

REGISTERED NUMBER: 09761378 (England and Wales)

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

PA Consulting Group Holdings Limited

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PA Consulting Group Holdings Limited

**Company Information
for the Year Ended 31 December 2023**

Directors: K Janjua
H J Maule

Registered office: 10 Bressenden Place
London
United Kingdom
SW1E 5DN

Registered number: 09761378 (England and Wales)

PA Consulting Group Holdings Limited

Strategic Report for the Year Ended 31 December 2023

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

Review of business

The Company's loss for the year was £5,736,619 (2022: profit of £1,517,810). The directors consider the result for the year and the financial position at the end of the year to be in line with expectations.

Principal risks and uncertainties

The Company's activities expose it to a number of financial risks including credit risk and liquidity risk. The Company manages its cash and borrowings in order to meet its working capital requirements, maximise interest income and minimise interest expense as effectively as possible.

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

PA Consulting Group Holdings Limited

**Strategic Report
for the Year Ended 31 December 2023**

Section 172(1) statement

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

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

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

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

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

Our core values, which are set by the board of PA Consulting Group Limited, define our organisation and represent a personal commitment by every one of our people worldwide.

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

The directors of PA Consulting Group Holdings Limited also have access to advice and guidance from the Group Company Secretary, as well as PA's company secretariat and Group legal functions when discharging their duties. No disclosure is provided regarding engagement with employees as the Company had no employees in the year. Disclosure of the PA Group's engagement with employees can be found in the PA Consulting Group Limited report and accounts for 2023.

Approved by the board and signed on its behalf by:



.....
K Janjua - Director

Date: 26 September 2024
.....

PA Consulting Group Holdings Limited

Directors' Report for the Year Ended 31 December 2023

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

Principal activity

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

Dividends

The directors do not recommend the payment of a dividend (2022: £nil).

Future developments

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

Events after the balance sheet date

On 13 September 2024, as part of a group reorganisation, intercompany balances due to PA Consulting group Finance Limited from a number of companies within the PA Consulting Group Limited group of companies were transferred to the Company which resulted in a balance of £716 million due to the Company from PA Consulting Group Finance Limited and a net transfer of £386 million previously payable to those Companies, now due to PA Group Treasury Services Limited. The £716 million due from PA Consulting Group Finance Limited was settled through the sale of PA Consulting Management Services to the Company at the book value of £716 million.

On 13 September 2024, the Company issued one share at a premium to PA Consulting Group Limited for a total value of £398 million. This was settled by the assignment to the Company of Investor Loan Notes previously due from Garden Midco 1 Limited to PA Consulting Group Limited. Garden Midco 1 Limited then issued one share to the Company at a premium for a total value of £398 million. This was offset against the Investor Loan Notes payable to the Company, resulting in an increase in the Company's investment in Garden Midco 1 Limited to £413 million. On 13 September 2024, Garden Midco 1 Limited made a distribution in specie of its receivable due from PA Group Treasury Services Limited to the Company, this reduced the investment the Company held in Garden Midco 1 Limited by £219 million. The Company then impaired the remaining investment in Garden Midco 1 Limited by £194 million to nil.

Directors

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

K Janjuah
H J Maule

Other changes in directors holding office are as follows:

W A Lambe - resigned 18 January 2023
K J Toombs - resigned 12 May 2023

PA Consulting Group Holdings Limited

Directors' Report for the Year Ended 31 December 2023

Going concern

Having considered the financial position, trading performance and forecast cash flows, along with the principal risks of the business, of the Company and wider PA Group, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Despite being loss making in the year and having net liabilities at 31 December 2023, the Company has the full support of its intermediate parent PA Consulting Group Limited, a company which heads a group which has been assessed as being operationally strong and to be a going concern as described in the Group Annual Report.

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

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

On the basis of the Group's forecast position, and from the outcome of the downside scenario, the directors are satisfied that the Group's business model is robust and flexible. This provides reassurance that the Group will be able to provide continued support if required. Therefore, the directors are satisfied that the Company has sufficient resources and liquidity to continue to trade for the foreseeable future and conclude that there are no significant doubts about the Company's ability to continue as a going concern.

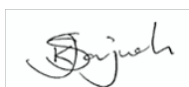
Directors' liabilities

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

Engagement with suppliers, customers and others

The business of the Company is that of an intermediate holding company and, as such, it has a more limited number of third-party business relationships than other companies within the group. Decisions taken by directors are informed by the interests of its wider stakeholders. Economic responsibility is enshrined in our purpose, our values and our business processes. PA supports sustainable procurement methods, whether prescribed by legislation or through our own policies. As well as the traditional procurement benchmarking criteria of price and quality, we support the 'triple bottom line' ideology and consider social, environmental and economic factors in the procurement decision-making process. Our supplier diversity policy helps ensure that the contracts that we place are with a diverse range of suppliers.

Approved by the board and signed on its behalf by:



.....
K Janjua - Director

Date: 26 September 2024
.....

PA Consulting Group Holdings Limited

Directors' Responsibilities Statement for the Year Ended 31 December 2023

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

PA Consulting Group Holdings Limited

**Income Statement
for the Year Ended 31 December 2023**

	Notes	2023 £	2022 £
Turnover		-	-
Administrative expenses		2,094	7,647
		<hr/> 2,094	<hr/> 7,647
Exceptional items	5	222,969	(3,811,679)
Operating profit/(loss)	8	225,063	(3,804,032)
Interest receivable and similar income	9	33,694,123	30,084,038
Interest payable and similar expenses	10	(39,448,979)	(33,000,825)
Loss before taxation		<hr/> (5,529,793)	<hr/> (6,720,819)
Tax on loss	11	(206,826)	8,238,629
(Loss)/profit for the financial year		<hr/> <hr/> (5,736,619)	<hr/> <hr/> 1,517,810

The notes on pages 11 to 22 form part of these financial statements

PA Consulting Group Holdings Limited

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

	Notes	2023 £	2022 £
(Loss)/profit for the year		(5,736,619)	1,517,810
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive (loss)/income for the year		<u>(5,736,619)</u>	<u>1,517,810</u>

The notes on pages 11 to 22 form part of these financial statements

Statement of Financial Position
31 December 2023

	Notes	2023 £	2022 £
Fixed assets			
Investments	12	15,633,313	15,633,313
Current assets			
Debtors: amounts falling due within one year	13	315,381,453	280,788,912
Debtors: amounts falling due after more than one year	13	-	206,767
Cash at bank	14	3,752	38,767
		<u>315,385,205</u>	<u>281,034,446</u>
Creditors			
Amounts falling due within one year	15	(52,649,123)	(48,478,160)
Net current assets		<u>262,736,082</u>	<u>232,556,286</u>
Total assets less current liabilities		278,369,395	248,189,599
Creditors			
Amounts falling due after more than one year	16	(335,219,871)	(299,303,456)
Net liabilities		<u>(56,850,476)</u>	<u>(51,113,857)</u>
Capital and reserves			
Called up share capital	17	902,102	902,102
Share premium	18	9,871,399	9,871,399
Retained earnings	18	(67,623,977)	(61,887,358)
Shareholders' funds		<u>(56,850,476)</u>	<u>(51,113,857)</u>

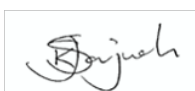
The Company is entitled to exemption from audit under Section 479A of the Companies Act 2006 relating to subsidiary companies for the year ended 31 December 2023.

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

The directors acknowledge their responsibilities for:

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

The financial statements were approved by the Board of Directors and authorised for issue on 26 September 2024 and were signed on its behalf by:



.....
K Janjua - Director

PA Consulting Group Holdings Limited

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

	Called up share capital £	Retained earnings £	Share premium £	Total equity £
Balance at 1 January 2022	902,102	(63,405,168)	9,871,399	(52,631,667)
Profit for the year	-	1,517,810	-	1,517,810
Total comprehensive income	-	1,517,810	-	1,517,810
Balance at 31 December 2022	902,102	(61,887,358)	9,871,399	(51,113,857)
Deficit for the year	-	(5,736,619)	-	(5,736,619)
Total comprehensive loss	-	(5,736,619)	-	(5,736,619)
Balance at 31 December 2023	902,102	(67,623,977)	9,871,399	(56,850,476)

The notes on pages 11 to 22 form part of these financial statements

PA Consulting Group Holdings Limited

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

1. Statutory information

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

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

2. Statement of compliance

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

3. Accounting policies

Basis of preparing the financial statements

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

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

Going concern

Having considered the financial position, trading performance and forecast cash flows, along with the principal risks of the business, of the Company and wider PA Group, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Despite being loss making in the year and having net liabilities at 31 December 2023, the Company has the full support of its intermediate parent PA Consulting Group Limited, a company which heads a group which has been assessed as being operationally strong and to be a going concern as described in the Group Annual Report.

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

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

On the basis of the Group's forecast position, and from the outcome of the downside scenario, the directors are satisfied that the Group's business model is robust and flexible. This provides reassurance that the Group will be able to provide continued support if required. Therefore, the directors are satisfied that the Company has sufficient resources and liquidity to continue to trade for the foreseeable future and conclude that there are no significant doubts about the Company's ability to continue as a going concern.

PA Consulting Group Holdings Limited

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

3. Accounting policies - continued

Financial Reporting Standard 102 - reduced disclosure exemptions

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

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

Preparation of consolidated financial statements

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

Related party exemption

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

Financial instruments

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

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

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

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

Taxation

The tax charge comprises current tax payable and deferred tax.

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

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

- deferred tax assets are recognised only to the extent that the directors consider that it is probable that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.
- provision is made for deferred tax that would arise on remittance of the retained earnings of overseas subsidiaries, associates and joint ventures only to the extent that, at the balance sheet date, dividends have been accrued as receivable.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

PA Consulting Group Holdings Limited

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

3. Accounting policies - continued

Foreign currencies

(a) Functional and presentation currency

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

(b) Transactions and balances

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

Share capital

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

Preference shares

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

Fixed asset investments

In the Company statement of financial position, investment in subsidiaries is stated at cost less provision for impairment in value. The carrying value of fixed asset investments are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Cash and cash equivalents

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

Exceptional items

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

4. Critical accounting judgements and key sources of estimation uncertainty

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

Impairment of investments

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

PA Consulting Group Holdings Limited

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

5. Exceptional items

	2023	2022
	£	£
Legal provisions	(222,969)	3,811,679
	(222,969)	3,811,679
	(222,969)	3,811,679

6. Employees and directors

There were no staff costs for the year ended 31 December 2023 nor for the year ended 31 December 2022.

7. Directors' emoluments

No emoluments were paid by the Company to the directors during the year (2022: £nil).

All directors were employed by and received all emoluments from other PA Group undertakings. The directors perform duties for multiple entities in the PA Group. There is no allocation of their compensation between group entities as the services provided and remuneration are expected to be negligible. All directors of the Company are directors of PA Consulting Services Limited, a fellow group company, and are included in the disclosure of directors' remuneration in the accounts of that company.

8. Operating profit/(loss)

The operating profit (2022 - operating loss) is stated after charging/(crediting):

	2023	2022
	£	£
Foreign exchange differences	748	(33)
	748	(33)
	748	(33)

9. Interest receivable and similar income

	2023	2022
	£	£
Interest receivable on shareholder loan	5,781,444	5,162,003
Interest receivable on shareholder loan notes	27,912,679	24,922,035
	33,694,123	30,084,038
	33,694,123	30,084,038

10. Interest payable and similar expenses

	2023	2022
	£	£
Interest payable on amounts owed to group undertakings	3,532,564	932,597
Preference share interest	35,916,415	32,068,228
	39,448,979	33,000,825
	39,448,979	33,000,825

PA Consulting Group Holdings Limited

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

11. Taxation

Analysis of the tax charge/(credit)

The tax charge/(credit) on the loss for the year was as follows:

	2023	2022
	£	£
Current tax:		
UK corporation tax adjustment to prior periods	-	(8,031,862)
Irrecoverable withholding tax	59	-
	59	(8,031,862)
Total current tax	59	(8,031,862)
Deferred tax:		
Origination and reversal of timing differences	206,767	(206,767)
	206,767	(206,767)
Tax on loss	206,826	(8,238,629)

Reconciliation of total tax charge/(credit) included in profit and loss

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

	2023	2022
	£	£
Loss before tax	(5,529,793)	(6,720,819)
	(5,529,793)	(6,720,819)
Loss multiplied by the standard rate of corporation tax in the UK of 23.500% (2022 - 19%)	(1,299,501)	(1,276,956)
Effects of:		
Expenses not deductible for tax purposes	-	7,585,129
Adjustments to tax charge in respect of previous periods	-	(8,031,862)
Group relief surrendered for nil consideration	1,506,327	(6,514,940)
	1,506,327	(6,514,940)
Total tax charge/(credit)	206,826	(8,238,629)

Deferred tax

Deferred tax assets and liabilities

	Asset 2023	Asset 2022
	£	£
Provisions	-	206,767
	-	206,767

Factors that may affect future tax charges

The Finance Act 2021 confirmed an increase of UK corporation tax rate from 19 per cent to 25 per cent with effect from 1 April 2023.

PA Consulting Group Holdings Limited

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

12. **Fixed asset investments**

	Shares in group undertakings £
Cost	
At 1 January 2023 and 31 December 2023	15,633,313
Net book value	
At 31 December 2023	<u>15,633,313</u>
At 31 December 2022	<u><u>15,633,313</u></u>

PA Consulting Group Holdings Limited

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

12. Fixed asset investments - continued

Details of undertakings

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

Directly held

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

Indirectly held

Name	Country	Registered office address	Class of share held	Nature of business
PA Consulting Group A/S	Denmark	Portland Towers, Goteborg Plads 1, K-1250 Copenhagen	Ordinary	Consultancy
PA Consulting Holdings ApS	Denmark	Portland Towers, Goteborg Plads 1, DK-2150 Copenhagen	Ordinary	Holding company
PA Consulting Group GmbH	Germany	Youco24 Business Centre, Amelia-Mary-Earhart-Strasse 8, Frankfurt am Main, Germany	Ordinary	Dormant
PA Consulting Group Limited	Hong Kong	Suite 1106-8, 11/F, Tai Yau Building, No. 181 Johnston Road, Wanchai	Ordinary	Dormant
PA Consulting Services (India) Private Limited	India	4A & 4B Gold Nest, Wind Tunnell Road, Murugeshpalya, Bangalore 560017	Ordinary	Dormant
PA Consulting Design Partners Limited	Ireland	IDA Business Park, Southern Cross Road, 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., Avenida Insurgentes Sur 1915-602, Col. Guadalupe Inn, Alvaro Obregon, 01020 Mexico City	Quota	Dormant

PA Consulting Group Holdings Limited

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

12.	Fixed asset investments - continued				
	PA Consulting Mexico Services S.A.de C.V.	Mexico	c/o Velderrain Sáenz y Asociados, S.C., Avenida Insurgentes Sur 1915-602, Col. Guadalupe Inn, Alvaro Obregon, 01020 Mexico City	Ordinary	Dormant
	PA Consulting Group BV	Netherlands	Gebouw B, Papendorpseweg 97, 3528 BJ Utrecht	Ordinary	Holding company
	PA Consulting Services BV	Netherlands	Gebouw B, Papendorpseweg 97, 3528 BJ Utrecht	Ordinary	Consultancy
	PA Holdings BV	Netherlands	Gebouw B, Papendorpseweg 97, 3528 BJ Utrecht	Ordinary and preference	Holding company
	PA International Holdings BV	Netherlands	Gebouw B, Papendorpseweg 97, 3528 BJ Utrecht	Ordinary	Holding company
	PA Consulting Group Limited	New Zealand	BDO Auckland, Level 4, BDO Centre, 4 Graham Street, Auckland Central 1010	Ordinary	Dormant
	PA Consulting Group AS	Norway	Verkstedveien 1, PO Box 150, Skøyen, 0277 Oslo	Ordinary	Consultancy
	PA Consulting Group (Qatar) LLC (1)	Qatar	Level 14, Commercial Bank Plaza, West Bay, Doha	Ordinary	Consultancy
	PA Consulting Group AB	Sweden	Jakobsbergsgatan 17, 111 44 Stockholm	Ordinary	Consultancy
	7 Safe Limited	United Kingdom	10 Bressenden Place, London, SW1E 5DN	Ordinary	Consultancy
	Garden Finance Limited	United Kingdom	10 Bressenden Place, London, SW1E 5DN	Ordinary and preference	Holding company
	PA Consulting Group Finance Limited	United Kingdom	10 Bressenden Place, London, SW1E 5DN	Ordinary and preference	Holding company
	Nyras Capital LLP	United Kingdom	10 Bressenden Place, London, SW1E 5DN	Ordinary	Consultancy
	Nyras Limited	United Kingdom	10 Bressenden Place, London, SW1E 5DN	Ordinary	Consultancy
	PA Consulting Government Services Limited	United Kingdom	10 Bressenden Place, London, SW1E 5DN	Ordinary	Consultancy
	PA Consulting Holdings Limited	United Kingdom	10 Bressenden Place, London, SW1E 5DN	Ordinary	Consultancy
	PA Consulting Management Services Limited	United Kingdom	10 Bressenden Place, London, SW1E 5DN	Ordinary and preference	Management services
	PA Consulting Services Limited	United Kingdom	10 Bressenden Place, London, SW1E 5DN	Ordinary	Consultancy

PA Consulting Group Holdings Limited

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

12. Fixed asset investments - continued

PA Finance Limited	United Kingdom	10 Bressenden Place, London, SW1E 5DN	Ordinary	Holding company
PA Group Treasury Services Limited	United Kingdom	10 Bressenden Place, London, SW1E 5DN	Ordinary	Treasury services company
PA Holdings Limited	United Kingdom	10 Bressenden Place, London, SW1E 5DN	Ordinary	Holding company
PA International Consulting Group Limited	United Kingdom	10 Bressenden Place, London, SW1E 5DN	Ordinary	Holding company
PA Knowledge Limited	United Kingdom	10 Bressenden Place, London, SW1E 5DN	Ordinary	Consultancy
PA Middle East Limited	United Kingdom	10 Bressenden Place, London, SW1E 5DN	Ordinary	Consultancy
PA Netherlands Treasury Services Limited	United Kingdom	10 Bressenden Place, London, SW1E 5DN	Ordinary	Treasury services company
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 (2)	United Kingdom	10 Bressenden Place, London SW1E 5DN, UK	Ordinary	Trustee company
PA Perfect Cost Grid Limited	United Kingdom	10 Bressenden Place, London, SW1E 5DN	Ordinary	Consultancy
PA Technology Solutions Limited	United Kingdom	10 Bressenden Place, London, SW1E 5DN	Ordinary	Consultancy
PA Treasury Services (US) Limited	United Kingdom	10 Bressenden Place, London, SW1E 5DN	Ordinary	Treasury services company
PACG2 Limited	United Kingdom	10 Bressenden Place, London, SW1E 5DN	Ordinary	Holding company
Sparkler Limited	United Kingdom	3rd Floor, 58-60 Berners Street, London, W1T 3NQ	Founder shares, growth shares and ordinary shares	Dormant
We Are Friday Limited	United Kingdom	50 Farringdon Road, London, EC1M 3HE	Ordinary	Dormant
The PA Foundation	United Kingdom	10 Bressenden Place, London, SW1E 5DN	Limited by guarantee	Registered charity

PA Consulting Group Holdings Limited

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

12. Fixed asset investments - continued

PA Consulting Group Inc.	USA	143 South Street, 6th Floor, Boston, MA 02111	Common and preference	Consultancy
PA US Holdings Inc.	USA	143 South Street, 6th Floor, Boston, MA 02111	Common and preference	Holding company
Cooper Perkins Inc	USA	10 Maguire Road, Building 4, Lexington MA 02421	Common	Dormant
Essential Inc	USA	143 South Street, 6th Floor, Boston MA 02111	Common	Dormant
The Cambridge Group LLC	USA	850 New Burton Road, Suite 201, Dover, DE 19904, USA	Member interests	Consultancy

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

2. 48 percent owned by PA Consulting Services Limited. 52 percent owned by trustees.

13. Debtors

	2023	2022
	£	£
Amounts falling due within one year:		
Amounts owed by group undertakings	322,126	4,495
Other debtors	-	60
Unsecured transferable shareholder loan	53,960,144	48,178,701
Unsecured transferable shareholder loan notes	260,518,335	232,605,656
Prepayments	580,848	-
	<u>315,381,453</u>	<u>280,788,912</u>
 Amounts falling due after more than one year:		
Amounts owed by group undertakings	-	206,767
	<u>-</u>	<u>206,767</u>
 Aggregate amounts	<u>315,381,453</u>	<u>280,995,679</u>

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

On 11 December 2015, Garden Midco 1 Limited issued £104,497,524 unsecured transferable 12% shareholder loan notes to the Company. Interest accrues at 12%, compounded each year. The shareholder loan notes were repayable on the earlier of a Carlyle exit or 11 December 2023. Carlyle exited from its holding in the Group in a transaction on 2 March 2021. Hence these are disclosed as current as at 31 December 2022 and 31 December 2023.

14. Cash at bank

	2023	2022
	£	£
Cash at bank	3,752	38,767
	<u>3,752</u>	<u>38,767</u>

PA Consulting Group Holdings Limited

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

15. Creditors: amounts falling due within one year

	2023	2022
	£	£
Amounts owed to group undertakings	52,195,775	47,571,025
Other creditors	3,539	20,000
Accrued expenses	449,809	887,135
	52,649,123	48,478,160

16. Creditors: amounts falling due after more than one year

	2023	2022
	£	£
Preference shares	335,219,871	299,303,456
	335,219,871	299,303,456

17. Called up share capital

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2023	2022
			£	£
38,250,000	Ordinary shares A	£0.01	382,500	382,500
34,886,530	Ordinary shares B	£0.01	348,865	348,865
17,073,708	Ordinary shares C	£0.01	170,737	170,737
			902,102	902,102

18. Reserves

	Retained earnings	Share premium	Totals
	£	£	£
At 1 January 2023	(61,887,358)	9,871,399	(52,015,959)
Deficit for the year	(5,736,619)		(5,736,619)
	(67,623,977)	9,871,399	(57,752,578)

Share premium

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

PA Consulting Group Holdings Limited

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

19. Ultimate parent company

The Company's immediate parent is PA Consulting Group Limited, incorporated in England and Wales.

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

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

The ultimate controlling party is Jacobs Solutions Inc.

Relationship between entity and parents

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

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

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

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

20. Post balance sheet events

On 13 September 2024, as part of a group reorganisation, intercompany balances due to PA Consulting group Finance Limited from a number of companies within the PA Consulting Group Limited group of companies were transferred to the Company which resulted in a balance of £716 million due to the Company from PA Consulting Group Finance Limited and a net transfer of £386 million previously payable to those Companies, now due to PA Group Treasury Services Limited. The £716 million due from PA Consulting Group Finance Limited was settled through the sale of PA Consulting Management Services to the Company at the book value of £716 million.

On 13 September 2024, the Company issued one share at a premium to PA Consulting Group Limited for a total value of £398 million. This was settled by the assignment to the Company of Investor Loan Notes previously due from Garden Midco 1 Limited to PA Consulting Group Limited. Garden Midco 1 Limited then issued one share to the Company at a premium for a total value of £398 million. This was offset against the Investor Loan Notes payable to the Company, resulting in an increase in the Company's investment in Garden Midco 1 Limited to £413 million. On 13 September 2024, Garden Midco 1 Limited made a distribution in specie of its receivable due from PA Group Treasury Services Limited to the Company, this reduced the investment the Company held in Garden Midco 1 Limited by £219 million. The Company then impaired the remaining investment in Garden Midco 1 Limited by £194 million to nil.