a formal biodiversity baseline.

We continue to closely monitor our regulatory compliance and waste management processes and continue to maintain ISO 14001 certification for our main UK sites, and ISO 50001 certification for our owned location, where we have more control over our energy consumption.

Climate-related risks and opportunities

We have assessed our climate-related risks against two International Energy Agency emissions scenarios – NZE (Net Zero Emissions) and STEPS (STatEd Policies Scenario). These give a picture of the potential risks in both a high- and low- CO2 world, and therefore indicate all the salient issues for PA. We recognise that in reality the situation is likely to be somewhere between these two extremes.

The Chief Transformation Officer (CTO), is responsible for the management of climate-related risks and opportunities, with reference to the board of directors. Day-to-day responsibility and technical oversight sits with the Head of Health, Safety, Environment and Quality (HSEQ). Climate-related risks are overseen through the Operational and Security Risk Management Steering Committee (OSRSC), which reports to the board of directors through the Risk Management Committee. Ultimate accountability for management of climate-related matters sits at board level.

The Head of HSEQ is responsible for the assessment and management of climate-related risks and reports to the CTO. PA regularly completes a climate-related risk assessment (CRRA), which aligns with the Task Force on Climate-related Financial Disclosures (TCFD) and the International Financial Reporting Standards (IFRS) standards and is written on the basis of double-materiality. This CRRA identifies key recommendations for action which are then taken forward through the usual management structures of the organisation. Climate-related risk is also integrated into the business risk register and falls under the purview of the Risk Management Committee.

Risk description and timeframe	Timescale	Potential impact	Likelihood/ Magnitude	Mitigation
NZE scenario				
Changing customer behaviour	From now onwards	Increase in customer demand for PA both to deliver sustainability outcomes (e.g. cut carbon emissions) as a business, and for us to contribute to their sustainability performance through the work we do.	High /High	We are continuing to develop our systems to make PA a more sustainable company, as outlined in this report section. Our Social Value Community of Practice continues to monitor and deliver against client sustainability requirements, feeding client requirements into our corporate systems as needed.
Volatile regulatory landscape	From now onwards	Rapid changes in regulation across different geographies leading to increased, and potentially divergent, requirements for climate action and disclosure.	High / Moderate	We plan to extend our formal monitoring programme for upcoming regulatory changes to the EU and continue to improve reporting on sustainability issues and performance.
Introduction of low-carbon technology	From now onwards	Need to adapt owned real estate to lower carbon technologies and facilitate transition to low-carbon travel.	High / Moderate	Ongoing investment programme for GITC. Review of options for renewable power elsewhere.
STEPS scenario (in addition to those identified above)				
Extreme weather events	From now onwards	Increased risk of events such as flood, heatwaves or wildfires, business interruption.	Low but increasing / Medium	PA is generally an agile and flexible company and well adapted to cope with such events. We monitor the potential for adverse weather which may affect our people and respond appropriately.
Lack of natural resource availability	Beyond 2040	Supply chain disruption reducing availability of commodities, potentially utility supply interruptions.	Low / Low	Given the nature of our work and the flexibility of our workforce, we expect to be able to plan around such issues in the main.

Target	2024 performance	2023 performance	vs. 2023	2030 target
1. Scope 1+2 GHG emissions	317t CO_2e	631.1	-50%	431t CO_2e
2. Scope 3 emissions intensity (per £m EBITDA)	103.4	126.4	-18%	115.6
3. Renewable energy (%)	99%	77%	+29%	100%
4. Scope 1+2+3 emissions intensity (per £m EBITDA, 2040 target)	105.3	130.0	-19%	8.3

Other environmental targets

- Net energy consumption on owned sites: 3817GWh, +3.2% from 2023.
- Incidents of local pollution, waste sent to landfill from sites we control: One incident in 2024, recycling waste sent to landfill, 1,880kg.
- Biodiversity index on owned sites: Not yet formally baselined.

Carbon emissions detail

Our carbon emissions have been verified according to ISO 14064. These represent our global emissions, calculated according to the GHG Protocol, with all emissions calculated on a Well-to-Wheel and Cradle-to-Gate basis. Emissions are for the calendar year 2024. Our baseline for all GHG calculations and targets, including our validated Science-Based Targets, is 2019.

Emissions category per GHG protocol	Baseline	2023	2024	% change
Scope 1	530	315	314	0%
Scope 2 (Location based)	941	836	768	-8%
Scope 2 (Market-based)	1186	316	3	-99%
Category 1 - PG&S	6529	9744	8962	-8%
Category 2 - Capital goods	2287	1847	859	-53%
Category 3 - Fuel-related	261	388	360	-7%
Category 4 - Upstream T&D	463	660	544	-18%
Category 5 - Waste	16	23	6	-75%[1]
Category 6 - Business travel	9217	5358	5072	-5%
Category 7 - Employee commuting	3646	4201	4155	-1%
Category 8 - Upstream leased assets	170	145	173	+19%
Category 9 - Downstream T&D[2]	0	0	0	-
Category 11 - Use of sold products	-	14	193	+1317%[3]
Category 12 - End of life treatment of sold products	-	0.00012	0.00507	-
Mitigation - Sc6 Cat 6 sustainable aviation fuel	0	0	-50	0
Scope 3 total	22587	22380	19843	-11%

1. Waste figures for 2023 were based on conservative estimates and assumptions about waste disposal endpoints in the US, which were made using the data available at the time.
2. We report zero downstream T&D emissions, as all transport and distribution activities fall under upstream categories according to GHG Protocol rules.
3. Increase is due to updated calculation methodology.

Additional UK-only energy and carbon data for SECR

		2023	2024	% change
UK energy use (kWh)	Gas	1,597,548	1,588,840	-1%
	Electricity	2,716,577	2,804,599	+3%
	Transportation (personal car)	4,069,222	2,296,143	-44%
	Total	8,383,347	6,689,582	-20%
Corresponding GHG emissions (tCO2e)	Gas	292.2	290.6	-1%
	Electricity (location-based)	565.3	579.1	+2%
	Electricity (market-based)	37.4	0	-100%
	Transport	786.0	699.8	-11%
	Total (market-based)	1115.6	990.4	-11%

Principal risks and uncertainties

In the course of our day-to-day operations, we face a number of risks and uncertainties. Responsibility for ensuring that an appropriate risk management system is in place to identify and manage all significant risk exposures throughout the Group rests with the board of PA Consulting Group Limited.

The risks that the board seeks to manage fall into the following categories:

- People risk
- Market risk
- Reputational risk
- Financial risk
- Operational risk
- Compliance/legal risk

The principal risks and uncertainties identified in the strategic report reflect those considered by PA's Risk Management Committee to be detrimental to the ongoing business performance of PA and the achievement of its strategic objectives. Operational risks are managed day-to-day by corporate functions and are escalated to, or de-escalated from, the principal risk register in response to a change in risk profile, or the effectiveness of mitigating actions.

The board of PA Consulting Group Limited considers the matters described in the table below to be principal risks that face the Group and that could affect the business, results of operations, turnover, profit, cash flow, assets and the delivery of our strategy.

Risk description	Potential impact	Mitigation
People risk An overreliance on key individuals leading to poor leadership succession planning.	Our senior leaders ensure that strategy, innovation and experience are disseminated through all layers of the organisation. If this becomes inconsistent due to frequent or unexpected changes in leadership, business performance could be jeopardised and knowledge lost.	Succession planning processes are in place for the leadership level and actions are under way for all PA senior lead talent identified. Additionally, work has commenced on a senior leadership development programme to help develop our highest potential talent towards broader leadership roles.
People risk PA is unable to attract or retain appropriate calibre and numbers of people.	Our most important asset is our people. Our ability to grow, meet the demands of the market and compete effectively with other consultancy firms is, to a large extent, dependent on having the talent in the organisation to perform well. The loss of key talent, or the inability to attract people with the right skills, could have a serious impact on our ability to service client contracts.	To ensure that we recruit and retain the right people and always have the right people with the right mix of skills on an assignment team, we have rigorous recruitment processes and a robust approach to performance management to ensure individuals are meeting agreed objectives. We also have an extensive learning and development curriculum, which delivers development through Group courses, digital platforms and individual coaching.
Market risk The continued economic uncertainties in many of the major markets could have an adverse impact on client demand.	In these uncertain times, a number of market risks are heightened, such as a reduction in client demand leading to a loss of significant revenue streams, pressure on our billing rates, or the collapse of a key client, exposing the Group to potential financial loss.	We have an account management programme in place which focuses particular attention on our top accounts to ensure stability, account growth and customer satisfaction are all achieved. Our commercial approach ensures that we position our offerings in a way that is commensurate with market conditions, yet at the same time, reflects the value proposition provided to our clients.
Market risk The inability to sufficiently diversify PA's markets and geographies away from the UK public sector and UK consulting.	Our brand and reputation has grown considerably from a base of strong work in the UK, largely in the public sector. While we maintain this focus, opportunities for future global revenue and profitability may be missed and we could be at a disadvantage during a poor UK macro economic climate.	We invest time in monitoring market developments and identifying newly emerging sectors or offerings, including competitor business streams. The balance between private and public sector business is being shifted through growth towards private sector accounts. This includes continuing our plan of growing our private sector through partner hiring and acquisitions, with an enhanced focus on key accounts. We also prioritise receiving and addressing client feedback through our account management process, to ensure that we maintain our excellent quality work while seeking opportunities to grow existing relationships to other business areas or geographies.
Reputational risk An issue with our client – including dispute over deliverables or the client's reputation – becomes internally disruptive and/or is discussed in the public domain.	The strength of our brand is crucial to our business. The perception of PA and its offering could be damaged by failure to maintain high standards of service delivery and the right culture. This could lead to a loss of future profitability as fewer clients award business to PA and could result in a deterioration of our reputation.	Our account management programme is focused on ensuring customer satisfaction, with mandatory client value reviews for key clients and assignments. We have robust procedures in place to vet client work that poses an elevated risk including reputationally. And we have a strong internal PR team, with access to outside experts, to mitigate any exposure.

Reputational risk A current PA employee violates company policy - and the act of the violation and or the actions they took, are discussed in the public domain.	Our brand, and the trust client's put in PA to maintaining the highest ethical standards while providing impartial, value-adding advice, could be adversely affected were an individual to violate a company policy and that violation be discussed externally.	Our Code of Conduct, people policies, and mandatory training are designed to ensure that we operate, and are seen to operate, in accordance with our values and to the highest ethical standards. Our internal PR team is adept at reducing external exposure of sensitive people issues.
Financial risk Funds could be invested in financial instruments with unacceptable levels of risk versus the reward profile.	We operate in a number of different countries and the Group's overseas net asset values and overseas profits are, therefore, subject to currency fluctuations upon conversion into sterling.	The substantial majority of PA's assets are denominated in sterling. Material net asset exposures are hedged.
Operational risk Business continuity risks associated with data security.	As with all professional service firms, we handle sensitive client information, as well as personal information, and our own confidential data. Ensuring that we handle such information securely is critical to compliance with data protection legislation and our reputation with clients, employees and government.	We have achieved global recertification to the ISO 27001 standard for information security management, as well as Cyber Essentials and Cyber Essentials Plus. Our crisis communications procedures provide for the effective communication to our people and external stakeholders to protect PA's reputation.
Operational risk PA could fall victim to cyber attacks from third parties and/ or an employee could intentionally, or unintentionally, introduce malware.	Hacktivists, malign outsiders or even foreign governments may target PA. Should such an attack successfully disrupt PA's operations or cause us to lose data, this might have a significant impact on our continuing work for clients.	We have invested in technical systems and controls to actively detect and prevent cyber threats from affecting PA systems, and have successfully undertaken independent third-party assessment of these controls. Our people receive training to maintain their awareness of issues and threats and to educate them in that role of encountering such threats.
Compliance/legal risk Risks arising from legal and regulatory changes and compliance with legislation.	Our operations are subject to a broad spectrum of legal and regulatory requirements in relation to, for example, environmental issues, employment, pensions and tax, and regulations governing the Group's activities and services. We are aware of the importance of complying with all applicable legislation affecting our business activities and of the potential financial impact and damage to reputation that can result from a breach.	Regulatory developments are actively monitored by the Risk Management Committee and by PA's Legal and Company Secretariat departments to ensure that new and existing laws and regulations are complied with and that training needs are addressed. We have a comprehensive Code of Conduct, conflicts management programme, and training programme, which reinforce adherence to good working practices and will protect us from a regulatory breach.

Section 172(1) Statement

The directors of PA Consulting Group Limited present their Section 172(1) Statement. The directors of the Company have acted in a way they considered, in good faith, to be most likely to promote the success of the Company for the benefit of the members as a whole, and in doing so had regard, among other things to:

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

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

The PA board receives regular and timely information on all key aspects of the business. Decisions are made after thorough consideration and debate, using all available information and detailed papers that focus on relevant stakeholder considerations. The directors also have access to advice and guidance from the Group Company Secretary, as well as PA's Group legal function, when discharging their duties.

Our clients

Our clients, and the work we do for them, are cornerstones of our purpose, and strategy. The way we contribute to our clients and build successful and enduring relationships, is critical to our success. We engage with our clients closely, working side by side with them in every job we do. In addition to the work we do every day on client assignments, we produce many insight and thought leadership pieces on issues that are at the top of the minds of our clients. Each year, we publish the *Ingenuity Review*, offering a vital 'window' into PA for both our clients and investors, PA people and potential new joiners. To further understand how well we are meeting the needs of our clients, we undertake client value reviews.

We're proud to work with clients who make a positive contribution on ground-breaking and innovative projects that improve people's lives. We care deeply about the work we do and the impact we create for our society. We consistently go the extra mile to achieve this goal.

Our people

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

Each year, we undertake an engagement survey of our people. Listening and responding to this feedback is a huge part of delivering on our commitment to creating a place which attracts the best and brightest minds and enables everyone to thrive and develop their skills, every day.

We frequently asses our ethical responsibilities to ensure fairer treatment of our people, gender parity, and social mobility through recruitment. We are a UK Living Wage accredited employer, we are a member of the UN Global Compact, and we comply with the Ethical Trading Initiative base code on good labour practices.

Our shareholders

PA is 65 percent owned by Jacobs Engineering Group Inc., and 35 percent by PA employees. Employee share ownership is an important part of PA's culture and strategy and is highly valued by our people.

PA employee shareholders are represented on the PA board by three shareholder appointed representatives: the Chief Executive Officer, the Group Company Secretary, and a Non-Executive Director.

PA management works closely with Jacobs, who are represented on the PA board by the Chief Executive Officer, Chief Financial Officer and Executive Vice-President of Jacobs.

Our communities and the environment

We take pride in the dedication of our people to engaging with communities and addressing climate change and environmental challenges. This commitment is reflected in the work we do with our clients and within our own organisation, as detailed in the strategic report.

Our suppliers

Our policy is to place contracts with suppliers who provide value for money and adopt sustainable practices in line with appropriate international and local guidelines and standards, which we monitor via our supplier pre-qualification questionnaire.

We seek a diverse range of suppliers in order to provide a fair opportunity to compete for and win work from PA. In exercising this policy, we seek to increase competition by identifying suppliers who are the most efficient, flexible, innovative and committed to CSR best practice.

We strive to ensure that the purchase of goods, services and facilities is undertaken in line with our diversity and inclusivity commitments and, wherever possible, that we purchase from agencies or companies who share our values on equality of opportunity and diversity.

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

This strategic report was approved by the board of directors on 16 April 2025 and signed on its behalf by:

Christian Norris
Chief Executive Officer

PA Consulting Group Limited
Company number: 13035335

Directors' report

The directors present their report for PA Consulting Group Limited for the year ended 31 December 2024.

In accordance with section 414C(11) of the Companies Act 2006, the Company has elected to include in its strategic report the following information required by Schedule 7 of the 'Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008', which would otherwise be disclosed in its directors' report: Schedule 7.10(3) – employment of disabled persons; Schedule 7.11(1) – engagement with employees; Schedule 7.11B(1) – engagement with suppliers, customers, and others in a business relationship with the Company; and Schedule 7A.20D to 20I – greenhouse gas emissions, energy consumption, and energy efficiency.

Principal activities of the Group

The Company is a holding company within the PA Consulting Group. The principal activities of its subsidiaries are the provision of a range of consultancy services to governments and industry. A fair review of the business of the Group during the financial year ended 31 December 2024, the position of the Group at the end of the financial year, and a balanced and comprehensive analysis of the performance of the Group's business during the period and future developments, are included in the strategic report on pages 4 to 20.

Directors

The directors of the Company who were in office during the year ended 31 December 2024, and up to the date of signing of the financial statements were as follows:

John Alexander

Kully Janjuah

Alan Middleton

Shannon Miller (appointed on 18 July 2024)

Venkatesh Nathamuni (appointed on 18 July 2024)

Christian Norris

Robert Pragada

Kevin Berryman (appointed on 1 April 2024, resigned on 18 July 2024)

Steven Demetriou (resigned on 18 July 2024)

Claudia Jaramillo (resigned on 1 April 2024)

Directors' indemnity and insurance

In accordance with the articles of association, the Company 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 Company 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.

Dividend

The directors do not recommend the payment of a dividend in respect of the financial year ended 31 December 2024 (2023: £nil). Amounts accruing on preference shares at year-end are included in Note 17 of these financial statements.

Political donations

No political donations were made during the year.

Going concern

As required by company legislation, the directors are responsible for reviewing and concluding that the use of the going concern basis of preparation is appropriate for the Group. In consideration of this, the directors have taken into account short and mid-term trading and cash forecasts, covering the period to 31 December 2026, potential global or economic impacts on the numbers included in those forecasts and the availability of funding sources for the Group.

The forecast providing the basis for the review has been formed from the Board-approved 2025 budget with 2026 numbers from the Group's longer term strategic plan. In creating the budget, consideration has been given to the shape, size and location of workforce required to service anticipated client demand and the appropriate utilisation level for various consultant groupings. The national insurance increase announced in the UK Budget of October 2024 has been incorporated into employment costs. Additionally, expected inflationary impacts have been factored into the Group's more volatile cost components, primarily utility costs and lease service charges. Although expectation is that UK financing rates will reduce over the coming year, the forecast debt servicing costs have been modelled consistent with the higher 2024 rates experienced. The forecast shows operating cashflow to be strong throughout the review period.

The directors have also assessed the tolerance of the cash flows to adverse impacts on these assumptions for the key financial performance drivers. These are considered in the review period to be the risk of client demand dropping as the new UK public sector procurement policies are embedded, and cost inflation remaining higher than anticipated across the Group's global footprint. The downside case, incorporating a combination of significant revenue reduction and overhead cost increase, demonstrated that the Group's business model is sufficiently robust and has excess liquidity headroom to absorb a sizeable and sustained downturn.

The Group's financing is a combination of debt and cash on hand. The maturities on these debt instruments are well beyond 12 months and include £270 million headroom within the revolving credit facility. There are no financial covenants that would cause default during the period under consideration. The directors believe these sources provide the Group with access to sufficient longer-term funding and the ultimate lender has appropriate backing and headroom to support the lending for the foreseeable future.

The Group's net liability position arises from the classification of its preference shares as debt rather than equity. Settlement of these instruments is contingent upon either an investment disposal by Jacobs Engineering Group Inc. or a liquidity event, as defined in the Company's articles of association. This event is expected to occur around five years from the March 2021 issue date, at which point a valuation agreed between the shareholding parties will trigger return of capital to the existing preference shareholders from the new investment funds raised, either through re-investment from existing shareholders or disposal of holdings to new investors. The Company is not required to fund or supplement any return of capital in these scenarios and consequently the directors do not expect settlement to require utilisation of the Group's own resources.

Having due regard to these matters, the directors are satisfied that the Group has sufficient resources and liquidity to continue to trade for the foreseeable future and conclude that there is no material uncertainty around the Group's ability to continue as a going concern.

Financial instruments

The Group uses forward foreign currency contracts to reduce exposure to foreign exchange rates. Further information about the most significant financial risks faced by the Group and how these are managed can be found in the strategic report and in Note 2.17 of these financial statements.

Research and development

PA is committed to new knowledge creation and innovation through the provision of R&D for clients and through investing in projects internally. The Group will continue its policy of investment in R&D in order to retain a competitive position in the market.

Disclosure of information to auditors

Each director has taken steps in order to make themselves aware of any relevant audit information and to establish that the Group's auditors are aware of that information. The directors confirm there is no relevant information that they know of, and of which they know the auditors are unaware.

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 financial statements for each financial year.

Under that law, the directors have elected to prepare the Group financial statements in compliance with UK adopted international accounting standards, and the Company financial statements in accordance with the Financial Reporting Standard 101 Reduced Disclosure Framework. The financial statements are required by law to give a true and fair view of the state of affairs of the Group and the Company and of the profit or loss of the Group for that period.

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

- Select suitable accounting policies and apply them consistently
- Make judgements and estimates that are reasonable and prudent
- State whether applicable United Kingdom accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group 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 proper accounting records that disclose with reasonable accuracy, at any time, the financial position of the Group and the Company and enables 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Directors' responsibilities statement

Each of the directors who is listed on page 21, confirms that to the best of their knowledge and belief:

- The financial statements for the financial year ended 31 December 2024, prepared for the Group, in compliance with UK adopted international accounting standards, and for the Company, in accordance with the Financial Reporting Standard 101 Reduced Disclosure Framework, give a true and fair view of the assets, liabilities, financial position and loss of the Group and the Company respectively; and
- The strategic report includes a fair review of the development and performance of the business and the position of the Group and the Company, together with a description of the principal risks and uncertainties they face.

Statement on corporate governance practices

The corporate governance arrangements in place at PA are aligned to the Wates Corporate Governance Principles for Large Private Companies. During the year ended 31 December 2024, these principles were applied as follows:

Purpose and leadership: PA's purpose and strategy has been developed by the board of directors. The board of directors are responsible for ensuring that the purpose and strategy are clearly articulated and implemented throughout the organisation and that the behaviours and conduct of the organisation and its employees align with with that.

Our success as a firm is founded on a set of five core values. We challenge where it matters, to break new ground. We turn expertise into action, to deliver real value. We work better together, to go further, faster. We act with humanity, to forge lasting relationships. And we own the outcome, to drive positive change. These core values drive the way PA and its directors behave with clients, with each other, and with everyone else we meet through our work.

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

Composition: The size and composition of the board is guided by the size and by the scale and complexity of the Company's business. The board believes that its size and composition provides an appropriate balance of skills, backgrounds, experience and knowledge necessary to oversee the Company's business and delivery of its purpose and strategy. During the year, the board comprised a non-executive Chair, a non-executive Director, the Chief Executive Officer, the Group Company Secretary, and three directors appointed by the Group's majority shareholder.

Responsibilities: The board and individual directors have a clear understanding of their accountability and responsibilities and the policies and procedures adopted by the board support effective decision-making and independent challenge. The relationship between the Company and its shareholders is governed by a shareholders' agreement which provides the framework for the Group's governance practices and sets out the board's overall leadership responsibilities and the matters reserved for its consideration and approval. The shareholders' agreement establishes a number of board committees which assist the board in providing oversight, challenge, and guidance. The responsibilities of the committees, including decision-making authority and escalation processes, are outlined in their terms of reference which are reviewed annually.

The board and its committees each receive regular and timely information on all matters required to maintain effective oversight of the Company's business, including reports on business and financial performance, progress against key strategic objectives, risks and opportunities, operational matters, market conditions and people matters. All information provided to the board and its committees is prepared by subject matter experts with the relevant experience and skills necessary to ensure the integrity of the information presented.

Opportunity and risk: The board is responsible for promoting the long-term sustainable success of the Company and identifying opportunities to create and preserve value, and has established a firm-wide risk management framework to assist with the identification and mitigation of risk. The board, through its committees, has put in place a structure of policies and processes to identify, assess and manage risk.

The Risk Management Committee has overall responsibility for monitoring existing and emerging risks and maintains oversight of the mitigating actions to manage and reduce risks through a central register of risks and mitigating actions and by viewing regular status reports from its risk subcommittees.

Remuneration: The board promotes executive remuneration structures that align to the long-term, sustainable success of the Company. The Succession and Compensation Committee, supported by the Remuneration Committee, is responsible for implementing the Company's remuneration policy and compensation practices and ensuring that they are applied consistently, promote effective risk management, and are aligned to the Company's purpose and strategy. The Succession and Compensation Committee and the Remuneration Committee regularly reviews and makes recommendations to the board on the firm's remuneration and compensation policies.

Stakeholder relationships and engagement: The board believes that strong and effective relationships with its stakeholders are essential to delivering the Company's purpose and strategy and for protecting the Company's reputation. The board ensures that there are appropriate channels and procedures in place to receive feedback from discussions and interactions with all stakeholders.

This directors' report was approved by the board of directors on 16 April 2025 and signed on its behalf by:

Christian Norris
Chief Executive Officer

PA Consulting Group Limited
Company number: 13035335

Independent auditor's report

to the members of PA Consulting Group Limited

Opinion

We have audited the financial statements of PA Consulting Group Limited ('the parent company') and its subsidiaries (the 'group') for the year ended 31 December 2024 which comprise the consolidated statement of profit or loss, the consolidated and company statement of financial position, consolidated statement of cash flows, the consolidated statement of other comprehensive income, the consolidated and company statement of changes in shareholders' equity and the related notes 1 to 24 and C1 to C14, including a summary of material accounting policy information. The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and UK adopted international accounting standards. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

In our opinion:

- the financial statements give a true and fair view of the group's and of the parent company's affairs as at 31 December 2024 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with UK adopted international accounting standards;
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to other entities of public interest, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the group and parent company's ability to continue to adopt the going concern basis of accounting included:

Performing a walkthrough of the Group's financial close process, to confirm our understanding of management's going concern assessment process and checking all key risk factors were considered in management's assessment.

Obtaining and reviewing management's going concern assessment, including the cashflow forecasts and covenant calculations for the going concern period which covers the period to 31 December 2026.

Performing procedures to confirm the clerical accuracy and appropriateness of the cashflow models.

Evaluated the key assumptions in the forecasts by comparison against recent results and independent industry forecasts.

Verified the credit facilities available to the Group by inspecting the relevant agreements and evaluated the potential impact of debt repayments.

Confirmed the circumstances under which the preference shares might be redeemed by reading the articles of association, shareholders agreement and discussions with the Group's legal counsel.

Performing reverse stress testing in order to identify what factors would lead to the Group utilising all liquidity during the going concern period.

Reading the Group's going concern disclosures included in the annual report in order to assess that the disclosures were appropriate and in conformity with the reporting standards.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group and parent company's ability to continue as a going concern for a period to 31 December 2026.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the group's ability to continue as a going concern.

Other information

The other information comprises the information included in the annual report set out on pages 4 to 25, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 23, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are UK adopted International Accounting Standards (IAS), FRS 101 and the Companies Act 2006, direct and indirect tax compliance regulations in the jurisdictions in which the Group operates and Miscellaneous Reporting Regulations 2018. In addition, the Group has to comply with laws and regulations relating to domestic and overseas operations, including money laundering regulations, health and safety, employment law, data protection and anti-bribery and corruption.
- We understood how PA Consulting Group Limited is complying with those frameworks by making enquiries of management, internal audit and internal legal counsel to understand how the Group maintains and communicates its policies and procedures in these areas. We corroborated our enquiries through our review of board minutes, inspection of internal audit reports, review of correspondence with relevant authorities.

- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur through discussions with management and our own independent assessment of the risk of management override of controls and the risk of fraud in revenue recognition.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved discussions with management and internal legal counsel, review of board minutes, whistleblowing logs, and enquiry with the Group's external legal counsel. In order to address the identified fraud risks, we incorporated data analytics into our testing of revenue recognised throughout the year to focus our testing on transactions not following the standard pathway. We also reviewed material customer contracts to verify revenue was recognised in accordance with the agreement. In addition, we performed journal entry testing meeting specific risk criteria to address the risk of management override through journal entries.

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

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Ernst & Young LLP

Adrian Bennett (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Cambridge, UK

17 April 2025

Financial statements

Consolidated statement of profit or loss

for the year ended 31 December 2024

	Note (i)	2024 £m	2023 £m
Revenue			
Fee income	4.1	**752.9**	789.7
Project costs recharged	4.1	**175.4**	165.2
Revenue	4.1	**928.3**	954.9
Personnel and direct costs - underlying		(662.3)	(696.9)
Personnel and direct costs - non-underlying	6	(22.0)	(25.7)
Personnel and direct costs		**(684.3)**	(722.6)
Gross profit		**244.0**	232.3
Administrative expenses - underlying		(128.6)	(136.2)
Administrative expenses - non-underlying	6	(0.8)	(2.6)
Administrative expenses		**(129.4)**	(138.8)
Operating profit	7.1	**114.6**	93.5
Net finance costs	8	**(221.0)**	(201.0)
Loss on ordinary activities before taxation		**(106.4)**	(107.5)
Taxation	9.1	**(26.8)**	(27.0)
Loss for the financial year		**(133.2)**	(134.5)
Adjusted EBITDA (ii)	6	**218.4**	205.0

i. The accompanying notes are an integral part of the financial statements.

ii. Adjusted EBITDA is operating profit before interest, taxation, depreciation, amortisation, non-underlying items, share-based payments and gain/(loss) on disposal of assets.
A reconciliation between operating profit/(loss) and adjusted EBITDA is provided in Note 6.

Consolidated statement of other comprehensive income

for the year ended 31 December 2024

	Note (i)	2024 £m	2023 £m
Loss for the financial year		**(133.2)**	**(134.5)**
Other comprehensive income not to be reclassified as profit or loss in subsequent periods (after any applicable tax):			
Actuarial loss recognised on defined benefit pension arrangements	20.2.3	(0.5)	(0.1)
		(133.7)	**(134.6)**
Other comprehensive income to be reclassified to profit or loss in subsequent periods (after any applicable tax):			
Exchange difference on retranslation of net assets and results of overseas subsidiaries		(2.6)	1.4
Total comprehensive loss relating to the year		**(136.3)**	**(133.2)**

i. The accompanying notes are an integral part of the financial statements.

Consolidated statement of financial position

at 31 December 2024

	Note (i)	2024 £m	2023 £m
Non-current assets			
Goodwill	10	1,063.8	1,064.3
Other intangible assets	10	487.4	553.0
Property, plant and equipment	11	37.2	38.5
Right-of-use assets	12	41.1	47.4
Other non-current assets		10.5	7.2
		1,640.0	**1,710.4**
Current assets			
Trade receivables	4.2.1	95.7	103.0
Contract assets	4.2.2	46.9	39.0
Other current assets	15	30.2	19.5
Cash and cash equivalents		152.9	130.2
		325.7	**291.7**
Total assets		**1,965.7**	**2,002.1**
Current liabilities			
Trade and other current liabilities	16	(175.2)	(192.8)
Contract liabilities	4.2.3	(27.8)	(33.9)
Derivative financial instruments		-	-
Lease liabilities	12	(11.3)	(11.0)
Current tax liabilities		(13.1)	(16.0)
		(227.4)	**(253.7)**
Net current assets		**97.7**	**38.0**
Non-current liabilities			
Borrowings	17	(2,155.3)	(2,026.5)
Lease liabilities	12	(33.8)	(39.0)
Pension and other post-employment liabilities	20.2.1	(3.8)	(2.9)
Deferred tax liabilities	9.3	(110.9)	(123.8)
Other non-current liabilities		(8.2)	(7.5)
		(2,312.0)	**(2,199.7)**
Total liabilities		**(2,539.4)**	**(2,453.4)**
Net liabilities		**(573.7)**	**(451.3)**
Equity			
Share capital	18	2.7	2.7
Share premium	18	14.7	14.2
Own shares reserve	18	(7.9)	(8.3)
Foreign currency translation reserve	18	(0.6)	2.0
Retained earnings		(582.6)	(461.9)
Total equity		**(573.7)**	**(451.3)**

i. The accompanying notes are an integral part of the financial statements.

The financial statements were approved and authorised for issue by the board of directors on 16 April 2025.

Christian Norris
Chief Executive Officer

PA Consulting Group Limited
Company number: 13035335

Consolidated statement of changes in shareholders' equity

for the year ended 31 December 2024

	Note (i)	Share capital £m	Share premium £m	Own share reserve £m	Foreign currency translation reserve £m	Retained earnings £m	**Total £m**
At 1 January 2023		**2.6**	**13.1**	**(7.0)**	**0.6**	**(336.0)**	**(326.7)**
Total comprehensive loss for the year							
Loss for the financial year		-	-	-	-	(134.5)	**(134.5)**
Actuarial loss recognised on defined benefit pension arrangements	20.2.3	-	-	-	-	(0.1)	**(0.1)**
Exchange difference on retranslation of net assets and results of overseas subsidiaries		-	-	-	1.4	-	**1.4**
Total comprehensive loss		**-**	**-**	**-**	**1.4**	**(134.6)**	**(133.2)**
Total transactions with owners of the Company for the year							
Issue of ordinary shares	18.1.1	0.1	1.1	-	-	-	**1.2**
Share-based payments		-	-	-	-	6.8	**6.8**
Acquisition of own shares		-	-	(2.2)	-	(0.2)	**(2.4)**
Cash consideration received for disposal of shares		-	-	0.9	-	2.1	**3.0**
Total transactions with owners of the Company		**0.1**	**1.1**	**(1.3)**	**-**	**8.7**	**8.6**
At 31 December 2023		**2.7**	**14.2**	**(8.3)**	**2.0**	**(461.9)**	**(451.3)**
At 1 January 2024		**2.7**	**14.2**	**(8.3)**	**2.0**	**(461.9)**	**(451.3)**
Total comprehensive loss for the year							
Loss for the financial year		-	-	-	-	(133.2)	**(133.2)**
Actuarial loss recognised on defined benefit pension arrangements	20.2.3	-	-	-	-	(0.5)	**(0.5)**
Exchange difference on retranslation of net assets and results of overseas subsidiaries		-	-	-	(2.6)	-	**(2.6)**
Total comprehensive loss		**-**	**-**	**-**	**(2.6)**	**(133.7)**	**(136.3)**
Issue of ordinary shares	18.1.1	-	0.5	-	-	-	**0.5**
Share-based payments		-	-	-	-	12.9	**12.9**
Acquisition of own shares		-	-	(0.2)	-	(0.1)	**(0.3)**
Cash consideration received for disposal of shares		-	-	0.6	-	0.2	**0.8**
Total transactions with owners of the Company		**-**	**0.5**	**0.4**	**-**	**13.0**	**13.9**
At 31 December 2024		**2.7**	**14.7**	**(7.9)**	**(0.6)**	**(582.6)**	**(573.7)**

i. The accompanying notes are an integral part of the financial statements.

Consolidated statement of cash flows

for the year ended 31 December 2024

	Note (i)	2024 £m	2023 £m
Operating profit	7.1	**114.6**	**93.5**
Add back:			
Amortisation of intangible fixed assets	6, 7.1, 10	65.4	65.1
Depreciation of property, plant and equipment	6, 7.1, 11	6.3	8.4
Loss on disposal of property, plant and equipment	6, 7.1	0.1	0.1
Depreciation of right-of-use assets	6, 7.1, 12	9.2	9.9
Net foreign exchange differences		(1.2)	4.6
Difference between pension charge and cash contributions		(0.2)	(0.5)
Share-based payment expense	19	13.6	8.8
Operating cash flows before movements in working capital		**207.8**	**189.9**
Increase in trade and other receivables and contract assets		(14.4)	(10.6)
Decrease in trade and other payables and contract liabilities		(17.8)	(18.3)
Operating cash flows before payments for taxes		**175.6**	**161.0**
Taxation paid		(43.1)	(24.6)
Net cash flow from operating activities		**132.5**	**136.4**
Investing activities			
Purchase of property, plant and equipment	11	(5.1)	(11.4)
Purchase of intangible assets	10	-	(0.9)
Interest received	8	4.7	3.5
Net cash flow from investing activities		**(0.4)**	**(8.8)**
Financing activities			
Issue of ordinary shares	18.1.1	0.5	1.1
Repayment of borrowings		(45.0)	(65.0)
Repayment of lease principal	12	(9.7)	(11.9)
Interest paid		(43.4)	(32.8)
Net cash from purchase/sale of own shares		(11.1)	(21.2)
Net cash flow from financing activities		**(108.7)**	**(129.8)**
Net increase / (decrease) in cash and cash equivalents		**23.4**	**(2.2)**
Cash and cash equivalents at 1 January		130.2	134.0
Net foreign exchange difference		(0.7)	(1.6)
Cash and cash equivalents at 31 December		**152.9**	**130.2**

i. The accompanying notes are an integral part of the financial statements.

Cash and cash equivalents include £2.6 million (2023: £3.8 million) held by the Group's Employee Benefit Trust, The PA Foundation, or in escrow that is restricted for specific use only.

Notes to the financial statements

1. General information

General information

PA Consulting Group Limited is a private company limited by shares incorporated in England. The registered office is 10 Bressenden Place, London, SW1E 5DN.

PA Consulting Group is an innovation and transformation consultancy headquartered in London, UK.

Statement of compliance

The Group's financial statements have been prepared in compliance with UK-adopted international accounting standards.

The principal accounting policies used in preparing these financial statements are set out below. These policies have been consistently applied to the period 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 under the historical cost convention, except for pension assets and liabilities and revaluation to fair value of certain financial instruments, business combination assets and contingent consideration.

The financial statements are presented in pounds sterling, and unless otherwise indicated, values are presented in million pounds (£m) rounded to one decimal place.

Going concern

As required by company legislation, the directors are responsible for reviewing and concluding that the use of the going concern basis of preparation is appropriate for the Group. In consideration of this, the directors have taken into account short and mid-term trading and cash forecasts, covering the period to 31 December 2026, potential global or economic impacts on the numbers included in those forecasts and the availability of funding sources for the Group.

The forecast providing the basis for the review has been formed from the board-approved 2025 budget with 2026 numbers from the Group's longer term strategic plan. In creating the budget, consideration has been given to the shape, size and location of the workforce required to service anticipated client demand and the appropriate utilisation level for various consultant groupings. The national insurance increase from the UK Budget announcement in October 2024 has been factored into employment cost and expected inflationary impacts have been built into the continued volatile cost components for the Group, mainly utility costs and lease service charges. Although expectation is that UK financing rates will reduce over the coming year, the forecast debt servicing costs have been modelled consistent with the higher 2024 rates experienced. The forecast shows operating cashflow to be strong throughout the review period.

The directors have also assessed the tolerance of the cash flows to adverse impacts on these assumptions for the key financial performance drivers. These are considered in the review period to be the risk of client demand dropping as the new UK public sector procurement policies are embedded, and cost inflation remaining higher than anticipated across the Group's global footprint. The downside case, incorporating a combination of significant revenue reduction and overhead cost increase, demonstrated that the Group's business model, is sufficiently robust and has excess liquidity headroom to absorb a sizeable and sustained downturn.

The Group's financing is a combination of debt and cash on hand. The maturities on these debt instruments are well beyond 12 months and include £270 million headroom within the revolving credit facility. There are no financial covenants that would cause default during the period under consideration. The directors believe these sources provide the Group with access to sufficient longer-term funding and the ultimate lender has appropriate backing and headroom to support the lending for the foreseeable future.

The Group's net liability position arises from the classification of its preference shares as debt rather than equity. Settlement of these instruments is contingent upon either an investment disposal by Jacobs Engineering Group Inc. or a liquidity event, as defined in the Company's articles of association. This event is expected to occur around five years from the March 2021 issue date, at which point a valuation agreed between the shareholding parties will trigger return of capital to the existing preference shareholders from the new investment funds raised, either through re-investment from existing shareholders or disposal of holdings to new investors. The Company is not required to fund or supplement any return of capital in these scenarios and consequently the directors do not expect settlement to require utilisation of the Group's own resources.

Having due regard to these matters, the directors are satisfied that the Group has sufficient resources and liquidity to continue to trade for the foreseeable future and conclude that there is no material uncertainty around the Group's ability to continue as a going concern.

2. Material accounting policies

2.1 Basis of consolidation

The Group financial statements include the results, financial position and cash flows of PA Consulting Group Limited (the 'Company') and all of its subsidiary undertakings (together, the 'Group'). Subsidiary undertakings are those entities controlled directly or indirectly by the Company. Control arises when the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The financial statements of the subsidiaries as consolidated in the Group financial statements have been prepared from the last financial year-end to 31 December 2024, using consistent accounting policies. Businesses acquired or disposed of during the year, are accounted for using acquisition method principles from, or up to, the date control passed. Intra-Group transactions and balances are eliminated on consolidation. All subsidiaries use uniform accounting policies for like transactions and other events and similar circumstances.

2.2 Employee benefit trust

The Group's trust is a separately administered discretionary trust for the benefit of employees. The trust is funded by loans from the Group, with its assets mainly comprising shares in the parent of the Group, PA Consulting Group Limited. The Group recognises the assets and liabilities of the trust in its own accounts because, although it is administered by independent trustees and its assets are held separately from those of the Group, in practice the Group's recommendations on how the assets are used for the benefit of employees are normally followed.

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 trust are recorded as a deduction against financial liabilities at amortised cost.

2.3 Foreign currencies

Functional and presentation currency

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

Transactions and balances

Foreign currency transactions are translated into the relevant functional currency of the entity using the exchange rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at rates ruling at the statement of financial position date. Such exchange differences are included in the Group income statement within 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.

Consolidation

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

- Assets and liabilities within the statement of financial position are translated at the exchange rate at the financial position date
- Income and expenses within the income statement are translated at exchange rates approximating to the rates ruling at the dates transactions occurred.

The foreign exchange differences arising on retranslation of foreign entities are recognised in the Group's foreign currency translation reserve.

2.4 Revenue

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

For each client assignment, the Group considers whether there are promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for each client assignment, the Group considers the effects of variable consideration. The Group does not have client contracts with significant financing components or non-cash consideration.

The Group determines the standalone selling prices of performance obligations by considering the price at which the Group would sell the services separately to similar customers under similar circumstances. If standalone selling prices are not directly observable, the Group estimates them using the expected cost plus margin approach. These estimates are made at contract inception and are used to allocate the transaction price to each performance obligation based on their relative standalone selling prices

Revenue 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 and disbursements are incurred.

For fixed-price contracts, provided the Group has an enforceable right to payment for performance completed to date, revenue is recognised over the contract term using the percentage of completion method (input method). An input method has been selected as there is a direct relationship between the Group's effort, as measured by the Group's costs incurred, and the transfer of service to the customer.

The stage of completion of a fixed-priced contract is measured as the proportion that costs incurred for work performed to date bear to the estimated total costs of the contract. Estimated total costs of the contract (primarily consultant time) are reviewed regularly and, where necessary, revised.

For contracts that include milestones and do not grant the Group an enforceable right to payment for performance completed to date, revenue is recognised upon meeting the contractual milestone requirements.

If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for services rendered to the client. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant reversal in the cumulative amount of revenue recognised will not occur when the associated uncertainty of the variable consideration is subsequently resolved. The Group's gain share contracts are treated under the variable revenue model.

No revenue 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 Group income statement.

For the majority of contracts, revenue is recognised over time as services are performed. The Group has client contracts that require payments in advance of services performed. This results in contract liability balances, and client contracts that require payment after services are performed, resulting in contract asset balances.

Where the Group uses subcontractors to provide services to a customer, an assessment is made of whether the Group controls the subcontracted services before transferring them to the customer. If the Group controls the services, the Group acts as a principal and recognises revenue from subcontractor services on a gross basis (i.e., the full amount billed to the customer) with the subcontractor costs recognised in direct costs. If the Group does not control the services, the Group acts as an agent and recognises revenue from subcontractor services on a net basis (i.e., the amount billed to the customer less the amount paid to the subcontractor).

2.5 Employee benefits

2.5.1 Defined benefit plans

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

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

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

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

2.5.2 Defined contribution plans

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

2.5.3 Deferred employee remuneration

An element of all employee remuneration is contingent upon Group and personal performance.

The Group recognises a liability and an expense for deferred employee remuneration based on a formula that takes into consideration the Group's EBITDA after certain adjustments. The Group recognises deferred employee remuneration liabilities and expenses where there is a past practice that has created a constructive obligation or there is a contractual obligation.

2.5.4 Short-term compensated absences

The Group recognises the expected cost of accumulating compensated absences, primarily annual leave, when the employees render service that increases their entitlement to future compensated absences.

2.6 Research and development

Research expenditure is written off to the income statement in the period in which it is incurred. Development expenditure is written off in the same way, unless the directors are satisfied that it is probable that the expected future economic benefits attributable to the intangible asset created will flow to the Group and the cost of the intangible asset can be measured reliably. Where these criteria are met, the expenditure is deferred and amortised over the period during which the Group is expected to benefit.

2.7 Leases

Definition of a lease

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group recognises a right-of-use asset and a lease liability at the lease commencement date.

2.7.1 Right-of-use asset

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at, or before, the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset, or to restore the underlying asset, or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset, or the end of the lease term. The estimated useful lives are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

2.7.2 Lease liability

The lease liability is initially measured at the present value of the lease payments for the lease term that are not paid at the commencement date, discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, the Group's incremental borrowing rate.

Lease payments comprise fixed payments, variable payments dependent on an index or a rate and amounts expected to be paid under a residual value guarantee.

The lease term is from the commencement date through to the end of the contracted initial lease duration except where the Group has an option to terminate or extend the term and is reasonably certain to exercise that option. In this case, the lease term will be restricted to the termination date or extended to include the extension period.

The lease liability is subsequently measured at amortised cost using the effective interest method. It is remeasured when there is a modification, a change in the lease term, a change in the lease payments (e.g. from resetting an index or rate), or a change in the assessment of an option to purchase the underlying asset.

2.7.3 Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption and the leases of low-value assets recognition exemption. As a result, the Group recognises lease payments on short-term leases (leases expiring within 12 months of the commencement date) and leases of low-value assets (underlying asset value less than $5,000) on a straight-line basis over the lease term.

2.8 Share-based payments

Equity-settled share-based payments to employees and others providing similar services to the Group are measured at the fair value of the equity instruments at the grant date. The fair value excludes the effect of service and non-market-based vesting conditions.

Details regarding the determination of the fair value of equity-settled share-based transactions are set out in Note 19. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straightline basis over the vesting period (the expense being recorded within the Group's employment costs together with a corresponding increase in reserves), based on the Group's estimate of the number of equity instruments that will eventually vest. At each reporting date, the Group revises its estimate of the number of equity instruments expected to vest as a result of the effect of service or non-market-based vesting conditions. The impact of the revision of the original estimates, if any, is recognised in employment costs in the profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to reserves.

No expense is recognised for awards that do not ultimately vest due to service or non-market based conditions not being met.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the good, or the counterparty renders the service.

For cash-settled share-based payments, the fair value is expensed over the period until the vesting date with recognition of a corresponding liability. The fair value is initially determined at the grant date. At each subsequent reporting date, until the liability is settled, and at the date of settlement, the fair value of the liability is remeasured, with any changes in fair value recognised in employment costs in the profit or loss for the year.

2.9 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.

2.10 Alternative performance measures

The directors believe that certain adjusted financial measures provide additional useful information for shareholders on the underlying performance of the business to aid comparability between reporting periods. These adjusted measures remove items, which by virtue of their size or nature, distort the visibility of the continuing business performance.

The directors use Fee income (a subset of revenue) and adjusted EBITDA as their primary internal income statement performance measures. (Details are included in Note 6).

2.11 Tax

The tax charge comprises current tax payable and deferred tax.

2.11.1 Current tax

The current tax charge represents an estimate of the amounts payable to tax authorities in respect of the Group's taxable profits and is based on an interpretation of existing tax laws. Taxable profit differs from profit before tax as reported in the Group 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.

2.11.2 Deferred tax

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

- Deferred tax assets are recognised only to the extent that the directors consider that it is probable that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.
- 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.
- Deferred tax assets and liabilities are offset against each other where there is a legally enforceable right to set off current taxation assets against current taxation liabilities and it is the intention to settle these on a net basis.

2.12 Goodwill

Goodwill arising on an acquisition of a business is initially measured at cost, being the difference between the fair value of the consideration paid and the fair value of the assets and liabilities acquired. After initial recognition, goodwill is measured at cost less any accumulated impairment losses. The Group has one cash-generating unit (CGU), consultancy, and goodwill is allocated to that CGU for impairment testing. Goodwill is assessed annually for impairment.

2.13 Intangible assets

Intangible assets include trade name, customer relationships, capitalised development costs and investment in new software.

The trade name and customer relationship agreements were acquired as part of the Group's acquisitions and are classified separately from goodwill where the fair value can be measured reliably on initial recognition, subject to the constraint that unless the asset has a readily ascertainable market value, the fair value is limited to an amount that does not create or increase negative goodwill arising on the acquisition.

Intangible assets acquired separately from a business are measured on initial recognition at cost and amortised over the period during which the Group is expected to benefit.

The software costs capitalised during prior years represent costs of development and implementation of new software for the Group. Software assets acquired as part of an acquisition are recognised at the net book value on acquisition. Software costs are amortised over a useful life of three years.

Expenditure on research activities is recognised as an expense in the period in which it is incurred. An internally generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following conditions have been demonstrated:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale
- The intention to complete the intangible asset and use or sell it
- The ability to use or sell the intangible asset
- How the intangible asset will generate probable future economic benefits
- The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset
- The ability to reliably measure the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately. The useful life of the internal development costs capitalised has been estimated as five years.

Intangible assets are amortised on a straight-line basis over their estimated useful lives. The following useful economic lives are applied:

Asset category	Useful economic life
Software	3 years
Trademarks	20 years
Customer relationships	9 to 11 years
Internal development costs	5 years

The carrying value of intangible assets is reviewed for impairment annually.

2.14 Property, plant and equipment

Property, plant and equipment are in the statement of financial position 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 expensed as incurred.

Depreciation is calculated so as to write off the cost, less estimated residual value, 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 following useful economic lives are applied:

Asset category	Useful economic life
Computer equipment	2 to 5 years
Office furniture, equipment and machinery	3 to 10 years
Freehold property	10 to 50 years
Leasehold improvements	the remaining period of lease unless the economic life of the asset is determined to be less than that of the lease
Construction in progress	no depreciation until asset is complete

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year-end and adjusted prospectively, if appropriate.

2.15 Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at banks and on hand and short-term highly liquid deposits with a maturity of three months or less that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

2.16 Contract balances

Contract assets

A contract asset is the right to consideration in exchange for services transferred to the customer. If the Group performs services for a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration.

Trade receivables

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e. only the passage of time is required before payment of the consideration is due) and the customer has been billed for that consideration. Refer to accounting policies of financial assets in section 2.17.2 Financial assets – initial recognition and subsequent measurement.

Contract liabilities

A contract liability is the obligation to transfer services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group satisfies its performance obligation under the contract.

2.17 Financial instruments

2.17.1 Classification

The Group's financial instruments are classified under the following categories:

- those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss); and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For an asset to be measured at amortised cost, it needs to give rise to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss (FVTPL) irrespective of the business model.

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value, and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method.

2.17.2 Financial assets

Initial recognition

The Group measures financial assets initially at fair value plus, in the case of a financial asset not classified as at FVTPL, transaction costs that are directly attributable to the acquisition of the financial asset.

Transaction costs of financial assets carried at FVTPL are expensed in profit or loss.

Subsequent measurement

Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. The Group's financial assets at amortised cost include trade receivables.

For assets measured at fair value, gains and losses will either be recorded in profit or loss, or other comprehensive income depending on the nature of the asset and the Group's election at recognition:

- or investments in debt instruments, this will depend on the business model in which the investment is held;
- for investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income; otherwise, gains and losses are recognised in profit or loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset, or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:

(a) the Group has transferred substantially all the risks and rewards of the asset; or

(b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership.

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment

The Group assesses on a forward-looking basis, the expected credit losses associated with its assets carried at amortised cost and fair value through other comprehensive income. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables and contract assets only, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2.17.3 Financial liabilities

Initial recognition

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Group's financial liabilities include trade and other payables, loans and borrowings including lease liabilities, the Group's issued preference shares, contingent consideration and derivative financial instruments.

Subsequent measurement

The Group's financial liabilities are mainly classified as measured at amortised cost.

After initial recognition, these liabilities are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR.

The EIR amortisation is included as finance costs in the statement of profit or loss.

Financial liabilities at FVTPL, are those which are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships. See section 2.17.4 Derivative instruments.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged, cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

2.17.4 Derivative instruments

Initial recognition and subsequent measurement

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged and the type of hedge relationship designated (cash flow hedge, fair value hedge, or hedges of a net investment in a foreign operation).

For those derivatives to be designated as a hedging instrument, the Group documents at the inception of the hedging transaction the economic relationship between the hedging instrument and hedged item, including whether the hedging instrument is expected to offset changes in cash flows of hedged items. The Group documents its risk management objective and strategy for undertaking various hedge transactions at the inception of each hedge relationship.

Changes in the fair value of any derivative instrument that does not qualify for hedge accounting are recognised immediately in profit or loss. The movement in the Group's forward currency contracts are recognised in administrative expenses, and the movement on the interest rate swap is recognised in finance income.

2.18 Provisions for liabilities

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

2.19 Share capital

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

2.19.1 Preference shares

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

2.19.2 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.

All classes of ordinary shares of the Company meet the definition of an equity instrument and are recorded as such.

2.20 Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received. Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses, the related costs for which the grants are intended to compensate. Government grants that are receivable as compensation for expenses or losses already incurred, or for the purpose of giving immediate financial support to the Group with no future related costs, are recognised in profit or loss in the period in which they become receivable.

2.21 New and amended standards and interpretations

In the current year, the Group has applied a number of amendments to IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on, or after, 1 January 2024. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements:

- classification of liabilities as current or non-current (Amendments to IAS 1);
- lease liability in a sale and leaseback (Amendments to IFRS 16);
- disclosures: supplier finance arrangements (Amendments to IAS 7 and IFRS 7).

At the date of authorisation of these financial statements, the Group has not applied the following new and revised IFRS standards that have been issued but are not yet effective:

- Lack of exchangeability (Amendments to IAS 21): The directors expect to apply this amendment on 1 January 2025;
- Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7): The directors expect to apply this amendment on 1 January 2026;
- Annual Improvements to IFRS Accounting Standards (Volume 11): The directors expect to apply this amendment on 1 January 2026;
- Presentation and Disclosure in Financial Statements (IFRS 18): The directors expect to apply this standard on 1 January 2027;
- Subsidiaries without Public Accountability: Disclosures (IFRS 19): This standard is not expected to apply to the Group;
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28): The directors expect to apply this amendment on the effective date as determined by the IASB.

The directors do not expect that the adoption of the standards listed above will have a material impact on the financial statements of the group in future periods.

3. 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 Group 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.

3.1 Revenue from fixed price contracts

Revenue from fixed price contracts is recognised with reference to management's judgement of the stage of completion of the contract at the end of the reporting period and includes an estimate of the costs to complete the contract. Performance over the remaining contract term may result in revised estimates of turnover and costs with a cumulative adjustment to revenue and profit reported in future periods. Revenue recognised from fixed price contracts is disclosed in Note 4.

3.2 Leases

Determining the lease term of contracts with renewal and termination options

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease if it is reasonably certain not to be exercised.

The Group has several lease contracts that include extension and termination options. In evaluating whether it is reasonably certain to exercise an option, the Group considers the factors that create an economic incentive to exercise.

The Group included the renewal period as part of the lease term for property leases with shorter non-cancellable periods (up to 10 years) in the locations contributing a significant portion of the Group's performance. Renewal periods were not included for leases in other geographical locations, except where the Group's real estate team identify the local property market as restricted.

The Group typically leases motor vehicles for less than five years and hence has not included any renewal options within the lease term.

Estimating the incremental borrowing rate

Where the Group cannot readily determine the interest rate implicit in its leases, it uses its incremental borrowing rate (IBR) to measure the related lease liabilities. Establishing an appropriate IBR requires estimation when no observable rates are available, or when they need to be adjusted to reflect the specific terms and conditions of the lease.

The Group estimates the IBR using observable inputs (such as market risk-free rates) as the basis and adjusts these to take into consideration entity-specific status (such as the subsidiary's stand-alone credit rating).

The impact of applying these estimates is included in the lease values included in Note 12.

3.3 Impairment of intangible assets

The Group has a significant level of intangible assets, including goodwill. Goodwill requires annual impairment testing whereas the intangible assets with a limited life, trademark and customer relationships, only need to be formally assessed if indicators of impairment are identified.

Assessing the appropriateness of the carrying value is based on estimating the value in use of intangible assets which is determined from reference to the Group's enterprise value and is dependent on assumptions of future trading growth, profitability and cash flows. Details of the Group's impairment review are included in Note 10.

3.4 Share-based payments

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

The Group's equity value has been calculated by a third party expert. The valuation relies on inputs such as management's performance forecasts and application of an appropriate discount factor. If these forecasts were overly aggressive or prudent, the resulting fair value and related share-based payment charge to be recognised could be higher or lower.

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

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

The input values used in the fair value model, along with the resulting income statement charge, are disclosed in Note 19.

4. Revenue from contracts with customers

4.1 Disaggregation of revenue

All revenue is derived from the provision of consulting services:

	For the year ended 31 December 2024		
	Consultant fees £m	Project costs recharged £m	Total £m
Geographical markets, based on the billing location of the client			
UK	572.9	161.0	733.9
Americas	93.4	5.1	98.5
Scandinavia	58.3	3.5	61.8
Europe	19.9	4.9	24.8
Asia Pacific	8.4	0.9	9.3
Total revenue from contracts with customers	**752.9**	**175.4**	**928.3**
Contract duration			
One year or less	394.2	58.7	452.9
Over one year	358.7	116.7	475.4
Total revenue from contracts with customers	**752.9**	**175.4**	**928.3**

	For the year ended 31 December 2023		
	Consultant fees £m	Project costs recharged £m	Total £m
Geographical markets, based on the billing location of the client			
UK	592.7	152.4	745.1
Americas	96.8	6.1	102.9
Scandinavia	72.3	4.0	76.3
Europe	22.8	2.2	25.0
Asia Pacific	5.1	0.5	5.6
Total revenue from contracts with customers	**789.7**	**165.2**	**954.9**
Contract duration			
One year or less	422.5	62.6	485.1
Over one year	367.2	102.6	469.8
Total revenue from contracts with customers	**789.7**	**165.2**	**954.9**

Revenue from time-and-materials and fixed-price contracts totalling £864.8 million (2023: £875.8 million), was recognised on the basis of time worked and expenses incurred. For time-and-materials contracts, revenue directly reflected time worked and expenses incurred; for fixed-price contracts, revenue was recognised through the percentage completion method using the time worked and expenses incurred as a proportion of the estimated total costs of the contract. Milestone revenue of £63.2 million (2023: £77.7 million) was recognised at a point in time when contractual milestones were met. Gain share contract revenue of £0.3 million (2023: £1.4 million) was recognised at a point in time.

4.2 Trade receivables and other contract balances

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers. Contract assets, relate to the Group's rights to consideration for work completed but not billed at the reporting date. Contract liabilities, relate to advance consideration received from customers.

	Note	2024 £m	2023 £m
Trade receivables	4.2.1	95.7	103.0
Contract assets	4.2.2	46.9	39.0
Contract liabilities	4.2.3	(27.8)	(33.9)

4.2.1 Trade receivables

Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days. In 2024, £0.8 million (2023: £0.3 million) was recognised as a provision for expected credit losses on trade receivables.

	2024		2023	
	Gross carrying amount £m	Provision for expected credit losses £m	Gross carrying amount £m	Provision for expected credit losses £m
Current (not past due)	79.5	-	88.5	(0.1)
1–30 days past due	11.8	-	10.9	-
31–60 days past due	1.4	-	2.4	-
61–90 days past due	2.3	-	0.8	-
91–180 days past due	0.7	-	0.5	-
More than 180 days past due	0.1	(0.1)	0.1	(0.1)
Credit impaired trade receivables	0.7	(0.7)	0.1	(0.1)
	96.5	**(0.8)**	**103.3**	**(0.3)**

Movement on expected credit loss on trade receivables	2024 £m	2023 £m
At 1 January	(0.3)	(1.1)
Net remeasurement of expected credit loss allowance	(0.7)	(0.7)
Amounts written off	0.2	1.5
At 31 December	**(0.8)**	**(0.3)**

4.2.2 Contract assets

	2024 £m	2023 £m
Gross carrying amount	47.3	39.6
Expected credit loss allowance	(0.4)	(0.6)
Net contract asset	**46.9**	**39.0**

Movement on contract assets	2024 £m	2023 £m
At 1 January	39.0	39.4
Decrease due to invoicing	(38.7)	(39.1)
Increases as a result of services performed but not invoiced during the period	46.5	39.4
Movement in provision and amounts written off in the period	0.1	(0.7)
At 31 December	**46.9**	**39.0**

The movement on contract assets above, are net of the recognised and billed revenue amounts in the period. The amounts written off in the period relate to changes in estimates of the stage of completion of fixed price projects and not customer default. This is therefore not representative of the expected credit losses on contract assets. As at 31 December 2024, contract assets include £9.2 million (2023: £8.6 million) unbilled accounts receivable. The right to payment for the unbilled accounts receivable is conditional only on the passage of time.

4.2.3 Contract liabilities

Movement on contract liabilities	2024 £m	2023 £m
At 1 January	(33.9)	(33.8)
Increases due to invoicing, excluding amounts recognised as revenue during the period	(25.7)	(29.7)
Revenue recognised that was included in the contract liability balance at the beginning of the period	31.8	29.6
At 31 December	**(27.8)**	**(33.9)**

The movement on contract liabilities above are net of the recognised and billed revenue amounts in the period.

4.3 Contracted performance obligations

The Group has taken advantage of the practical expedient provided by IFRS 15, paragraph 121, to not disclose:

a. performance obligations that are part of a contract that has an original expected duration of one year or less; and

b. performance obligations from contracts where the Group has the right to consideration in an amount that corresponds directly with the value to the customer of the Group's performance completed to date.

In the directors' opinion, the performance obligations that do not meet either of the practical expedient criteria are not material and are therefore not disclosed.

5. Employee information

5.1 Employee numbers

The average monthly number of people, including executive directors, employed by the Group during the period was:

	2024 Number	2023 Number
Consultants	3,241	3,493
Support	654	708
Total average number of employees	**3,895**	**4,201**

5.2 Employee remuneration

The aggregate remuneration of these persons was:

	2024 £m	2023 £m
Wages and salaries	(310.8)	(337.0)
Deferred remuneration	(84.8)	(93.6)
Social security costs	(37.2)	(40.0)
Contributions to defined contribution pension arrangements	(23.2)	(25.0)
Share-based payment charge	(13.6)	(8.8)
Other payroll costs	(30.1)	(40.3)
Total aggregate employee benefits	**(499.7)**	**(544.7)**

5.3 Directors' emoluments in respect of qualifying services

	2024 £m	2023 £m
Directors		
Aggregate emoluments	2.6	3.5
Directors accruing benefits under defined benefit schemes	-	-
Directors in the defined contribution scheme	-	1
Highest paid director		
Aggregate emoluments	1.1	0.9

There were no pension contributions included in the above aggregate emoluments figure for the highest paid director in the current or prior years.

No director exercised any options in any shares of the company or any other group undertaking of the company during the period.

Two directors purchased shares in the company under the Group's Management Equity Plan during the period in respect of qualifying services.

6. Alternative performance measures

As well as Generally Accepted Accounting Principles (GAAP) measures, the directors use certain adjusted financial measures to assess the performance of the business, the primary measures being EBITDA and adjusted EBITDA (adjusted measures are represented by the underlying numbers in the table below). The directors believe that adjusted EBITDA provides additional useful information for shareholders on the underlying performance of the business as this measure is consistent with how the underlying business performance is measured internally.

The directors view adjusted EBITDA as the best representation of the business's normal, continuing business performance by seeking to remove unusual items of income or expense which are judged to be one-off or non-underlying in nature, or by quantum. This provides management with increased comparability of performance between reporting periods. These items are disclosed as non-underlying in the Group's income statement under the appropriate reported section based on their nature.

	2024			2023		
	£m	Adjustments £m	Underlying £m	£m	Adjustments £m	Underlying £m
Group operating profit	114.6	22.8	137.4	93.5	28.3	121.8
Amortisation of other intangible assets	65.4	-	65.4	65.1	-	65.1
Depreciation of property, plant and equipment	6.3	-	6.3	8.4	-	8.4
Depreciation of right-of-use assets	9.2	-	9.2	9.9	(0.3)	9.6
Loss on disposal of tangible fixed assets	0.1	-	0.1	0.1	-	0.1
EBITDA	**195.6**	**22.8**	**218.4**	**177.0**	**28.0**	**205.0**

The adjustments relate to the following items

		2024			2023		
	Note	Personnel and direct costs £m	Adminis-trative costs £m	Total adjustment £m	Personnel and direct costs £m	Adminis-trative costs £m	Total adjustment £m
Restructuring	a	(4.5)	0.6	(3.9)	(10.7)	(1.9)	(12.6)
Share-based payment charge	b	(13.6)	-	(13.6)	(8.8)	-	(8.8)
Acquisition-related costs	c	(2.7)	(0.3)	(3.0)	(6.4)	(0.8)	(7.2)
Business closure costs	d	-	(0.7)	(0.7)	-	(0.2)	(0.2)
Pension credits/(costs)	e	(1.2)	(0.2)	(1.4)	-	(0.1)	(0.1)
Settlement credits	f	-	-	-	0.2	0.4	0.6
One-off advisory costs	g	-	(0.2)	(0.2)	-	-	-
Total adjusting items to operating profit		**(22.0)**	**(0.8)**	**(22.8)**	**(25.7)**	**(2.6)**	**(28.3)**

During the period the Group incurred certain costs that the directors believe are of a non-underlying nature and quantum and should be separately disclosed.

a. These costs relate to the resource realignment actions commenced in 2023 and completed in the year.
b. Non-cash charges recorded in relation to the Group's Management Equity Plan (see Note 19 for details).
c. Comprise professional fees on executed and aborted transactions, consideration deemed to be employment costs and staff retention costs.
d. These costs relate to the closure of businesses driven by the Group simplification initiative in the period.
e. In 2023, the costs were professional fees associated with the UK closed defined benefit scheme. In 2024, there were £1.2 million of one-off costs related to the UK defined contribution pension scheme.
f. These credits relate to the settlements of one-off audit and legal cases.
g. These costs relate to reviewing the Group's financing structure.

7. Income and expenses

7.1 Included in operating profit

Operating profit is stated after charging/(crediting):	Note	2024 £m	2023 £m
Depreciation of property, plant and equipment	11	6.3	8.4
Loss on disposal of property, plant and equipment	11	0.1	0.1
Depreciation of right-of-use assets	12	9.2	9.9
Total depreciation charge		**15.6**	**18.4**
Amortisation of intangible assets	10	65.4	65.1
Charges in relation to short-term leases and lease of low-value assets		0.7	0.7
Foreign currency differences		(1.0)	4.1
Government grant income		(0.1)	-
R&D tax credit		(13.8)	(8.5)
R&D expenditure		42.8	26.5

7.2 Auditor's remuneration

	2024 £'000	2023 £'000
Fees payable to the Company's auditor for the audit of the Company's annual accounts	307	296
Fees payable to the Group's auditor for other services:		
Audit of the accounts of subsidiaries	438	290
Total	**745**	**586**

The audit of the financial statements includes £21,140 (2023: £20,383) relating to the Company. The auditor of PA Consulting Group Limited is Ernst & Young LLP.

8. Net finance costs

	Note	2024 £m	2023 £m
Finance income			
Interest income on cash and cash equivalents		4.7	3.5
		4.7	**3.5**
Finance costs			
Preference shares (net of shares held by the Group)		(185.4)	(166.3)
Interest charged on term loan		(33.6)	(28.0)
Interest charged on drawn revolving credit facility		(4.7)	(7.9)
Interest charged on lease liabilities	12	(1.9)	(2.2)
Interest on defined benefit pension arrangement liabilities	20.2.2	(0.1)	(0.1)
		(225.7)	**(204.5)**
Net finance costs		**(221.0)**	**(201.0)**

9. Tax

9.1 Tax on loss on ordinary activities

	2024 £m	2023 £m
Current tax		
United Kingdom		
UK corporation tax at 25% (2023: 23.5%)	(36.9)	(33.6)
Adjustments in respect of prior years	(0.7)	7.2
UK corporation tax	(37.6)	(26.4)
Foreign tax		
Corporation taxes	(1.9)	(3.4)
Adjustments in respect of prior years	(0.2)	(1.0)
Foreign tax	(2.1)	(4.4)
Total current tax charge	**(39.7)**	**(30.8)**
Deferred tax		
Origination and reversal of timing differences	13.3	14.1
Adjustments in respect of prior years	(0.4)	(10.3)
Total deferred tax	**12.9**	**3.8**
Total tax charge on loss on ordinary activities	**(26.8)**	**(27.0)**

9.2 Factors affecting tax charge

The Group's current tax charge is £39.7 million (2023: £30.8 million).

The Group's total tax charge is higher than the standard rate of UK corporation tax for the year at 25 percent (2023: 23.5 percent). The differences are explained below:

	2024 £m	2023 £m
Loss on ordinary activities before taxation	(106.4)	(107.5)
Loss on ordinary activities multiplied by the standard corporation tax in the UK of 25 percent (2023: 23.5 percent)	26.6	25.3
Effects of:		
Expenses not deductible for tax purposes	(6.2)	(5.7)
Non-deductible preference share interest	(46.3)	(39.1)
Overseas losses arising in the period not relievable against current tax	(0.3)	(3.8)
Use of tax losses which are relievable against current tax	0.70	-
Adjustments in respect of prior years:		
Relating to current tax	(0.9)	6.2
Relating to de-recognition of historic deferred tax assets in US entities	-	(6.2)
Other adjustments relating to deferred tax	(0.5)	(4.3)
Differential on overseas tax rates	0.1	0.4
Total tax charge for the year	**(26.8)**	**(27.0)**

The Finance Act 2021 included measures to increase the standard rate of UK corporation tax to 25% with effect from 1 April 2023.

Pillar Two legislation has been enacted or substantively enacted in certain jurisdictions the Group operates.

The Group falls within scope of the enacted or substantively enacted legislation. Based upon assessments undertaken by the Group's ultimate parent entity (Jacobs Solutions Inc.) there is no expectation that the Group has an exposure to Pillar Two income taxes as at 31 December 2024.

9.3 Deferred tax

The major deferred tax (liabilities)/assets recognised by the Group and movements thereon during the current financial period are:

	Deferred employee remuneration £m	Pension costs £m	Tax losses £m	Intangible assets £m	Provisions £m	Property, plant and machinery £m	Total £m
At 1 January 2023	9.1	1.0	12.3	(151.6)	(0.3)	2.2	(127.3)
(Charged)/credited							
- to profit or loss	(5.5)	(1.0)	(3.4)	15.9	0.5	(2.7)	3.8
- foreign exchange and other movements	(0.3)	-	-	-	-	-	(0.3)
At 31 December 2023	**3.3**	**-**	**8.9**	**(135.7)**	**0.2**	**(0.5)**	**(123.8)**
(Charged)/credited							
- to profit or loss	0.7	-	(2.1)	15.8	(0.6)	(0.9)	12.9
At 31 December 2024	**4.0**	**-**	**6.8**	**(119.9)**	**(0.4)**	**(1.4)**	**(110.9)**

Deferred tax assets and liabilities are offset when the Group has a legally enforceable right to do so. The following is the analysis of the deferred tax balances after offset:

	2024 £m	2023 £m
Deferred tax assets	-	-
Deferred tax liabilities	(110.9)	(123.8)
	(110.9)	**(123.8)**

9.4 Unrecognised deferred tax assets

Deferred tax assets in relation to continuing operations have not been recognised in respect of the following items because it is not probable that future taxable profits will be available against which the Group can utilise the benefits in the relevant locations:

	2024 £m	2023 £m
Tax losses	12.9	10.1
Deductible temporary differences	2.7	3.0
	15.6	**13.1**

10. Intangible assets

		Goodwill	Other intangible assets					Total
	Note	Goodwill £m	Software £m	Trademarks £m	Customer relationships £m	Capitalised development costs £m	Total other intangible assets £m	Intangible assets £m
Cost								
At 1 January 2023		**1,065.2**	**1.5**	**164.7**	**565.3**	**3.6**	**735.1**	**1,800.3**
Additions		-	-	-	-	0.9	0.9	0.9
Effect of movement in exchange rates		(0.9)	-	-	(0.3)	-	(0.3)	(1.2)
At 31 December 2023		**1,064.3**	**1.5**	**164.7**	**565.0**	**4.5**	**735.7**	**1,800.0**
Disposals		-	(0.2)	-	-	-	(0.2)	(0.2)
Effect of movement in exchange rates		(0.5)	-	-	(0.2)	-	(0.2)	(0.7)
At 31 December 2024		**1,063.8**	**1.3**	**164.7**	**564.8**	**4.5**	**735.3**	**1,799.1**
Accumulated amortisation								
At 1 January 2023		**-**	**(1.1)**	**(15.4)**	**(101.1)**	**-**	**(117.6)**	**(117.6)**
Charge for the period	7.1	-	(0.2)	(8.4)	(56.3)	(0.2)	(65.1)	(65.1)
At 31 December 2023		**-**	**(1.3)**	**(23.8)**	**(157.4)**	**(0.2)**	**(182.7)**	**(182.7)**
Disposals		-	0.1	-	-	-	0.1	0.1
Charge for the year	7.1	-	(0.1)	(8.2)	(56.2)	(0.9)	(65.4)	(65.4)
Effect of movement in exchange rates		-	-	-	0.1	-	0.1	0.1
At 31 December 2024		**-**	**(1.3)**	**(32.0)**	**(213.5)**	**(1.1)**	**(247.9)**	**(247.9)**
Net book value								
At 31 December 2023		**1,064.3**	**0.2**	**140.9**	**407.6**	**4.3**	**553.0**	**1,617.3**
At 31 December 2024		**1,063.8**	**-**	**132.7**	**351.3**	**3.4**	**487.4**	**1,551.2**

The software intangible assets are the Group's prior investment in core back office systems. The assets were fully amortised during the year.

Trademarks represent the value of the royalty streams associated with the acquired brands, and are being amortised evenly over the directors' estimate of their useful economic life, which is 20 years for the main PA brand but may be less for other acquired brands. The remaining amortisation period for the main PA brand is 16 years.

Customer relationships represent the acquired customer base that is expected to continue to support the business. These customer relationships are being amortised over their useful economic lives representing the period over which the Group is expected to benefit from the relationships, ranging from eight to 11 years. The remaining amortisation period is seven years for public relationships, five years for private relationships, and five years for Design Partners.

The goodwill intangible asset relates entirely to acquired goodwill through business combinations and is tested for impairment whenever there is an indication of impairment and at least annually.

Impairment of goodwill

For impairment testing, goodwill and other contributing assets are allocated to the consultancy CGU to calculate the carrying value of the consultancy CGU.

During the year, there were no losses or impairment reversals recognised.

The recoverable amount is the higher of fair value less costs of disposal and value in use. The recoverable amount of the consultancy CGU as at 31 December 2024, has been determined based on a value in use calculation using cash flow projections covering a five-year period based on the 2025 financial budget and long-term strategic plan approved by senior management. These business plans and forecasts include management's most recent view of medium-term trading prospects. The post-tax discount rate applied to the cash flow projections is 13 percent and long-term growth rate of 2 percent has been used in the terminal value calculation which is within the range of industry accepted long-term rates and in-line with the UK long-term inflation targets.

Sensitivity to changes in assumptions

The level of impairment is predominantly dependent upon judgement used in arriving at future growth rates and the discount rates applied to cash flow projections. The impact on the value-in-use of applying a reasonably possible change in assumptions to the level of revenue and costs in the five-year forecast and the post-tax discount rates, has not indicated that an impairment exists.

The calculation of value in use is most sensitive to the following assumptions:

- Revenue and profit margins
- Discount rates
- Growth rates

Revenue and profit margins are based on past experiences and historical knowledge of the CGU. The 2025 budget, which is used as the foundation year for the forecast, was built on a highly detailed bottom-up approach, and took into consideration among other things, setting an appropriate target utilisation rate, consulting team composition, and inflationary impact on key cost lines.

Discount rates represent the current market assessment of the risks specific to the CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and is derived from its weighted average cost of capital (WACC). The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment by the Group's investors. The cost of debt is based on the interest-bearing borrowings the Group is obliged to service. Segment-specific risk is incorporated by applying individual beta factors. The beta factors are evaluated annually based on publicly available market data.

11. Property, plant and equipment

	Note	Construction in progress £m	Freehold land and buildings £m	Short leasehold and property £m	Office furniture equipment and machinery £m	Computer equipment £m	Total £m
Cost							
At 1 January 2023		**2.7**	**16.9**	**10.1**	**5.1**	**12.2**	**47.0**
Additions at cost		0.5	7.0	0.3	1.6	2.0	11.4
Disposals		-	-	(0.5)	(0.5)	(1.8)	(2.8)
Transfers		(2.7)	2.7	-	-	-	-
Effect of movement in exchange rates		-	-	(0.2)	-	(0.3)	(0.5)
At 31 December 2023		**0.5**	**26.6**	**9.7**	**6.2**	**12.1**	**55.1**
Additions at cost		2.4	0.2	0.1	1.0	1.4	5.1
Disposals		-	-	-	(0.1)	(1.5)	(1.6)
Transfers		(0.5)	-	0.5	-	-	-
Effect of movement in exchange rates		-	-	(0.1)	-	-	(0.1)
At 31 December 2024		**2.4**	**26.8**	**10.2**	**7.1**	**12.0**	**58.5**
Accumulated depreciation							
At 1 January 2023		**-**	**(2.1)**	**(2.1)**	**(1.7)**	**(5.2)**	**(11.1)**
Disposals		-	-	0.5	0.5	1.7	2.7
Charge for the year	7.1	-	(1.5)	(1.2)	(1.2)	(4.5)	(8.4)
Effect of movement in exchange rates		-	-	-	0.1	0.1	0.2
At 31 December 2023		**-**	**(3.6)**	**(2.8)**	**(2.3)**	**(7.9)**	**(16.6)**
Disposals		-	-	-	0.1	1.4	1.5
Charge for the year	7.1	-	(1.5)	(1.2)	(1.3)	(2.3)	(6.3)
Effect of movement in exchange rates		-	-	0.1	-	-	0.1
At 31 December 2024		**-**	**(5.1)**	**(3.9)**	**(3.5)**	**(8.8)**	**(21.3)**
Net book amount							
At 31 December 2023		**0.5**	**23.0**	**6.9**	**3.9**	**4.2**	**38.5**
At 31 December 2024		**2.4**	**21.7**	**6.3**	**3.6**	**3.2**	**37.2**

12. Leases

Group as a lessee

The Group has lease contracts for various items of property, vehicles and other equipment used in its operations. Leases of property generally have lease terms between two and 15 years, while motor vehicles and other equipment generally have lease terms between three and five years. The Group's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Group is restricted from assigning and sub-leasing the leased assets.

There are several lease contracts that include extension and termination options and variable lease payments, which are considered at the point of entering into a lease and are reviewed periodically with the Group's real estate team to determine whether there has been a confirmed change in any variable payments or any changes to the initial expected extension or termination decisions.

The Group has entered into one lease contract that has not yet commenced. The nominal value of estimated future lease payments under this lease contract is approximately £1.6 million as of 31 December 2024. This relates to a property in the US, with the lease expected to commence in 2025 and a term of 7.5 years.

The Group also has certain leases for office space with lease terms of 12 months or less and leases for office equipment with low value. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases. The related lease costs continue to be reflected within operating profit.

The carrying amounts of the Group's right-of-use assets and the movements during the period are as follows:

	Note	Property £m	Motor vehicles £m	Total £m
At 1 January 2023		**51.9**	**0.8**	**52.7**
Additions		4.9	0.2	5.1
Depreciation charged in year	7.2	(9.5)	(0.4)	(9.9)
Effects of movements in exchange rates		(0.5)	-	(0.5)
At 31 December 2023		**46.8**	**0.6**	**47.4**
Additions		3.0	0.1	3.1
Disposals		-	(0.1)	(0.1)
Depreciation charged in year	7.2	(8.8)	(0.4)	(9.2)
Effects of movements in exchange rates		(0.2)	0.1	(0.1)
At 31 December 2024		**40.8**	**0.3**	**41.1**

The carrying amounts of the Group's lease liabilities and the movements during the period are as follows:

	Note	Property £m	Motor vehicles £m	Total £m
At 1 January 2023		**(54.5)**	**(0.9)**	**(55.4)**
Additions		(4.9)	(0.2)	(5.1)
Interest charged	8	(2.2)	-	(2.2)
Payments made		11.5	0.4	11.9
Effects of movements in exchange rates		0.8	-	0.8
At 31 December 2023		**(49.3)**	**(0.7)**	**(50.0)**
Additions		(3.0)	(0.1)	(3.1)
Disposals		-	0.1	0.1
Interest charged	8	(1.9)	-	(1.9)
Payments made		9.3	0.4	9.7
Effects of movements in exchange rates		0.1	-	0.1
At 31 December 2024		**(44.8)**	**(0.3)**	**(45.1)**
Current		(11.1)	(0.2)	**(11.3)**
Non-current		(33.7)	(0.1)	**(33.8)**

Expenses recognised in profit or loss during the period in relation to leases not shown in the above tables are:

	2024 £m	2023 £m
Expense relating to short-term leases and leases of low-value assets		
Property assets	0.4	0.4
Non-property assets	0.3	0.3
Expense relating to service and other related charges	1.9	1.9

The Group had total cash outflows for leases in the year of £9.7 million (2023: £11.9 million).

13. Financial risk management

The Group is exposed to financial risks arising from its financial instruments as part of its day-to-day operations. These broadly fall within four categories: liquidity risk, credit risk, foreign currency risk and interest rate risk. The areas of exposure and the Group's approach to management of the risk are detailed below.

13.1 Liquidity risk

Liquidity risk occurs from a lack of available funding in the location or currency required, when required.

The Group is sufficiently cash generative to cover its operational requirements and has significant cash reserves available on a daily basis. Cash is held as easily accessible in interest-bearing current accounts, liquidity funds or short-term deposits. The Group also has access to a £300.0 million revolving credit facility, of which £270.0 million is undrawn at 31 December 2024 and available, should exceptional operational or investment requirements arise.

To manage this risk, the Group's central treasury team monitors global cash requirements via short- and medium-term rolling forecasts which are reviewed by management on a regular basis. This takes into consideration receipts and payments in each of the Group's various local currencies. A certain level of operational funds is maintained locally taking into account the liquidity of the local market to cover any unforeseen or emergency payments. Due to the central control, the Group treasury team has the ability to move funds quickly around the Group should further resources be required.

The Group has access to currency trading lines to enable conversion of funds from, and to, all the Group's trading currencies as necessary within the agreed settlement limits.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on their contractual maturities and represents the gross, undiscounted contractual cash flows.

At 31 December 2024	< 12 months £m	Between 1 and 2 years £m	Between 2 and 5 years £m	Over 5 years £m	Total contractual cash flows £m	Carrying value £m
Trade and other payables	(176.4)	(7.1)	-	-	(183.5)	(183.5)
Borrowings	-	(2,083.4)	(430.0)	-	(2,513.4)	(2,155.3)
Lease liabilities	(11.3)	(9.0)	(20.4)	(10.2)	(50.9)	(45.1)
Total financial liabilities	**(187.7)**	**(2,099.5)**	**(450.4)**	**(10.2)**	**(2,747.8)**	**(2,384.0)**

At 31 December 2023	< 12 months £m	Between 1 and 2 years £m	Between 2 and 5 years £m	Over 5 years £m	Total contractual cash flows £m	Carrying value £m
Trade and other payables	(193.2)	(0.7)	(5.9)	-	(199.8)	(199.8)
Borrowings	-	-	(2,558.4)	-	(2,558.4)	(2,026.5)
Lease liabilities	(11.0)	(9.6)	(21.2)	(15.5)	(57.3)	(50.0)
Total financial liabilities	**(204.2)**	**(10.3)**	**(2,585.5)**	**(15.5)**	**(2,815.5)**	**(2,276.3)**

13.2 Credit risk

For cash management and investment purposes, credit risk is managed centrally on a Group basis. The Group's treasury policy requires a minimum long-term rating of A (Standard & Poor's) or A2 (Moody's) for any banking or financial institution. New counterparties require approval by a subcommittee of the board and ratings are reviewed on a regular basis. Limits are set for the maximum amount that can be held per counterparty to reduce the Group's exposure to any one institution. Investment products such as liquidity funds require a long-term rating of AAA/Aaa with any exception to this needing approval from the Chief Financial Officer.

For derivative financial instruments, the Group maintains multiple foreign currency trading lines only with financial institutions that meet the ratings as noted above. Trading limits are established so that, at any time, the fair value of favourable contracts outstanding with any individual counterparty does not exceed the approved maximum exposure thresholds.

The Group manages its credit risk related to trade receivables through well-established and effectively communicated project management policies, which must be adhered to by those responsible for contracting with new clients on behalf of the Group. These policies require customer creditworthiness to be established prior to entering into a contractual relationship through a combination of company history and historical financial data checks, a public search of information and in some instances obtaining an external credit report to facilitate the decision-making. Where there is a lack of information available or information may suggest a higher level of default risk, the Group requires mitigation through advance payment, obtaining parental guarantees or bank guarantees. Further detail on the Group's assessment of expected credit losses is included in Note 4.

The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of financial assets as shown in Notes 4 and 14.

13.3 Foreign currency risk

The Group has an international footprint and consequently as part of its day-to-day operations, is exposed to foreign exchange risk arising from various currencies but primarily the US dollar, euro, Swedish krona, and Danish and Norwegian krone. This exposure arises when commercial transactions and related financial assets and liabilities are denominated in a currency that is not the entity's functional currency. While the Group's currency inflows provide a natural offset against local expenses, they are generally in excess of the costs and result in net currency inflows for the Group whose administrative cost base is predominantly sterling denominated.

The Group uses simple derivatives (forward contracts and swaps) to help manage this risk at a project level or for significant non-project financial assets or liabilities. Requirements reviewed on a project-by-project basis take into consideration size and duration of the project as well as the contracted billing currency.

Parameters and limits for trading are defined in the Group's treasury policies as approved by the board of directors and can only be performed by the Group treasury team. For derivative financial instruments, the Group has a multi-currency trading line with HSBC. Hedge accounting is not currently applied for these instruments.

The remaining currency exposure is monitored and managed centrally primarily through forecasting net currency requirements in each of the trading currencies and selling excess currency into GBP, the Group's functional currency, on a regular spot basis. The effect of foreign currency differences on loss before tax is disclosed in Note 7.1.

Sensitivity

The Group has a number of foreign currency-denominated financial assets and financial liabilities held within its subsidiaries which create exposure to translation risk. The Group's exposure at the reporting date by key currency is noted below, translated into sterling at the closing rate:

At 31 December 2024	USD £m	EUR £m	DKK £m	Other £m	Total £m
Financial assets	78.2	11.2	2.3	3.8	95.5
Financial liabilities	(1.9)	(4.0)	(16.8)	(14.8)	(37.5)
Net exposure	**76.3**	**7.2**	**(14.5)**	**(11.0)**	**58.0**

At 31 December 2023	USD £m	EUR £m	DKK £m	Other £m	Total £m
Financial assets	77.9	13.9	5.9	7.6	105.3
Financial liabilities	(4.5)	(4.4)	(13.5)	(12.5)	(34.9)
Net exposure	**73.4**	**9.5**	**(7.6)**	**(4.9)**	**70.4**

As shown on page 65, the Group is primarily exposed to changes in USD/GBP. These exposures go to the Group's profit or loss and are predominantly generated from the Group's treasury entity, which holds cash and intra-Group loans in a variety of currencies. If exchange rates fluctuated by +/- 10 percent, this would result in the following impact on the Group's income statement:

2024	USD £m	EUR £m	DKK £m	Other £m	Total £m
+10%	(6.9)	(0.6)	1.4	1.0	(5.1)
-10%	8.5	0.8	(1.6)	(1.4)	6.3

2023	USD £m	EUR £m	DKK £m	Other £m	Total £m
+10%	(6.7)	(0.9)	0.7	0.5	(6.4)
-10%	8.2	1.1	(0.8)	(0.7)	7.8

13.4 Interest rate risk

The Group's main interest rate risk arises from long-term borrowings with variable rates, which expose the Group to cash flow interest rate risk. The principal amount of the Group's total long-term borrowings at 31 December 2024, was £1,612.2 million of which 73 percent was fixed interest rate instruments (2023: £1,657.2 million of which 71 percent was fixed interest rate instruments).

The Group fixes interest rates on its variable rate borrowings in compliance with contractual requirements, or where it is considered economically beneficial to do so, based on the remaining maturity of the borrowing, indicative price to fix and market expectation on future interest rate increases. The Group's treasury policy allows the use of floating-to-fixed interest rate swaps to achieve this when necessary.

The Group entered the year with most of its debt at lower rates than the market, fixed for the initial months of the year. At the renewal dates of those loans, hedging prices available were considered to be the top end of market expectations which meant contractually fixing rates for longer periods was not considered to be economically optimal. The Group continues to lock-in its debt rates on terms of up to six months through electing appropriate debt renewal periods while hedge pricing remains high. The Group continues to manage its debt by paying off borrowings up to permitted levels and by managing the length of its debt with the expectation that interest rates are to reduce.

Interest rate risk on fixed-rate borrowings exists where the Group is locked into rates which are adverse to current market rates if the differential impacts the Group's ability to be competitive in comparison with other participants in the market.

All of the Group's borrowing instruments are held at amortised cost and consequently there is no balance sheet exposure to fair value fluctuations.

Sensitivity

Profit or loss is sensitive to the interest expense on the Group's borrowings. An adverse movement in SONIA by 0.5 percent would increase the future interest charge by £2.2 million (2023: £2.4 million) annually, based on the level of debt drawn at the end of the period.

13.5 Capital risk

The Group's objectives when managing capital are to maximise shareholder value while safeguarding the Group's ability to continue as a going concern and to provide resource options for investment opportunities. In common with private equity portfolio companies, the Group carries a high level of net debt compared to equity. Total capital is calculated as total equity as shown in the consolidated statement of financial position, plus net debt. Net debt is calculated as the total of borrowings as shown in the consolidated statement of financial position, less cash and cash equivalents.

14. Financial assets and liabilities

The Group holds the following financial instruments:

Financial assets	2024 £m	2023 £m
Held at amortised cost		
Trade receivables	95.7	103.0
Other receivables*	1.2	1.0
Cash and cash equivalents	152.9	130.2
	249.8	**234.2**

Financial liabilities	2024 £m	2023 £m
Held at amortised cost		
Trade and other liabilities*	(180.7)	(194.4)
Borrowings	(2,155.3)	(2,026.5)
Held at fair value through profit or loss		
Trade and other liabilities	(2.7)	(5.4)
	(2,338.7)	**(2,226.3)**

*Excluding non-financial assets or liabilities

14.1 Fair values

For instruments held at amortised cost, management consider that the carrying amounts approximate to the fair values due to the short-term maturities of these instruments, except for certain of the Group's borrowing instruments as disclosed in Note 17.

For instruments held at fair value, the carrying amount in the table on page 67, is the fair value.

The Group is required to classify each instrument held at fair value into one of the hierarchy levels (as prescribed in accounting standards) to reflect the source and reliability of inputs used in determining fair value.

Level 1: The fair value of financial instruments traded in active markets, (such as publicly-traded derivatives, and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group, is the current bid price. These instruments are included in Level 1.

Level 2: The fair value of financial instruments that are not traded in an active market, (e.g. over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

The classification of the Group's financial instruments held at fair value at 31 December 2024 and 31 December 2023 is shown in the table below.

At 31 December 2024	Level 1 £m	Level 2 £m	Level 3 £m	Total £m
Financial liabilities				
Trade and other current liabilities	-	-	(2.7)	(2.7)
Total financial liabilities	**-**	**-**	**(2.7)**	**(2.7)**

At 31 December 2023	Level 1 £m	Level 2 £m	Level 3 £m	Total £m
Financial liabilities				
Trade and other current liabilities	-	-	(5.4)	(5.4)
Total financial liabilities	**-**	**-**	**(5.4)**	**(5.4)**

The Group's Level 3 financial instruments are amounts payable to prior employees for retained Management Equity Plan shares and amounts payable in respect of PA Consulting historical business acquisitions. For the retained shares liability, amounts payable are based on the fair value of the underlying shares held which is derived from management's mid-long term financial plan. More details on valuation approach for these shares are included in Note 19.

Prior year amounts payable relating to historical business acquisitions were dependent on meeting certain financial performance criteria. The fair value was determined using management's financial forecasts against those targets to ascertain the most likely level of payment in line with the contract.

Further details of the Group's financial instruments are included in the following Notes 15 to 17.

15. Other current assets

	2024 £m	2023 £m
Prepayments	10.6	10.8
Taxation	3.0	2.6
Withholding tax debtor	0.4	1.0
Inventories	2.1	0.6
Other debtors	14.1	4.4
	30.2	**19.5**

16. Trade and other current liabilities

	2024 £m	2023 £m
Trade payables	(5.4)	(4.3)
Other taxes and social security	(34.5)	(36.0)
Deferred employee remuneration	(84.9)	(93.8)
Accrued interest on senior debt	(3.0)	(8.0)
Other payables	(47.4)	(50.7)
	(175.2)	**(192.8)**

17. Borrowings

At 31 December 2024, the Group had borrowings comprising senior debt and redeemable preference shares. These are classified as loans and other interest-bearing debt instruments as detailed in the table below.

	Principal £m	Interest rate	Maturity
Senior debt	(400.0)	SONIA + 3.2826%	28 March 2028
Revolving credit facility	(30.0)	SONIA + 3.0326%	28 March 2027
Redeemable preference shares	(1,182.2)		
Redeemable preference shares owned by employee trust	65.7		
Net redeemable preference shares	(1,116.5)	12%	
Total borrowings	**(1,546.5)**		

The revolving credit facility is a £300.0 million facility. A further £270.0 million is available to draw down at the same rates noted above.

	At 31 December 2024			At 31 December 2023		
	Current £m	Non-current £m	Total £m	Current £m	Non-current £m	Total £m
Senior debt	-	(400.0)	(400.0)	-	(400.0)	(400.0)
Revolving credit facility	-	(30.0)	(30.0)	-	(75.0)	(75.0)
Redeemable preference shares	-	(1,826.9)	(1,826.9)	-	(1,631.2)	(1,631.2)
Redeemable preference shares owned by employee benefit trust	-	101.6	101.6	-	79.7	79.7
Net redeemable preference shares	-	(1,725.3)	(1,725.3)	-	(1,551.5)	(1,551.5)
Total borrowings	**-**	**(2,155.3)**	**(2,155.3)**	**-**	**(2,026.5)**	**(2,026.5)**

17.1 Analysis of changes in borrowings and related items

The fair values of the Group's interest-bearing loans and borrowings are determined by using the discounted cash flow method applying a discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The fair values are considered to be materially the same as the carrying values noted on page 71, except for the preference shares, which have been assessed as £1,904.9 million. The own non-performance risk as at 31 December 2024, was assessed to be insignificant in all cases. Specific terms and conditions of the debt instruments are noted below.

Term loan and revolving credit facility

The term loan and revolving credit facility are secured by a charge over the entities within the Group. The borrowing agreement was entered into with Jacobs Engineering Group Inc. on 2 March 2021, to provide funding for the Company's acquisition of PA Consulting Group. Minimal fees were incurred in arranging the facility and therefore the Group did not capitalise any amounts in relation to the loan. No repayments were made on the term loan in 2023 or 2024. In 2024, £45 million of the revolving credit facility was repaid (2023: £65 million).

The borrowing agreement contains certain financial covenants and restrictions on providing security over the Group's assets to any party outside of the Group. Compliance with the covenants is reported on a quarterly basis. There has been no event of default during the current year.

Of the £300.0 million revolving credit facility, £30.0 million had been drawn down at 31 December 2024. Amounts drawn down under the revolving credit facility are generally repayable within 12 months of the reporting date, but have been classified as long-term because the Group has rights under the revolving credit facility to redraw funds until 28 March 2027.

Redeemable preference shares

The preference shares were issued on 2 March 2021 at £1 each. Dividends accrue at the rate of 12 percent per annum, compounded on an annual basis. The shares are mandatorily redeemable at the earlier of an investment disposal by Jacobs Engineering Group Inc., or five years, in-line with a contractual valuation event. While currently this is not a defined date, it does represent a requirement for redemption outside of the Company's control and therefore the shares have been recognised as liabilities.

18. Capital and reserves

18.1 Share capital

18.1.1 Authorised shares

	2024 Thousands	2023 Thousands
Ordinary A shares of £0.01 each	137,220	137,220
Ordinary B shares of £0.01 each	73,888	73,888
Ordinary C shares of £0.01 each	70,369	70,369
	281,477	**281,477**

	Ordinary A shares		Ordinary B shares		Ordinary C shares	
Issued and fully paid	Thousands	Nominal value £m	Thousands	Nominal value £m	Thousands	Nominal value £m
At 1 January 2023	**137,220**	**1.4**	**73,888**	**0.7**	**51,175**	**0.5**
Issued on 19 May 2023	-	-	-	-	6,141	0.1
At 31 December 2023	**137,220**	**1.4**	**73,888**	**0.7**	**57,316**	**0.6**
Issued on 4 June 2024	-	-	-	-	5,416	-
At 31 December 2024	**137,220**	**1.4**	**73,888**	**0.7**	**62,732**	**0.6**

On 4 June 2024, 5,416,500 ordinary C £0.01 shares were issued at £0.10 each, generating a total cash consideration of £541,650 and resulting in a share premium of £487,485. The allotment of shares is fully paid up.

Issued in prior period:

On 19 May 2023, 6,141,078 ordinary C £0.01 shares were issued at £0.18 each, generating a total cash consideration of £1,105,394 and resulting in a share premium of £1,043,983. The allotment of shares is fully paid up.

18.1.2 Class rights

Share class	Voting rights	Dividend rights
Ordinary A shares	Full voting rights	The right to all dividends
Ordinary B shares	Full voting rights	The right to all dividends
Ordinary C shares	No voting rights	The right to all dividends

18.1.3 Priority on a return of capital or sale

Share class	Amount
Ordinary shares (A and B)	Entitled to the balance of the surplus assets in proportion to the amount paid up.
Ordinary shares (C)	Entitled to a calculated share of the surplus assets as defined in the Company's articles of association.

18.2 Own shares held by employee benefit trust

The purpose of the Group's employee benefit trust (EBT) is to facilitate and encourage the ownership of shares by employees. This is achieved by repurchasing shares held by previous employees, and holding them for subsequent sale or grant and within a separate reserve at the purchase cost paid, until the shares are disposed of. Own shares held are treated as a deduction from shareholders' funds.

At the reporting date, the EBT held the following ordinary shares:

	2024 Thousands	2023 Thousands
Ordinary B shares	11,739	10,311
Ordinary C shares	2,378	4,767
	14,117	**15,078**

The value held in the own shares reserve also includes the proceeds received from employees on the purchase of the Company's ordinary C shares due to conditions over those shares which have not yet been met.

18.3 Other reserves

18.3.1 Foreign currency translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

19. Share-based payments

The Group operates only one share scheme, the Management Equity Plan (MEP). The related expense recognised for employee services received during the year in relation to the scheme, amounts to £13.6 million (2023: £8.8 million), of which £13.1 million (2023: £7.2 million) is recorded as an equity-settled share-based payment expense, and £0.5 million (2023: £1.6 million) is recorded as a cash-settled share-based payment expense, both within employee remuneration.

The cash-settled charge has arisen due to certain employees who left the business as part of the restructuring actions retaining ownership of a portion of their shares. This is a modification to the vesting terms of the scheme for those individuals only and the scheme terms remain unchanged for all other participants. This has resulted in a liability being recognised for £2.7 million (2023: £1.9 million).

Management Equity Plan

Under the MEP, certain senior personnel are awarded the opportunity to purchase an allocation of the Company's ordinary C shares at the unrestricted market price relevant at the grant date as determined by third party valuation experts.

The potential incremental growth in the value of the ordinary C shares following the issue is only available to participants through continued employment in the Group for at least two years after their first purchase of the shares. The proportion of shares from the award that are applicable for price-growth realisation (termed as 'Fair Market Value' (FMV) shares) increases based on the length of service of up to five years when a valuation event can be triggered and all shares become FMV shares.

The fair value of the Plan is estimated at the grant date using a Monte Carlo pricing model taking into account the terms and conditions on which the shares were issued. The service condition is only considered in determining the number of instruments that will ultimately vest.

As the settlement of the price-growth at a valuation event is not the obligation of the Company, nor the timing of settlement in the control of the Company, the Group accounts for the Plan as an equity-settled plan where employees are expected to remain in employment through to a valuation event.

If a material number of employees were expected to leave ahead of that date, the proportion of shares issued to the expected leavers would be treated as cash-settled.

Details of the ordinary C shares outstanding during the reporting period are as follows:

	Number	Weighted average purchase price
Outstanding at 31 December 2022	50,094,844	£0.11
Granted	12,666,000	£0.18
Forfeited	(10,211,922)	£0.11
Outstanding at 31 December 2023	**52,548,922**	**£0.12**
Of which unconditional FMV shares	9,817,015	£0.11
Granted	12,080,000	0.10
Forfeited	(4,274,900)	0.12
Outstanding at 31 December 2024	**60,354,022**	**£0.12**
Of which unconditional FMV shares	17,488,453	£0.11

The weighted average fair value of awards issued during the period was £0.81 (2023: £0.95) and weighted average remaining contractual life was 1.0 years (2023: 2.2 years) as at the reporting date.

The inputs into the Monte Carlo model used to determine the fair value are as follows:

Issue date	4 June 2024	19 May 2023	24 June 2022	7 July 2021
Equity value	£1,880m	£1,613m	£1,603m	£1,178m
Expected volatility	26%	34%	32%	30%
Expected life	1.32 years	2.87 years	3.77 years	4.73 years
Risk-free rate	4.63%	3.99%	1.99%	0.25%
Expected dividend yield	0%	0%	0%	0%

Expected volatility was determined by reference to the historical share price volatility as at the issue date for a sample of comparative listed companies over the same period as the expected life of the award.

The expected life used in the model has been determined based on management's best estimate of the expected timing of a valuation or exit event.

The risk-free rate is the yield on UK government gilts at the issue date.

20. Retirement benefits

Group

The Group operates a number of pension arrangements throughout the world, the forms and benefits of which vary with conditions and practices in the countries concerned. The largest arrangements are self-administered and their assets are held independently of the Group's finances in either separate trustee-administered funds or insurance-based schemes. The principal arrangements are in the United Kingdom and comprise both defined contribution and defined benefit schemes.

20.1 Defined contribution pension arrangements

The total pension costs for the Group relating to employer contributions to defined contribution pension arrangements were £23.2 million (2023: £25.0 million). At 31 December 2024, there were outstanding unpaid contributions of £6.4 million (2023: £5.1 million).

20.2 Defined benefit pension arrangements

20.2.1 Analysis of defined benefit pension arrangements with net assets and liabilities included in the consolidated statement of financial position

	GMP equalisation liability held by PA Holdings Limited UK closed £m	PA Mirror Legacy Pension Scheme UK closed £m	Prudential Platinum Scheme UK closed £m	Germany closed £m	Total £m
At 31 December 2024					
Defined benefit pension arrangements with gross assets/(liabilities)	**(0.1)**	-	0.2	(3.7)	(3.6)
Restriction to apply on recognition of surplus	-	-	(0.2)	-	(0.2)
Total pension liabilities included in the consolidated statement of financial position	**(0.1)**	**-**	**-**	**(3.7)**	**(3.8)**

At 31 December 2023					
Defined benefit pension arrangements with gross assets/(liabilities)		(0.2)	0.2	(2.7)	(2.7)
Restriction to apply on recognition of surplus		-	(0.2)	-	(0.2)
Total pension liabilities included in the consolidated statement of financial position		**(0.2)**	**-**	**(2.7)**	**(2.9)**

20.2.2 Analysis of amounts recognised in the consolidated income statement

	GMP equalisation liability held by PA Holdings Limited UK closed £m	PA Mirror Legacy Pension Scheme UK closed £m	Prudential Platinum Scheme UK closed £m	Germany closed £m	Total £m
At 31 December 2024					
Transfer of GMP equalisation liability	**(0.1)**	**0.1**	**-**	**-**	**-**
Other finance costs	-	-	-	(0.1)	(0.1)
Total recognised in the consolidated income statement	**(0.1)**	0.1	-	(0.1)	(0.1)

At 31 December 2023					
Other finance costs		-	-	(0.1)	(0.1)
Total recognised in the consolidated income statement		-	-	(0.1)	(0.1)

20.2.3 Analysis of amounts recognised in the consolidated statement of other comprehensive income

	GMP equalisation liability held by PA Holdings Limited UK closed £m	PA Mirror Legacy Pension Scheme UK closed £m	Prudential Platinum Scheme UK closed £m	Germany closed £m	Total £m
At 31 December 2024					
Actual return on assets less interest	-	(1.0)	(0.1)	-	(1.1)
Actuarial gain/(loss) on liability	-	1.0	0.1	(0.5)	0.6
Actuarial loss recognised on defined benefit pension arrangements	-	-	-	(0.5)	(0.5)
Total recognised in the consolidated statement of other comprehensive income	**-**	**-**	**-**	**(0.5)**	**(0.5)**

At 31 December 2023				
Actual return on assets less interest	0.6	-	-	0.6
Actuarial loss on liability	(0.6)	-	(0.1)	(0.7)
Actuarial loss recognised on defined benefit pension arrangements	-	-	(0.1)	(0.1)
Total recognised in the consolidated statement of other comprehensive income	**-**	**-**	**(0.1)**	**(0.1)**

20.3 PA Mirror Legacy Pension Scheme

On 29 February 2024, the buy-in insurance policy in the scheme was converted into individual policies in the members name with Pension Insurance Corporation plc (PIC), the insurer, such that the liabilities and assets were assigned to PIC. This was done via a Deed of Issue and Assignment. This event was treated as a settlement of benefits from the scheme, valued using the assumptions set out below. As the settlement value of the liabilities equals the value of the assigned asset, there was no settlement charge to the income statement. The only remaining liabilities in the scheme were for paying top-ups in respect of Guaranteed Minimum Pensions (GMP) equalisation for former members of the PA Pension Scheme.

On 3 July 2024, a deed of discharge and deed of determination and indemnity were signed. This resulted in the unpaid liabilities in relation to GMP equalisation being transferred to PA Holdings Limited, a member of the group. This resulted in the PA Mirror Legacy Pension Scheme being wound up.

The most recent actuarial funding valuation has been updated by Lane Clark & Peacock LLP, in order to assess the liabilities of the scheme at 29 February 2024, for the purposes of IAS 19 Employee Benefits. Scheme assets are stated at their market value at 29 February 2024. The principal assumptions used in this valuation by the actuaries were:

20.3.1 Principal assumptions

	2024 %	2023 %
Retail price inflation	3.3	3.2
Consumer price inflation until 31 January 2030	2.3	2.2
Consumer price inflation after 31 January 2030	3.2	3.1
Weighted average consumer price inflation	2.7	2.6
Discount rate	5.0	4.5
Pension increase rate RPI	3.3	3.2
Pension increase rate based on weighted average CPI	2.7	2.6

The post-retirement mortality assumptions used were as follows:

	2024 Years	2023 Years
Life expectancy of pensioners age 60 in 2024/2023		
• Men	28.4	28.4
• Women	31.2	31.1
Life expectancy of pensioners age 60 in 2038/2037		
• Men	29.8	29.7
• Women	32.4	32.3
Weighted average duration	**10.9**	**11.2**

20.3.2 Scheme assets and liabilities

	2024 £m	2023 £m
Buy-in insurance policy	-	25.3
Total fair value of assets	-	25.3
Present value of scheme liabilities	-	(25.5)
Pension deficit	**-**	**(0.2)**

The scheme assets as a percentage of the total scheme assets are as follows:

	2024 %	2023 %
Buy-in insurance policy	N/A	100.0

20.3.3 Reconciliation of fair value of scheme assets

	2024 £m	2023 £m
At 1 January	25.3	25.0
Interest on assets	0.2	1.2
Benefits paid	(0.4)	(1.9)
Actual return plan assets less interest	(1.0)	0.6
Contributions by the employer	0.1	0.4
Curtailments and settlements: on issuance of individual policies to remaining members	**(24.2)**	
At 31 December	**-**	**25.3**

The actual return on scheme assets was a loss of £0.8 million (2023: gain of £1.8 million).

20.3.4 Reconciliation of present value of scheme liabilities

	2024 £m	2023 £m
At 1 January	(25.5)	(25.6)
Interest on obligation	(0.2)	(1.2)
Benefits paid	0.4	1.9
Past service credit and settlements	-	-
Actuarial gains/(losses) due to:		
Experience gain	0.1	(0.5)
Changes in financial assumptions	0.9	(0.4)
Changes in demographic assumptions	-	0.3
Curtailments and settlements: on issuance of individual policies to remaining members	**24.2**	-
Curtailments and settlements: on transfer of historical GMP equalisation liabilities to PA Holdings Limited	**0.1**	-
At 31 December	**-**	**(25.5)**

20.3.5 Sensitivity analysis

Reasonably possible changes at the 31 December 2023 to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below. There was no defined benefit obligation at 31 December 2024.

	31 December 2023	
	Increase £m	Decrease £m
Discount rate (0.1% movement)	(0.3)	0.3
Inflation rate (0.1% movement)	0.2	(0.2)

20.4 Other defined benefit arrangements

At 31 December 2024, the Group had a closed defined benefit scheme in the UK (Prudential Platinum Scheme) with net assets of £nil (2023: £nil) and minimum funding requirements which get assessed triennially. An assessment was undertaken in 2024, which will run for three years. The required funding for this period is £29,600 per annum for 2025-2027.

There is also a closed defined benefit scheme in Germany with a net liability of £3.7 million (2023: £2.7 million). During 2024, the Group received cash of £0.6 million from the scheme. This will be used to settle the expected contributions to the scheme for the year to 31 December 2025, which are projected to be £0.7 million.

The full disclosures as required by IFRS for these schemes are not provided because, in the directors' opinion, these arrangements are immaterial to the net assets of the Group.

21. Capital and other financial commitments

There were capital commitments of £0.5 million contracted for but not provided, in the financial statements at 31 December 2024 (2023: £0.7 million).

The Group has guaranteed bid, performance and rent bonds issued by its banks on its behalf in the ordinary course of business totalling £0.9 million as at 31 December 2024 (2023: £2.0 million). These are not expected to result in any material financial loss.

22. Subsidiary undertakings

The subsidiary undertakings as at 31 December 2024, are shown below. All are included in the Group financial statements and all are wholly owned either directly, or indirectly, by the Company. All subsidiaries prepare accounts up to 31 December each year, except for PA Consulting Services (India) Private Limited, which prepares accounts up to 31 March as required by Indian companies law.

Directly held

Name	Country	Registered office address	Class of share held	Nature of business
PA Consulting Group Holdings 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, DK-2150 Copenhagen	Ordinary	Consultancy
PA Consulting Holdings ApS	Denmark	Portland Towers, Goteborg Plads 1, DK-2150 Copenhagen	Ordinary	Holding company
PA Consulting Group GmbH	Germany	Youco24 Business Centre, Amelia-Mary-Earhart-Strasse 8, 60549, Frankfurt am Main, Germany	Ordinary	Non-trading
PA Consulting Group Limited	Hong Kong	Suite 1106-8, 11/F, Tai Yau Building, No. 181 Johnston Road, Wanchai	Ordinary	Non-trading
PA Consulting Services (India) Private Limited	India	4A & 4B Gold Nest, Wind Tunnel Road, Murugeshpalya, Bangalore 560017	Ordinary	Non-trading
PA Consulting Design Partners Limited	Ireland	IDA Business Park, Southern Cross Route, Bray. Co. Wicklow, Ireland	Ordinary	Consultancy
PA Consulting Group, S.de R.L. de C.V	Mexico	c/o Velderrain Sáenz y Asociados, S.C., Vito Alessio Robles Street 51-202 Colony ExHacienda de Guadalupe Chimalistac, Muncipality Alvaro Obregon Mexico City 01505	Quota	Non-trading
PA Consulting Mexico Services S.A.de C.V.	Mexico	c/o Velderrain Sáenz y Asociados, S.C., Vito Alessio Robles Street 51-202 Colony ExHacienda de Guadalupe Chimalistac, Muncipality Alvaro Obregon Mexico City 01505	Ordinary	Non-trading
PA Consulting Group BV	Netherlands	Loft 2.06 & 2.07 Creative Valley Utrecht CS, Stationsplein 32, 3511 ED Utrecht	Ordinary	Holding company
PA Consulting Services BV	Netherlands	Loft 2.06 & 2.07 Creative Valley Utrecht CS, Stationsplein 32, 3511 ED Utrecht	Ordinary	Consultancy
PA Holdings BV	Netherlands	Loft 2.06 & 2.07 Creative Valley Utrecht CS, Stationsplein 32, 3511 ED Utrecht	Ordinary and preference	Holding company
PA International Holdings BV	Netherlands	Loft 2.06 & 2.07 Creative Valley Utrecht CS, Stationsplein 32, 3511 ED Utrecht	Ordinary	Holding company
PA Consulting Group Limited	New Zealand	BDO Auckland, Level 4, BDO Centre, 4 Graham Street, Auckland Central 1010	Ordinary	Non-trading
PA Consulting Group AS	Norway	Verkstedveien 1, PO Box 150, Skøyen, 0277 Oslo	Ordinary	Consultancy

Name	Country	Registered office address	Class of share held	Nature of business
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
Garden Midco 1 Limited	United Kingdom	10 Bressenden Place, London, SW1E 5DN	Ordinary and preference	Holding company
Nyras Capital LLP	United Kingdom	10 Bressenden Place, London, SW1E 5DN		Non-trading
Nyras Limited	United Kingdom	10 Bressenden Place, London, SW1E 5DN	Ordinary	Non-trading
PA Consulting Government Services Limited	United Kingdom	10 Bressenden Place, London, SW1E 5DN	Ordinary	Non-trading
PA Consulting Group Finance Limited	United Kingdom	10 Bressenden Place, London, SW1E 5DN	Ordinary and preference	Holding company
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	Holding company
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	Non-trading
PA Middle East Limited	United Kingdom	10 Bressenden Place, London, SW1E 5DN	Ordinary	Non-trading
PA Netherlands Treasury Services Limited	United Kingdom	10 Bressenden Place, London, SW1E 5DN	Ordinary	Treasury services company
PA Overseas Holdings Limited	United Kingdom	10 Bressenden Place, London, SW1E 5DN	Ordinary	Holding company
PA Pension Trustees Limited	United Kingdom	10 Bressenden Place, London, SW1E 5DN	Ordinary	Dormant
PA Pension Trustees Two Limited	United Kingdom	10 Bressenden Place, London, SW1E 5DN	Ordinary	Trustee company
PA Perfect Cost Grid Limited	United Kingdom	10 Bressenden Place, London, SW1E 5DN	Ordinary	Non-trading

Name	Country	Registered office address	Class of share held	Nature of business
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	10 Bressenden Place, London, SW1E 5DN	Founder shares, growth shares and ordinary shares	Non-trading
The PA Foundation	United Kingdom	10 Bressenden Place, London, SW1E 5DN	Limited by guarantee	Registered charity
We Are Friday Limited	United Kingdom	50 Farringdon Road, London, EC1M 3HE	Ordinary	Non-trading
Cooper Perkins Inc.	USA	Middlesex Green Building 3, 1st & 2nd Floor 575 Virginia Road, Concord MA 01742	Common	Non-trading
PA Consulting Group Inc.	USA	14 Scenic Drive, Dayton NJ 08810	Common and preference	Consultancy
PA US Holdings Inc.	USA	14 Scenic Drive, Dayton NJ 08810	Common and preference	Holding company
Essential Inc.	USA	45 School Street, Suite 202 Boston MA 02108	Common	Non-trading
The Cambridge Group LLC	USA	850 New Burton Road, Suite 201, Dover, DE 19904, USA	Member Interests	Consultancy

PA Consulting Group (Qatar) LLC was liquidated on 20 November 2024.

23. Related party transactions

Compensation of key management personnel

	2024 £m	2023 £m
Short-term employee benefits	5.1	2.7
Post-employment benefits	0.1	-
Share-based payment transactions	1.3	1.1
Compensation of key management personnel	6.5	3.8

In 2024, key management personnel includes certain directors and all members of the Executive Management team. For 2023, given some roles changing in the period, this was restricted to a smaller number of individuals.

Transactions with the controlling shareholder

During the period, the Group entered into transactions, in the ordinary course of business, with the controlling shareholder. The sales to the controlling shareholder were subject to standard client procurement policies. The directors therefore consider that all such transactions have been entered into on an arm's-length basis. Transactions entered into, and trading balances outstanding at 31 December, are as follows:

	Sales to controlling shareholder £m	Purchases from controlling shareholder £m	Trading amounts owed from controlling shareholder £m	Trading amounts owed to controlling shareholder £m
2024	5.0	(0.1)	1.1	-
2023	2.6	(0.3)	0.3	-

Transactions with subsidiaries of the controlling shareholder

During the period, the Group entered into transactions, in the ordinary course of business, with subsidiaries of the controlling shareholder, outside of the PA Consulting Group. The sales to the subsidiaries of the controlling shareholder were subject to standard client procurement policies. The directors therefore consider that all such transactions have been entered into on an arm's-length basis. Transactions entered into, and trading balances outstanding at 31 December, are as follows:

	Sales to related party £m	Purchases from related party £m	Amounts owed from related party £m	Amounts owed to related party £m
2024	3.8	(4.3)	0.7	(0.2)
2023	2.0	(0.7)	0.2	(0.1)

24. Controlling party

The controlling shareholder is, Jacobs Engineering Group Inc., and the ultimate controlling entity of the Group is, Jacobs Solutions Inc.

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

The address of Jacobs Solutions, Inc. is:

1999 Bryan Street, Suite 1200, Dallas, TX 75201, USA

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Company statement of financial position

at 31 December 2024

	Note	2024 £m	2023 £m
Assets			
Non-current assets			
Investment in subsidiaries	C5	1,758.2	1,346.6
Loan receivable	C6	375.4	335.2
Total non-current assets		**2,133.6**	**1,681.8**
Current assets			
Loan receivable	C6	-	367.5
Current tax assets		9.6	3.6
Cash and cash equivalents	C7	0.4	0.3
Total current assets		**10.0**	**371.4**
Total assets		**2,143.6**	**2,053.2**
Liabilities			
Current liabilities			
Trade and other current liabilities	C8	(476.2)	(346.1)
Total current liabilities		**(476.2)**	**(346.1)**
Net current assets		(466.2)	25.3
Non-current liabilities			
Borrowings	C9	(2,155.3)	(2,026.5)
Other non-current liabilities	C10	(7.9)	(7.2)
Total non-current liabilities		**(2,163.2)**	**(2,033.7)**
Total liabilities		**(2,639.4)**	**(2,379.8)**
Net liabilities		**(495.8)**	**(326.6)**
Equity			
Called-up share capital	C11	2.7	2.7
Share premium		14.7	14.2
Own shares reserve		(7.9)	(8.3)
Retained earnings (including a loss for the financial year of £(183.1)m, compared to a loss of £114.6m in 2023)		(505.3)	(335.2)
Total equity		**(495.8)**	**(326.6)**

Company statement of changes in shareholders' equity

for the year ended 31 December 2024

	Note	Share capital £m	Share premium £m	Own shares reserve £m	Retained earnings £m	Total £m
At 1 January 2023		**2.6**	**13.1**	**(7.0)**	**(199.3)**	**(190.6)**
Loss for the financial year		-	-	-	(144.6)	(144.6)
Transactions with owners of the Company						
Issue of ordinary shares	18.1.1	0.1	1.1	-	-	1.2
Acquisition of own shares		-	-	(2.2)	(0.2)	(2.4)
Cash consideration received for disposal of shares		-	-	0.9	2.1	3.0
Capital contribution to subsidiaries		-	-	-	6.8	6.8
Total transactions with owners of the Company		0.1	1.1	(1.3)	8.7	8.6
At 31 December 2023		**2.7**	**14.2**	**(8.3)**	**(335.2)**	**(326.6)**
Loss for the financial year		-	-	-	(183.1)	(183.1)
Transactions with owners of the Company						
Issue of ordinary shares	18.1.1	-	0.5	-	-	0.5
Acquisition of own shares		-	-	(0.2)	(0.1)	(0.3)
Cash consideration received for disposal of shares		-	-	0.6	0.2	0.8
Capital contributions to subsidiaries		-	-	-	12.9	12.9
Total transactions with owners of the Company		-	0.5	0.4	13.0	13.9
At 31 December 2024		**2.7**	**14.7**	**(7.9)**	**(505.3)**	**(495.8)**

The financial statements were approved and authorised for issue by the board of directors on 16 April 2025.

Christian Norris
Chief Executive Officer

PA Consulting Group Limited
Company number: 13035335

C1. Basis of preparation

The Company is incorporated in the United Kingdom and the separate financial statements of the Company have been presented as required by the Companies Act 2006.

The financial statements have been prepared under the historical cost convention (as modified to include revaluation of certain financial instruments to fair value) and on the going concern basis (see Note 1 to the consolidated financial statements). The Company meets the definition of a qualifying entity under FRS 100 issued by the Financial Reporting Council. Accordingly, the financial statements have been prepared in compliance with FRS 101 Reduced Disclosure Framework and the Companies Act 2006, as applicable to companies utilising FRS 101.1.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to:

- IFRS 7 Financial Instruments: Disclosures
- Paragraphs 91 to 99 of IFRS 13 Fair Value Management (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities)
- Paragraph 38 of IAS 1 Presentation of Financial Statements – comparative information requirements in respect of paragraph 79(a)(iv) of IAS 1 (a reconciliation of the number of shares outstanding at the beginning and at the end of the period)
- The following paragraphs of IAS 1 Presentation of Financial Statements:
  - 10 (d) (statement of cash flows)
  - 16 (statement of compliance with all IFRS)
  - 38A (requirement for minimum of two primary statements, including cash flow statements)
  - 38B–D (additional comparative information)
  - 111 (cash flow statement information)
  - 134–136 (capital management disclosures)
- IAS 7 Statement of Cash Flows
- Paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective)
- Paragraph 17 of IAS 24 Related Party Disclosures (key management compensation)
- The requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group.

The basis for the above exemptions is because equivalent disclosures are included in the Group financial statements in which the entity is consolidated.

The adopted principal accounting policies, which have been applied consistently, are the same as those set out in Note 2 to the consolidated financial statements, except as noted below in respect of those that are Company specific.

C2. Investments

Investments in subsidiaries are stated at cost less, where appropriate, provisions for impairment.

C3. Critical accounting judgements and estimates

The preparation of Company financial statements in conformity with FRS 101 requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the Company financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised. The critical accounting judgements and estimates have been set out in Note 3 of the consolidated financial statements. These judgements have been applied consistently within the Company financial statements.

In addition to the critical accounting judgements and estimates detailed in Note 3, the Company faces significant judgement regarding the potential impairment of its investments in subsidiaries. These investments undergo annual impairment testing, which necessitates various estimates and judgements. The assessment involves comparing the carrying value of the investments to their estimated value in use. This value is derived from the Group's enterprise value and relies on assumptions about future trading growth, profitability, and cash flows.

C4. Income statement

In accordance with the exemption permitted by section 408 of the Companies Act 2006, the Company has elected not to present its own income statement or statement of comprehensive income for the period.

C5. Investments in subsidiaries

	2024 £m	2023 £m
Investments at cost		
Opening investments	1,346.6	1,337.8
Contributions to subsidiaries in respect of share-based payments	13.6	8.8
Exchange of investor loan notes for investment	398.0	-
Closing investments	**1,758.2**	**1,346.6**

On 10 September 2024, as part of a group rationalisation exercise, the Company increased its investment in PA Consulting Group Holdings Ltd by £398.0 million. This increase was due to PA Consulting Group Holdings Ltd issuing £398.0 million of shares to the Company in exchange for the investor loan notes receivable from Garden Midco 1 Ltd.

A list of subsidiary undertakings is included in Note 22 of the consolidated financial statements.

C6. Loans receivable

	2024 £m	2023 £m
Amounts owed by subsidiary undertakings		
Within 12 months	-	367.5
After more than 12 months	375.4	335.2
	375.4	**702.7**

	Borrower	Principal £m	Repayment date	Interest rate	2024 £m	2023 £m
Investor loan notes	Garden Midco 1 Limited	147.4	On demand	12%	-	293
Redeemable preference shares	PA Consulting Group Holdings Ltd	134.5		12%	375.4	267.2
					375.4	**560.2**

Interest on each loan compounds annually.

C7. Cash and cash equivalents

	2024 £m	2023 £m
Cash and cash equivalents	0.4	0.3

Cash and cash equivalents include £0.1 million (2023: £0.2 million) held by Employee Benefit Trust that is restricted for specific use only.

C8. Trade and other current liabilities

	2024 £m	2023 £m
Amounts owed to subsidiaries	(473.3)	(338.0)
Accruals	(2.9)	(8.1)
	(476.2)	**(346.1)**

C9. Borrowings

	2024 £m	2023 £m
Redeemable preference shares	(1,826.9)	(1,631.2)
Redeemable preference shares owned by employee trust	101.6	79.7
Net redeemable preference shares	**(1,725.3)**	**(1,551.5)**
Revolving credit facility	(30.0)	(75.0)
Parent loan	(400.0)	(400.0)
Total borrowings	**(2,155.3)**	**(2,026.5)**

C10. Other non-current liabilities

	2024 £m	2023 £m
Other payables	(7.9)	(7.2)

C11. Share capital and reserves

Details of share capital and reserves are set out in Note 18 to the Group financial statements.

C12. Commitments

Other than as disclosed in Note C14, the Company has no commitments contracted for but not provided.

C13. Related party transactions

Directors' transactions

The remuneration of the directors and related party transactions relating to directors of the Company are shown in Note 23 to the consolidated financial statements.

C14. Audit exemptions – s479A

The Company has guaranteed the liabilities of the following subsidiaries in order that they qualify for the exemption from audit under Section 479A of the Companies Act 2006 in respect of the year ended 31 December 2024:

Name	Registered office address	Reg No	Class of share held	Proportion of ownership interest	Nature of business
7 Safe Limited	10 Bressenden Place, London, SW1E 5DN	04274874	Ordinary	100%	Consultancy
PA Consulting Group Holdings Limited	10 Bressenden Place, London, SW1E 5DN	08249452	Ordinary	100%	Holding company
PA Consulting Management Services Limited	10 Bressenden Place, London, SW1E 5DN	09763551	Ordinary	100%	Holding company
PA Finance Limited	10 Bressenden Place, London, SW1E 5DN	04001488	Ordinary	100%	Holding company
PA Group Treasury Services Limited	10 Bressenden Place, London, SW1E 5DN	01984216	Ordinary	100%	Treasury services company
PA Holdings Limited	10 Bressenden Place, London, SW1E 5DN	02235016	Ordinary	100%	Holding company
PA Knowledge Limited	10 Bressenden Place, London, SW1E 5DN	05196589	Ordinary	100%	Consultancy
PA Middle East Limited	10 Bressenden Place, London, SW1E 5DN	06600426	Ordinary	100%	Non-trading
PA Netherlands Treasury Services Limited	10 Bressenden Place, London, SW1E 5DN	05790697	Ordinary	100%	Treasury services company
PA Overseas Holdings Limited	10 Bressenden Place, London, SW1E 5DN	02289193	Ordinary	100%	Holding company
PA Perfect Cost Grid Limited	10 Bressenden Place, London, SW1E 5DN	08339738	Ordinary	100%	Non-trading
PA Treasury Services (US) Limited	10 Bressenden Place, London, SW1E 5DN	08101083	Ordinary	100%	Treasury services company

As a condition of the exemption, the Company has guaranteed the period-end liabilities of the relevant subsidiaries until they are settled in full. The liabilities of the subsidiaries at year-end was £14.1 million (2023: £12.8 million).

About PA

We believe in the power of ingenuity
to build a positive human future.

As strategies, technologies, and innovation collide,
we create opportunity from complexity.

Our diverse teams of experts combine innovative thinking and breakthrough technologies to progress further, faster. Our clients adapt and transform, and together we achieve enduring results.

We are about 4,000 strategists, innovators, designers, consultants, digital experts, scientists, engineers, and technologists. And we have deep expertise in consumer and manufacturing, defence and security, energy and utilities, financial services, government and public services, health and life sciences, and transport.

Our teams operate globally from offices across the UK, Ireland, US, Nordics, and Netherlands.

Discover more at paconsulting.com and connect with PA on LinkedIn and X.

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