

Registration number: 02235016

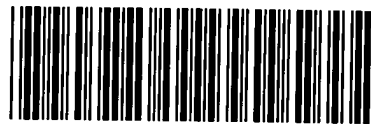
PA Holdings Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2017

Ernst & Young LLP
One Cambridge Business Park
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Company Information

Directors	C Barrett
	R Cameron
	K Janjua
	A Middleton
Company secretary	J Greenfield
Registered office	10 Bressenden Place London SW1E 5DN
Bankers	HSBC Bank plc West End CBC 69 Pall Mall London SW1Y 5EY
Auditors	Ernst & Young LLP One Cambridge Business Park Cowley Road Cambridge CB4 0WZ

Strategic Report for the Year Ended 31 December 2017

The directors present their strategic report for the year ended 31 December 2017.

Principal activity

The principal activities of the Company continue to be that of holding investments and the supply of consultants' services.

Review of the business

The Company provides consulting and administrative staff to PA Consulting Services Limited, a fellow group company and derives all turnover from this. Turnover increased 5% to £193.8 million (2016: £184.6 million), in line with the trading performance of PA Consulting Services Limited.

Continuing strong control of costs resulted in a gross profit of £6.9 million (2016: £4.7 million). The impact of sales of fixed asset investments and dividends received from subsidiaries led to a profit for the year of £269.9 million (2016: loss £2.6 million).

The directors consider the result for the year and the financial position at the end of the year to be in line with expectations.

Principal risks and uncertainties

The Company is 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 2017.

Approved by the Board on 20/09/18... and signed on its behalf by:



R Cameron
Director

Directors' Report for the Year Ended 31 December 2017

The directors present their report and the financial statements for the year ended 31 December 2017.

Directors of the Company

The directors who held office during the year ended 31 December 2017 and up to the date of signing the financial statements were as follows:

C Barrett

R Cameron (appointed 19 December 2017)

M Gordon (resigned 19 December 2017)

K Janjua

A Middleton

Dividends

The directors recommended and paid a total dividend of £155,000,000 during the year (2016: nil).

Employee involvement

We encourage people across PA to take active responsibility for improving our performance whether through enhancing working practices or drawing attention to behaviours or other issues which give them concern. To encourage feedback and suggestions, PA has introduced procedures and mechanisms to create a culture that allows people to speak up with confidence and in good faith in the expectation of being heard. PA regularly conducts employee surveys and provides all employees with access to a 'Give PA your suggestions' facility. Employees and third parties, including clients and suppliers, can also raise concerns through a confidential and anonymous whistle-blowing helpline that is operated externally.

Diversity and inclusion

PA seeks to employ people with different ideas, styles and skill sets, all of whom contribute in unique ways. Our willingness to think differently, develop bold new ideas and work in innovative ways is vital to our success. We are committed to recruiting, promoting and remunerating our people solely on the basis of their ability to contribute to PA's objectives. We do this without regard to sex, race, disability, religion, national origin, ethnicity, sexual orientation, age or marital status.

Supporting colleagues with disabilities

PA is committed to creating a work environment that supports and inspires all individuals, and we give full consideration to applications from people with disabilities. Arrangements are made for PA employees who have become disabled in their time at PA to be supported in their current roles or to be trained for other positions within our organisation. Disabled persons are provided with equal access to learning, career development and promotion that are available to all employees within the limitations of their aptitudes and abilities.

Directors' Report for the Year Ended 31 December 2017

Environmental matters

PA's direct impact on the environment is limited by the nature of our business, but we recognise our responsibility and the importance of minimising, as far as possible, the potential harmful impacts on the environment caused by our day-to-day activities and the services we provide to our clients.

We continue to improve our green credentials, seek ways to minimise any negative effects of our operations and strive to achieve environmental best practice through:

- maintaining an effective and efficient EMS in line with the requirements of ISO 14001
- maintaining the Carbon Trust Standard and ISO 14001 accreditations
- complying with and, where possible, seeking to exceed statutory and regulatory requirements, as well as national and international standards and industry practices
- continuing to seek to reduce our carbon footprint, particularly in relation to our business travel, waste, real-estate consumption and printed material
- enhancing energy efficiency through prudent consumption, monitoring of energy use, and consideration of energy efficient technology and renewable alternatives.

Future developments

In 2018 the Company will continue to provide consulting and administrative staff to PA Consulting Services Limited, a fellow group company and derives all of its turnover from this activity. PA Consulting Services Limited has a strong stock of work and 2018 performance is expected to build on a strong finish to 2017.

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 having a net current liability position at 31 December 2017 the Company has the full support of PACG2 Limited, a company with a strong financial position at 31 December 2017. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Post balance sheet events

In 2018 the Company has concluded with Pension Insurance Corporation plc ('PIC', a specialist insurer of defined benefit pension funds) a full buy-out of the member liabilities of the UK Defined Benefit Pension Scheme. The buy-out will be achieved without the need for any additional funding from PA and there should now be no future obligation for the Company to make contributions to the Scheme.

In May 2018, the Company purchased Sparkler Limited, a company incorporated in England, for an estimated consideration of £10,500,000.

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.

Disclosure of information to the auditors

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

Directors' Report for the Year Ended 31 December 2017

Reappointment of auditors

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

Approved by the Board on 29/09/18 and signed on its behalf by:



.....
R Cameron
Director

Statement of Directors' Responsibilities

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

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

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

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

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

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

Independent Auditor's Report to the members of PA Holdings Limited

Opinion

We have audited the financial statements of PA Holdings Limited for the year ended 31 December 2017, which comprise the income statement, statement of comprehensive income, statement of financial position, statement of changes in equity and the related notes 1 to 21, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 'The Financial Reporting Standard applicable to the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice)

In our opinion the financial statements:

- give a true and fair view of the Company's affairs as at 31 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 below. We are independent of the company 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, 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Independent Auditor's Report to the members of PA Holdings Limited

Opinion 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the 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 Company and its environment obtained in the course of the audit, we have identified no 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities (set out on page 6), 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 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 company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

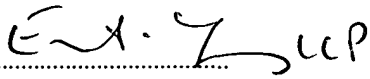
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee 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.

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.

Independent Auditor's Report to the members of PA Holdings Limited



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Nick Gomer (Senior Statutory Auditor)
For and on behalf of Ernst & Young LLP, Statutory Auditor
Cambridge

Date: 21 September 2018

Income Statement for the Year Ended 31 December 2017

	Note	2017 £	2016 £
Turnover	2	193,809,323	184,617,921
Cost of sales		<u>(186,864,937)</u>	<u>(179,874,279)</u>
Gross profit		6,944,386	4,743,642
Administrative expenses		(1,486,841)	(2,152,548)
Exceptional items	3	<u>1,309,853</u>	<u>(3,028,000)</u>
Operating profit/(loss)	4	6,767,398	(436,906)
Income from shares in group undertakings		70,000,000	-
Profit of disposal of investment	11	195,836,705	-
Net interest (payable)/receivable and similar items	6	<u>(1,843,265)</u>	<u>(1,728,298)</u>
Profit/(loss) before tax		270,760,838	(2,165,204)
Taxation	10	<u>(830,032)</u>	<u>(410,180)</u>
Profit/(loss) for the financial year		<u>269,930,806</u>	<u>(2,575,384)</u>

Statement of Comprehensive Income for the Year Ended 31 December 2017

	2017 £	2016 £
Profit/(loss) for the year	269,930,806	(2,575,384)
Actuarial gain/(loss) recognised on defined benefit pension arrangements	(467,700)	973,800
Movement on deferred tax relating to actuarial gain/(loss) on pensions	-	(166,196)
Total other comprehensive (loss)/income	(467,700)	807,604
Total comprehensive income for the year	269,463,106	(1,767,780)

Statement of Financial Position as at 31 December 2017

	Note	2017 £	2016 £
Fixed assets			
Investments	11	280,307,857	357,533,398
Current assets			
Debtors: amounts falling due within one year	12	4,845,314	2,893,911
Debtors: amounts falling due after more than one year	13	25,895	9,464,302
Cash at bank and in hand	14	118,104	133,114
		<u>4,989,313</u>	<u>12,491,327</u>
Creditors: amounts falling due within one year	15	<u>(159,049,185)</u>	<u>(359,580,399)</u>
Net current liabilities		<u>(154,059,872)</u>	<u>(347,089,072)</u>
Total assets less current liabilities		126,247,985	10,444,326
Creditors: amounts falling due after more than one year	15	<u>(1,330,000)</u>	-
Net assets		<u>124,917,985</u>	<u>10,444,326</u>
Capital and reserves			
Called up share capital	17	13,455,679	13,455,679
Share premium reserve	18	35,968,626	35,968,626
Capital redemption reserve	18	415,000	415,000
Other reserves	18	3,484,657	3,474,104
Profit and loss account		<u>71,594,023</u>	<u>(42,869,083)</u>
Total equity		<u>124,917,985</u>	<u>10,444,326</u>

The financial statements of the Company were authorised for issue by the Board of Directors on 20/09/18... and signed on its behalf by:



R Cameron
Director

PA Holdings Limited
Registration number: 02235016

Statement of Changes in Equity for the Year Ended 31 December 2017

	Share capital £	Share premium £	Capital redemption reserve £	Other reserves £	Profit and loss account £	Total £
At 1 January 2017	13,455,679	35,968,626	415,000	3,474,104	(42,869,083)	10,444,326
Profit for the year	-	-	-	-	269,930,806	269,930,806
Other comprehensive income	-	-	-	-	(467,700)	(467,700)
Total comprehensive income	-	-	-	-	269,463,106	269,463,106
Dividends	-	-	-	-	(155,000,000)	(155,000,000)
Bonus issue	273,022,690	-	-	-	(273,022,690)	-
Capital reduction	(273,022,690)	-	-	-	273,022,690	-
Share based payment transactions	-	-	-	10,553	-	10,553
At 31 December 2017	13,455,679	35,968,626	415,000	3,484,657	71,594,023	124,917,985

	Share capital £	Share premium £	Capital redemption reserve £	Other reserves £	Profit and loss account £	Total £
At 1 January 2016	13,455,679	35,968,626	415,000	3,459,101	(41,101,303)	12,197,103
Loss for the year	-	-	-	-	(2,575,384)	(2,575,384)
Other comprehensive income	-	-	-	-	807,604	807,604
Total comprehensive income	-	-	-	-	(1,767,780)	(1,767,780)
Share based payment transactions	-	-	-	15,003	-	15,003
At 31 December 2016	13,455,679	35,968,626	415,000	3,474,104	(42,869,083)	10,444,326

The notes on pages 14 to 31 form an integral part of these financial statements.

Notes to the Financial Statements for the Year Ended 31 December 2017

1 Accounting policies

Statement of compliance

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

The Company's financial statements have been prepared in compliance with FRS 102 'The Financial Reporting Standard applicable to the UK and the Republic of Ireland' as it applies to the financial statements of the Company for the year ended 31 December 2017.

The principal accounting policies used in preparing these financial statements are set out below. These policies have been consistently applied to all the years presented in dealing with items that are considered material in relation to the financial statements.

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

Basis of preparation

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

The financial statements have been prepared on the going concern basis of accounting under the historical cost convention, except for share-based payments and pension assets and liabilities that are measured at fair value.

The financial statements are presented in pounds sterling.

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 having a net current liability position at 31 December 2017 the Company has the full support of PACG2 Limited, a company with a strong financial position at 31 December 2017. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Summary of disclosure exemptions

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

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

Notes to the Financial Statements for the Year Ended 31 December 2017

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

The Company has taken advantage of the following exemptions:

- (i) from preparing a statement of cash flows as required by FRS 102 Section 7 Statement of Cash Flows and Section 3 Financial Statement Presentation paragraph 3.17(d);
- (ii) from disclosing share based payment arrangements using equity instruments of another group entity as required by FRS 102 paragraphs 26.18(a), 26.18(b), 26.19 to 26.21 and 26.23;
- (iii) from disclosing transactions entered into between the Company and other wholly owned companies within the PA Consulting Group Limited group as required by FRS 102 paragraphs 33.8 to 33.14;
- (iv) from disclosing the Company key management personnel compensation, as required by FRS 102 paragraph 33.7;
- (v) from disclosing the financial instrument disclosures, required under FRS 102 paragraphs 11.41(b) / (c) / (e) / (f), 11.42, 11.44 to 11.45, 11.47, 11.48 (a) (iii) / (iv), 11.48 (b) / (c) and paragraphs 12.26 to 12.27, 12.29 (a) / (b) and 12.29A, as the information is provided in the consolidated financial statement disclosures.

Turnover

All turnover recognised within PA Holdings Limited is received from PA Consulting Services Limited, a fellow group company, via recharges under the revenue sharing agreement.

Interest income and expense

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

Foreign currency transactions and balances

(a) Functional and presentation currency

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

(b) Transactions and balances

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

Tax

The tax charge/credit comprises current tax payable/receivable and deferred tax.

The current tax charge/credit represents an estimate of the amounts payable/receivable to tax authorities in respect of the Company's taxable profits and is based on an interpretation of existing tax laws. Taxable loss differs from loss 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.

Notes to the Financial Statements for the Year Ended 31 December 2017

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

- deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted
- provision is made for deferred tax that would arise on remittance of the retained earnings of overseas subsidiaries and associates only to the extent that, at the balance sheet date, dividends have been accrued as receivable.

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

Fixed asset investments

Fixed asset investments are recognised initially at fair value which is normally the transaction price (but excludes any transaction costs, where the investment is subsequently measured at fair value through profit and loss). Subsequently, they are measured at fair value through profit and loss except for those equity investment that are not publicly traded and whose fair value cannot otherwise be measured reliably which are recognised at cost less impairment until a reliable measure of fair value becomes available.

If a reliable measure of fair value is no longer available, the equity investment's fair value on the last date the instrument was reliably measurable is treated as the cost of the instrument.

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. The value in use method is used to value the investment.

Financial instruments

A financial asset or financial liability is recognised when an entity measure it at the transaction price (including transaction costs except in the initial measurement of financial assets and liabilities that are measured at fair value through profit or loss) unless the arrangement constitutes, in effect, a financial transaction.

Basic financial assets

Basic financial assets, which include debtors, amounts owed by group undertakings and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and amounts owed to group undertakings are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Cash

Cash and cash equivalents are basic financial assets comprising 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.

Notes to the Financial Statements for the Year Ended 31 December 2017

Share capital

Ordinary shares are classified as equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments are measured at the fair value of the cash or other proceeds received or receivable, net of direct issue costs, with the nominal value of the instrument credited to share capital and the excess to the share premium account.

Dividends

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

Employee benefits

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the Company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Defined benefit pension obligation

The Company operates one defined benefit pension scheme that requires contributions to be made to a separately administered fund.

The PA Pension scheme was closed to new members from 1 January 1998, from which time membership of a defined contribution plan is available.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method, which 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 or a curtailment occur 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.

The net interest element is determined by multiplying the net defined benefit liability by the discount rate, at the start of the period 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.

Re-measurements, 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. Re-measurements 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 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.

The Company is the sponsoring employer of the United Kingdom defined benefit scheme as it has legal responsibility for the plan. There is no contractual agreement or stated policy for charging the defined benefit cost of the plan as a whole to individual group entities and therefore the Company has recognised the entire net defined benefit cost and relevant net defined benefit liability of the United Kingdom scheme in its financial statements.

Notes to the Financial Statements for the Year Ended 31 December 2017

Share based payments

The Company provides benefits to its employees in the form of both equity-settled and cash-settled share-based payment transactions, whereby employees render services in exchange for shares or rights over shares in PA Consulting Group Limited or in exchange for the value of those shares in cash terms.

Equity-settled

The fair value of the employee services rendered is determined by reference to the fair value of the shares awarded or options granted, excluding the impact of any non-market vesting conditions. All share options are valued using the Black-Scholes option-pricing model. This fair value is charged as an employee benefit expense within cost of sales in the income statement over the vesting period of the share-based payment arrangement, with the corresponding increase in shareholders' funds.

Cash-settled

The fair value of the employee services rendered is determined at each statement of financial position and the charge recognised through the income statement over the vesting period of the share-based payment plan, with the corresponding increase in creditors. The value of the charge is adjusted in the income statement over the remainder of the vesting period to reflect expected and actual levels of options vesting, with the corresponding adjustments made in creditors.

Where the parent company grants rights to its equity instruments to employees of the Company and the share-based payment is accounted for as equity-settled, the Company records an expense for the share-based payment, with a corresponding increase in shareholders' funds as a capital contribution from the parent company. The cumulative capital contributions from the parent company are recorded in the other reserve.

Exceptional items

The directors consider transactions to be disclosed as exceptional items if individually or, if of a similar type, in aggregate are by virtue of their size or incidence needed to give a true and fair view of the financial statements. The exceptional items are presented in the Company's income statement in accordance as to whether the related exceptional item was part of the ordinary operating activities of the Company.

Notes to the Financial Statements for the Year Ended 31 December 2017

Critical accounting judgements and estimation uncertainty

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

Taxation

Judgement is required when determining the provision for taxes as the tax treatment of some transactions cannot be finally determined until a formal resolution has been reached with the tax authorities. Assumptions are made around the level of disallowable expenses and provisions are also made for uncertain exposures; this affects the tax calculation and can have an impact on both deferred and current tax. Tax assets are not recognised unless it is probable that the benefit will be realised and tax provisions are made if it is probable that a liability will arise. The final resolution of these transactions may give rise to adjustments to the income statement and/or cash flow in future periods. The Company reviews each significant tax asset or liability each period to assess the appropriate accounting treatment. Refer to note 10 for further details.

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.

Provision for liabilities

The Company recognises a provision for liabilities when it has a present obligation as a result of a past event and it is probable that the Company will be required to settle that obligation. Determining the level of provision required requires the use of both judgement and estimates. Subsequent resolution of these matters may result in an increase or decrease in the actual cash out flows required to settle the liability.

Pension liabilities

The present value of pension liabilities are determined on an actuarial basis and depend on a number of actuarial assumptions which are disclosed in note 16. Any change in these assumptions will impact on the carrying amount of pension liabilities. Note 16 describes the key assumptions used in the accounting for retirement benefit obligations.

2 Revenue

The analysis of the company's revenue for the year from continuing operations is as follows:

	2017	2016
	£	£
Rendering of services	<u>193,809,323</u>	<u>184,617,921</u>

All revenue is derived from the rendering of services to PA Consulting Services Limited, a fellow group company.

Notes to the Financial Statements for the Year Ended 31 December 2017

3 Exceptional items

	2017 £	2016 £
Defined benefit pension scheme historic service credit	2,029,700	-
Pension increase exchange legal costs	(542,847)	-
Restructuring costs	(177,000)	(3,028,000)
	<u>1,309,853</u>	<u>(3,028,000)</u>

The defined benefit pension scheme historic service credit relates to a pension increase exchange exercise on the UK closed defined benefit scheme.

The pension increase exchange legal costs are on the pension increase exchange exercise on the UK closed defined benefit scheme.

The restructuring costs relate to various restructuring plans executed during the year.

4 Operating profit

Arrived at after (charging)/crediting

	2017 £	2016 £
Foreign exchange (losses)/gains	(9,417)	14,800

5 Income from shares in group undertakings

	2017 £	2016 £
Income from shares in group undertakings	70,000,000	-

During the year, dividends of £70,000,000 (2016: £Nil) were received from PA Consulting Services Limited.

6 Net interest (payable)/receivable and similar items

	2017 £	2016 £
Interest income on bank deposits	6,006	6,534
Interest payable on amounts owed to group undertakings	(1,849,271)	(1,734,832)
	<u>(1,843,265)</u>	<u>(1,728,298)</u>

Notes to the Financial Statements for the Year Ended 31 December 2017

7 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2017 £	2016 £
Wages and salaries	150,378,496	144,702,065
Social security costs	14,775,654	15,288,600
Pension costs for defined benefit pension arrangements	1,562,000	1,043,400
Pension costs for the defined contribution scheme	8,997,643	9,631,793
Share-based payment expenses	10,553	15,003
Other employee expense	11,140,591	12,221,418
	<u>186,864,937</u>	<u>182,902,279</u>

The average number of persons employed by the company (including directors) during the year, analysed by category was as follows:

	2017 No.	2016 No.
Consultants	1,466	1,527
Administration and support	406	468
	<u>1,872</u>	<u>1,995</u>

8 Directors' remuneration

The directors' remuneration for the year was as follows:

	2017 £	2016 £
Aggregate emoluments in respect of qualifying services	2,143,072	2,644,140
Company contributions to money purchase pension schemes	11,079	23,040
	<u>2,154,151</u>	<u>2,667,180</u>

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

	2017 No.	2016 No.
Directors accruing benefits under defined benefit pension scheme	2	2
Directors in the defined contribution scheme	<u>5</u>	<u>4</u>

Notes to the Financial Statements for the Year Ended 31 December 2017

In respect of the highest paid director:

	2017 £	2016 £
Remuneration	1,279,093	1,748,930
Company contributions to money purchase pension schemes	-	5,000

The emoluments of all of the directors of the Company are disclosed above including emoluments paid by other PA Group undertakings. Three directors were employed by and received emoluments from PA Consulting Management Services Limited, a fellow group company, and are included in the disclosure of directors remuneration in the accounts of that company. The other directors were employed by and received all emoluments in 2017 and 2016 from the Company. The directors perform duties for multiple entities in the PA Group. There is no allocation of their compensation between group entities as it is impractical to do so.

9 Auditor's remuneration

	2017 £	2016 £
Audit of the financial statements	15,000	15,000
Other fees to auditors		
All other non-audit services	14,804	36,900

10 Taxation

(a) Tax on profit on ordinary activities

Tax charged/(credited) in the income statement

	2017 £	2016 £
Current taxation		
UK corporation tax	(3,794,934)	(4,805,984)
UK corporation tax adjustment to prior periods	(123,768)	699,110
	(3,918,702)	(4,106,874)
Foreign tax	-	(163,452)
Total current income tax	(3,918,702)	(4,270,326)
Deferred taxation		
Arising from origination and reversal of timing differences	4,739,861	4,770,708
Deferred tax adjustment relating to previous years	8,873	(90,202)
Total deferred taxation	4,748,734	4,680,506
Tax expense in the income statement	830,032	410,180

Notes to the Financial Statements for the Year Ended 31 December 2017

The tax on profit before tax for the year is lower than the standard rate of corporation tax in the UK (2016 - lower than the standard rate of corporation tax in the UK) of 19.25% (2016 - 20%).

The differences are reconciled below:

	2017 £	2016 £
Profit/(loss) before tax	270,760,838	(2,165,204)
Corporation tax at standard rate	52,121,461	(433,041)
Expenses not deductible for tax purposes	16,369	234,313
Income not taxable	(51,173,566)	-
Tax (over)/underprovided in previous years	(114,895)	608,908
Deferred tax rate difference	(19,337)	-
Total tax charge	830,032	410,180

The Company has net tax losses of £19.4 million (2016: £20.2 million) that are available for offset against future taxable profits.

Deferred tax

Deferred tax assets and liabilities

	Asset £
2017	
Pension costs	4,689,673
Accelerated capital allowances	6,559
Other	19,336
	<u>4,715,568</u>
	Asset
2016	£
Pension costs	9,456,971
Accelerated capital allowances	7,331
Other	-
	<u>9,464,302</u>

The Company expects deferred tax assets of £4.69 million in relation to pension costs to reverse in 2018.

There are £100,926,407 of gross unused tax losses (2016 - £100,926,407) for which no deferred tax asset is recognised in the Statement of Financial Position.

The Finance Act 2016 reduced the standard rate of UK corporation tax from 1 April 2020 from 18% to 17%.

Notes to the Financial Statements for the Year Ended 31 December 2017

11 Investments in subsidiaries

Subsidiaries	£
Cost or valuation	
At 1 January 2017	357,533,398
Additions	6,037,036
Disposals	<u>(83,262,577)</u>
At 31 December 2017	<u>280,307,857</u>
Carrying amount	
At 31 December 2017	<u>280,307,857</u>
At 31 December 2016	<u>357,533,398</u>

In December 2017 the Company acquired a 100% shareholding in Nyras Limited, a company registered in United Kingdom, for consideration of £5.9 million cash and £0.1 million stamp duty costs and legal fees.

In March 2017 PA International Limited, a company registered in Bermuda, was liquidated resulting in distributions of £279.1 million to the Company.

Notes to the Financial Statements for the Year Ended 31 December 2017

Details of undertakings

The subsidiary and branch undertakings as at 31 December 2017 are shown below. All are wholly owned either directly or indirectly by the Company unless otherwise stated. All subsidiaries prepare accounts up to 31 December each year except for PA Consulting Services (India) Private Limited, Nyras Limited and Nyras Capital LLP, which prepares accounts up to 31 March.

Subsidiary undertakings

Name	Nature of business	Place of incorporation	Holding
PA Consulting Services Limited ³	Consultancy	United Kingdom	Ordinary shares
PA Middle East Limited	Consultancy	United Kingdom	Ordinary shares
PA Applied Solutions Limited ³	Consultancy	United Kingdom	Ordinary shares
PA Knowledge Limited ³	Consultancy	United Kingdom	Ordinary shares
PA Consulting Group A/S	Consultancy	Denmark	Ordinary shares
PA Consulting Services BV	Consultancy	Netherlands	Ordinary shares
PA Consulting Group AS	Consultancy	Norway	Ordinary shares
PA Consulting Group AB	Consultancy	Sweden	Ordinary shares
PA Consulting Group GmbH	Consultancy	Germany	Ordinary shares
PA Consulting Group Limited	Consultancy	Hong Kong	Ordinary shares
PA Consulting Services (India) Private Limited	Consultancy	India	Ordinary shares
PA Consulting Group Inc	Consultancy	USA	29% Common shares 71% Preference shares
PA Defense Inc	Consultancy	USA	Common shares
PA Consulting Group Limited	Consultancy	New Zealand	Ordinary shares
PA Consulting Group (Qatar) LLC ¹	Consultancy	Qatar	Ordinary shares
PA Consulting Group Sdn Bhd	Consultancy	Malaysia	97% Ordinary shares 3% Preference shares
PA Consulting Group, S. de R.L. de C.V.	Consultancy	Mexico	Quotas
PA Technology Solutions Limited	Consultancy	United Kingdom	Ordinary shares
7Safe Limited ³	Consultancy	United Kingdom	Ordinary shares
Exacsys Limited ⁴	Consultancy	United Kingdom	0.01% Ordinary shares 99.99% Preference shares
PA Perfect Cost Grid Limited ³	Consultancy	United Kingdom	Ordinary shares
Nyras Limited ⁵	Consultancy	United Kingdom	Ordinary shares
Nyras Capital LLP ⁵	Consultancy	United Kingdom	N/A
PA Consulting Holdings ApS	Holding company	Denmark	Ordinary shares
PA Holdings BV	Holding company	Netherlands	Ordinary shares
PA Consulting Group BV	Holding company	Netherlands	Ordinary shares
PA International Holdings BV	Holding company	Netherlands	Ordinary shares
PA Consulting Group Holdings SA	Holding company	Switzerland	Ordinary shares
PA US Holdings Inc	Holding company	USA	29% Common shares 71% Preference shares
PA International Consulting Group Limited ³	Holding company	United Kingdom	Ordinary shares
PA Overseas Holdings Limited	Holding company	United Kingdom	Ordinary shares
PA Netherlands Treasury Services Limited	Treasury services company	United Kingdom	Ordinary shares
PA Group Treasury Services Limited	Treasury services company	United Kingdom	Ordinary shares
PA Treasury Services (US) Limited	Treasury services company	United Kingdom	Ordinary shares
PA Finance Limited	Investment holding company	United Kingdom	Ordinary shares
PA Employment Benefit Trustees Limited ³	Dormant	United Kingdom	Ordinary shares
PA Pension Trustees Limited ²	Dormant	United Kingdom	Ordinary shares
PA Trust Corporation Limited ^{3,4}	Dormant	United Kingdom	Ordinary shares

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

² 52% of the holding is jointly owned by the Trustees of the Pension Scheme.

³ Investments held directly by the Company. All others are held by intermediate holding companies.

⁴ Dissolved 9 January 2018.

⁵ Acquired 5 December 2017

Notes to the Financial Statements for the Year Ended 31 December 2017

Branches

Branch of	Name of branch	Location
PA Consulting Services Limited	PA Consulting Services Limited (Swiss branch)	Switzerland
	PA Consulting Services Limited (Irish branch)	Ireland
	PA Consulting Services Limited (Dubai Branch)	Dubai
	PA Consulting Services Limited (Spanish Branch)	Spain
PA Perfect Cost Grid Limited	PA Perfect Cost Grid Ltd (German Branch)	Germany
PA Middle East Limited	PA Middle East Limited (Abu Dhabi branch)	Abu Dhabi
PA Consulting Group Limited ¹	PA Consulting Group Limited (Philippine Branch)	Philippines

¹ PA Consulting Group Limited (Philippine Branch) is a branch of PA Consulting Group Limited, New Zealand.

Notes to the Financial Statements for the Year Ended 31 December 2017

12 Debtors: amounts falling due within one year

	2017 £	2016 £
Amounts owed by group undertakings	121,645	2,883,623
Prepayments	30,102	-
Corporate tax asset	3,894	10,288
Deferred tax asset	4,689,673	-
	<u>4,845,314</u>	<u>2,893,911</u>

13 Debtors: amounts falling due after one year

	2017 £	2016 £
Deferred tax	<u>25,895</u>	<u>9,464,302</u>

14 Cash and cash equivalents

	2017 £	2016 £
Cash at bank	<u>118,104</u>	<u>133,114</u>

15 Creditors: amounts falling due within one year

	2017 £	2016 £
Trade creditors	1,367	52,070
Amounts owed to group undertakings	157,411,643	359,012,279
Other payables	905,472	161,899
Accrued expenses	730,703	354,151
	<u>159,049,185</u>	<u>359,580,399</u>

Due after one year

Other non-current financial liabilities	<u>1,330,000</u>	-
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On 5 December 2017 the Company acquired a 100% shareholding in Nyras Limited for consideration of £6,037,036, of which £1,330,000 is due after 31 December 2018.

Notes to the Financial Statements for the Year Ended 31 December 2017

16 Pension and other schemes

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £8,997,643 (2016 - £9,631,793).

Defined benefit pension scheme

UK closed defined benefit pension scheme

The UK defined benefit pension section has been closed to new entrants with effect from 1 January 1998 and new employees are invited to join the defined contribution section or a stakeholder arrangement.

From 1 April 2007, all active members of the defined benefit section became members of the defined contribution section. From 1 April 2007 to 31 March 2012 (or date of leaving if earlier) all active members with accrued benefits received a salary link through to 31 March 2012, and enhanced statutory revaluation rates thereafter plus an additional 1.5%. From 1 April 2007, the Group has agreed to pay 8% of contributory pay in respect of defined contribution members plus an additional 0.5% of contributory pay for administrative expenses.

The Group is required under the trust deed to make contributions necessary to keep the scheme fully funded. The Group made a one-off funding payment of £102,000,000 in December 2015 as agreed with the trustee to approve the investment from The Carlyle Group. No further contributions were made in 2017 and the agreed payment for the year ending 31 December 2018 will be £nil.

Contributions to the defined benefit section of the PA Pension Scheme are based on advice from independent actuaries using actuarial methods, the objective of which is to provide adequate funds to meet pension obligations as they fall due. A full actuarial valuation was carried out at 31 March 2014 and showed a deficit of £71.1 million on a minimum funding level basis. The next full valuation is due in June 2018.

The most recent actuarial funding valuation has been updated by Lane Clark & Peacock LLP in order to assess the liabilities of the defined benefit section at 31 December 2017 for the purposes of FRS 102 'Retirement Benefits'. Section assets are stated at their market value at 31 December 2017.

The total cost relating to this defined benefit scheme for the year recognised in the income statement was £1,562,000 (2016 - £1,043,400).

Analysis of amounts recognised in the statement of comprehensive income

	2017
	£
Actual return on assets less interest	13,500,739
Actuarial loss on liability	1,905,500
Restriction to apply on recognition of surplus	<u>(15,873,939)</u>
Actuarial gain recognised on defined benefit pension arrangements	<u>(467,700)</u>
Total recognised in the statement of other comprehensive income	<u>(467,700)</u>

Notes to the Financial Statements for the Year Ended 31 December 2017

Analysis of defined benefit pension scheme net assets and liabilities included in the statement of financial position

	2017 £	2016 £
Fair value of scheme assets	926,795,417	942,326,678
Present value of defined benefit obligation	<u>(757,821,900)</u>	<u>(793,099,200)</u>
	168,973,517	149,227,478
Restriction to apply on recognition of surplus	<u>(168,973,517)</u>	<u>(149,227,478)</u>
Defined benefit pension scheme surplus/(deficit)	<u>-</u>	<u>-</u>

Reconciliation of present value of scheme liabilities

Changes in the defined benefit obligation are as follows:

	2017 £
Present value at start of year	793,099,200
Past service cost/(credit) and settlements	(2,029,700)
Interest cost	19,977,400
Benefits paid	(51,319,500)
Experience (gains)/losses	(17,750,800)
Changes in financial assumptions (gains)/loss	19,334,800
Changes in demographic assumptions (gains)/loss	<u>(3,489,500)</u>
Present value at end of year	<u>757,821,900</u>

Reconciliation of fair value of scheme assets

Changes in the fair value of scheme assets are as follows:

	2017 £
Fair value at start of year	942,326,678
Interest income	23,849,500
Return on plan assets, excluding amounts included in interest income/(expense)	13,500,739
Benefits paid	(51,319,500)
Running costs	<u>(1,562,000)</u>
Fair value at end of year	<u>926,795,417</u>

Notes to the Financial Statements for the Year Ended 31 December 2017

Analysis of scheme assets

The major categories of scheme assets are as follows:

	2017 £	2016 £
Cash and cash equivalents	16,062,329	2,363,688
Equity instruments	-	19,672,653
Bonds	900,453,518	875,621,555
Real estate	-	20,115,378
Infrastructure	9,004,199	22,777,625
Fund of hedge funds	1,275,371	1,775,779
	<u>926,795,417</u>	<u>942,326,678</u>

Actual return on scheme assets

	2017 £	2016 £
Return on scheme assets	<u>37,350,239</u>	<u>182,742,878</u>

The pension scheme has not invested in any of the company's own financial instruments or in properties or other assets used by the company.

Principal actuarial assumptions

The principal actuarial assumptions at the statement of financial position date are as follows:

	2017 %	2016 %
Discount rate applied to section liabilities	2.40	2.60
Rate of increase in pensionable salaries	4.90	5.00
Rate of increase in pensions in payment and deferred pensions	2.30	2.60
Inflation assumption - RPI	<u>3.40</u>	<u>3.50</u>

Post retirement mortality assumptions

	2016 Years	2016 Years
Current UK pensioners at retirement age - male	28.9	29.4
Current UK pensioners at retirement age - female	29.9	30.5
Future UK pensioners at retirement age - male	29.7	30.5
Future UK pensioners at retirement age - female	<u>30.7</u>	<u>32.1</u>

Notes to the Financial Statements for the Year Ended 31 December 2017

17 Share capital

Allotted, called up and fully paid shares

	2017		2016	
	No.	£	No.	£
Ordinary shares of £0.10 each	134,556,790	13,455,679	134,556,790	13,455,679

On 18 September 2017, 2,730,226,900 ordinary shares were issued at £0.10 each for a nominal value of £273,022,690.

On 18 September 2017, the issued share capital of the Company was reduced from £286,478,369 to £13,455,679 following the cancellation and extinguishing 2,730,226,900 of the issued ordinary shares of £0.10 each.

18 Reserves

Share premium

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

Capital redemption

This reserve is the result of the purchase of own shares and subsequent cancellation of those shares.

Other reserve

This reserve records the capital contribution from the parent company as a result of share-based payments.

19 Dividends

	2017	2016
	£	£
Final dividend of £1.1519 (2016 - £Nil) per ordinary share	155,000,000	-

20 Parent and ultimate parent undertaking

Relationship between entity and parents

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

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

The Company's immediate parent is PACG2 Limited, incorporated in England and Wales.

The most senior parent entity producing financial statements for the year ended 31 December 2017 is PA Consulting Group Limited. These financial statements are available upon request from 10 Bressenden Place, London, SW1E 5DN.

The ultimate controlling party is Carlyle Europe Partners IV L.P..

21 Post balance sheet events

In 2018 the Company has concluded with Pension Insurance Corporation plc ('PIC', a specialist insurer of defined benefit pension funds) a full buy-out of the member liabilities of the UK Defined Benefit Pension Scheme. The buy-out will be achieved without the need for any additional funding from PA and there should now be no future obligation for the Company to make contributions to the Scheme.

In May 2018, the Company purchased Sparkler Limited, a company incorporated in England, for an estimated consideration of £10,500,000.