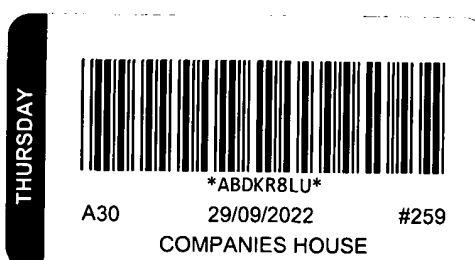


Company registration number 01587680 (England and Wales)

**JAMES R. KNOWLES (WORLDWIDE) LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**



# **JAMES R. KNOWLES (WORLDWIDE) LIMITED**

## **COMPANY INFORMATION**

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**Directors**

R Borhan  
A Patel

**Company number**

01587680

**Registered office**

3200 Daresbury Park  
Daresbury  
Warrington  
Cheshire  
WA4 4BU

**Auditor**

BDO LLP  
3 Hardman Street  
Manchester  
UK  
M3 3AT

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# **JAMES R. KNOWLES (WORLDWIDE) LIMITED**

## **CONTENTS**

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	<b>Page</b>
Strategic report	1 - 4
Directors' report	5 - 6
Independent auditor's report	7 - 10
Statement of comprehensive income	11
Statement of financial position	12
Statement of changes in equity	13
Notes to the financial statements	14 - 20

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# **JAMES R. KNOWLES (WORLDWIDE) LIMITED**

## **STRATEGIC REPORT**

**FOR THE YEAR ENDED 31 DECEMBER 2021**

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The Directors present their Strategic Report and financial statements for the year ended 31 December 2021.

This report has been prepared by the Directors in accordance with the requirements of Section 414 of the Companies Act 2006 the company has prepared the financial statements in accordance with United Kingdom Accounting Standards, specifically FRS 101 Reduced Disclosure Framework.

### **Review of the business**

James R. Knowles (Worldwide) Limited operates as an intermediary holding company for a number of subsidiaries who collectively operate under the brand name HKA. The principal activity of the Group is the provision of consulting, expert and advisory services for the construction, manufacturing, process and technology industries.

James R. Knowles (Worldwide) Limited holds investments in a number of subsidiaries as listed in note 9 but does not trade. During the year the company received dividend income from James R Knowles (Australian Holdings) Pty, a wholly owned subsidiary, resulting in a profit of £5,849,980 (2020: £8,065 profit predominately due to foreign exchange gains on intercompany payables).

The Directors do not anticipate a change in the principal activities of the company. The Directors plan to maintain the HKA Group management policies and continue to invest in projects which will drive profitability and growth for the HKA Group.

In early 2020, the spread of Covid-19 created a potential risk for the majority of businesses globally, however, despite initial concerns the Covid-19 pandemic has had little demonstrable impact on the financial performance of the business, both in 2020 and 2021.

### **Section 172 Statement**

Section 172 of the Companies Act 2006 requires Directors to take into consideration the interests of stakeholders and other matters in their decision making. These considerations are made for the HKA Group as a whole, which the company is a part of. The Directors continue to have regard to the interests of the HKA Group's employees and other stakeholders, the impact of its activities on the community, the environment and the HKA Group's reputation for good business conduct, when making decisions. In this context, acting in good faith and fairly, the Directors consider what is most likely to promote the success of the HKA Group for its members in the long term. We explain in these financial statements, and below, how the Board engages with stakeholders.

### **Shareholders – Bridgepoint Development Capital and Partners**

Shareholders own the business and the board are responsible for successfully developing the business in order to deliver an acceptable return on the investment made by shareholders.

#### *How engagement occurs*

Representatives of both shareholder groups sit on the main Board. Engagement with the wider Partner group is conducted by the Directors through regular Partner calls and individual one to one engagement and communication.

# **JAMES R. KNOWLES (WORLDWIDE) LIMITED**

## **STRATEGIC REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2021**

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### **Employees**

HKA's business is based on delivering services through its employees. The successful growth of the business is dependent on recruiting, retaining and developing employees. A key element of this is ensuring staff engagement to ensure that HKA is a place where talented individuals want to work.

#### *How engagement occurs*

Staff communication and engagement occur through a combination of team meetings, internal communications (intranet, news, emails, blogs, webinars, videos) and local, regional, and global social events.

In addition we conduct an annual staff engagement survey and other targeted specific surveys. Outcomes from the engagement surveys are reviewed by the Board and an action plan is agreed to further build on strengths and address any shortfalls. The Board also promotes equal opportunities within the business and has implemented a clear ED&I strategy with local ED&I committees established in each region. Of particular current focus is gender diversity, monitoring gender pay and looking at initiatives to promote a better more effective gender balance at all levels.

Engagement with all policies and procedures is monitored through active online Compliance Training for all staff.

### **Clients**

The Directors recognise that the success of the business relies on its ability to secure new clients and maintain long term client relationships. The way in which the business engages with clients will determine how successful it is at retaining and growing its services with clients.

#### *How engagement occurs*

A key role of all client facing partners is to ensure that they nurture and develop client relationships. This is done through regular communication before, during and after delivering client assignments.

In 2020 HKA conducted its first Net Promoter Score (NPS) survey where the business sought direct feedback from clients. NPS scores are reported with a number from -100 to +100, a higher score is desirable. 2021 saw an improvement in NPS from 36 to 52.

### **Suppliers**

The main suppliers to the business are sub-consultants typically with specialist skills required by clients.

#### *How engagement occurs*

The business ensures that sub-consultants are treated fairly and they are paid on time as most are sole practitioners. The business also ensures that sub-consultants are aware of HKA policies, procedures and way of doing business; and are required to carry out compliance training and confirm understanding of HKA policies.

### **Community and charities**

The business forms part of the wider community and as such has a responsibility to use its resources to support local communities and charities.

#### *How engagement occurs*

The business has a global CSR committee with representatives made up of Partners and employees and regional CSR committee members. The committee oversees group wide and regional CSR activities and encourages CSR activities which combine charitable giving as well as enabling staff to provide time and skills to support communities and charitable causes.

# **JAMES R. KNOWLES (WORLDWIDE) LIMITED**

## **STRATEGIC REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2021**

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### **Environment**

The business has a responsibility to ensure that it proactively looks at ways in which it can minimise its carbon footprint whilst ensuring that it delivers the services required by the client.

#### *How engagement occurs*

The company aims to be environmentally responsible through implementation of an established environmental, social and governance policy. The business has started the process of measuring its carbon footprint and is developing targets together with tangible plans to improve performance in this area.

### **Key events and decisions**

The key events and decisions made by the Board, the stakeholders they impacted and the associated actions taken by the Directors to engage with the relevant stakeholders are listed below. Key events and decisions have been determined by assessing items which are either material for the business or that have a significant impact on one or many categories of stakeholders.

#### **Managing operations during Covid-19**

##### *Stakeholders affected*

Partners, employees, clients

##### *Actions and impact*

Business continued its crisis management process and systems in 2021 to assess and act on the potential impact of Covid-19 on the business.

The Crisis Management Team continued to monitor the situation across the Group's territories, ensuring the management and staff were briefed on the latest guidance and that practices were put in place to ensure compliance.

Covid statistics are reported to the board on a monthly basis.

#### **Invasion of Ukraine by Russian forces in February 2022**

##### *Stakeholders affected*

Shareholders, employees and clients

##### *Actions and impact*

Management has performed a comprehensive review of the potential impact the invasion could have on the business.

The Group does not have any permanent establishments in Russia, Belarus or the Ukraine and no staff are working in any of these locations.

As sanctions are updated by the various jurisdictions on a regular basis they are under constant review by the Head of Legal to ensure the group is compliant.

The Board will continue to review the situation in Ukraine on a regular basis to ensure continued compliance with applicable sanctions and to assess any risk, financial or non-financial on the group. At the date of this report, the financial impact is expected to be minimal.

# **JAMES R. KNOWLES (WORLDWIDE) LIMITED**

## **STRATEGIC REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2021**

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### **Refinancing in June 2021**

#### *Stakeholders affected*

Shareholders, bank

#### *Actions and impact*

During the year, the Group secured a new term bank loan agreement to the value of USD240m.

The proceeds of the arrangement were used to repay the existing debt of USD128m, loan notes of USD20m and associated interest of USD4.7m, payment of an ordinary dividend USD8.4m and redemption of certain priority shares and associated priority amounts, USD125.9m.

### **Principal risks and uncertainties**

The company's risks and uncertainties are reviewed as part of the overall group and the company is therefore affected by the same principal risks and uncertainties that effect the 'HKA Group'.

As a people business, loss of key managers could result in a lack of necessary experience or continuity to execute the Group's strategy. In addition, an inability to attract and retain sufficient high-calibre employees could become a barrier to the continued success and growth of the Group. This risk is mitigated with a clear people plan which is aligned to the business strategy and focused on attracting, developing and retaining the best people within the Group. The business aims to provide a good working environment, competitive remuneration packages and access to rewarding assignments.

As with any multi-currency Group, the company is sensitive to currency fluctuations however management review the size and probable timing of settlement of all financial assets and liabilities denominated in foreign currencies and anticipate that this will not have an adverse effect on the business.

The Group's credit risk is primarily attributable to its trade debtors and credit risk increases in certain territories in which the Group operates where payment of outstanding receivables can be slower. Credit risk is managed by completing credit checks on customers and by monitoring payments against contractual terms.

Approved on behalf of the board

*Atul Patel*

A Patel

Director

26 September 2022

# **JAMES R. KNOWLES (WORLDWIDE) LIMITED**

## **DIRECTORS' REPORT**

### **FOR THE YEAR ENDED 31 DECEMBER 2021**

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

#### **Results and dividends**

The results for the year and the financial position of the company are as shown in the attached financial statements and a detailed review is set out in the Strategic Report.

During the year, a dividend was declared to the parent undertaking totalling £4,876,407 (2020: nil).

#### **Directors**

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

R Borhan

A Patel

#### **Directors' insurance**

The company has made qualifying third party indemnity provisions for the benefit of its Directors which were made during the year and remain in force at the reporting date.

#### **Auditor**

In accordance with the company's articles, a resolution proposing that BDO LLP be reappointed as auditor of the company will be put at a General Meeting.

#### **Statement of Directors' responsibilities**

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) including FRS 101 "Reduced Disclosure Framework" ("FRS 101") and applicable law. Under company law the Directors must not approve the financial statements unless they 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 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 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 to 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.

#### **Statement of disclosure to auditor**

So far as each person who was a Director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the Directors individually have taken all the necessary steps that they ought to have taken as Directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.



# **JAMES R. KNOWLES (WORLDWIDE) LIMITED**

## **DIRECTORS' REPORT (CONTINUED)**

***FOR THE YEAR ENDED 31 DECEMBER 2021***

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### **Going concern**

In adopting the going concern basis for preparing the financial statements, the Directors have considered, amongst other matters, the Company's principal risks and uncertainties as set out in the Strategic Report.

The going concern review has been performed at the HKA group level, details of this review can be found in the HKA Global Holdings Limited financial statements.

As at 31 December 2021 the Company had net current liabilities. The directors have received written confirmation from the ultimate parent undertaking that it will continue to support the financial needs of the company for a period of not less than 12 months from the date of signing these financial statements and will not call for payment of amounts due to Group companies unless the Company is in a position to do so.

On 9th August 2022, PAI Partners replaced Bridgepoint Development Capital as the ultimate controlling party following the sale of shares in HKA Global Holdings Limited, the ultimate parent company. As part of the deal, the Group was refinanced resulting in repayment of existing bank borrowings of \$240m and raising new group financing facilities of \$380m. The refinancing of the Group is not expected to directly impact the Company however as the Company is reliant on the support of the Group the Directors have considered this as part of their assessment of going concern.

The directors have at the time of approving the financial statements, a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

On behalf of the board

*Atul Patel*

A Patel  
Director

26 September 2022

# **JAMES R. KNOWLES (WORLDWIDE) LIMITED**

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBER OF JAMES R. KNOWLES (WORLDWIDE) LIMITED**

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#### **Opinion**

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2021 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.

We have audited the financial statements of James R. Knowles (Worldwide) Ltd ("the Company") for the year ended 31 December 2021 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity and notes to the financial statements, 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 Financial Reporting Standard 101 Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Independence*

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.

#### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

#### **Other information**

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

# **JAMES R. KNOWLES (WORLDWIDE) LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE MEMBER OF JAMES R. KNOWLES (WORLDWIDE) LIMITED**

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#### **Other Companies Act 2006 reporting**

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

- the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and 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 not identified material misstatements in the Strategic report or the 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, 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.

# **JAMES R. KNOWLES (WORLDWIDE) LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE MEMBER OF JAMES R. KNOWLES (WORLDWIDE) LIMITED**

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#### **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.

#### *Extent to which the audit was capable of detecting irregularities, including fraud*

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding and accumulated knowledge of the Company and the sector in which it operates we considered the risks of acts by the Company which were contrary to applicable laws and regulations, including fraud, and whether such actions or non-compliance might have a material effect on the non-statutory financial statements. These included but are not limited to those that relate to the form and content of the financial statements, such as accounting policies, UK GAAP, the Companies Act 2006, relevant taxation legislation, Health and Safety and the Bribery Act 2010.

We determined that the principal risks were related to posting inappropriate journal entries and management bias in accounting estimates. Our audit procedures included, but were not limited to:

- Agreement of the financial statement disclosures to underlying supporting documentation;
- Challenging assumptions and judgements made by management in their significant accounting estimates, in particular in relation to investment impairment assessment and intercompany debtor provisions;
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations or including specific keywords;
- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Review of minutes of Board meetings throughout the period; and
- Obtaining an understanding of the control environment in monitoring compliance with laws and regulations.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

# **JAMES R. KNOWLES (WORLDWIDE) LIMITED**


## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE MEMBER OF JAMES R. KNOWLES (WORLDWIDE) LIMITED**

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#### **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.

DocuSigned by:  
  
49BD0A55E7C14AD...

**Steven Roberts (Senior Statutory Auditor)**

**For and on behalf of BDO LLP**

**Statutory Auditor**

**Manchester**

**26 September 2022**

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

# **JAMES R. KNOWLES (WORLDWIDE) LIMITED**

## **STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2021**

	Notes	2021 £	2020 £
Administrative expenses		(26,426)	8,065
Investment income	6	5,876,407	-
<b>Profit before taxation</b>		<b>5,849,981</b>	<b>8,065</b>
Tax on profit	7	-	-
<b>Profit and total comprehensive income for the financial year</b>	<b>14</b>	<b>5,849,981</b>	<b>8,065</b>

The income statement has been prepared on the basis that all operations are continuing operations.

The notes on pages 14 to 20 form part of these financial statements.

# JAMES R. KNOWLES (WORLDWIDE) LIMITED

## STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2021

	Notes	2021 £	£	2020 £	£
<b>Non-current assets</b>					
Investments	9		92,552		92,552
<b>Current assets</b>					
Trade and other receivables	11	1,407,150		2,316,724	
<b>Current liabilities</b>					
Trade and other payables	12	897,290		2,780,438	
<b>Net current assets/(liabilities)</b>			509,860		(463,714)
<b>Net assets/(liabilities)</b>			602,412		(371,162)
<b>Equity</b>					
Called up share capital	13		486,318		486,318
Retained earnings	14		116,094		(857,480)
<b>Total equity</b>			602,412		(371,162)

The notes on pages 14 to 20 form part of these financial statements.

The financial statements were approved by the board of directors and authorised for issue on 26 September 2022 and are signed on its behalf by:

*Atul Patel*

A Patel  
Director

Company registration number 01587680

# JAMES R. KNOWLES (WORLDWIDE) LIMITED

## STATEMENT OF CHANGES IN EQUITY

**FOR THE YEAR ENDED 31 DECEMBER 2021**

	Notes	Share capital £	Retained earnings £	Total £
<b>Balance at 1 January 2020</b>		486,318	(865,545)	(379,227)
<b>Year ended 31 December 2020:</b>				
Profit and total comprehensive income for the year		-	8,065	8,065
<b>Balance at 31 December 2020</b>		486,318	(857,480)	(371,162)
<b>Year ended 31 December 2021:</b>				
Profit and total comprehensive income for the year		-	5,849,981	5,849,981
Transactions with owners in their capacity as owners:				
Dividends	8	-	(4,876,407)	(4,876,407)
<b>Balance at 31 December 2021</b>		486,318	116,094	602,412

The notes on pages 14 to 20 form part of these financial statements.



# **JAMES R. KNOWLES (WORLDWIDE) LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021**

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### **1 Accounting policies**

#### **Company information**

James R. Knowles (Worldwide) Limited is a private company limited by shares incorporated in England and Wales. The registered office is 3200 Daresbury Park, Daresbury, Warrington, Cheshire, WA4 4BU, United Kingdom.

### **1.1 Accounting convention**

#### **Basis of preparation**

The financial statements have been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and in accordance with applicable accounting standards.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

#### **Disclosure exemptions adopted**

In preparing these financial statements the company has taken advantage of all disclosure exemptions conferred by FRS 101. Therefore these financial statements do not include:

- certain comparative information as otherwise required by IFRS accounting standards in conformity with the requirements of the Companies Act 2006;
- certain disclosures regarding the company's capital;
- the effect of future accounting standards not yet adopted;
- a statement of cash flows; and
- disclosure of related party transactions entered into between two or more members of a group headed by HKA Global Holdings Limited, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

In addition, and in accordance with FRS 101 further disclosure exemptions have been adopted because equivalent disclosures are given in the group accounts of HKA Global Holdings Limited. These financial statements do not include certain disclosures in respect of:

- financial instruments (other than certain disclosures required as a result of recording financial instruments at fair value);
- fair value measurement (other than certain disclosures required as a result of recording financial instruments at fair value); and
- impairment of assets.

The group accounts of HKA Global Holdings Limited are available to the public and can be obtained as set out below.

#### **Consolidated accounts**

The company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.

James R. Knowles (Worldwide) Limited is a wholly owned subsidiary of HKA Global Holdings Limited and the results of James R. Knowles (Worldwide) Limited are included in the consolidated financial statements of HKA Global Holdings Limited which are available from 3200 Daresbury Park, Daresbury, Warrington, Cheshire, WA4 4BU.

# JAMES R. KNOWLES (WORLDWIDE) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

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### 1 Accounting policies

(Continued)

#### 1.2 Going concern

In adopting the going concern basis for preparing the financial statements, the Directors have considered, amongst other matters, the Company's principal risks and uncertainties as set out in the Strategic Report.

The going concern review has been performed at the HKA group level, details of this review can be found in the HKA Global Holdings Limited financial statements.

As at 31 December 2021 the Company had net current liabilities. The directors have received written confirmation from the ultimate parent undertaking that it will continue to support the financial needs of the company for a period of not less than 12 months from the date of signing these financial statements and will not call for payment of amounts due to Group companies unless the Company is in a position to do so.

On 9th August 2022, PAI Partners replaced Bridgepoint Development Capital as the ultimate controlling party following the sale of shares in HKA Global Holdings Limited, the ultimate parent company. As part of the deal, the Group was refinanced resulting in repayment of existing bank borrowings of \$240m and raising new group financing facilities of \$380m. The refinancing of the Group is not expected to directly impact the Company however as the Company is reliant on the support of the Group the Directors have considered this as part of their assessment of going concern.

The directors have at the time of approving the financial statements, a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

#### 1.3 Non-current investments

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

#### 1.4 Financial assets

Financial assets are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument. Financial assets are classified into specified categories, depending on the nature and purpose of the financial assets.

At initial recognition, financial assets classified as fair value through profit and loss are measured at fair value and any transaction costs are recognised in profit or loss. Financial assets not classified as fair value through profit and loss are initially measured at fair value plus transaction costs.

##### ***Financial assets held at amortised cost***

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

##### ***Impairment of financial assets***

Financial assets, other than those measured at fair value through profit or loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

# JAMES R. KNOWLES (WORLDWIDE) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

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### 1 Accounting policies

(Continued)

#### ***Derecognition of financial assets***

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

### 1.5 Financial liabilities

Financial liabilities are classified as either 'financial liabilities at fair value through profit or loss' or 'other financial liabilities'.

#### ***Other financial liabilities***

Other financial liabilities, including borrowings, trade payables and other short-term monetary liabilities, are initially measured at fair value net of transaction costs directly attributable to the issuance of the financial liability. They are subsequently measured at amortised cost using the effective interest method. For the purposes of each financial liability, interest expense includes initial transaction costs and any premium payable on redemption, as well as any interest or coupon payable while the liability is outstanding.

#### ***Derecognition of financial liabilities***

Financial liabilities are derecognised when, and only when, the company's obligations are discharged, cancelled, or they expire.

### 1.6 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

### 1.7 Taxation

Tax is recognised in the statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the company can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

# JAMES R. KNOWLES (WORLDWIDE) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

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### 1 Accounting policies (Continued)

#### 1.8 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

### 2 Critical accounting estimates and judgements

In the application of the company's accounting policies, the Directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below

#### Critical judgements

##### Carrying value of investments

The carrying value of investments are reviewed for impairment on an annual basis. If the value of an investment is greater than the net assets of the subsidiary then management make assumptions and judgements based on forecasts and future strategy through a value in use model to determine if an impairment exists.

##### Amounts due from fellow group undertakings

Amounts due from fellow group undertakings are reviewed regularly by management to assess recoverability and ensure adequate provisions are in place. Judgement is used to determine the appropriate level of provision using group information on net assets, trading history, strategy and forecasts.

### 3 Operating (loss)/profit

	2021	2020
Operating (loss)/profit for the year is stated after charging/(crediting):	£	£
Exchange losses/(gains)	26,414	(8,079)

### 4 Auditor's remuneration

The audit fee for the current year has been borne by a fellow group company and not recharged.

### 5 Employees

There were no staff costs incurred during the year. The company does not have any employees other than Directors who receive no remuneration.

# JAMES R. KNOWLES (WORLDWIDE) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

### 6 Investment income

	2021 £	2020 £
<b>Income from fixed asset investments</b>		
Dividend income from shares in group undertakings	5,876,407	-

### 7 Taxation

	2021 £	2020 £
The charge for the year can be reconciled to the profit per the income statement as follows:		
	2021 £	2020 £
Profit before taxation	5,849,981	8,065
Expected tax charge based on a corporation tax rate of 19.00% (2020: 19.00%)	1,111,496	1,532
Income not taxable	(1,116,517)	-
Group relief	5,021	-
Tax losses utilised	-	(1,532)
<b>Taxation charge for the year</b>	-	-

#### *Changes in tax rates and factors affecting the future tax charge*

An increase in the future standard corporation tax rate to 25% from 1 April 2023, from the previously enacted 19%, was announced at the budget on 3 March 2021, and substantively enacted on 24 May 2021.

### 8 Dividends

	2021 per share £	2020 per share £	2021 Total £	2020 Total £
Amounts recognised as distributions:				
<b>Ordinary</b>				
Final dividend paid	9.75	-	4,876,407	-

### 9 Investments

	2021 £	2020 £
Investments in subsidiaries	92,552	92,552

# JAMES R. KNOWLES (WORLDWIDE) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

### 10 Subsidiaries

Details of the company's subsidiaries at 31 December 2021 are as follows:

Name of undertaking	Registered office	Ownership interest (%)	Voting power held (%)	Nature of business
HKA Global (Australia) Pty Ltd **	Level 1, 1 Hickson Road, The Rocks, NSW 2000, Australia	100	100	Consultancy services
HKA Global (Beijing) Limited***	Unit 803, Full Tower, No.9 Third Ring Middle Road, Chao Yang District, Beijing, 100020, China	100	100	Consultancy services
HKA Global Pte Limited	331 North Bridge Rd #20-03 Odeon Towers Singapore 188720	100	100	Consultancy services
HKA Global Pty Limited **	Level 1, 1 Hickson Road, The Rocks, NSW 2000, Australia	100	100	Consultancy services
HKA Global Sdn Bhd	Level 7, Unit 7, Block3B Plaza Sentral Kuala Lumpur Sentral Kuala Lumpur 50470, Malaysia	100	100	Consultancy services
James R. Knowles (Australian Holdings) Pty Ltd	Level 1, 1 Hickson Road, The Rocks, NSW 2000, Australia	100	100	Consultancy services
HKA Global (New Zealand) Ltd**	c/o BDO Auckland, Level 4, 4 Graham Street, Auckland 1010, NZ	100	100	Consultancy services

\*\* indirectly held through James R. Knowles (Australian Holdings) Pty Ltd.

\*\*\* indirectly held through HKA Global Pte Limited.

All shares held are classified as ordinary.

### 11 Trade and other receivables

	2021 £	2020 £
Amounts owed by fellow group undertakings	1,406,750	2,316,324
Other receivables	400	400
	<u>1,407,150</u>	<u>2,316,724</u>

Amounts due from fellow group undertakings are payable on demand and incur no interest.

### 12 Trade and other payables

	2021 £	2020 £
Amounts owed to fellow group undertakings	<u>897,290</u>	<u>2,780,438</u>

Amounts due to fellow group undertakings are repayable on demand and incur no interest.

# JAMES R. KNOWLES (WORLDWIDE) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

### 13 Share capital

	2021 Number	2020 Number	2021 £	2020 £
<b>Ordinary share capital</b>				
<b>Authorised</b>				
Ordinary of £1 each	500,000	500,000	500,000	500,000
<b>Issued and fully paid</b>				
Ordinary of £1 each	486,318	486,318	486,318	486,318

The company has one class of ordinary shares which carry no right to fixed income, all shares rank pari passu for dividends and in the event of a return of surplus assets on liquidation.

### 14 Retained earnings

	2021 £	2020 £
At 1 January	(857,480)	(865,545)
Profit for the year	5,849,981	8,065
Dividends	(4,876,407)	-
At 31 December	116,094	(857,480)

Retained earnings represent cumulative profits or losses, net of dividends paid and other adjustments.

### 15 Events after the reporting date

On 9th August 2022, PAI Partners replaced Bridgepoint Development Capital as the ultimate controlling party following the sale of shares in HKA Global Holdings Limited, the ultimate parent company. As part of the deal, the Group was refinanced resulting in repayment of existing bank borrowings of \$240m and raising new group financing facilities of \$380m.

### 16 Related party transactions

The company has taken advantage of the exemption conferred by FRS 101 paragraph 8(j) and 8(k) not to disclose key management personnel compensation or transactions and amounts due to or from fellow group companies that are wholly owned by the ultimate parent company.

### 17 Controlling party

The company is a wholly owned subsidiary of James R. Knowles (Holdings) Limited which is wholly owned by HKA Global Holdings Limited, a company incorporated and registered in the United Kingdom. The smallest group for which consolidated accounts have been prepared is that headed by HKA Global Holdings Limited which can be obtained from the registered office, 3200 Daresbury Park, Daresbury, Warrington, Cheshire, WA4 4BU.

At 31 December 2021, the ultimate controlling party was Bridgepoint Development Capital Limited.