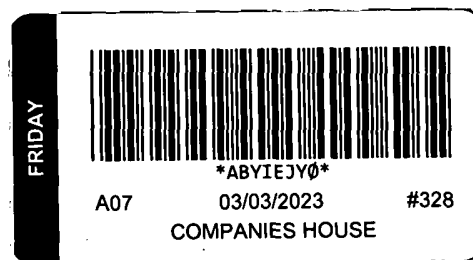


Registration number: 04757301

Accenture (UK) Limited

Annual Report and Financial Statements

for the year ended 31 August 2022



Contents

Directors and other information	1
Strategic Report	2 - 10
Directors' Report	11 - 15
Statement of Directors' Responsibilities in respect of the Strategic Report, Directors' Report and the Financial Statements	16
Independent Auditor's Report to the members of Accenture(UK) Limited	17 - 19
Profit and Loss Account	20
Statement of Comprehensive Income	21
Balance Sheet	22
Statement of Changes in Equity	23
Notes to the Financial Statements	24 - 67

Directors and other information

Directors	D Burton S Eaves E Mackay S Sayed D Simpson L Rose M Fernandes
Registered office	30 Fenchurch Street London EC3M 3BD
Bankers	Bank of America N.A. 2 King Edward Street London EC1A 1HQ Bank of America N.A. 2 Park Place Hatch Street Dublin 2 Ireland Barclays Bank PLC One Churchill Place London E14 5HP
Auditor	KPMG Chartered Accountants 1 Stokes Place St. Stephen's Green Dublin 2 Ireland
Registered number	04757301

Strategic Report for the year ended 31 August 2022

The Directors present their Strategic Report of Accenture (UK) Limited for the year ended 31 August 2022.

Principal activities

Accenture (UK) Limited (the “Company”, “Accenture”, “we”, “our” and “us”) is a wholly owned subsidiary of the Accenture Group, which is headed by Accenture plc. The Company provides management consulting, technology and outsourcing services to clients in the United Kingdom and utilises the Accenture Group capabilities in the delivery of these services.

Financial review

The Company maintained strong operational and financial performance and continued the close management of our key operational and financial metrics focusing on chargeability, opportunity pipeline and revenue growth.

Turnover for the year ended 31 August 2022 amounted to £3,399,638,000 (2021: £2,611,769,000), an increase of £787,869,000 (30%). Gross profit increased by 14% to £737,069,000 (2021: £646,148,743) and operating profit before interest and tax decreased by 35% to £135,611,000 (2021: £209,538,424). The profit for the year after taxation amounted to £97,124,000 (2021: £154,428,000). Net assets at 31 August 2022 amounted to £2,730,613,000 (2021: £1,895,320,000).

As part of their review of the business, the Directors have used key performance indicators to analyse the results for the year.

	2022	2021
Gross profit margin	22%	25%
Operating profit margin	4%	8%

The Directors have reviewed the above key performance indicators and have confirmed they are in line with expectations.

Acquisitions

During the year, the Company made the following acquisitions:

Acquired investments:

- On 15 October 2021, the Company acquired 100% of the issued share capital of Xoomworks Limited for consideration of £26,075,749, a group that provides consulting and technology services.
- On 22 October 2021, the Company acquired 100% of the issued share capital of Business Control Solutions Group Limited for consideration of £68,374,642, a group that delivers business change consultancy.
- On 16 November 2021, the Company acquired 100% of the issued share capital of Founders Intelligence Limited for consideration of £13,098,984, a group that provides strategy consulting services for its clients.
- On 21 March 2022, the Company acquired 100% of the issued share capital of Edenhouse Solutions Limited for consideration of £124,665,164, an entity that provides technology services.
- On 31 March 2022, the Company acquired 100% of the issued share capital of Spark44 (JV) Limited for consideration of £17,470,976, a group that provides advertising and marketing communications services.
- On 14 April 2022, the Company acquired 100% of the issued share capital of Smart Corporate Sustainability Group Limited for consideration of £9,333,442, a group that provides sustainability consulting services.
- On 30 June 2022, the Company acquired 100% of the issued share capital of Umlaut Limited for consideration of £27,409,584, an entity that provides engineering consulting and services.
- On 9 August 2022, the Company acquired 100% of the issued share capital of Yukon Topco Limited for consideration of £106,434,015, a group that provides leadership strategy services.
- On 31 August 2022, the Company acquired 100% of the issued share capital of Carbon Credentials Energy Services Limited for consideration of £41,725,254, an entity that provides climate change strategy consultancy.

Strategic Report for the year ended 31 August 2022 (continued)

Acquisitions (continued)

Acquired trade and assets (business transfer) during the year:

- On 1 September 2021, the Company acquired the trade and certain assets and liabilities of CoreCompete Limited for consideration of £9,448,776. A trade that provides cloud analytics services.
- On 1 September 2021, the Company acquired the trade and certain assets and liabilities of Cirrus Connect Limited for consideration of £13,820,523. A trade that provides leadership and talent consultancy.
- On 1 September 2021, the Company acquired the trade and certain assets and liabilities of EdenOne Solutions Limited and Edenhouse Solutions Limited for consideration of £102,170,801. Both trades provide technology services.
- On 1 October 2021, the Company acquired the trade and certain assets and liabilities of REPL Group companies for consideration of £83,157,753. All trades provide consulting and technology services.
- On 1 November 2021, the Company acquired the trade and certain assets and liabilities of CS Technology (UK) Limited for consideration of £1,026,537. A trade that provides infrastructure transformation services.
- On 1 November 2021, the Company acquired the trade and certain assets and liabilities of Infinity Works Consulting Limited for consideration of £231,417,178. A trade that provides technology consultancy.
- On 1 December 2021, the Company acquired the trade and certain assets and liabilities of Lexta UK Limited for consideration of £470,050. A trade specialized in IT benchmarking and IT sourcing advisory.
- On 1 April 2022, the Company acquired the trade and certain assets and liabilities of Business Control Software Limited and Business Control Solutions Public Limited Company for consideration of £67,140,000. Both trades provide business change consultancy.
- On 1 April 2022, the Company acquired the trade and certain assets and liabilities of N3 Results Limited for consideration of £12,931,712. A trade that provides global sales execution.
- On 1 June 2022, the Company acquired the trade and certain assets and liabilities of Xoomworks Limited for consideration of £20,409,599. A trade that provides consulting and technology services.
- On 1 July 2022, the Company acquired the trade and certain assets and liabilities of Founders Intelligence Ltd for consideration of £11,211,235. A trade that provides strategy consulting services.

Share capital

On 11 August 2022, the Company allotted and issued one ordinary share with nominal value of £1 to Accenture International BV at a share premium of £779,999,999 (note 21).

Research and innovation

The Company has access to and benefits from the extensive programme of research and innovation that are undertaken by affiliated companies within the Accenture Group. Research and innovation activities are disclosed in the Accenture plc Annual Report (<https://www.accenture.com/us-en/about/company/annual-report>).

Financial instruments

Due to the nature of its business, the Company is exposed to the effects of fluctuations in foreign currency exchange rates. In order to manage this exposure, the Company has entered into forward currency contract hedging arrangements. Further details are set out in note 18 to these financial statements.

Section 172 Statement - Companies Act 2006

The Board of Directors has constituted an Executive Committee that has oversight of the day-to-day management of the Company, a significant number of the Board are also members of the Executive Committee. The Executive Committee comprises the most senior levels of leadership within the Company. This leadership team represents the interests of all of the Company's key stakeholders. They are regularly updated on stakeholder feedback and consider the long-term consequences and impact that decisions may have on these stakeholders.

Strategic Report for the year ended 31 August 2022 (continued)

Section 172 Statement - Companies Act 2006 (continued)

Our culture is founded on operating business ethically, legally and with integrity. Our actions are governed by our core values and Code of Business Ethics (COBE). More details on our culture and business ethics can be found in the Corporate Governance Statement as Principle 1 on page 11.

The Company is a wholly owned subsidiary of the Accenture Group headed by Accenture plc. The Company supports the Accenture Group strategy and the Board oversees the Company's alignment with the goals of the group (<https://www.accenture.com/content/dam/accenture/final/capabilities/corporate-functions/growth-and-strategy/document/Accenture-Fiscal-2022-Annual-Report.pdf#zoom=50>).

Stakeholder engagement

At Accenture, we deliver 360° value for all our stakeholders—our clients, employees, shareholders, partners and communities. The 360° value encompasses the full value an organisation can deliver—not only its financial metrics, but also its progress toward its sustainability, talent, and inclusion and diversity goals; and its ability to create meaningful experiences for its customers, employees and communities.

We measure our success by how well we are realising this strategy, which reflects our growth drivers, our purpose, our core values and our culture of shared success.

We recognise that building a sustainable business and achieving our long-term purpose requires extensive engagement with a broad set of stakeholders. The methods we use to engage with our stakeholders have been developed over a long period of time and continue to evolve. Below is a non-exhaustive summary of the nature of engagements with the Company's stakeholders. The Company's senior leadership are ultimately responsible for the engagement with these stakeholders and ensuring that feedback from such engagement is built upon.

Stakeholders	Engagement
Clients	<p>Delivering 360° value to our clients, focuses not only on financial goals but on multiple dimensions of value, such as sustainability, inclusion and diversity, talent and more.</p> <p>This encompasses everything we do for our clients—including:</p> <ul style="list-style-type: none"> • delivering the financial business case and unique value a client may be seeking; • striving to partner with our clients to achieve greater progress on inclusion and diversity; • reskill and upskill our clients' employees; • help our clients achieve their sustainability goals; and • create meaningful experiences, both with the Company and for the customers and employees of our clients. <p>We create 360° value by helping the world's leading businesses, governments, and other organisations harness what we believe are the five key forces of change for the next decade:</p> <ul style="list-style-type: none"> • Total enterprise reinvention - every part of every business must be transformed by technology, data and AI, with new ways of working and engaging with customers, employees and partners, and new business models, products and services. We are helping clients build their digital core, optimise operations and accelerate growth. • Talent - companies must be able to access great talent, be talent creators not just consumers, and unlock the potential of their people -from the ways they organise and work, to their culture, to their employee value proposition. • Sustainability - as consumers, employees, business partners, regulators and investors are demanding companies move from commitment to action—every business must be a sustainable business. • The metaverse continuum - moving seamlessly between virtual and physical will provide even greater possibilities in the next waves of digital transformation. • The ongoing technology revolution - from the rich innovation to come in the powerful technologies being used to transform companies today, to the new fields of the future, from quantum computing, to science and space technology.

Strategic Report for the year ended 31 August 2022 (continued)

Section 172 Statement - Companies Act 2006 (continued)

Stakeholders	Engagement
Clients (continued)	<p>Investing in long-lasting, strong and deep relationships is key to the Accenture Group and hence to the Company's success. In FY22, ninety-nine of the Accenture Group's one hundred top global clients have been clients for more than ten years.</p> <p>Our senior leaders sponsor specific client relationships and we have dedicated client account leadership to ensure the voice of the client is heard in all our interactions. Client engagement is embedded in how we deliver our services. We have rigorous quality assurance processes in place to ensure we understand and respond to performance feedback from our clients.</p>
Our Employees	<p>We support our employees with care and compassion and continually offer them opportunities to learn, grow their skills and advance their careers, with a commitment to pay equity and to creating an inclusive work environment.</p> <p>The Company is committed to the health, safety and well-being of our employees and provides a comprehensive range of health benefits to employees and their dependents. We have received ISO® 45001 certification in the UK, a globally recognised standard for occupational health and safety.</p> <p>We recognise our people identify in many different ways and offer a wide variety of resources to support our people and increase understanding of our inclusive culture, such as Unconscious Bias and Thriving Together; training programmes to build skills and leadership capabilities; and employee resource groups and networks that create a sense of belonging and community. Working to eliminate discrimination in employment and applying our principle of meritocracy when we make decisions about how our people advance are fundamental parts of our commitment. In addition, we are building inclusion into how we deliver at Accenture through our work on accessibility, Responsible Artificial Intelligence (AI) and inclusive design. Our people have the opportunity to voluntarily share information about themselves through our "Self ID" programme—such as their legal gender, gender identity, sexual orientation, ethnicity and race, and disability. Self-ID helps us to accelerate Accenture's culture of equality by enabling us to better understand our employees' needs, create personalised experiences, and enhance their Accenture experience.</p> <p>We also provide a suite of benefits covering mental emotional, financial, physical and workplace wellbeing and access to inclusion and diversity networks giving our people the opportunity to support one another and channel insights from their lived experience to our leadership to drive positive change.</p> <p>We are committed to providing an inclusive environment where all of our people can thrive and feel that they belong. The Company is committed to a goal of gender parity and 30% women managing directors by 2025. As of 31 August 2022, the UK had 40.7% women in the workforce and 28.8% of UK managing directors are women. The Company is also committed our UK goal of increasing the proportion of Black colleagues to 7% and doubling our Black managing directors to sixteen or more by 2025. As of 31 August 2022, Black colleagues represent 4.5% of our UK workforce and ten (1.3%) of our managing directors.</p> <p>To support our Black employees, we created Engage!, a leadership journey for Black employees, their direct managers and sponsors that focuses on culture change and inclusive behaviours across the employee ecosystem.</p> <p>The Company has a regular review process to validate living wages and help ensure we pay 100% of our employees a living wage or more, which is above the legally required minimum wage in the UK. The Company is an accredited "real Living Wage" employer. We also conduct an annual pay equity review. As of 5 November 2021, we had 100% pay equity for women compared to men. By race and ethnicity, we likewise had 100% pay equity.</p>

Strategic Report for the year ended 31 August 2022 (continued)

Section 172 Statement - Companies Act 2006 (continued)

Stakeholders	Engagement
<p>Our Employees (continued)</p>	<p><i>Apprenticeship programme</i></p> <p>In FY22, the Company employed nearly 200 apprentices, a 93% increase in participation over the prior year. The apprenticeship programme widens our talent pool to include underrepresented groups, enabling entry-level talent the opportunity to work across technology, consulting and human resources. We offer university level further education including an M.Sc. Digital and Technology Solutions Degree Apprenticeship. In our London cohorts over the last three years, nearly 70% were from low socio-economic backgrounds, nearly 60% women and over 30% of the participants were Black.</p> <p>The Company's current initiatives are explained in more detail in Inclusion and diversity in the United Kingdom at www.accenture.com/gb-en/about/inclusion-diversity/uk-workforce and in the 360° Value Report at https://www.accenture.com/content/dam/accenture/final/corporate/corporate-initiatives/sustainability/document/360-Value-Report-2022.pdf#zoom=50.</p>
<p>Environment and Communities</p>	<p>Environment</p> <p>We continue to be committed to addressing environmental issues both for the Accenture Group and by helping our clients and our suppliers make and meet their commitments across impacts such as carbon emissions, waste generation, and water use etc.</p> <p><i>Our commitments and progress</i></p> <p>The Accenture Group is a signatory to the United Nations Global Compact Business Ambition for 1.5° Pledge. The Group's science-based target (https://sciencebasedtargets.org/) is to achieve a 11% reduction in absolute scope 1, 2 and 3 GHG emissions by 2025 from a 2016 base-year. This target includes a 65% reduction in scope 1 and 2 emissions and represents a 40% per unit of revenue intensity reduction for scope 1, 2 and 3 GHG emissions over the same time period.</p> <p>The Accenture Group has achieved a 68% reduction in total emissions from our 2016 baseline. Scope 1 and 2 GHG emissions reduced by 91%, surpassing our goal of a 65% absolute reduction against our 2016 baseline. Total emissions per unit of revenue reduced by 82%, surpassing our goal of reducing Scope 1, 2 and 3 emissions per unit of revenue intensity by 40% against our 2016 baseline. We have achieved 100% renewable energy across our UK operations.</p> <p>As a subsidiary of the Accenture Group, the Company is committed to the same goals.</p> <p>We have set a goal to achieve net-zero emissions by the end of 2025. Our UK energy usage is detailed in the Streamlined Energy and Carbon Reporting (SECR) disclosure on pages 14-15.</p> <p>During FY22, in the UK we reused or recycled 100% of our e-waste relating to computers and workstations. We continue our efforts to reuse or recycle other e-waste such as monitors and servers. While we already responsibly manage other forms of e-waste, we will expand our digital asset tracking of additional categories to include monitors, servers and uninterruptible power supply devices in FY23.</p> <p><i>Plan for water risk</i></p> <p>To promote business continuity and resilience, we will develop plans to reduce the impact of flooding, drought and water scarcity on our business and our people in high-risk areas by 2025.</p> <p><i>Investing in a low-carbon future</i></p> <p>Get Nature Positive – In a collaboration between Accenture, the UK Department for Environment, Food and Rural Affairs and the Council for Sustainable Business (CSB), the Get Nature Positive (GNP) handbook was launched to support businesses on their journey to protecting, restoring and sustainably using nature, and to position nature positive actions as key to reaching net-zero targets. We are now partnering with, and supporting, global NGO Business for Nature, alongside their 75+ partners including the World Economic Forum (WEF), We Mean Business, World Business Council for Sustainable Development, International Chamber of Commerce, Capitals Coalition, World Wide Fund for Nature and many others to bring GNP to a global audience as part of broader efforts to scale and speed up business action to address nature loss.</p>

Strategic Report for the year ended 31 August 2022 (continued)

Section 172 Statement - Companies Act 2006 (continued)

Stakeholders	Engagement
Environment and Communities (continued)	<p>The Company's current global initiatives are explained in more detail in the 360^o Value Report at https://www.accenture.com/content/dam/accenture/final/corporate/corporate-initiatives/sustainability/document/360-Value-Report-2022.pdf#zoom=50.</p> <p>Collaborating with Communities</p> <p>We seek to empower communities to deliver lasting positive social and environmental impact, driving solutions that will help us bridge skills gaps and combat urgent climate and nature crises. Our UK people provided 35,742 hours of pro bono consulting in FY22 to charities, social enterprises and other welfare-to-work organisations. This includes looking for ways to harness technology to create a positive social impact and transform society at scale.</p> <p>Skills to Succeed</p> <p>Through our Skills to Succeed initiative, we collaborate with our partners to prepare people to for employment and entrepreneurship opportunities.</p> <p>In FY22 our Skills to Succeed programmes in the UK have supported 79,065 people in the UK to build their skills. Examples include:</p> <ul style="list-style-type: none"> • Co-founding the FutureDotNow coalition to ensure vulnerable people can develop digital skills for work and life • Being a founding partner of Movement to Work, a collaboration of UK employers committed to tackling youth unemployment through the provision of vocational training and work placements for young people who are not in education, employment or training. • Developing with Generation UK a bespoke 12-15 week training programme to upskill graduates, career changers or 'at risk' individuals to help launch their careers in tech. • Co-creating Mobolise, a digital recruitment platform to connect Black talent with career opportunities in the United Kingdom's creative and technology fields by enabling access to job opportunities, upskilling, mentoring and networking. • Being a founding member of Progress Together, a first-of-its-kind body focusing on the progression and retention of employees from lower socio-economic backgrounds in the financial services sector. • Stay Nimble – Accenture's partnership to co-create the digital career coaching platform Stay Nimble helps UK workers reimagine their careers and navigate a shifting labour market. This has recently included the launch of the new green skills programme. <p>Accenture Development Partnerships (ADP)</p> <p>ADP helps our clients address society's most critical challenges. Specifically, through its Inclusive Business offering, ADP collaborates with private sector clients to drive sustainable impact at scale to support their environmental, social and governance goals.</p> <p>For example, ADP and technology company Arm have developed an ultra-durable tablet prototype that could improve the lives of millions. With long battery life at an affordable price the prototype has the potential to support health workers and improve the lives of millions of people in rural and disadvantaged communities.</p> <p>Communities in crisis and refugees</p> <p>Accenture is helping meet the essential immediate and longer-term needs of Ukrainian refugees. The Company partnered with the Confederation of British Industry (CBI) to organise essential humanitarian food boxes for delivery to Ukraine. Our people in the United Kingdom worked with British food manufacturers, supply chain partners and the Ukrainian embassy in London to enable this essential aid to reach people in need.</p> <p>Our Accenture Group activities, including in the UK can be found in our 360 Value Report at https://www.accenture.com/content/dam/accenture/final/corporate/corporate-initiatives/sustainability/document/360-Value-Report-2022.pdf#zoom=50.</p>

Strategic Report for the year ended 31 August 2022 (continued)

Section 172 Statement - Companies Act 2006 (continued)

Stakeholders	Engagement
Suppliers	<p>The size and scale of our supply chain affords us the opportunity to drive a culture of responsible buying. As we continue to grow as a company, we recognise our responsibility to deliver long-term value to society through our clients, suppliers and communities.</p> <p>As we continue to build supply chains that are more sustainable and inclusive, we recognise the need for an ethical procurement strategy that is reflective of our core values and our Code of Business Ethics (COBE). Our ethical procurement strategy is an underlying component of our business practice and influences applicable training for Accenture people, selection criteria for suppliers and the development of our standards for conducting business with our suppliers. To encourage broader transparency within our supply chains, we require our suppliers to adhere to our Supplier Standards of Conduct, which supplement our Code of Business Ethics, or to make an equivalent commitment.</p> <p>We continue to invest in new technology and processes to help us have greater visibility into environmental, social and governance (ESG) performance of our suppliers. Our Sustainable Procurement Hub (The Hub), which we are rolling out globally will enhance and provide greater transparency from our direct suppliers about their own human rights policies and sustainability practices. The tool also allows us to perform due diligence processes to inform our buyer selection decisions, onboarding and ad hoc ESG assessments. We have utilised The Hub to conduct more than 3,000 sustainability assessments (globally) to better understand our suppliers' ESG performance.</p> <p>Our Supplier Standards of Conduct reflects our support of the ten Principles of the United Nations Global Compact – and we have continued to lead by example in upholding these principles since we signed the UNGC in 2008. supporting its efforts to advance sustainability, equality and human rights.</p> <p>The Accenture Supplier Standards of Conduct are available at https://www.accenture.com/_acnmedia/pdf-58/accenture-supplier-standards-of-conduct-final-en.pdf. The Company expects its business partners and suppliers to operate to the same standards as it does and in that regard works with its business partners and suppliers to meet environmental sustainability, inclusion, diversity, social innovation and human rights including the elimination of modern slavery. In turn we expect our suppliers to apply these standards to their own suppliers, thereby continuing the impact of our ethical procurement strategy. Our Modern Slavery Transparency Statement is available at https://www.accenture.com/_acnmedia/PDF-173/Accenture-Modern-Slavery-Act-Transparency-Statement-2022.pdf.</p> <p>Our Diverse Supplier Development Program (DSDP) (https://www.accenture.com/gb-en/about/company/accenture-supplier-inclusion-sustainability) reflects our commitment to developing and expanding relationships with diverse businesses owned by minorities, women, persons with disabilities, LGBTIQ+, veterans, disabled veterans, and service-disabled veterans among others. The formal 18-month programme matches our executive mentors with supplier companies to help them grow their businesses. In turn, the Company, its clients, and communities' benefit from their innovative contributions. Not only does DSDP represent a strategic sourcing strategy for the Company and its clients, but also strengthens communities by creating more businesses, jobs, and economic growth. To-date thirty three UK suppliers have completed the programme. New suppliers are currently working through to graduation for FY23.</p> <p>Prompt Payment Code</p> <p>We are signatory to the Prompt Payment Code, which requires a continual focus on ensuring that we pay our suppliers on time, within the payment terms agreed. We consistently make more than 95% of our U.K. payments within 60 days as required by the code. Timely payment to suppliers helps to support cashflow and enables them to continue focus on delivering innovation leading to shared success.</p>

Strategic Report for the year ended 31 August 2022 (continued)

Principal risks and uncertainties

The principal risks and uncertainties of the Company are intrinsically linked to those faced by the broader Accenture Group, which are disclosed in the Accenture plc Annual Report. The Accenture Group performance continues to be strong and there is nothing to be considered a significant risk to the Company's continuing profitability. There are a range of risks and uncertainties facing the Company and the list below is not intended to be exhaustive. The focus is on those specific risks and uncertainties that the Directors believe could have a significant impact on the Company's position and performance.

Competitive pressures

The Company's performance is largely dependent on the ability to compete successfully in the UK market by adapting to the needs of our UK client base. Market share and the level of client spending could be affected by the emergence of new competitors, quality, pricing and reputation. Competitors may be able to:

- more successfully sell similar services;
- innovate and develop new services and solutions faster than the Accenture Group;
- anticipate the need for services and solutions before the Company; or
- offer more aggressive contractual terms, which may affect the Company's ability to sign profitable contracts.

Other operational risks

Health emergencies or pandemics, including COVID-19; acts of terrorist violence; political, social and civil unrest; regional and international war and other hostilities and international responses to these wars and hostilities; natural disasters, occurrences of which may increase in frequency and severity as a result of climate change; or the threat of or perceived potential for these events; and other acts of God could in the future have significantly negative impacts on us. These events could adversely affect our clients' levels of business activity and precipitate sudden and significant changes in regional and global economic conditions and cycles.

Extended disruptions of electricity, other public utilities or network or cloud services at our facilities or in the areas where our people are working remotely, as well as physical infrastructure damage to, system failures at, cyberattacks on, or security incidents involving, our facilities or systems, or those of our ecosystem partners, suppliers or clients, could also adversely affect our ability to conduct our business and serve our clients. If any of these circumstances occurs, we have a greater risk that interruptions in communications with our clients and people, and any down-time in important processes we operate for clients, could result in a material adverse effect on our results of operations and our reputation in the marketplace.

Moreover, the extent to which COVID-19 will continue to impact our business, operations and financial results will depend on numerous evolving factors that are difficult to accurately predict, including:

- the emergence and virulence of new variants;
- the availability and effectiveness of vaccines and treatments for COVID-19 globally; government, business and individuals' actions in response to the pandemic; and
- the effect on the macroeconomic environment and on our clients and their supply chains.

We are unable to protect our people, facilities and systems, and those of our ecosystem partners, suppliers and clients, against all such events. Our business continuity and disaster recovery plans may not be effective, particularly if catastrophic events occur where large numbers of our people are located, or simultaneously affect our people in multiple locations around the world. We generally do not have insurance for losses and interruptions caused by terrorist attacks, conflicts and wars. If these disruptions prevent us from effectively serving our clients, our results of operations could be significantly adversely affected.

The Company has not seen any material adverse impact from COVID-19 and other operational risks on its business during the financial year or post year end. However, we are actively managing our business to respond to any potential future impact.

Strategic Report for the year ended 31 August 2022 (continued)

Principal risks and uncertainties (continued)

Reliance on Accenture plc group - exposure to credit, liquidity and cash flow risk


The Accenture Group operates a centralised treasury function which manages Accenture plc's overall Treasury policy, risk management and its liquidity requirements including those of the Company. The Company's principal financial assets are trade and other receivables related to clients and intercompany activity.


The Company has no external borrowings and the Accenture Group Treasury function manages the Company's foreign exchange exposure.

The Company's credit risk is primarily attributable to its trade receivables. The Company has no significant concentration of credit risk, with exposure spread over a large number of clients.

The Company is financed by operating cash flows. In the event of a customer default or cash flow deficit, the Company has access to funding from the Accenture Group.

Approved by the Board on 24 February 2023 and signed on its behalf by:

DocuSigned by:

F60A631D3BB0467.....
M Fernandes
Director

DocuSigned by:

7D96042B384P4AC.....
S Eaves
Director

Directors' Report for the year ended 31 August 2022

The Directors present their report and the Financial Statements of Accenture (UK) Limited for the year ended 31 August 2022.

Directors of Accenture (UK) Limited

D Burton
E Mackay
S Eaves
D Simpson
C Mottershead (resigned 22 February 2022)
S Sayed
L Rose (appointed 22 February 2022)
M Fernandes (appointed 30 November 2022)

Accenture (UK) Limited has professional indemnity insurance in place for the benefit of the Directors.

Dividends

No dividends were paid (2021: £nil). The Directors do not recommend payment of a final dividend (2021: £nil).

Going concern

The Company generated a profit for the year after taxation amounted to £97,124,000 (2021: £154,428,000) and had net current liabilities of £166,011,000 (2021: £521,698,000) and net assets of £2,730,613,000 as at 31 August 2022 (2021: £1,895,320,000).

At the time of approving the financial statements, the Directors consider that the Company has adequate resources to continue in operational existence for the foreseeable future. In addition, the ultimate parent company has pledged its support for a minimum of 12 months from the date of issuing these financial statements.

Accordingly, the Directors continue to adopt the going concern basis in preparing the report and the financial statements.

Charitable and political contributions

Accenture (UK) Limited made charitable contributions totalling £3,738,027 during the year (2021: £2,362,318). The Company made no political contributions during the year (2021: £Nil).

Future developments

The Company plans to continue its present activities and the Directors' focus remains on continuing to deliver value to our clients and pursuing profitable growth.

Matters dealt within the Strategic Report

The financial risk management, exposure to risks and research and innovation are discussed in Strategic Report in the pages 2-10.

Corporate Governance Statement

As a subsidiary of the Accenture Group, the Company adheres to its governance ethos and practices. The Company operates in accordance with its Memorandum and Articles, Code of Business Ethics (COBE) and the governance principles set out below.

The Company has not adopted Accenture plc's Governance Guidelines as these are specific to a listed company nor has it adopted any other governance code. While Accenture plc's Governance is specific to a listed company, there is much in Accenture's plc's governance that applies to Accenture UK and is reflected in the governance principles set out in the next page.

Directors' Report for the year ended 31 August 2022 (continued)

Corporate Governance Statement (continued)

Principle One – Values and Culture

The Company is a wholly owned subsidiary of the Accenture Group headed by Accenture plc. The Board and wider Accenture leadership oversee the Company's alignment with the Company's purpose, goals, strategies and ethics and compliance with its code of business ethics and associated policies.

We aim to lead, not only in our services to our clients but in our service to our wider stakeholders (our people, our partners & suppliers, the communities in which we operate, and the planet) as described in our section 172 statement.

Our governance seeks to enthuse this leadership across the organisation. We have a well-defined Code of Business Ethics (COBE) supported by a culture of accountability, ethical conduct and compliance. Our people have clear and visible channels to access the information they need to make ethical decisions and are required to take part in training and reinforcement of COBE annually. COBE builds on our six core values - Client Value Creation, One Global Network, Respect for the Individual, Best People, Integrity and Stewardship by providing greater detail about expected behaviours and our associated policies (https://www.accenture.com/_acnmedia/PDF-63/Accenture-CoBE-Brochure-English.pdf)

Principle Two – Board Composition

The constitution of the Company's Board includes representation from all functions of the business. The Board includes leaders drawn from the Global Management Committee (GMC), client service, human resources, operations, finance and legal. Consistent with the Company's policy on diversity, the Board is diverse in its gender, ethnicity and skills and comprises the members below.

Daniel Burton	• Senior Finance Director and Chief Financial Officer, UK and Ireland**
Simon Eaves	• Chairman and Managing Director of Accenture, UK and Ireland • A member of the Accenture group Global Management Committee
Malcolm Fernandes (appointed on 30 November 2022)	• Commercial Director, UK and Ireland** • Global Finance Ethnicity & Cross Cultural Diversity lead
Lisa Rose (appointed on 22 February 2022)	• HR Senior Director for UK and Ireland
Ewan Mackay	• Senior Managing Director and Head of Sales, UK and Ireland***
Candida Mottershead (resigned on 22 February 2022)	• HR Lead for Technology, Europe*
Shaheen Sayed	• Senior Managing Director and the head of Accenture Technology in UK and Ireland
Derek Simpson	• Managing Director and Director of Legal Services UK and Ireland

*As at the date of signing these accounts, Candida Mottershead is no longer on the board of directors of the Company.

**Since 1 September 2022 and as at the date of signing of these accounts, Malcolm Fernandes has taken over the role of Chief Financial Officer, UK and Ireland from Daniel Burton. Daniel Burton has held the position of Chief Financial Officer – Strategy & Consulting since 1 September 2022.

***Since 1 December 2022 and as at the date of signing of these accounts, Ewan Mackay has taken on the role of Global Lead for Deal Structuring & Pricing.

Principle Three – Director Responsibilities

The Board has responsibilities for the overall governance and oversight of the Company strategy and operations. The Board meets regularly to approve acquisitions, delegations of authority, financial statements and the declaration of dividends. The Board includes senior leadership with the requisite skills and experience to deliver on these accountabilities.

The UK Board is supported by the Executive Committee who have oversight of the day-to-day operations of the UK business. A significant number of UK Board members are also members of the Executive Committee and the Chairman of the Board sits on the GMC which includes representatives from all the geographic markets in which the Accenture Group operates and the Accenture Group CEO.

Members of the Board act in accordance with Accenture's COBE, which is applicable to all Directors as well as all other Accenture personnel. This includes strict adherence to Accenture's policies with respect to conflicts of interest, confidentiality, and ethical conduct in all business and personal dealings. Board members are required to be mindful of possible conflicts of interest that could impair their independence as a Director.

Directors' Report for the year ended 31 August 2022 (continued)

Corporate Governance Statement (continued)

Principle Three – Director Responsibilities (continued)

The Company has procedures in place so that a Director can escalate conflicts. If a significant conflict arises and cannot be resolved the Director would be expected to resign.

The Board completed the annual Accenture Leader Compliance Certification, certifying understanding of and compliance with Accenture's key compliance priorities and requirements. The Accenture Group has a global set of policies implemented in the UK that ensure at all times its Directors and all employees operate with the appropriate integrity, compliance, control and within the law.

Principle Four – Opportunity and Risk

The Company's long-term strategic opportunities are aligned with the Accenture Group's strategic direction as set out in the Accenture plc's Annual Report (<https://www.accenture.com/content/dam/accenture/final/capabilities/corporate-functions/growth-and-strategy/document/Accenture-Fiscal-2022-Annual-Report.pdf#zoom=50>). The risks associated to the Company are common to those that the Accenture Group faces (refer to Accenture plc's Annual Report) and the specific risks to the UK marketplace have been set out in the Strategic Report.

While there are defined processes to identify opportunity and manage risks, there is the expectation that all our leaders should be doing so to ensure rapid sense and response for our clients and more broadly for our other stakeholders. There are then a number of approval forums to approve the associated business actions.

Accenture is organised by its five services: Strategy & Consulting, Technology, Operations, Industry X and Song. The Accenture Group manages its business through three geographic markets — North America, Europe, and Growth Markets – and goes to market by industry. The Accenture Group's Global Management Committee (GMC) has recently been expanded to include a broader representation of leaders from its services and geographic markets. The Accenture UK Board of Directors is represented on the GMC by the Chairman of the Board.

Principle Five – Remuneration

The Company pays its executives an appropriate mix of short and long-term incentives based on challenging performance objectives in alignment with our 360 degree value commitments. Executive compensation is aligned with shareholder returns of Accenture plc through performance-based vesting of equity incentive awards. Accenture has a clawback policy that applies to both incentive cash bonus and equity-based incentive compensation awarded to our Chair and Chief Executive Officer and members of the GMC as well as our senior leaders.

We ensure we are always current on legislative requirements, best market practice and remuneration benchmarking, drawing on evidence from across the sectors in which we operate and from other sectors. Pay equity at Accenture means that our people receive pay that is fair and consistent when considering similarity of work, location and tenure at career level. We use appropriate peer groups when establishing compensation and retain an independent compensation consultant.

Principle Six – Stakeholder Engagement

We acknowledge that in the course of our core business, the advice and solutions we sell to clients impacts various stakeholders within and beyond their businesses whom we must actively consider.

Board members and our wider leadership aim to develop and embed increasingly visible and deliberate consideration of our stakeholders including social and environmental impacts into all our client proposals and projects and the core processes underpinning them. Our actions will continue to be governed by our core values, COBE and compliance with legal requirements.

More details can be found in our Section 172 statement on page 4.

Statement on engagement with suppliers, customers and others in a business relationship

Refer to our Section 172 statement in the strategic report and Corporate Governance statement for details.

Statement of engagement with employees

Refer to our Section 172 statement in the strategic report and Corporate Governance statement for details.

Directors' Report for the year ended 31 August 2022 (continued)**SECR**

SECR statement gives the Company's annual energy consumption and greenhouse gas (GHG) emissions for the year starting on 1 September 2021 and ending 31 August 2022 (known as "fiscal 2022" for the business).

The table below represents the Company's energy use and associated GHG emissions in relation to activities for which the Company is responsible across the United Kingdom (UK), including combustion of gas from building operations and fuels for business travel and emissions from the purchase of electricity by the Company for its own use.

In 2022, the Company was responsible for a total of 11,963,825.0 (2021: 8,507,501.4 kWh energy consumption) (total UK electricity use, total UK gas use and total business travel).

Area	2022	2021
	Kilowatt hours (kWh)	Kilowatt hours (kWh) As restated
Electricity <i>(Value derived from a mixture of actual and estimated data)</i>	6,057,595.0	5,024,395.2
Natural gas <i>(Value derived from a mixture of actual and estimated data)</i>	3,850,491.0	1,044,171.4
Business travel* - Personal cars	469,315.0	381,989.5
Business travel* - Rental cars	1,586,424.0	2,056,945.3
	<u>11,963,825.0</u>	<u>8,507,501.4</u>

*For Business Travel, the only category that applies to Accenture is: 'Fuel used in personal/hire cars on business use (including fuel for which the organisation reimburses its employees following claims for business mileage).

Scope	2022	2021
	CO ₂ equivalent (mtCO ₂ e)	CO ₂ equivalent (mtCO ₂ e) As restated
Scope 1 - <i>Direct combustion of fuel from operation of properties (excluding business travel)</i>	—	—
Scope 2 - <i>Electricity purchased for landlord shared services and own use (purchase of heat, steam and cooling not applicable)</i>	778.0	259.5
Scope 3* - <i>Other emissions that are a consequence of our business activities, which occur at sources which we do not own or control and are not classed as Scope 2</i>	15,523.0	10,275.8
	<u>16,301.0</u>	<u>10,535.3</u>
GHG emissions per head (mtCO₂e/UK headcount)	16,301.0 mtCO ₂ e / 11,971 people 1.40 mtCO ₂ e per head	10,535.3 mtCO ₂ e / 8,988 people 1.17 mtCO ₂ e per head

*Scope 3 is made up of emissions from various source categories such as Purchased goods and services, Business travel (Air, rail, personal car, taxi, rental car and hotels).

SECR Methodology Statement

This document covers the Company's operational scope for the year. Our reported carbon emissions data is prepared in accordance with the Greenhouse Gas ("GHG") Protocol.

Not only do we publish and have published for years a comprehensive United Nations Global Compact: Communications on Progress (https://www.accenture.com/_acnmedia/PDF-168/Accenture-United-Nations-Global-Compact-Communication-on-Progress-2021.pdf) but we also have expanded our Environmental, Social and Governance reporting (ESG) with three additional ESG frameworks—the Sustainability Accounting

Directors' Report for the year ended 31 August 2022 (continued)

SECR Methodology Statement (continued)

Standards Board (SASB), the Task Force on Climate-related Financial Disclosures (TCFD) and the World Economic Forum International Business Council (WEF IBC) metrics—while continuing to report against the Global Reporting Initiative (GRI) Standards, the United Nations Global Compact's (UNGC) Ten Principles and disclose to CDP.

Electricity and gas consumption data are gathered from a variety of sources, including smart meter feeds, meter readings and supplier invoices. Where these are unavailable, estimations are used. These estimations are calculated using energy performance indicators from similar properties. Further details about our methodology can be read in our CDP Climate Change Response 2022 (<https://www.accenture.com/content/dam/accenture/final/corporate/corporate-initiatives/sustainability/document/Accenture-CDP-2022.pdf#zoom=40>) and our 360° Value Report 2022 (<https://www.accenture.com/content/dam/accenture/final/corporate/corporate-initiatives/sustainability/document/360-Value-Report-2022.pdf#zoom=50>).

Energy efficiency actions

The Company continues to be committed to addressing environmental issues both for the Accenture Group and by helping our clients and our suppliers make and meet their commitments. As part of our Net-zero plan, we strive to meet our office energy needs with 100% renewable electricity by 2023—to date, globally we achieved 97% renewable electricity and equip our people to make climate-smart travel decisions. In the UK, we have already achieved this status and powered our offices with 100% renewable electricity.

Please refer to Environment - our commitments and progress in Section 172 statement on page 6-7 for details.

Subsequent events

Subsequent to the year end the following events occurred:

- On 1 September 2022, the Company acquired the trade and certain assets and liabilities of Avieco Limited, a UK sustainability consultancy.
- On 1 September 2022, the Company acquired the trade and certain assets and liabilities of Umlaut Limited, an entity that provides engineering consulting and services.
- On 1 February 2023, the Company acquired the trade and certain assets and liabilities of Carbon Credentials Energy Services Limited, an entity that provides climate change strategy consultancy.

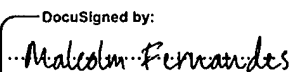
Disclosure of information to auditor

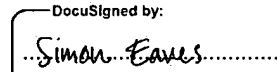
The Directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the the Company's auditor is unaware and each Director has taken all the steps that they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG, Chartered Accountants will therefore continue in office.

Approved by the Board on 24 February 2023 and signed on its behalf by:

DocuSigned by:

M Fernandes
Director

DocuSigned by:

S Eaves
Director

Statement of Directors' Responsibilities in respect of the Strategic Report, Directors' Report and the Financial Statements

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

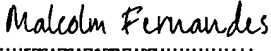
Company law requires the Directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with FRS 101 *Reduced Disclosure Framework*.

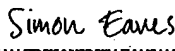
Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that year. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal controls as they determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Approved by the Board on 24 February 2023 and signed on its behalf by:

DocuSigned by:

.....F60A631D38BC467.....
M Fernandes
Director

DocuSigned by:

.....7D96042B384F4AC.....
S Eaves
Director



KPMG
Audit
1 Stokes Place
St. Stephen's Green
Dublin 2
D02 DE03
Ireland

Independent Auditor's Report to the members of Accenture (UK) Limited

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Accenture (UK) Limited ('the Company') for the year ended 31 August 2022 set out on pages 20 to 67, which comprise the Profit and Loss Account, the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and related notes, including the summary of significant accounting policies set out in note 2. The financial reporting framework that has been applied in their preparation is UK Law and FRS 101 *Reduced Disclosure Framework*.

In our opinion:

- the financial statements give a true and fair view of the state of the Company's affairs as at 31 August 2022 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with FRS 101 *Reduced Disclosure Framework* issued by the UK's Financial Reporting Council; and
- the financial statements have been properly prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Company in accordance with ethical requirements that are relevant to our audit of financial statements in the UK, including the Financial Reporting Council (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 relation to going concern

The Directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the Directors' conclusions, we considered the inherent risks to the Company's business model and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period.

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 the date 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.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the Company will continue in operation.



Independent Auditor's Report to the members of Accenture (UK) Limited (continued)

Report on the audit of the financial statements (continued)

Detecting irregularities including fraud

We identified the areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements and risks of material misstatement due to fraud, using our understanding of the entity's industry, regulatory environment and other external factors and inquiry with the Directors. In addition, our risk assessment procedures included: inquiring with the Directors as to the Company's policies and procedures regarding compliance with laws and regulations and prevention and detection of fraud; inquiring whether the Directors have knowledge of any actual or suspected non-compliance with laws or regulations or alleged fraud; inspecting the Company's regulatory and legal correspondence; and reading Board minutes.

We discussed identified laws and regulations, fraud risk factors and the need to remain alert among the audit team.

The Company is subject to laws and regulations that directly affect the financial statements including companies and financial reporting legislation. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items, including assessing the financial statement disclosures and agreeing them to supporting documentation when necessary.

The Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: health and safety, anti-bribery, employment law, environmental law.

Auditing standards limit the required audit procedures to identify non-compliance with these non-direct laws and regulations to inquiry of the Directors and other management and inspection of regulatory and legal correspondence, if any. These limited procedures did not identify actual or suspected non-compliance.

We assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. As required by auditing standards, we performed procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition. We identified a fraud risk in relation to the Company's percentage of completion revenue stream.

In response to risk of fraud, we also performed procedures including: identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation; evaluating the business purpose of significant unusual transactions; assessing significant accounting estimates for bias; and assessing the disclosures in the financial statements.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remains a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Other information

The Directors are responsible for the other information presented in the Annual Report together with the financial statements. The other information comprises the information included in the Strategic Report and Directors' Report. The financial statements and our auditor's report thereon do not comprise part of the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.



Independent Auditor's Report to the members of Accenture (UK) Limited (continued)

Report on the audit of the financial statements (continued)

Opinions on other matters prescribed by the Companies Act 2006

Based solely on our work on the other information undertaken during the course of the audit:

- we have not identified material misstatements in the Directors' Report or the Strategic Report;
- in our opinion, the information given in the Directors' Report and the Strategic Report is consistent with the financial statements;
- in our opinion, the Directors' Report and the Strategic Report have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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.

We have nothing to report in these respects.

Respective responsibilities and restrictions on use

Responsibilities of Directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities set out on page 16, the Directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they 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 other irregularities, and to issue an opinion in 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 other irregularities 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 fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

Our 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.

Emer McGrath (Senior Statutory Auditor)
For and on behalf of KPMG, Statutory Auditor
1 Stokes Place
St. Stephen's Green
Dublin 2
Ireland

27 February 2023

Profit and Loss Account for the year ended 31 August 2022

		2022	2021
	Note	£ 000	£ 000
Turnover	3	3,399,638	2,611,769
Cost of sales		(2,662,569)	(1,965,620)
Gross profit		737,069	646,149
Administrative expenses		(601,458)	(436,611)
Operating profit	4	135,611	209,538
Other interest receivable and similar income	6	2,760	1,346
Interest payable and similar expenses	6	(12,663)	(7,425)
Profit before tax		125,708	203,459
Tax on profit on ordinary activities	10	(28,584)	(49,031)
Profit for the year		97,124	154,428

The above results were derived from continuing operations.

The notes on pages 24 to 67 form an integral part of these financial statements.

Statement of Comprehensive Income for the year ended 31 August 2022

	Note	2022 £ 000	2021 £ 000
Profit for the year		97,124	154,428
Other comprehensive (loss)/income:			
Items that will not be reclassified subsequently to profit or loss			
Remeasurements of retirement benefit asset	9	(12,518)	48,966
Related taxation	11	3,129	(9,953)
		<u>(9,389)</u>	<u>39,013</u>
Items that are or may be reclassified subsequently to profit or loss			
Net change in fair value of cash flow hedge transferred from equity		(10,946)	1,157
Deferred taxation on change in fair value of cash flow hedge transferred from equity	11	2,737	(289)
Effective portion of changes in fair value of cash flow hedge		60,275	5,475
Deferred taxation on effective portion of changes in fair value of cash flow hedge	11	(15,070)	(1,320)
	18	<u>36,996</u>	<u>5,023</u>
Other comprehensive income for the year		<u>27,607</u>	<u>44,036</u>
Total comprehensive income		<u>124,731</u>	<u>198,464</u>

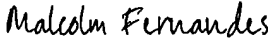
The notes on pages 24 to 67 form an integral part of these financial statements.


Company Registration Number: 04757301
Balance Sheet as at 31 August 2022

	Note	2022 £ 000	2021 £ 000
Fixed assets			
Intangible assets	12	2,517,292	2,006,412
Tangible assets	14	174,307	162,829
Investments	15	530,879	570,914
		<u>3,222,478</u>	<u>2,740,155</u>
Current assets			
Debtors: amounts due after more than one year	16	156,838	172,199
Debtors: amounts due within one year	16	835,021	750,298
Cash at bank and in hand		36,543	41,029
		<u>1,028,402</u>	<u>963,526</u>
Creditors: amounts falling due within one year	17	<u>(1,194,413)</u>	<u>(1,485,224)</u>
Net current liabilities		<u>(166,011)</u>	<u>(521,698)</u>
Total assets less current liabilities		<u>3,056,467</u>	<u>2,218,457</u>
Creditors: amounts falling due after more than one year	17	<u>(307,940)</u>	<u>(313,357)</u>
Provisions for liabilities			
Provisions	20	<u>(17,914)</u>	<u>(9,780)</u>
Net assets		<u><u>2,730,613</u></u>	<u><u>1,895,320</u></u>
Capital and reserves			
Share capital	21	1,026,000	1,026,000
Share premium	21	877,000	97,000
Cash flow hedge reserve	21	41,368	4,372
Capital contribution	21	(98,839)	(29,401)
Retained earnings	21	885,084	797,349
Total equity		<u><u>2,730,613</u></u>	<u><u>1,895,320</u></u>

The notes on pages 24 to 67 form an integral part of these financial statements.

These financial statements were approved by the Board on 24 February 2023 and signed on its behalf by:

DocuSigned by:

 F60A831D3B8C487.....
 M Fernandes
 Director

DocuSigned by:

 7D98042B384P4AC.....
 S Eaves
 Director

Statement of Changes in Equity for the year ended 31 August 2022

	Share capital £ 000	Share premium £ 000	Cash flow hedge reserve £ 000	Capital contribution £ 000	Retained earnings £ 000	Total equity £ 000
Balance as at 1 September 2021	1,026,000	97,000	4,372	(29,401)	797,349	1,895,320
Profit for the year	—	—	—	—	97,124	97,124
Other comprehensive income, net of tax	—	—	36,996	—	(9,389)	27,607
Total comprehensive income	—	—	36,996	—	87,735	124,731
Transactions with owners in their capacity as owners:						
New share capital subscribed (Note 21)	—	780,000	—	—	—	780,000
Share based payment transactions	—	—	—	(69,438)	—	(69,438)
Total transactions with owners in their capacity as owners, recognised directly in equity	—	780,000	—	(69,438)	—	710,562
At 31 August 2022	1,026,000	877,000	41,368	(98,839)	885,084	2,730,613

	Share capital £ 000	Share premium £ 000	Cash flow hedge reserve £ 000	Capital contribution £ 000	Retained earnings £ 000	Total equity £ 000
Balance as at 1 September 2020	1,026,000	97,000	(651)	(3,254)	603,908	1,723,003
Profit for the year	—	—	—	—	154,428	154,428
Other comprehensive income, net of tax	—	—	5,023	—	39,013	44,036
Total comprehensive income	—	—	5,023	—	193,441	198,464
Transactions with owners in their capacity as owners:						
Share based payment transactions	—	—	—	(26,147)	—	(26,147)
Total transactions with owners in their capacity as owners, recognised directly in equity	—	—	—	(26,147)	—	(26,147)
At 31 August 2021	1,026,000	97,000	4,372	(29,401)	797,349	1,895,320

The notes on pages 24 to 67 form an integral part of these financial statements.

Notes to the Financial Statements for the year ended 31 August 2022

1 Reporting Entity

In these financial statements, we use the terms the “Company”, “Accenture”, “we”, “our” and “us” to refer to Accenture (UK) Limited. The Company is a private company incorporated, domiciled and registered in the United Kingdom. The registered number is 04757301 and the registered address is 30 Fenchurch Street, London, EC3M 3BD.

The Company's principal activities are disclosed in the Strategic Report.

2 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

Basis of preparation

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of international accounting standards in conformity with the requirements of the Companies Act 2006 (“UK-Adopted IFRSs”), but makes amendments where necessary in order to comply with the Companies Act 2006 and has set out below where advantage of the Financial Reporting Standard (FRS) 101 *Reduced Disclosure Framework* (FRS 101) disclosure exemptions has been taken.

The Company meets the definition of a qualifying entity under FRS 100 issued by the Financial Reporting Council.

Statement of compliance

The financial statements of the Company have been prepared in accordance with FRS 101.

Changes in accounting policy

The Company has applied the Interest Rate Benchmark Reform – Phase 2 – Amendments to IFRS 9, IAS 39 and IFRS 16 for the first time for its annual reporting period commencing 1 September 2021 which did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

Summary of disclosure exemptions

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures;

- Cash flow statement and related notes;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- Disclosures in respect of capital management;
- Disclosure in respect of the compensation of Key Management Personnel;
- The second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers;
- The requirements of paragraph 52, the second sentence of paragraph 89, and paragraphs 90, 91 and 93 of IFRS 16 Leases; and
- The requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

Where relevant, equivalent disclosures have been given in the group accounts of Accenture plc. The Company's ultimate parent undertaking, Accenture plc includes the Company in its consolidated financial statements. The consolidated financial statements of Accenture plc are prepared in accordance with United States Generally Accepted Accounting Principles (US GAAP) and are available to the public and can be obtained as set out in Note 27.

Notes to the Financial Statements for the year ended 31 August 2022 (continued)

2 Accounting policies (continued)

Summary of disclosure exemptions (continued)

The Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- IFRS 2 *Share Based Payments* in respect of group settled share based payments;
- Certain disclosures required by IFRS 3 *Business Combinations* in respect of business combinations undertaken by the Company; and
- The disclosures required by IFRS 7 *Financial Instruments: Disclosures* and IFRS 13 *Fair Value Measurement* regarding financial instrument disclosures have not been provided apart from those which are relevant for the financial instruments which are held at fair value and are not either held as part of a trading portfolio or derivatives.

Measurement convention

The financial statements are prepared on the historical cost basis except that the following assets and liabilities are stated at their fair value: derivative financial instruments.

Functional and presentation currency

The financial statements are presented in sterling, which is also the Company's functional currency. All financial information presented in sterling has been rounded to the nearest thousand, unless otherwise stated.

Exemption from preparing group accounts

The Company has taken advantage of the exemption provided by Section 401 of the Companies Act 2006 and has not prepared group accounts. These financial statements present information about the Company as an individual undertaking and not about its group.

Use of estimates and judgements

The preparation of the financial statements in accordance with FRS 101 requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Management believe that the estimates and assumptions made are reasonable based on the information available to them at the time that those estimates and assumptions are made. The areas involving a high degree of judgement or complexity, or areas where assumptions and estimates are significant in relation to the financial statements are set out in Note 26 and relate primarily to goodwill, revenue recognition, retirement benefit obligations, leases, dilapidation provisions, taxation, share based payments and contingent consideration.

Goodwill

Purchased goodwill (representing the excess of the fair value of the consideration given over the fair value of the separate net assets acquired) arising in respect of acquisitions is capitalised.

Goodwill acquired is allocated at acquisition date, to the cash generating unit expected to benefit from synergies related to the acquisition. Goodwill is measured at cost less accumulated impairment losses. Goodwill is subject to impairment testing at least annually or more frequently if an indicator of impairment exists. Where the recoverable amount of a cash generating unit is less than the carrying amount, an impairment loss is recognised. Impairment losses arising in respect of goodwill are not reversed once recognised.

Paragraph 22 of Schedule 1 to the UK Statutory Instruments 2008 No. 410 requires acquired goodwill to be written off over its useful life. However under IFRS 3 *Business Combinations*, goodwill is not amortised but tested annually for impairment. The Directors consider that this would fail to give a true and fair view of the

Notes to the Financial Statements for the year ended 31 August 2022 (continued)

2 Accounting policies (continued)

Goodwill (continued)

profit for the year and that the economic measure of performance in any period is properly made by reference only to any impairment that may have arisen. It is not practicable to quantify the effect on the financial statements of this departure.

Goodwill on acquisitions prior to the date of transition to IFRS initially, then to FRS 101, has been retained at the previous UK GAAP amount, being its deemed cost subject to being tested for impairment.

Intangible assets (other than goodwill and software)

An intangible asset, other than goodwill and software, is recognised to the extent that it is probable that the expected future economic benefits attributable to the asset flow to the Company and that its fair value can be measured. The asset is deemed to be identifiable when it is separate (i.e. capable of being divided from the entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, asset or liability) or when it arises from contractual or other legal rights, regardless of whether those rights are transferable or separable from the Company or from other rights or obligations.

Intangible assets acquired as part of a business combination are capitalised separately from goodwill at fair value on the date of acquisition if the intangible asset meets the definition of an asset and the fair value can be reliably measured.

Intangible assets are carried at cost less accumulated amortisation and impairment losses. The carrying value of intangible assets is reviewed when events or changes in circumstances indicate that the carrying value may not be recoverable. The amortisation of intangible assets is calculated to write-off the book value over their useful lives which is currently between 3 to 11 years on a straight-line basis on the assumption of zero residual value.

Intangible assets are derecognised on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss recognised from the de-recognition of intangible assets shall be determined as the difference between the net disposal proceeds, if any, and the carrying amount of the asset. It shall be recognised in profit or loss when the asset is de-recognised.

Software

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives (two to five years) on a straight-line basis.

Other costs associated with maintaining software programmes are recognised as an expense as incurred.

Tangible assets

Tangible assets are stated at cost, less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of an asset. Subsequent costs are included in the assets carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the replaced item can be measured reliably. All other repair and maintenance costs are charged to the Profit and Loss Account during the financial period in which they are incurred.

On disposal of a tangible asset, the cost and related accumulated depreciation and impairments are removed from the Balance Sheet and the net amount, less any proceeds, is taken to the Profit and Loss Account. The carrying values of the tangible assets are reviewed when there is any indication of impairment.

Notes to the Financial Statements for the year ended 31 August 2022 (continued)

2 Accounting policies (continued)

Tangible assets (continued)

Depreciation

Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected life on a straight-line basis, as follows:

Asset class	Depreciation method and rate
Leasehold improvement	Term of lease, 15 years which is the shorter between its estimated useful life
Furniture and fixtures	7 to 10 years
Computer related equipment	2 to 5 years

Leases

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

As a lessee

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component. The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property, equipment and motor vehicles. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

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

The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

Notes to the Financial Statements for the year ended 31 August 2022 (continued)

2 Accounting policies (continued)

Leases (continued)

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company presents right-of-use assets in 'tangible assets' and lease liabilities in 'creditors' in the Balance Sheet.

As a lessor

At inception or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative standalone prices.

When the Company acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Company makes an overall assessment of whether the lease transfers to the lessee substantially all of the risks and rewards of ownership incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, then the Company applies IFRS 15 to allocate the consideration in the contract.

The Company recognises lease payments received under operating leases as income on a straight line basis over the lease term as part of 'other revenue'.

The Company applies the de-recognition and impairment requirements in IFRS 9 to the net investment in the lease. The Company further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

Investments

Investments in subsidiary undertakings and joint ventures are initially recorded at cost, being the fair value of the consideration paid. Subsequently, investments are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

Investments in subsidiary undertakings are derecognised upon disposal or when no future economic benefits are expected to arise from the investment. Gain or loss arising on the disposal is determined as the difference between the sales proceeds and the carrying amount of the investments in subsidiaries and is recognised in profit or loss.

Notes to the Financial Statements for the year ended 31 August 2022 (continued)

2 Accounting policies (continued)

Impairment of non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than contract assets and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs (cash-generating unit). Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs of disposal. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in the Profit and Loss Account. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis. An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Financial assets and liabilities

Intercompany loans and other intercompany balances with fixed or determinable payments that are not quoted in an active market, are classified as loans and receivables or financial liabilities, at amortised cost in accordance with IFRS 9, as they meet the following criteria:

- they are held in a business model whose objective is to hold assets to collect contractual cashflows; and
- their contractual cashflows give rise to cash flows that do not contain any payments other than principal or interest.

Contingent consideration is classified either as equity or as a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value, with changes in fair value recognised in profit or loss.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership. Financial liabilities are derecognised when contractual obligations are discharged, cancelled or expired. Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Impairment of financial assets

Measurement of Expected Credit Losses (ECL)

The Company recognises loss allowances for ECL on financial instruments that are not measured at FVTPL (fair value through profit and loss), namely:

- Financial assets that are debt instruments
- Receivables and contract assets

A 12-month ECL is the portion of the ECL that results from default events on a financial instrument that are possible within 12 months from the reporting date.

Notes to the Financial Statements for the year ended 31 August 2022 (continued)

2 Accounting policies (continued)

Impairment of financial assets (continued)

Measurement of Expected Credit Losses (ECL) (continued)

Provisions for credit-impairment are recognised in the Profit and Loss Account and are reflected in accumulated provision balances against each relevant financial instruments balance.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and short-term cash deposits with a maturity of three months or less.

Dilapidation provision

A provision has been made, in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets, for the costs expected to be incurred in returning leasehold premises to their original state when exiting at the conclusion of the agreement. The provision has been estimated using information provided by independent property surveyors. A discount has been applied to the dilapidations provision to reflect the time value of money over the remainder of the lease.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Dividends

Dividends on ordinary shares are recognised as a liability in the Company's financial statements in the year in which the dividends are declared and paid if they are interim dividends and when approved by shareholders when they are final dividends.

Revenue recognition

The Company accounts for revenue in accordance with IFRS 15 *Revenue from Contracts with Customers*.

Performance Obligations

A performance obligation is a commitment in a contract to transfer a distinct good or service to the client and is the unit of accounting in IFRS 15. A contract's transaction price is allocated to each distinct performance obligation and recognised as revenue when, or as, the performance obligation is satisfied. For contracts with multiple performance obligations, we allocate the contract's transaction price to each performance obligation based on the relative standalone selling price. The primary method used to estimate standalone selling price is the expected cost plus a margin approach, under which we forecast our expected costs of satisfying a performance obligation and then add an appropriate margin for that distinct good or service based on margins for similar services sold on a standalone basis.

While determining relative standalone selling price and identifying separate performance obligations require judgement, generally relative standalone selling prices and the separate performance obligations are readily identifiable as we sell those performance obligations unaccompanied by other performance obligations. Contract modifications are routine in the performance of our contracts. Contracts are often modified to account for changes in the contract specifications, requirements or duration. If a contract modification results in the addition of performance obligations priced at a standalone selling price or if the post-modification services are distinct from the services provided prior to the modification, the modification is accounted for separately. If the modified services are not distinct, they are accounted for as part of the existing contract.

Notes to the Financial Statements for the year ended 31 August 2022 (continued)

2 Accounting policies (continued)

Revenue recognition (continued)

Performance Obligations (continued)

Company revenues are derived from contracts for outsourcing services, technology integration consulting services and non-technology consulting services. These contracts have different terms based on the scope, performance obligations and complexity of the engagement, which frequently require us to make judgements and estimates in recognising revenues. We have many types of contracts, including time-and-materials contracts, fixed-price contracts, fee per transaction contracts and contracts with multiple fee types.

The nature of our contracts gives rise to several types of variable consideration, including incentive fees. Many contracts include incentives or penalties related to costs incurred, benefits produced or adherence to schedules that may increase the variability in revenues and margins earned on such contracts. These variable amounts generally are awarded or refunded upon achievement of or failure to achieve certain performance metrics, milestones or cost targets and can be based upon client discretion. We include these variable fees in the estimated transaction price when there is a basis to reasonably estimate the amount of the fee and it is not probable a significant reversal of revenue will occur. These estimates reflect the expected value of the variable fee and are based on an assessment of our anticipated performance, historical experience and other information available at the time.

Our performance obligations are satisfied over time as work progresses or at a point in time. The majority of our revenues are recognised over time based on the extent of progress towards satisfying our performance obligations. The selection of the method to measure progress towards completion requires judgement and is based on the contract and the nature of the services to be provided.

Remaining performance obligations

On 31 August 2022, we had approximately £1,117,962,437 (2021: £917,223,022) of remaining performance obligations. Our remaining performance obligations represent the amount of transaction price for which work has not been performed and revenue has not been recognised. The majority of our contracts are terminable by the client on short notice with little or no termination penalties, and some without notice. Under IFRS 15, only the non-cancellable portion of these contracts is included in our performance obligations. Additionally, our performance obligations only include variable consideration if we assess it is probable that a significant reversal of cumulative revenue recognised will not occur when the uncertainty is resolved. Based on the terms of our contracts, a significant portion of what we consider contract bookings is not included in our remaining performance obligations. We expect to recognise approximately 74% of our remaining performance obligations as revenue in fiscal 2023, an additional 15% in fiscal 2024, and the balance thereafter.

Outsourcing Contracts

Our outsourcing contracts typically span several years. Revenues are generally recognised on outsourcing contracts over time because our clients benefit from the services as they are performed. Outsourcing contracts require us to provide a series of distinct services each period over the contract term. Revenues from unit-priced contracts are recognised as transactions are processed. When contractual billings represent an amount that corresponds directly with the value provided to the client (e.g., time-and-materials contracts), revenues are recognised as amounts become billable in accordance with contract terms.

Technology Integration Consulting Services

Revenues from contracts for technology integration consulting services where we design/redesign, build and implement new or enhanced systems and related processes for our clients are recognised over time as control of the system is transferred continuously to the client. Contracts for technology integration consulting services generally span six months to two years. Generally, revenue is recognised using costs incurred to date relative to total estimated costs at completion to measure progress toward satisfying our performance obligations.

Notes to the Financial Statements for the year ended 31 August 2022 (continued)

2 Accounting policies (continued)

Revenue recognition (continued)

Technology Integration Consulting Services (continued)

Revenues, including estimated fees, are recorded proportionally as costs are incurred. Incurred cost represents work performed, which corresponds with, and thereby best depicts, the transfer of control to the client.

Non-Technology Integration Consulting Services

Our contracts for non-technology integration consulting services are typically less than a year in duration. Revenues are generally recognised over time as our clients benefit from the services as they are performed, or the contract includes termination provisions enabling payment for performance completed to date. When contractual billings represent an amount that corresponds directly with the value provided to the client (e.g. time-and-materials contracts), revenues are recognised as amounts become billable in accordance with contract terms. Revenues from fixed-price contracts are generally recognised using costs incurred to date relative to total estimated costs at completion to measure progress toward satisfying our performance obligations. Incurred cost represents work performed, which corresponds with, and thereby best depicts, the transfer of control to the client. For non-technology integration consulting contracts which do not qualify to recognise revenue over time, we recognise revenues at a point in time when we satisfy our performance obligations and the client obtains control of the promised good or service.

Contract Estimates

Estimates of total contract revenues and costs are continuously monitored over the lives of our contracts, and recorded revenues and cost estimates are subject to revision as the contract progresses. If at any time the estimate of contract profitability indicates an anticipated loss on a technology integration consulting contract, we recognise the loss in the quarter it first becomes probable and reasonably estimable.

Contract Balances

The timing of revenue recognition, billings and cash collections results in Receivables, Contract assets, and Deferred revenues (Contract liabilities) on our Balance Sheet. Amounts are billed as work progresses in accordance with agreed-upon contractual terms, either at periodic intervals (e.g., monthly or quarterly) or upon achievement of contractual milestones. Our receivables are rights to consideration that are conditional only upon the passage of time as compared to our contract assets, which are rights to consideration conditional upon additional factors. When we bill or receive payments from our clients before revenue is recognised, we record Contract liabilities. Contract assets and liabilities are reported on our Balance Sheet on a contract-by-contract basis at the end of each reporting period.

For some outsourcing contracts, we receive payments for transition or set-up activities, which are deferred and recognised as revenue as the services are provided. These advance payments are typically not a significant financing component because they are used to meet working capital demands in the early stages of a contract and to protect us from the other party failing to complete its obligations under the contract. We elected the practical expedient to report revenues net of any revenue-based taxes assessed by governmental authorities that are imposed on and concurrent with specific revenue-producing transactions.

Impairment of contract related balances

At each reporting date, the Company determines whether or not such assets are impaired by comparing the carrying amount of the asset to the remaining amount of consideration that the Company expects to receive less the costs that relate to providing services under the relevant contract. In determining the estimated amount of consideration, the Company uses the same principles as it does to determine the contract transaction price, except that any constraints used to reduce the transaction price will be removed for the impairment test.

Notes to the Financial Statements for the year ended 31 August 2022 (continued)

2 Accounting policies (continued)

Revenue recognition (continued)

Impairment of contract related balances (continued)

Where the relevant contracts or specific performance obligations are demonstrating marginal profitability or other indicators of impairment, judgement is required in ascertaining whether or not the future economic benefits from these contracts are sufficient to recover these assets. In performing this impairment assessment, management is required to make an assessment of the costs to complete the contract. The ability to accurately forecast such costs involves estimates around cost savings to be achieved over time, anticipated profitability of the contract, as well as future performance against any contract-specific KPIs that could trigger variable consideration, or service credits. Where a contract is anticipated to make a loss, these judgements are also relevant in determining whether or not an onerous contract provision is required and how this is to be measured.

Financing components of customer contracts

When a significant financing component exists in a contract, the Company considers there are two components: a revenue component (for the notional cash sales price); and a loan component (for the effect of the deferred or advance payment terms). Interest revenue or interest expense is recognised only to the extent that a contract asset (or receivable) or a contract liability is recognised in accounting for a contract with a customer.

The amount allocated to the significant financing component is presented separately from revenue recognised from contracts with customers. The financing component is presented in the income statement as interest expense (when the customer pays in advance) or interest income (when the customer pays in arrears).

Contract modifications

The Company's contracts are often amended for changes in contract specifications and requirements. Contract modification exists when the amendment either creates new or changes the existing enforceable rights and obligations. The effect of a contract modification on the transaction price and the Company's measure of progress for the performance obligation to which it relates, is recognised as an adjustment to revenue in one of the following ways:

- a. Prospectively as an additional separate contract;
- b. Prospectively as a termination of the existing contract and creation of a new contract;
- c. As part of the original contract using a cumulative catch up; or
- d. As a combination of b) and c).

The facts and circumstances of any contract modification are considered individually as the types of modifications will vary contract by contract and may result in different accounting outcomes. Judgement is applied in relation to the accounting for such modifications where the final terms or legal contracts have not been agreed prior to the period end as management need to determine if a modification has been approved and if it either creates new or changes existing enforceable rights and obligations of the parties. Depending upon the outcome of such negotiations, the timing and amount of revenue recognised may be different in the relevant accounting periods. Modification and amendments to contracts are undertaken via an agreed formal process. For example, if a change in scope has been approved but the corresponding change in price is still being negotiated, management use their judgement to estimate the change to the total transaction price.

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the year end date. Translation differences on monetary items are recognised in the Profit and Loss Account except when recognised in the Statement of Comprehensive Income, as qualifying cash flow hedges.

Notes to the Financial Statements for the year ended 31 August 2022 (continued)

2 Accounting policies (continued)

Derivative financial instruments and hedging activities

In the normal course of business, the Company uses derivative financial instruments to manage foreign exchange currency risk.

The Company is exposed to currency risk through its use of resources supplied by Accenture's Global Delivery Network. To mitigate this risk, the Company uses foreign currency forward contracts to hedge the foreign exchange risk of the forecasted inter-company expenses denominated in foreign currencies for up to three years in the future. The Company has designated these derivatives as cash flow hedges.

In order for a derivative to qualify for hedge accounting, the derivative must be formally designated as a fair value, cash flow or net investment hedge by documenting the relationship between the derivative and the hedged item. The documentation includes a description of the hedging instrument, the hedge item, the risk being hedged, the Company's risk management objective and strategy for undertaking the hedge, the method for assessing the effectiveness of the hedge and the method for measuring the hedge ineffectiveness. Additionally, the hedge relationship must be expected to be highly effective at offsetting changes in either the fair value or cash flows of the hedged item at both inception of the hedge and on an ongoing basis.

The Company assesses the ongoing effectiveness of its hedge using the Hypothetical Derivative Method, which measures hedge ineffectiveness based on a comparison of the change in fair value of the actual derivative designated as the hedging instrument and the change in fair value of a hypothetical derivative. The hypothetical derivative would have terms that identically match the critical terms of the hedged item. The Company measures and records hedge ineffectiveness at the end of each fiscal quarter.

For a cash flow hedge, the effective portion of the change in estimated fair value of a hedging instrument is recorded in the Statement of Comprehensive Income and is reclassified into the Profit and Loss Account during the period in which the hedged transaction is recognised. The ineffective portion of the change in fair value of a cash flow hedge is recognised immediately in the Profit and Loss Account.

If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated, exercised, or the designation is revoked, then hedge accounting is discontinued prospectively. The cumulative gain or loss previously recognised in the Statement of Comprehensive Income and presented in the hedging reserve in equity remains there until the forecast transaction affects the Profit and Loss Account. When the hedged item is a non-financial asset, the amount recognised in the Statement of Comprehensive Income is transferred to the carrying amount of the asset when the asset is recognised. If the forecast transaction is no longer expected to occur, then the balance in the Statement of Comprehensive Income is recognised immediately in the Profit and Loss Account. In other cases, the amount recognised in the Statement of Comprehensive Income is transferred to the Profit and Loss Account in the same period that the hedged item affects profit or loss.

The Company also uses foreign currency forward contracts, which have not been designated as hedges, to hedge exposures, such as inter-company loans. These instruments are generally short-term in nature, with typical maturities of less than one year, and are subject to fluctuations in foreign exchange rates. Gains and losses on these contracts are recorded in cost of sales in the Profit and Loss Account and are offset by gains and losses in the related monetary items.

Embedded derivative

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if: the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss.

Embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss.

Notes to the Financial Statements for the year ended 31 August 2022 (continued)

2 Accounting policies (continued)

Derivative financial instruments and hedging activities (continued)

Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

Details of the significant inputs and assumptions into the fair values of these instruments are provided in Note 18.

Employee benefits

(a) Defined contribution plans

All eligible employees of the Company can participate in a defined contribution pension scheme. All eligible employees are entitled to membership on standard rates of contribution. The assets of the scheme are held separately from those of the Company in an independently administered fund.

Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in the Profit and Loss Account in the periods during which services are rendered by employees. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available. Contributions to a defined contribution plan that are due more than 12 months after the end of the period in which the employees render the service are discounted to their present value.

(b) Defined benefit plans

The Company also operates a defined benefit pension scheme providing benefits based on final pensionable salary for certain employees. The assets of the scheme are held separately from those of the Company.

The Company's net obligation in respect of defined benefit pension plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in the Statement of Comprehensive Income. The Company determines the net interest expense/(income) on the net defined benefit liability/(asset), taking into account any changes in the net defined benefit liability/(asset) during the period as a result of contributions and benefit payments. Net interest expenses and other expenses related to defined benefit pension plans are recognised in the Profit and Loss Account.

When benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

The Company recognises all actuarial gains and losses arising from defined benefit plans in other comprehensive income.

Notes to the Financial Statements for the year ended 31 August 2022 (continued)

2 Accounting policies (continued)

Employee benefits (continued)

(c) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

(d) Share based payments

The Company operates a number of share based payment plans the details of which are presented in Note 19 to the financial statements. The share based payment expense is recognised in the Profit and Loss Account over the requisite service period for awards of equity instruments to employees based on the grant date fair value of those awards expected to ultimately vest. There are no service conditions attached to these share based payments. Forfeitures are estimated on the date of grant and revised if actual or expected forfeiture activity differs materially from original estimates.

Under an agreement with the Company's ultimate parent, Accenture plc, the Company is recharged an amount equal to the value of the ordinary shares issued that is in excess of the award exercise price. The recharge for awards exercised during the year is established based on known facts, while an estimate of the fair value relating to the recharge of unexercised awards is made at each year end date. Any excess of the recharge from Accenture plc over the share based payment expense is recorded as a deemed distribution. Any excess of the share based payment expense over the recharge from Accenture plc is recorded as a capital contribution.

An accrual is established at the year end date for the outstanding Restricted Stock Units (RSUs) with the Company's ultimate parent company, Accenture plc. The amount is disclosed within one year and more than one year in accruals refer to Note 17.

Research

Expenditure on research activities is recognised in the Profit and Loss Account as incurred.

Interest receivable and payable

Interest receivables include interest income on funds invested, interest income on client finance, intercompany interest income on group company advances and the net expected return on defined benefit pension plan assets.

Interest payables comprise interest payable on group company borrowings and interest relating to accretion of dilapidations/provisions.

The interest is recognised as earned or incurred.

Research and development tax credits

Research and development tax credits are provided under the income tax law of the jurisdiction which the Company operates in. The tax law provides for a refundable credit that is not dependant on the Company's ongoing tax status or tax position, therefore, the credit is recognised as an offset to the related expenditure.

Taxation

Income tax represents the sum of current and deferred tax. Income tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in other comprehensive income or equity. Current tax is based on taxable profit and represents the expected tax payable for the year.

Notes to the Financial Statements for the year ended 31 August 2022 (continued)

2 Accounting policies (continued)

Taxation (continued)

Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expenditure that are taxable or deductible in other periods or are not taxable / tax deductible. The liability to current tax is calculated using corporation tax rates that have been substantively enacted at the year end date.

IFRIC 23 applies to transactions for which the ultimate tax determination is uncertain. The Company recognises liabilities based on estimates of whether additional taxes will be due. Once it has been concluded that a liability needs to be recognised, the liability is measured based on the tax laws that have been enacted or substantially enacted at the end of the reporting period. The amount shown for current taxation includes an estimate for uncertain tax treatments where the Company considers it probable that uncertain tax treatments will not be accepted by tax authorities and the estimate is measured using either the most likely amount method or the expected value method as appropriate, prescribed by IFRIC 23. Where the final tax outcome of these matters is different from the amounts that were initially estimated, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Deferred tax is provided using the balance sheet liability method, on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. If the temporary difference arises from the initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction does not affect accounting or taxable profit or loss, it is not recognised. Deferred tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future.

The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the year end date. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Going concern

The Company generated a profit for the year after taxation amounted to £97,124,000 (2021: £154,428,000) and had net current liabilities of £166,011,000 (2021: £521,698,000) and net assets of £2,730,613,000 as at 31 August 2022 (2021: £1,895,320,000).

At the time of approving the financial statements, the Directors consider that the Company has adequate resources to continue in operational existence for the foreseeable future. In addition, the ultimate parent company has pledged its support for a minimum of 12 months from the date of issuing these financial statements.

Accordingly, the Directors continue to adopt the going concern basis in preparing the financial statements.

3 Turnover and segmental analysis

The Company's principal activity is the provision of management consulting, technology and outsourcing services. The Company operates primarily within the geographical market of the United Kingdom. Turnover originating from other geographical markets is not considered material.

Notes to the Financial Statements for the year ended 31 August 2022 (continued)

3 Turnover and segmental analysis (continued)

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

	2022	2021
	£ 000	£ 000
Consulting	1,735,890	1,263,172
Outsourcing	1,002,549	763,321
Intercompany	661,199	585,276
	<u>3,399,638</u>	<u>2,611,769</u>

4 Operating profit

	Note	2022	2021
		£ 000	£ 000
Staff costs	7	1,487,407	1,145,378
Depreciation of tangible assets	14	41,069	35,397
Amortisation expense	12	21,747	9,557
Loss on write-off of investment	15	3,258	3,234
Impairment of investments charged to profit and loss	15	29,186	709
(Gains)/losses on foreign currency translation		<u>(6,596)</u>	<u>5,421</u>

5 Auditor's remuneration

	2022	2021
	£ 000	£ 000
Audit of the financial statements	296	305
Audit of the financial statements of subsidiaries of the Company pursuant to legislation	40	17
Total auditor's remuneration	<u>336</u>	<u>322</u>

6 Interest receivable and payable

	Note	2022	2021
		£ 000	£ 000
Other interest receivable and similar income			
Interest on lease receivables		865	948
Bank interest		274	8
Intercompany interest		650	168
Net interest income on pension plan	9	971	222
Total other interest receivable and similar income		<u>2,760</u>	<u>1,346</u>
Interest payable and similar expenses			
Intercompany interest		(4,461)	(778)
Interest on leasing	14	(3,928)	(4,319)
Interest expenses		(4,274)	(2,328)
Total interest payable and similar expenses		<u>(12,663)</u>	<u>(7,425)</u>

Notes to the Financial Statements for the year ended 31 August 2022 (continued)

7 Staff costs and numbers

	Note	2022 £ 000	2021 £ 000
Wages and salaries		1,115,162	863,015
Social security costs		178,989	138,406
Defined benefit pension plan	9	15	578
Defined contribution pension plan	9	58,733	42,708
Share based compensation	19	112,313	86,205
Other employee benefits		22,195	14,466
	4	<u>1,487,407</u>	<u>1,145,378</u>

The average number of persons employed by the Company (including Directors) during the year, analysed by level was as follows:

	2022 No.	2021 No.
Leadership	769	657
Senior management	1,937	1,549
Manager	2,273	1,743
Below manager level	6,992	5,039
	<u>11,971</u>	<u>8,988</u>

8 Directors' remuneration

The Directors' remuneration for the year was as follows:

	2022 £ 000	2021 £ 000
Remuneration	4,789	3,532
Other including Pension Contributions	4	4
	<u>4,793</u>	<u>3,536</u>

Six Directors (2021: Six Directors) received shares or shares were receivable under long term incentive schemes in respect of qualifying services and Four Directors (2021: Four Directors) are accruing benefits under money purchase pension scheme.

In respect of the highest paid Director:

	2022 £ 000	2021 £ 000
Remuneration	<u>2,147</u>	<u>659</u>

9 Retirement benefit asset

The Company operates two pension plans, the assets of which are held in separate trustee administered funds.

Money purchase plan

The Company operates a defined contribution pension plan for the majority of its employees. The benefits provided by the plan are secured by individually allocated contributions from the members and the Company which are invested in individual accounts within the plan. The members' benefits equal the total amount of the account. The assets of the plan are held separately from those of the Company. The pension expense for the year represents contributions payable by the Company to the plan and amounted to £58,733,255 (2021:£42,707,936). There were no outstanding contributions at either the beginning or end of the year.

Notes to the Financial Statements for the year ended 31 August 2022 (continued)

9 Retirement benefit asset (continued)

Defined benefit plans

Accenture Pension Plan

The Accenture Pension Plan (APP) provides benefits based on final pensionable salary and is contributory for the majority of its members. The majority of members in this plan are those employees who have transferred under TUPE legislation to Accenture in the past, where there has been a requirement, either legally or as a consequence of the contract parameters agreed, to provide defined benefit pensions. The APP was established in 1994. The APP is a funded plan with the assets held in a separate Trust under the governance of a Trustee Board, independent of the Company. The Trustees of the APP and the Company are responsible for the investment policy with regard to the assets of the plan. The pension costs are assessed by a qualified independent actuary.

Principal risks

Through its defined benefit pension plan, the Company is exposed to a number of risks, the most significant of which are detailed as follows:

Asset volatility: The plan's liabilities are calculated using a discount rate set with reference to corporate bond yields. If assets underperform this yield, this will create a deficit. The plan holds a significant proportion of growth assets (equities, diversified growth fund and global absolute return fund) which, though expected to outperform corporate bonds in the long-term, create volatility and risk in the short-term. That allocation to growth assets is monitored to ensure it remains appropriate given the plan's long-term objectives.

Changes in bond yields: A decrease in corporate bond yields will increase the value placed on the plan's liabilities for accounting purposes. This will be partially offset by an increase in the value of the plan's bond holdings.

Inflation: The majority of the plan's benefit obligations are linked to inflation, and higher inflation will lead to higher liabilities (although in most cases, caps on the level of inflationary increases are in place to protect against extreme inflation). The majority of the assets are either unaffected by or only loosely correlated with inflation, meaning that an increase in inflation will also increase the deficit.

Life expectancy: The majority of the plan's obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in liabilities.

The Company and the Trustees have agreed a long-term strategy for reducing investment risk as and when appropriate. This includes an asset-liability matching policy which aims to reduce the volatility of the funding level of the pension plan by investing in assets which perform in line with the liabilities of the plan so as to protect against inflation being higher than expected.

Valuation

The latest full actuarial valuation of the defined benefit pension plan was carried out at 5 April 2020. The valuation was updated for statutory financial reporting purposes to 31 August 2022 by a qualified independent actuary.

The Company paid total contributions to the Accenture Pension Plan of £68,000 (2021: £60,000) during the year.

The plan duration is an indicator of the weighted-average time until benefit payments are made. For the Accenture Pension Plan as a whole, the duration was 18 years at the date of the last funding valuation at 5 April 2020.

The defined benefit obligation includes benefits attributable to current employees 4% (2021: 4%), former employees 46% (2021: 52%) and current pensioners 50% (2021: 44%).

Notes to the Financial Statements for the year ended 31 August 2022 (continued)

9 Retirement benefit asset (continued)

Defined benefit plans (continued)

The Company has adopted the disclosure requirements of IAS 19 *Employee Benefits*.

The amounts recognised in the Balance Sheet are as follows:

	2022	2021
	£ 000	£ 000
Fair value of scheme assets	215,882	309,068
Present value of plan liabilities	(161,729)	(243,421)
	<u>54,153</u>	<u>65,647</u>

The net pension surplus of £40,615,000 (2021: £49,235,000) is disclosed in the Balance Sheet as a retirement asset of £54,153,000 (2021: £65,647,000).

Plan liabilities

Changes in the present value of plan liabilities are as follows:

	2022	2021
	£ 000	£ 000
Present value at start of year	243,421	309,297
Current service cost	15	578
Actuarial (gains)	(68,466)	(38,562)
Interest expense	3,691	4,643
Benefits paid	(16,935)	(32,538)
Contributions by plan participants	3	3
Present value at end of year	<u>161,729</u>	<u>243,421</u>

Plan assets

	2022	2021
	£ 000	£ 000
Fair value at start of year	309,068	326,274
Interest return on plan assets	4,662	4,865
Remeasurement (losses)/gains on plan assets	(80,984)	10,404
Employer contributions	68	60
Contributions by plan participants	3	3
Benefits paid	(16,935)	(32,538)
Fair value at end of year	<u>215,882</u>	<u>309,068</u>

Analysis of assets

The major categories of plan assets are as follows:

	2022	2021
	%	%
Equity instruments	10.00	10.00
Debt instruments	90.00	90.00
	<u>100.00</u>	<u>100.00</u>

Notes to the Financial Statements for the year ended 31 August 2022 (continued)

9 Retirement benefit asset (continued)

Defined benefit plans (continued)

	2022	2021
	£ 000	£ 000
Actual return on plan assets	(76,322)	15,269

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

History of experience on plan assets and liabilities

Amounts for the current and previous year are as follows:

	2022	2021
	£ 000	£ 000
Fair value of plan assets	215,882	309,068
Defined benefit obligation	(161,729)	(243,421)
Surplus in plan	<u>54,153</u>	<u>65,647</u>
<i>Experience (losses)/gains on plan assets</i>		
Difference	(80,984)	10,404
Percentage of present value of plan assets	(37.5)%	3.4 %
<i>Experience (losses)/gains on plan liabilities</i>		
Difference	(4,101)	20,818
Percentage of present value of plan liabilities	<u>(2.5)%</u>	<u>8.6 %</u>

Principal actuarial assumptions

The significant actuarial assumptions used to determine the present value of the defined benefit obligation at the Balance Sheet date are as follows:

	2022	2021
	%	%
Discount rate for plan liabilities	4.25	1.75
Rate of general long-term increase in salaries	3.50	3.00
Pension increases	3.40	3.00
RPI inflation	3.50	3.00
CPI inflation	2.80	2.30

Post retirement mortality assumptions

	2022	2021
	Years	Years
Current UK pensioners at retirement age - male	22.50	22.60
Current UK pensioners at retirement age - female	24.90	24.90
Future UK pensioners at retirement age - male	24.30	24.30
Future UK pensioners at retirement age - female	26.60	26.70

The assumptions used were set by the Company's Directors, after taking advice from a qualified independent actuary. The assumptions take account of the requirements of IAS 19 *Employee Benefits* and were chosen after consideration of factors such as the financial market conditions as at 31 August 2022, the benefits provided by the APP, the characteristics of the plan's members and the nature of the assets held by the plan as at 31 August 2022. The Directors are satisfied that the assumptions are in line with those that would typically be used in respect of other comparable UK pension plans.

Notes to the Financial Statements for the year ended 31 August 2022 (continued)

9 Retirement benefit asset (continued)

Defined benefit plans (continued)

	Note	2022 £ 000	2021 £ 000
Amount recognised in operating profit			
Current and past service cost	7	15	578
Amounts recognised in other interest receivable			
Net interest income	6	(971)	(222)
Total recognised in the Profit and Loss Account		<u>(956)</u>	<u>356</u>
Amounts recognised in the Statement of Comprehensive Income			
Return on plan assets in excess of that recognised in net interest		(80,984)	10,404
Actuarial losses due to changes in financial assumptions		68,466	38,562
Amounts recognised in the Statement of Comprehensive Income		<u>(12,518)</u>	<u>48,966</u>

The cumulative amount of actuarial losses recognised in the Statement of Comprehensive Income as of 31 August 2022 is £1,702,000 (2021: £(10,816,000)).

Sensitivity of pension asset to judgemental assumptions

The key assumption used in the pension plan valuation is the discount rate. If a different discount rate assumption was used, this could have a material effect on the results disclosed. An increase in the discount rate of 0.5% would have resulted in a increase in service costs of £100 and an increase in the defined benefit obligation of £1,876,000 as at 31 August 2022.

	2022		
	Current values £ 000	Increase in the discount rate of 0.5% £ 000	Adjusted values £ 000
Service cost	9	—	9
Defined benefit obligation	161,729	1,876	163,605

The sensitivity analysis above is derived through changing the individual assumption while holding all other assumptions constant.

10 Income tax

	Note	2022 £ 000	2021 £ 000
Taxation recognised in the Profit and Loss Account			
Current taxation			
Corporation tax charge		38,519	43,666
Foreign withholding tax		2,172	2,203
Changes in estimates related to prior years		3,530	4,777
		<u>44,221</u>	<u>50,646</u>
Deferred taxation			
Origination and reversal of timing differences		(8,441)	(46)
Effects of changes in tax rates		(6,403)	(1,473)
Adjustments in respect of prior years		(793)	(96)
Total deferred taxation	11	<u>(15,637)</u>	<u>(1,615)</u>
Tax expense in the Profit and Loss Account		<u>28,584</u>	<u>49,031</u>

Notes to the Financial Statements for the year ended 31 August 2022 (continued)

10 Income tax (continued)

	2022	2021
	£ 000	£ 000
Taxation recognised in the Statement of Comprehensive Income		
Deferred taxation on post employment benefit obligations	(3,129)	9,953
Deferred taxation on change in fair value of cash flow hedge transferred from equity	(2,737)	289
Deferred taxation on effective portion of changes in fair value of cash flow hedge	15,070	1,320
	<u>9,204</u>	<u>11,562</u>
Taxation recognised within capital contribution		
Current tax benefit excess on exercise of share based payments	(18,387)	(15,204)
Deferred tax movement on unexercised share based compensation	10,135	(7,190)
	<u>(8,252)</u>	<u>(22,394)</u>

The corporation tax charge for the year differs to the charge that would result from applying the applicable corporation tax rate to the profit on ordinary activities. The differences are outlined as follows:

	2022	2021
	£ 000	£ 000
Profit before tax	<u>125,708</u>	<u>203,459</u>
<i>Effects of:</i>		
Corporation tax at a rate of 19% (2021: 19%)	23,884	38,657
Expenses non-deductible for tax purposes	94,013	31,623
Non-taxable income	(84,872)	(29,531)
Group relief	(21)	(280)
Foreign withholding tax	2,172	2,203
Effect of change in tax rate	(6,403)	(1,473)
Other differences	(2,915)	3,151
Changes in estimates related to prior year	2,726	4,681
Total tax charge	<u>28,584</u>	<u>49,031</u>

The corporation tax rate in 2022 is 19% (2021: 19%). In the Spring Budget 2021, the UK Government announced that from 1 April 2023 the corporation tax rate would increase to 25% (rather than remaining at 19%, as previously enacted). This new law was substantively enacted on 24 May 2021. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

Notes to the Financial Statements for the year ended 31 August 2022 (continued)

11 Deferred taxation

Current year movement:

	Net balance at 1 September 2021	Recognised in profit or loss	Recognised in other comprehen sive income	Recognised directly in equity	Acquired in business combinatio ns	Net balance at 31 August 2022
	£ 000	£ 000	£ 000	£ 000	£ 000	£ 000
Property, plant and equipment	8,956	(962)			(215)	7,779
Share based payments	46,627	11,357		(10,135)		47,849
Derivatives	(1,456)		(12,333)			(13,789)
Retirement benefits	(16,255)	(414)	3,129			(13,540)
Intangible assets / contracts in progress	(9,708)	5,371			(24,916)	(29,253)
Carry forward of tax losses	43	285			1,493	1,821
Deferred tax assets (Note 16)	28,207	15,637	(9,204)	(10,135)	(23,638)	867

Prior year movement:

	Net balance at 1 September 2020	Recognised in profit and loss	Recognised in other comprehen sive income	Recognised directly in equity	Acquired in business combinatio ns	Net balance at 31 August 2021
	£ 000	£ 000	£ 000	£ 000	£ 000	£ 000
Property, plant and equipment	7,589	1,717			(350)	8,956
Share based payments	36,294	3,143		7,190		46,627
Derivatives	153		(1,609)			(1,456)
Retirement benefits	(1,878)	(4,424)	(9,953)			(16,255)
Intangible assets / contracts in progress	(4,937)	1,107			(5,878)	(9,708)
Carry forward of tax losses	(29)	72				43
Deferred tax assets (Note 16)	37,192	1,615	(11,562)	7,190	(6,228)	28,207

In accordance with IAS 12 Income Taxes, a rate of 25% has been used as a basis for the calculation of deferred tax (2021: 19.8%) to capture the increase in tax rate from 1 April 2023.

Notes to the Financial Statements for the year ended 31 August 2022 (continued)

12 Intangible assets

	Note	Goodwill £ 000	Customer relationships £ 000	Software £ 000	Total £ 000
Cost					
At 1 September 2020		1,843,478	39,733	11,373	1,894,584
Additions		—	—	337	337
Acquired through business combinations	13	123,702	23,511	—	147,213
Disposals		—	(80)	—	(80)
At 31 August 2021		1,967,180	63,164	11,710	2,042,054
At 1 September 2021		1,967,180	63,164	11,710	2,042,054
Additions		—	—	119	119
Acquired through business combinations	13	432,758	99,663	97	532,518
Disposals		—	(5,107)	(8,181)	(13,288)
At 31 August 2022		2,399,938	157,720	3,745	2,561,403
Amortisation					
At 1 September 2020		—	15,247	10,918	26,165
Amortisation charge	4	—	9,170	387	9,557
Amortisation eliminated on disposals		—	(80)	—	(80)
At 31 August 2021		—	24,337	11,305	35,642
At 1 September 2021		—	24,337	11,305	35,642
Amortisation charge	4	—	21,482	265	21,747
Amortisation eliminated on disposals		—	(5,097)	(8,181)	(13,278)
At 31 August 2022		—	40,722	3,389	44,111
Carrying amount					
At 31 August 2022		2,399,938	116,998	356	2,517,292
At 31 August 2021		1,967,180	38,827	405	2,006,412

Goodwill arose primarily on the acquisition by the Company of Accenture plc (Gibraltar) trade and assets in 2003 for £1,923,681,000. The carrying value of goodwill in respect of this acquisition at 31 August 2022 is £1,587,855,000 (2021: £1,587,855,000). Goodwill is subject to impairment testing when an indicator of impairment is considered to exist. No impairment charge was recognised by the Company in 2022 (2021: £Nil).

The recoverable amount of goodwill is determined based on value in use calculations. The carrying value of goodwill is compared to its value in use. Value in use is calculated on the basis of estimated future cash flows discounted to present value. Estimated future cash flows were determined by reference to the budget 2023 and management reviewed forecasts for each of the following years from 2024 to 2027 inclusive. A long-term perpetuity growth rate was applied in respect of the years after 2027. The estimates of future cash flows were based on consideration of past experience together with an assessment of the future prospects for the Company.

The key assumptions used in the value in use calculations are the revenue growth rate, the discount rate and the perpetuity growth rate. Revenue growth rate range of 5% to 10.3% has been applied in the impairment review for the years from 2023 to 2027. The discount rate used in the impairment review was 9.76% (2021: 8.86%), being the Company's weighted average cost of capital. The perpetuity growth rate used was 5% (2021: 5%).

The value in use calculations are sensitive to changes in assumptions, particularly relating to revenue growth, the discount rate and the nominal growth rate in perpetuity. Sensitivity analysis was performed based on changes in each of these factors. A reduction in the revenue growth rate of 200 basis points would not give rise to an impairment. An increase in the discount rate of 200 basis points would not give rise to an impairment. A reduction in the nominal growth rate in perpetuity of 200 basis points would not give rise to an impairment. Allowing for reasonable possible changes in any of the other key assumptions would not give rise to an impairment.

Notes to the Financial Statements for the year ended 31 August 2022 (continued)

13 Acquisitions

During the year, the Company acquired the trade and selected assets and liabilities of the following companies:

- On 1 September 2021, the Company acquired the trade and certain assets and liabilities of CoreCompete Limited for consideration of £9,448,776. A trade that provides cloud analytics services.
- On 1 September 2021, the Company acquired the trade and certain assets and liabilities of Cirrus Connect Limited for consideration of £13,820,523. A trade that provides leadership and talent consultancy.
- On 1 September 2021, the Company acquired the trade and certain assets and liabilities of EdenOne Solutions Limited and Edenhouse Solutions Limited for consideration of £102,170,801. Both trades provide technology services.
- On 1 October 2021, the Company acquired the trade and certain assets and liabilities of REPL Group companies for consideration of £83,157,753. All trades provide consulting and technology services.
- On 1 November 2021, the Company acquired the trade and certain assets and liabilities of CS Technology (UK) Limited for consideration of £1,026,537. A trade that provides infrastructure transformation services.
- On 1 November 2021, the Company acquired the trade and certain assets and liabilities of Infinity Works Consulting Limited for consideration of £231,417,178. A trade that provides technology consultancy.
- On 1 December 2021, the Company acquired the trade and certain assets and liabilities of Lexta UK Limited for consideration of £470,050. A trade specialized in IT benchmarking and IT sourcing advisory.
- On 1 April 2022, the Company acquired the trade and certain assets and liabilities of Business Control Software Limited and Business Control Solutions Public Limited Company for consideration of £67,140,000. Both trades provide business change consultancy.
- On 1 April 2022, the Company acquired the trade and certain assets and liabilities of N3 Results Limited for consideration of £12,931,712. A trade that provides global sales execution.
- On 1 June 2022, the Company acquired the trade and certain assets and liabilities of Xoomworks Limited for consideration of £20,409,599. A trade that provides consulting and technology services.
- On 1 July 2022, the Company acquired the trade and certain assets and liabilities of Founders Intelligence Ltd for consideration of £11,211,235. A trade that provides strategy consulting services.

During the year ended 31 August 2021, the Company acquired the trade and certain assets and liabilities of the following companies:

- On 1 September 2020, the Company acquired the trade and certain assets and liabilities of Mudano Limited for consideration of £32,303,167. The principal activity of Mudano Limited is to provide premium data consulting services, fintech data solutions and project management platform.
- On 1 September 2020, the Company acquired the trade and certain assets and liabilities of Callisto Integration Europe Ltd for consideration of £1,328,864. The principal activity of Callisto Integration Europe Ltd is to provide services of design, development and implementation of advanced system for the industry.
- On 1 September 2020, the Company acquired the trade and certain assets and liabilities of Orbium Consulting Limited for consideration of \$10,438,807 (£7,786,932). The principal activity of Orbium Consulting Limited is to offer Avaloq implementation services.
- On 1 September 2020, the Company acquired the trade and certain assets and liabilities of Context Information Security Limited for consideration of £99,098,736. The principal activity of Context Information Security Limited is to provide integrated cyber technical services.
- On 1 July 2021, the Company acquired certain assets and liabilities of Pramati Technologies Europe Limited, a cloud native product and platform engineering, for consideration of \$18,100,000 (£13,242,963).

Notes to the Financial Statements for the year ended 31 August 2022 (continued)

13 Acquisitions (continued)

	Note	2022	2021
		£ 000	£ 000
The fair values of assets and liabilities acquired are set out below:			
Intangible assets	12	99,760	23,511
Tangible assets	14	861	1,401
Cash and cash equivalents		382	1,134
Trade and other receivables		83,590	16,623
Amounts recoverable on contract		4,307	1,635
Deferred income		(11,048)	(944)
Other non-current assets		—	117
Trade and other payables		(58,176)	(13,944)
Corporation tax (liability)		—	(127)
		<u>119,676</u>	<u>29,406</u>
Goodwill	12	432,758	123,702
Consideration		<u>552,434</u>	<u>153,108</u>
		2022	2021
<i>Satisfied by:</i>		£ 000	£ 000
Amounts owed to group companies		525,940	149,079
Contingent consideration		26,494	4,029
		Fair Values	Consideration
		£ 000	£ 000
Total acquisitions		<u><u>119,676</u></u>	<u><u>432,758</u></u>

The book values outlined equates to the fair values of the assets and liabilities at the date of acquisition other than adjustments for goodwill, intangible assets and related deferred tax.

Notes to the Financial Statements for the year ended 31 August 2022 (continued)

14 Tangible assets

	Note	Right of use (Leases)	Leasehold improvement	Furniture and fixtures	Computer related equipment	Total £ 000
Cost						
At 1 September 2020		164,611	58,730	6,668	55,229	285,238
Additions		8,762	1,902	408	9,491	20,563
Acquisitions (acquired as part of business combinations)	13	—	935	21	445	1,401
Disposals		—	(1,816)	(215)	(2,446)	(4,477)
At 31 August 2021		173,373	59,751	6,882	62,719	302,725
At 1 September 2021		173,373	59,751	6,882	62,719	302,725
Additions		25,639	14,815	482	14,242	55,178
Acquisitions (acquired as part of business combinations)	13	—	24	276	561	861
Disposals		(1,719)	(2,500)	(308)	(10,457)	(14,984)
At 31 August 2022		197,293	72,090	7,332	67,065	343,780
Depreciation						
At 1 September 2020		24,165	34,930	3,442	45,536	108,073
Disposals		—	(1,194)	(118)	(2,262)	(3,574)
Charge for the year	4	22,133	4,959	560	7,745	35,397
At 31 August 2021		46,298	38,695	3,884	51,019	139,896
At 1 September 2021		46,298	38,695	3,884	51,019	139,896
Disposals		—	(936)	(297)	(10,259)	(11,492)
Charge for the year	4	25,086	5,264	585	10,134	41,069
At 31 August 2022		71,384	43,023	4,172	50,894	169,473
Carrying amount						
At 31 August 2022		125,909	29,067	3,160	16,171	174,307
At 31 August 2021		127,075	21,056	2,998	11,700	162,829

Leases*Right of Use Asset*

As of 31 August 2022, the weighted average discount rate is 2.34% (2021: 2.44%).

Information about assumptions and judgements made in applying leases is included in the Note 26 - Accounting estimates and judgements.

The Company's right of use assets are attributable to buildings and motor vehicles.

The carrying amount and depreciation expense are disclosed in the table above.

Notes to the Financial Statements for the year ended 31 August 2022 (continued)

14 Tangible assets (continued)

Lease Liability (Note 17)

	2022	2021
	£ 000	£ 000
Beginning of the year	176,450	189,777
Additions	22,777	14,238
Payments	(32,578)	(30,428)
Interest on liabilities	3,928	4,319
Modifications and others	1,762	(1,456)
At 31 August	<u>172,339</u>	<u>176,450</u>
Split as follows (Note 17):		
Amounts falling due within one year	31,922	29,683
Amounts falling due after more than one year	140,417	146,767
At 31 August	<u>172,339</u>	<u>176,450</u>

Maturity analysis of contractual undiscounted cash flow:

At 31 August, the future lease payments to be made under leases are as follows:

	2022	2021
	£ 000	£ 000
Payable in less than one year	34,944	29,315
Payable between one and five years	128,970	104,969
Payable after more than 5 years	17,448	57,195
	<u>181,362</u>	<u>191,479</u>

The lease receivables related with sub-leases are included in the Note 16 - Debtors.

The total cash outflow for leases in 2022 and 2021 are included in the payments section of the lease liability table above.

Notes to the Financial Statements for the year ended 31 August 2022 (continued)

15 Investments

	Total £ 000
Group undertakings unlisted	
<i>Cost</i>	
At 1 September 2020	497,656
Additions	353,243
Disposals/dissolutions	(264,866)
At 31 August 2021	<u>586,033</u>
At 1 September 2021	586,031
Additions	435,183
Disposals/dissolutions	(454,265)
At 31 August 2022	<u>566,949</u>
<i>Provision for impairment</i>	
At 1 September 2020	133,182
Charge for the year	5,014
Disposals/dissolutions	(123,077)
At 31 August 2021	<u>15,119</u>
At 1 September 2021	15,119
Charge for the year	31,303
Disposals/dissolutions	(10,352)
At 31 August 2022	<u>36,070</u>
<i>Net book value</i>	
At 31 August 2022	<u>530,879</u>
At 31 August 2021	<u>570,914</u>

During the year, the Company acquired the following:

- On 15 October 2021, the Company acquired 100% of the issued share capital of Xoomworks Limited for consideration of £26,075,749, a group that provides consulting and technology services.
- On 22 October 2021, the Company acquired 100% of the issued share capital of Business Control Solutions Group Limited for consideration of £68,374,642, a group that delivers business change consultancy.
- On 16 November 2021, the Company acquired 100% of the issued share capital of Founders Intelligence Limited for consideration of £13,098,984, a group that provides strategy consulting services for its clients.
- On 21 March 2022, the Company acquired 100% of the issued share capital of Edenhouse Solutions Limited for consideration of £124,665,164, an entity that provides technology services.
- On 31 March 2022, the Company acquired 100% of the issued share capital of Spark44 (JV) Limited for consideration of £17,470,976, a group that provides advertising and marketing communication services.
- On 14 April 2022, the Company acquired 100% of the issued share capital of Smart Corporate Sustainability Group Limited for consideration of £9,333,442, a group that provides sustainability consulting services.
- On 30 June 2022, the Company acquired 100% of the issued share capital of Umlaut Limited for consideration of £27,409,584, an entity that provides engineering consulting and services.
- On 9 August 2022, the Company acquired 100% of the issued share capital of Yukon Topco Limited for consideration of £106,434,015, a group that provides leadership strategy services.
- On 31 August 2022, the Company acquired 100% of the issued share capital of Carbon Credentials Energy Services Limited for consideration of £41,725,254, an entity that provides climate change strategy consultancy.

Notes to the Financial Statements for the year ended 31 August 2022 (continued)

15 Investments (continued)

Other minor investments additions of £595,104 were recorded in investments during the year.

During the year ended 31 August 2021 the Company acquired and disposed the following:

- On 22 October 2020, the Company acquired 100% of the issued share capital of N3 Results Limited for consideration of £11,217,788, whose principal activities are global sales execution, including contract development, lead generation and management and others.
- On 15 February 2021, the Company acquired 100% of the issued share capital of Infinity Works Holdings Limited for consideration of £169,395,938, an entity that provides technology consulting for its clients.
- On 15 February 2021, the Company acquired 100% of the issued share capital of Sapling Topco Limited for consideration of £2,254,113, whose principal activity is the sale of on-premise and cloud software and provide SAP professional services.
- On 28 February 2021, the Company acquired 100% of the issued share capital of Cirrus Connect Limited for consideration of £17,197,032, whose principal activity is to provide management consulting services specialized in leadership, talent and engagement.
- On 2 March 2021, the Company acquired 100% of the issued share capital of REPL Group Worldwide Limited for consideration of £93,938,001, an entity that provides consulting and technology services.
- On 26 April 2021, the Company acquired 100% of the issued share capital of CreativeDrive EMEA Ltd for consideration of \$43,767,000 (£33,611,305), whose principal activity is the provision of strategic, creative, production, post-production and localisation services to advertisers of industry.
- On 2 July 2021, the Company acquired 100% of the issued share capital of CS Technology (UK) Limited for consideration of \$2,705,000 (£1,963,830), an entity that provides infrastructure transformation services.
- On 18 August 2021, the Company acquired 100% of the issued share capital of CoreCompete Limited for consideration of \$11,900,000 (£8,556,814), whose principal activity is to provide cloud analytics services.
- On 13 August 2020, the Company acquired 100% of the issued share capital of Zebra Worldwide Group Limited for consideration of \$24,783,000 (£19,032,353). On 31 August 2021, a True up Agreement was signed and the Company paid an additional consideration of \$15,273,000 (£12,498,081) to CreativeDrive LLC. The principal activity of Zebra Worldwide Group Limited is the provision of strategic, creative, production, post-production and localisation services to advertisers of industry.

Other minor investments additions of £2,611,403 were recorded in investments during the prior year.

In accordance with IAS 36 *Impairment of Assets*, investments are subject to an impairment review when an indicator of impairment is considered to exist. The impairment review was performed on 31 August 2022 using the net asset method which resulted in the impairment charge of £31,303,000 (2021: £5,014,000).

Notes to the Financial Statements for the year ended 31 August 2022 (continued)

15 Investments (continued)

As at 31 August 2022 the Company owns ordinary shares (direct and indirect investments) in the following entities:

Name	Principal Activity	Country of incorporation	Registered Office	Share holding 2022	Share holding 2021
Imagine Broadband (USA) Limited	Dormant	UK	30 Fenchurch Street, London, EC3M 3BD	100%	100%
Accenture Post-Trade Processing Limited	Consulting	UK	30 Fenchurch Street, London, EC3M 3BD	100%	100%
Imagine Broadband LLC	Dormant	USA	30 Fenchurch Street, London, EC3M 3BD	100%	100%
?WhatIf! Holdings Limited	Dormant	UK	C/O Quantuma Advisory Limited, High Holborn House, 52-54 High Holborn, London, WC1V 6RL	100%	100%
?WhatIf! Limited	Dormant	UK	C/O Quantuma Advisory Limited, High Holborn House, 52-54 High Holborn, London, WC1V 6RL	100%	100%
?WhatIf! China Holdings Limited	Dormant	UK	C/O Quantuma Advisory Limited, High Holborn House, 52-54 High Holborn, London, WC1V 6RL	100%	100%
?Whatif! Innovation Singapore Holdings Pte. Ltd.	Dormant	Singapore	7 Straits View, Singapore	100%	100%
?What if! Shangai WOFE	Dormant	China	134 Xinle, Shangai, 200043	100%	100%
Orbium Consulting Limited	Dormant	UK	C/O Quantuma Advisory Limited, High Holborn House, 52-54 High Holborn, London, WC1V 6RL	100%	100%
Mackevision UK Limited	Dormant	UK	C/O Quantuma Advisory Limited, High Holborn House, 52-54 High Holborn, London, WC1V 6RL	100%	100%
Parker Fitzgerald Limited	Dormant	UK	C/O Quantuma Advisory Limited, High Holborn House, 52-54 High Holborn, London, WC1V 6RL	100%	100%
Droga5 UK Limited	Consulting	UK	30 Fenchurch Street, London, EC3M 3BD.	100%	100%
Accenture Song Brand UK Ltd (formerly Karmarama Limited)	Consulting	UK	30 Fenchurch Street, London, EC3M 3BD.	100%	100%
Accenture Song Production Studios UK Ltd. (formerly Kream Comms Limited)	Consulting	UK	30 Fenchurch Street, London, EC3M 3BD.	100%	100%
Accenture Marketing Services Ltd (Former name: Nice Agency Limited)	Consulting	UK	30 Fenchurch Street, London, EC3M 3BD.	100%	100%
Bow & Arrow Limited	Dormant	UK	C/O Quantuma Advisory Limited, High Holborn House, 52-54 High Holborn, London, WC1V 6RL	100%	100%
Mudano Limited	Dormant	UK	C/O Quantuma Advisory Limited, High Holborn House, 52-54 High Holborn, London, WC1V 6RL	100%	100%

Notes to the Financial Statements for the year ended 31 August 2022 (continued)

15 Investments (continued)

Name	Principal Activity	Country of incorporation	Registered Office	Share holding	Share holding
				2022	2021
Happen GP Limited	Dormant	UK	C/O Quantuma Advisory Limited, High Holborn House, 52-54 High Holborn, London, WC1V 6RL	100%	100%
Happen Ltd.	Dormant	UK	C/O Quantuma Advisory Limited, High Holborn House, 52-54 High Holborn, London, WC1V 6RL	100%	100%
Context Information Security Limited	Dormant	UK	C/O Quantuma Advisory Limited, High Holborn House, 52-54 High Holborn, London, WC1V 6RL	100%	100%
Zebra Worldwide Group Limited	Dormant	UK	C/O Quantuma Advisory Limited, High Holborn House, 52-54 High Holborn, London, WC1V 6RL	100%	100%
Accenture Song Production Studios Europe Limited (formerly CreativeDrive EMEA Ltd)	Consulting	UK	89 Warwick Road, London, N11 2SP	100%	100%
Zebra Worldwide Media Pty	Dormant	ZA	14 Portswood Rd, Green Point, Cape Town, 8051, South Africa	100%	100%
Zebra Worldwide SAS	Dormant	FR	33 Rue Truffaut 75017 Paris	100%	100%
Callisto Integration Europe Ltd.	Dormant	UK	C/O Quantuma Advisory Limited, High Holborn House, 52-54 High Holborn, London, WC1V 6RL	100%	100%
Callisto Integration B.V. Ltd.	Dormant	NL	Gustav Mahlerplein 90, 1082 MA Amsterdam	100%	100%
Yesler Limited	Dormant	UK	C/O Quantuma Advisory Limited, High Holborn House, 52-54 High Holborn, London, WC1V 6RL	100%	100%
CoreCompete Limited	Consulting	UK	Suite 07-10 Gloucester House 399 Silbury Boulevard, Milton Keynes, England, MK9 2AH	100%	100%
Cirrus Connect Limited	Consulting	UK	Sandfield House, Water Lane, Wilmslow, SK9 5AR	100%	100%
N3 Results Limited	Dormant	UK	30 Fenchurch Street, London, EC3M 3BD	100%	100%
CS Technology (UK) Limited	Dormant	UK	1 Plantation Place, 30 Fenchurch Street, London, EC3M 3BD	100%	100%
REPL Group Worldwide Limited	Dormant	UK	30 Fenchurch Street, London, England, EC3M 3BD	100%	100%
REPL Consulting Limited	Dormant	UK	30 Fenchurch Street, London, EC3M 3BD.	100%	100%
REPL Software Limited	Dormant	UK	30 Fenchurch Street, London, EC3M 3BD.	100%	100%
REPL Technology Limited	Dormant	UK	30 Fenchurch Street, London, EC3M 3BD.	100%	100%

Notes to the Financial Statements for the year ended 31 August 2022 (continued)

15 Investments (continued)

Name	Principal Activity	Country of incorporation	Registered Office	Share holding	Share holding
				2022	2021
REPL Digital Limited	Dormant	UK	30 Fenchurch Street, London, EC3M 3BD.	100%	100%
REPL Group KK	Dormant	JP	Hulic & New Shimbashi, Minato, Tokyo	100%	100%
Sapling TopCo Limited	Dormant	UK	30 Fenchurch Street, London, EC3M 3BD.	100%	100%
Sapling MidCo Limited	Dormant	UK	30 Fenchurch Street, London, EC3M 3BD.	100%	100%
Sapling BidCo Limited	Dormant	UK	30 Fenchurch Street, London, EC3M 3BD.	100%	100%
Edenhouse ERP Holdings Limited	Dormant	UK	30 Fenchurch Street, London, EC3M 3BD.	100%	100%
Edenhouse Solutions Ltd	Consulting	UK	30 Fenchurch Street, London, EC3M 3BD.	100%	100%
EdenOne Solutions Ltd	Dormant	UK	30 Fenchurch Street, London, EC3M 3BD.	100%	100%
Infinity Works Holdings Limited	Dormant	UK	Apsley House, 78 Wellington Street, Leeds, England, LS1 2EQ	100%	100%
Infinity Works Midco Limited	Dormant	UK	Apsley House, 78 Wellington Street, Leeds, England, LS1 2EQ	100%	100%
Infinity Works Management Limited	Dormant	UK	Apsley House, 78 Wellington Street, Leeds, England, LS1 2EQ	100%	100%
Infinity Works Consulting Limited	Dormant	UK	Apsley House, 78 Wellington Street, Leeds, England, LS1 2EQ	100%	100%
Smart Corporate Sustainability Group Limited	Consulting	UK	22 St James's Walk, London EC1R 0AP	100%	0%
Avieco Limited	Consulting	UK	22 St James's Walk, London EC1R 0AP	100%	0%
Xoomworks Limited	Consulting	UK	Work.Life, 33 Foley Street, London, England, W1W 7TL	100%	0%
Xoomworks Outsourcing Services Ltd	Consulting	UK	Work.Life, 33 Foley Street, London, England, W1W 7TL	100%	0%
Asentis Limited	Consulting	UK	Work.Life, 33 Foley Street, London, England, W1W 7TL	100%	0%
Umlaut Limited	Consulting	UK	14th Floor 33 Cavendish Square, London, United Kingdom, W1G 0PW	100%	0%
Business Control Solutions Group Limited	Consulting	UK	Ground Floor Churchgate, New Road, Peterborough, Cambridgeshire, PE1 1TT	100%	0%

Notes to the Financial Statements for the year ended 31 August 2022 (continued)

15 Investments (continued)

Name	Principal Activity	Country of incorporation	Registered Office	Share holding 2022	Share holding 2021
Business Control Solutions Plc	Consulting	UK	Ground Floor Churchgate, New Road, Peterborough, Cambridgeshire, PE1 1TT	100%	0%
Business Control Software Limited	Consulting	UK	Ground Floor Churchgate, New Road, Peterborough, Cambridgeshire, PE1 1TT	100%	0%
Business Control Solutions Trustees Ltd	Dormant	UK	Ground Floor Churchgate, New Road, Peterborough, Cambridgeshire, PE1 1TT	100%	0%
Lexa UK Limited	Dormant	UK	C/O Quantum Advisory Limited High Holborn House, 52-54 High Holborn, London, WC1V 6RL	100%	0%
Founders Intelligence Limited	Consulting	UK	Northcliffe House, Young Street, London, England, W8 5EH	100%	0%
Spark44 (JV) Limited	Consulting	UK	Abbey Road, Whitley, Coventry, Warwickshire, CV3 4LF	100%	0%
Spark44 Limited	Consulting	UK	The White Collar Factory, 1 Old Street Yard, London, England. EC1Y 8AF	100%	0%
Spark44 Pty Ltd	Consulting	AU	TMF Corporate Service (AUS) Pty Ltd, Level 16, 201 Elizabeth Street, Sydney NSW 2000	100%	0%
Spark44 Canada Inc	Consulting	CA	10 Alcorn Avenue Suite 205 Toronto, Ontario M4V 3A9, Canada	100%	0%
Spark44 Shanghai Limited	Consulting	CN	Room 6401, 6402, 6501, 6502, No. 6 Building, 436 Jumen Road, Huangpu District, Shanghai	100%	0%
Spark44 Colombia S.A.S.	Consulting	CO	CL 72 NO. 10 07 OF 401	100%	0%
Spark44 GmbH	Consulting	DE	Frankfurt Westendcarree, Gervinusstrasse 17, 60322 Frankfurt am Main	100%	0%
Spark44 Demand Creation Partners Private Ltd	Consulting	IN	Unit no 604, 6th Floor, Sterling Centre, Dr. Annie Besant Road, Worli Mumbai, Mumbai City MH 400018 IN	100%	0%
Spark S.r.l.	Consulting	IT	Rome, Italy, via Marcella 4/6 (zip code 00153)	100%	0%
Spark44 Japan K.K.	Consulting	JP	ARK Hills Front Tower RoP 806, 2-23-1 Akasaka Minato-ku, Tokyo	100%	0%

Notes to the Financial Statements for the year ended 31 August 2022 (continued)

15 Investments (continued)

Name	Principal Activity	Country of incorporation	Registered Office	Share holding	Share holding
				2022	2021
Spark44 Singapore Pte. Limited	Consulting	SG	Spark44 Singapore Pte. Limited	100%	0%
Spark 44 South Africa	Consulting	ZA	1st Floor Building 22A The Woodland, 20 Woodlands Drive, Woodmead Gauteng 2191	100%	0%
Spark44 Seoul Limited	Consulting	KR	F12 (Seorin-dong), 11 Cheonggyecheon-ro, Jongno-gu, Seoul, Republic of Korea	100%	0%
Spark44 Communications, S.L.U.	Consulting	ES	Calle de Prim 19, 4th floor, 28004 Madrid, Spain	100%	0%
Spark44 Taiwan Limited	Consulting	TW	4F.-7, No. 316, Wenchang St., Xinyi Dist., Taipei City	100%	0%
Spark44 Middle East DMCC	Consulting	UAE	Unit No. 1301, JBC 1, Plot No. JLT-PH1-G2A, Jumeirah Lakes Towers, Dubai, UAE	100%	0%
Spark44 LLC	Consulting	US	2711 Centreville Road, Suite 400, Wilmington, Delaware 19808 USA	100%	0%
Yukon Topco Limited	Consulting	UK	50 Floral Street, London, WC2E 9DA	100%	0%
Yukon Midco 1 Limited	Consulting	UK	50 Floral Street, London, WC2E 9DA	100%	0%
Yukon Midco 2 Limited	Consulting	UK	50 Floral Street, London, WC2E 9DA	100%	0%
Yukon Bidco Limited	Consulting	UK	50 Floral Street, London, WC2E 9DA	100%	0%
YSC Holdings Limited	Consulting	UK	50 Floral Street, London, WC2E 9DA	100%	0%
Young Samuel Chambers ("YSC") Limited	Consulting	UK	50 Floral Street, London, WC2E 9DA	100%	0%
Young Samuel Psychologists Pty Ltd	Consulting	ZA	35 Ferguson Road, Illovo, Sandton 2196, Johannesburg	100%	0%
YSC (Americas), Inc	Dormant	US	295 Madison Avenue, 19th Floor, New York NY 10017, USA	100%	0%
YSC India Business Psychologists Private Limited	Consulting	IN	91 Springboard Business Hub, 2nd floor, East Mumbai, 400098	100%	0%
Young Samuel Chambers SA de CV	Consulting	MX	Puebla 403, Oficina 108, Colonia, CO 06700, Mexico	100%	0%
YSC Consulting Pte Limited	Consulting	SG	8 Marina Boulevard, Level 11 Tower 1 Marina Bay Financial Centre, Singapore 018981	100%	0%
YSC (Shanghai) Management Consulting Co. Limited	Consulting	CN	Infinitus Suite 26007, 26F, 168 Hubin Road, Shanghai 200021	100%	0%

Notes to the Financial Statements for the year ended 31 August 2022 (continued)**15 Investments (continued)**

Name	Principal Activity	Country of incorporation	Registered Office	Share holding	Share holding
				2022	2021
YSC Limited	Consulting	CA	295 Madison Avenue, 19th Floor, New York NY 10017, USA	100%	0%
Carbon Credentials Energy Services Limited	Consulting	UK	103-113 Regent Street, London, England, WIB 4HL	100%	0%

None of the shares of the above subsidiary undertakings are listed. In the opinion of the Directors the shares in and loans to the Company's subsidiaries is worth at least the amounts at which they are stated in the Balance Sheet.

Seabury Aviation & Aerospace (UK) Ltd, Cutting Edge Solutions Limited, Kaper Communications Limited, Certus Solutions Consulting Services Limited, Parker Fitzgerald Services Limited, Parker Fitzgerald Solutions Limited, Parker Fitzgerald International Limited were liquidated during the year.

Entities that were placed into liquidation during the year and the liquidation process is ongoing:

Name	Placed into liquidation
Yesler Limited	30 September 2021
Zebra Worldwide Group Limited	30 September 2021
Callisto Integration Europe Ltd.	19 October 2021
Context Information Security Limited	23 November 2021
Mudano Limited	23 November 2021
N3 Results Limited	29 June 2022
Edenhouse ERP Holdings Limited	22 March 2022
EdenOne Solutions Limited	22 March 2022
Sapling TopCo Limited	1 June 2022
Sapling MidCo Limited	22 March 2022
Sapling BidCo Limited	22 March 2022
Infinity Works Holdings Limited	31 May 2022
Infinity Works MidCo Limited	31 May 2022
Infinity Works Management Limited	31 May 2022
Infinity Works Consulting Limited	31 May 2022
REPL Group Worldwide Limited	27 July 2022
REPL Consulting Limited	29 June 2022
REPL Software Limited	31 May 2022
REPL Technology Limited	31 May 2022
REPL Digital Limited	31 May 2022
CS Technology (UK) Limited	29 June 2022
Lexta UK Limited	31 August 2022
Business Control Solutions Trustees Ltd.	26 January 2022

Notes to the Financial Statements for the year ended 31 August 2022 (continued)

15 Investments (continued)

Entities that were placed into liquidation in the prior year and the liquidation process is ongoing:

Name	Placed into liquidation
?What If! Limited	14 January 2021
?What If! China Holdings Limited	29 March 2021
?What If! Holdings Limited	29 March 2021
CreativeDrive UK Group Ltd	29 March 2021
Mackevision UK Limited	31 March 2021
Bow & Arrow Limited	30 April 2021
Happen GP Limited	28 May 2021
Happen Ltd.	28 May 2021
Orbium Consulting Limited	29 June 2021
Parker Fitzgerald Limited	29 June 2021

Liquidation distribution and impairments during the year ended 31 August 2022:

Names	Note	Liquidation distribution £ 000	Write off of Net Investments / Impairments £ 000	(Loss) / Gain (Note 4) £ 000
Mudano Limited		32,636	(35,269)	(2,633)
Context Information Security Limited		97,870	(99,099)	(1,229)
Zebra Worldwide Group Limited		31,544	(31,652)	(108)
Sapling Topco Limited		2,067	(2,254)	(187)
N3 Results Limited		9,516	(9,593)	(77)
Infinity Works Holdings Limited		169,397	(169,397)	—
REPL Group Worldwide Limited		93,845	(93,938)	(93)
Other entities		3,780	(2,711)	1,069
		<u>440,655</u>	<u>(443,913)</u>	<u>(3,258)</u>
Accenture Song Production Studios Europe Limited (formerly CreativeDrive EMEA Ltd):				
Impairment charged to profit and loss	4	—	(29,186)	(29,186)
Impairment recorded against intercompany payable		—	(2,117)	—
		<u>—</u>	<u>(31,303)</u>	<u>(29,186)</u>
Total		<u>440,655</u>	<u>(475,216)</u>	<u>(32,444)</u>

Notes to the Financial Statements for the year ended 31 August 2022 (continued)**15 Investments (continued)**

Liquidation distribution and impairments during the year ended 31 August 2021:

Names	Liquidation	Write off of Net	(Loss) / Gain
	distribution	Investments /	
	£ 000	Impairments	£ 000
Accenture HR Services Ltd	19,819	(19,819)	—
Genfour Limited	6,483	(6,483)	—
Parker Fitzgerald Limited	31,917	(32,201)	(284)
?What if! Holdings limited	48,575	(50,804)	(2,229)
Bow & Arrow Limited	13,919	(14,215)	(296)
Orbium Consulting Limited	7,787	(8,567)	(780)
Happen GP Limited	9,733	(9,700)	33
Accenture Azerbaijan Limited	322	—	322
	<u>138,555</u>	<u>(141,789)</u>	<u>(3,234)</u>
Yesler Limited	—	(84)	(84)
Cutting Edge Solutions Limited	—	(392)	(392)
Callisto Integration Europe Ltd.	—	(233)	(233)
Mudano limited*	—	(4,305)	—
	<u>—</u>	<u>(5,014)</u>	<u>(709)</u>
Total	<u>138,555</u>	<u>(146,803)</u>	<u>(3,943)</u>

*The impairment related with Mudano limited was recorded against contingent consideration liability.

16 Debtors

	Note	2022	2021
		£ 000	£ 000
Debtors amounts due within one year			
Trade receivables		505,585	362,270
Contract assets		40,064	21,594
Amounts owed from group companies		168,534	260,524
Other receivables		56,128	57,071
Derivative financial instruments	18	30,545	4,379
Income tax assets		15,789	24,783
Lease receivables		4,855	4,558
Prepayments		13,521	15,119
		<u>835,021</u>	<u>750,298</u>

The contract assets balance as at 31 August 2020 was £24,667,000.

Notes to the Financial Statements for the year ended 31 August 2022 (continued)

16 Debtors (continued)

	Notes	2022 £ 000	2021 £ 000
Debtors amounts due after more than one year			
Other receivables		24,439	26,473
Contract assets		21,505	17,737
Derivative financial instruments	18	29,618	3,591
Deferred tax assets	11	867	28,207
Retirement benefit assets		54,153	65,647
Lease receivables		26,256	30,544
		<u>156,838</u>	<u>172,199</u>

The contract assets balance as at 31 August 2020 was £27,300,000.

Amounts owed from group companies earn interest at various rates and are repayable on demand.

The carrying value of trade and other receivables equates to their fair value due to their short-term maturities. The maximum exposure to credit risk for trade and other receivables at the reporting date is their carrying amount.

Expected credit losses on trade receivables

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables and contract assets are regularly monitored. Trade receivables are non-interest bearing and are generally issued with credit terms of 0-30 days.

An impairment analysis is performed at each reporting date using the provision matrix below to measure the ECL. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns. The calculation of the ECL reflects reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Loss rates are based on actual credit loss experience over a period of at least 6 years. These rates are multiplied by scalar factors to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the Company's view of economic conditions over the expected lives of the receivables. Trade receivables are stated after provisions for impairment of £1,174,572 (2021: £602,401).

17 Creditors

	Note	2022 £ 000	2021 £ 000
Amounts falling due within one year			
Trade payables		62,478	65,122
Amounts owed to group companies		364,769	821,234
VAT payable		87,147	57,470
Payroll withholding taxes and social charges		93,669	68,147
Long term incentive liability - current portion		146,684	94,371
Other payables		44,122	31,914
Accruals		203,463	178,271
Derivative financial instruments	18	382	8,510
Contract liabilities		159,644	130,369
Provisions	20	133	133
Lease liability	14	31,922	29,683
		<u>1,194,413</u>	<u>1,485,224</u>

The contract liabilities balance as at 31 August 2020 was £132,596,000.

Notes to the Financial Statements for the year ended 31 August 2022 (continued)

17 Creditors (continued)

Amounts owed to group companies are charged at a rate of interest in line with the London Interbank Offer Rate (LIBOR) in 2021 and changed to Sterling Overnight Index Average (SONIA) in 2022. These amounts are repayable on demand.

	Note	2022 £ 000	2021 £ 000
Amounts falling due after more than one year		£ 000	£ 000
Accruals		13,281	22,634
Contract liabilities		61,617	66,655
Derivative financial instruments	18	1,073	425
Long term incentive liability		91,552	76,876
Lease liability	14	140,417	146,767
		<u>307,940</u>	<u>313,357</u>

The contract liabilities balance as at 31 August 2020 was £72,759,000.

18 Derivative financial instruments

	2022		2021	
	Assets (Note 16) £ 000	Liabilities (Note 17) £ 000	Assets (Note 16) £ 000	Liabilities (Note 17) £ 000
Forward foreign exchange contracts				
Current	30,545	(382)	4,379	(8,510)
Non-current	29,618	(1,073)	3,591	(425)

Assets and liabilities relating to derivative financial instruments represents the fair value of open forward foreign exchange contracts which the Company is a party to at the year end. The fair value of these open positions is calculated by reference to the forward foreign exchange rates at the year end. During the year ended 31 August 2022, the fair value of the Company's foreign exchange hedges increased mainly due to the strengthening of the Pound Sterling against the Indian Rupee.

The gains and losses arising from cash flow hedging positions are recognised in reserves until they are realised. The position recognised in reserves is recognised net of deferred tax.

The cash flow hedge reserve shows fair value gain of £41,368,000 (net of deferred tax) as at 31 August 2022 (2021: £4,372,000). This represents the mark to market gains on the Company's portfolio of forward foreign exchange contracts at the year end date (net of deferred tax). This movement in the fair value of forward foreign exchange contract gain of £36,996,000 (2021: £5,023,000) has been recognised in the Statement of Comprehensive Income. The gain relating to cash flow hedges that was recognised in cost of sales for the year ended 31 August 2022 was £10,946,462 (2021: £663,910).

The notional principal amounts of the outstanding forward foreign exchange contracts at 31 August 2022 were £511,192,000 (2021: £359,755,000). These forward foreign contracts are to mature within one to three years as per analysis below:

	2022 £ 000	2021 £ 000
Mature within one year	248,161	185,669
Mature within two years	172,261	118,413
Mature within three years	90,770	55,673
	<u>511,192</u>	<u>359,755</u>

Notes to the Financial Statements for the year ended 31 August 2022 (continued)

18 Derivative financial instruments (continued)

During the ended 31 August 2022, the Company signed a contract that contains embedded derivative in several currencies. The notional principal amounts outstanding were:

	2022	2021
	£ 000	£ 000
Mature within one year	23,130	21,635
Mature within two years	25,028	23,130
Mature within three years	25,031	25,028
Mature within four years	16,688	25,031
Mature within five years	—	16,688
	89,877	111,512

19 Share based payments

Accenture Restricted Stock Unit (RSU) Plan

The Company participates in five (2021: five) RSU plans operated by the Company's ultimate parent undertaking for employees and executives of group companies, including the Company. Under these plans, participants may be granted restricted stock units, each of which represents an unfunded, unsecured right, which is non-transferable except in the event of death of the participant, to receive an Accenture plc Class A ordinary share on the date specified in the participant's award agreement. RSUs lapse on the date of cessation of the participant as an employee of an Accenture plc group company. The restricted share units granted under these plans are subject to cliff or graded vesting conditions, generally ranging from two to seven years. For awards with graded vesting conditions, the compensation expense is recognised over the vesting term of each separate vesting portion. The compensation expense is recognised on a straight-line basis for awards with cliff vesting conditions. Due to the similarity of the plans, they have been valued and modelled as one plan. All RSUs are settled by physical delivery of Accenture plc Class A shares.

The outstanding liability of Restricted Share Units at the balance sheet date are valued using the group's treasury stock price on a FIFO basis. For RSUs that were delivered during the year, the weighted average share price at the date of exercise was \$383.06 (2021: \$252.48). The RSUs outstanding at 31 August 2022 have a weighted average remaining vesting period of 1.67 years (2021: 1.59 years). The value of services received in return for the RSUs granted is based on the fair value of the RSUs granted, measured using the fair market value of the share.

Employee Share Purchase Plan (ESPP)

The Company participates in an Employee Share Purchase Plan (ESPP) operated by the ultimate parent undertaking, Accenture plc. The ESPP is a non-qualified plan that provides eligible employees an opportunity to purchase Accenture plc Class A ordinary shares through payroll deductions. The terms of the plan allow participants to purchase a defined number of shares (subject to certain restrictions) at a discount on market price. The discount shall not be more than 15% of the fair market value of the shares. The expense recognised by the Company in respect of the ESPP represents the discount on market price received by participants in the year.

The share based compensation was £112,313,350 (2021: £86,205,264) (Note 7).

Notes to the Financial Statements for the year ended 31 August 2022 (continued)

20 Provisions

	Restructuring provision £ 000	Dilapidations £ 000	Total £ 000
As at 1 September 2021	—	9,913	9,913
Recognised during the year	—	8,199	8,199
Released during the year	—	(337)	(337)
Accretion charge for the year	—	272	272
As at 31 August 2022	—	18,047	18,047
Non-current liabilities	—	17,914	17,914
Current liabilities (Note 17)	—	133	133

	Restructuring provision £ 000	Dilapidations £ 000	Total £ 000
At 1 September 2020	48,320	9,468	57,788
Recognised during the year	—	1,819	1,819
Released during the year	—	(2,447)	(2,447)
Utilised during the year	(48,320)	—	(48,320)
Accretions charge for the year	—	1,073	1,073
As at 31 August 2021	—	9,913	9,913
Non-current liabilities	—	9,780	9,780
Current liabilities (Note 17)	—	133	133

Dilapidations

Provision has been made for the costs expected to be incurred in returning leasehold premises to their original state when exiting at the conclusion of the agreement. It is expected that the costs will be incurred up until 2029.

Restructuring provision

In July 2020, the Company announced a redundancy programme to address an overcapacity in its employee cost base that existed before the pandemic and made worse by reduced natural attrition from the crisis. Following the announcement of the plan, the Company recognised a provision of £48m for expected restructuring costs in 2020. Estimated restructuring costs include employee termination benefits and are based on a detailed plan agreed between management and employee representatives.

21 Share capital

Each share is entitled to a pro rata share of any dividend at the times and in the amounts, if any, which Accenture (UK) Limited's Board of Directors from time to time determines to declare. Each common share is entitled, on winding-up of Accenture (UK) Limited, to be paid a pro rata share of the value of the assets of Accenture (UK) Limited remaining after the payment of its liabilities. Holders of Accenture (UK) Limited shares are entitled to one vote per share.

Allotted, called up and fully paid shares

	2022 No.	£ 000	2021 No.	£ 000
Ordinary shares of £1 each	1,026,000,006	1,026,000	1,026,000,005	1,026,000

On 11 August 2022, the Company allotted and issued one ordinary share with nominal value of £1 to Accenture International BV at a share premium of £779,999,999.

Notes to the Financial Statements for the year ended 31 August 2022 (continued)

21 Share capital (continued)

The following describes the nature and purpose of each reserve within equity:

Reserves	Description of the purpose
Share capital	Nominal value of share capital subscribed for.
Share premium	Amount subscribed for share capital in excess of nominal value.
Cash flow hedge reserve	The effective portion of changes in the fair values of derivatives that are designated and qualify as cash flow hedges is recognised in this reserve.
Capital contribution	Any excess of the share based payment expense over the recharge from Accenture plc is recorded in this reserve.
Retained earnings	All other net gains and losses and transactions with owners (e.g. dividends) not recognised elsewhere.

22 Commitments

The Company had no capital commitments contracted for but not provided in the financial statements at the end of the year (2021: £Nil).

23 Contingent assets

At 31 August 2022, the Company had no contingent assets (2021: £Nil).

24 Contingent liabilities

At 31 August 2022, the Company had no contingent liabilities (2021: £Nil).

25 Subsequent events

Subsequent to the year end the following events occurred:

- On 1 September 2022, the Company acquired the trade and certain assets and liabilities of Avieco Limited, a UK sustainability consultancy.
- On 1 September 2022, the Company acquired the trade and certain assets and liabilities of Umlaut Limited, an entity that provides engineering consulting and services.
- On 1 February 2023, the Company acquired the trade and certain assets and liabilities of Carbon Credentials Energy Services Limited, an entity that provides climate change strategy consultancy.

26 Accounting estimates and judgements

The preparation of the financial statements in accordance with FRS 101 requires management to make certain estimates, assumptions and judgements that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Management believe that the estimates, assumptions and judgements upon which it relies are reasonable based on the information available to them at the time that those estimates, assumptions and judgements are made. In some cases, the accounting treatment of a particular transaction is specifically dictated by FRS 101 and does not require management's judgement in its application.

Key sources of estimation uncertainty and critical accounting judgements are as follows:

Goodwill

The Company has capitalised goodwill of £2,399,938,000 at 31 August 2022 (2021: £1,967,180,000) as detailed in Note 12 to the financial statements. Goodwill is required to be tested for impairment at least annually or more frequently if changes in circumstances or the occurrence of events indicate potential impairment exists. The Company uses value in use calculations to determine the recoverable amount of goodwill that has an indefinite life. Value in use is calculated as the present value of future cash flows. In calculating value in use, management judgement is required in forecasting cash flows and in selecting an appropriate discount rate and nominal growth rate in perpetuity. No goodwill impairment charge was recognised by the Company in 2022 (2021: £Nil).

Notes to the Financial Statements for the year ended 31 August 2022 (continued)

26 Accounting estimates and judgements (continued)

Revenue recognition

Revenues from contracts for technology integration consulting services where the Company designs/redesigns, builds and implements new or enhanced systems applications and related processes for its clients are recognised on the percentage-of-completion method, which involves calculating the percentage of services provided during the reporting period compared to the total estimated services to be provided over the duration of the contract.

Contracts for technology integration consulting services generally span six months to two years. Estimated revenues used in applying the percentage-of-completion method include estimated incentives for which achievement of defined goals is deemed probable. This method is followed where reasonably dependable estimates of revenues and costs can be made. Estimates of total contract revenues and costs are continuously monitored during the term of the contract, and recorded revenues and estimated costs are subject to revision as the contract progresses. Such revisions may result in increases or decreases to revenues and income and are reflected in the Financial Statements in the periods in which they are first identified. If the Company's estimates indicate that a contract loss will occur, a loss provision is recorded in the period in which the loss first becomes probable and reasonably estimable. Contract losses are determined to be the amount by which the estimated total direct and indirect costs of the contract exceed the estimated total revenues that will be generated by the contract and are included in cost of services and classified in other accrued liabilities. Refer to the carrying amounts of the contract assets and contract liabilities in Note 16 and 17, respectively.

Retirement benefit obligations

The Company operates a defined benefit retirement plan, details of which are as set out in Note 9 to the financial statements. The Company's total obligation in respect of the defined benefit plans is calculated by an independent qualified actuary and updated at least annually and totals £161,729,000 at 31 August 2022 (2021: £243,421,000). Plan assets at 31 August 2022 amounted to £215,882,000 (2021: £309,068,000) giving a net scheme surplus of £54,153,000 (2021: £65,647,000). The size of the obligation is sensitive to actuarial assumptions. The key assumptions are the discount rate, the rate of inflation, life expectancy, pension benefits and rate of salary increases. Plan assets are also sensitive to asset returns and the level of contributions made by the Company.

Leases

As a lessee, substantially all of our lease obligation is for office real estate. Our significant judgments used in determining our lease obligation include whether a contract is or contains a lease and the determination of the discount rate used to calculate the lease liability. We elected the practical expedient not to separate lease and associated non-lease components, accounting for them as a single combined lease component.

Our leases may include the option to extend or terminate before the end of the contractual term and are often non-cancellable or cancellable only by the payment of penalties. Our lease assets and liabilities include these options in the lease term when it is reasonably certain that they will be exercised. In certain cases, we sublease excess office real estate to third-party tenants.

Lease assets and liabilities recognized at the lease commencement date are determined predominantly as the present value of the payments due over the lease term. Since we cannot determine the implicit rate in our leases, we use our incremental borrowing rate on that date to calculate the present value. Our incremental borrowing rate approximates the rate at which we could borrow, on a secured basis for a similar term, an amount equal to our lease payments in a similar economic environment.

Dilapidation provisions

The Company has recognised a provision of £18,047,000 (2021: £9,913,000) for the costs expected to be incurred in returning leasehold premises to their original state when exiting at the conclusion of a lease agreement in Note 20. This provision has been estimated using information provided by property surveyors. In calculating this provision, management judgement is required in applying an appropriate discount factor to reflect the time value of money over the remainder of the lease.

Notes to the Financial Statements for the year ended 31 August 2022 (continued)

26 Accounting estimates and judgements (continued)

Taxation

Management is required to make judgements and estimates in relation to taxation assets and liabilities. The amounts recognised for taxation are based on management's estimate having taken appropriate professional advice.

Share based payments

The assumptions used in determining the amounts charged in the Profit and Loss Account include judgements in respect of performance conditions, length of service, future share prices, dividend, interest rates and exercise patterns.

Contingent consideration

Each year the management is required to assess the the probability of payment of the contingent consideration and the amount that should be included in the cost of the acquisition and liability. Refer to the carrying amount of contingent consideration in Note 13.

27 Parent and ultimate parent undertaking

The Company is owned and controlled by Accenture International BV. The Company's ultimate parent entity is Accenture plc a company incorporated in Ireland but which is also designated as a domestic registrant of the Security and Exchange Commission in the United States (SEC). As a consequence, Accenture plc files consolidated financial statements with the Companies Registration Office in Ireland (Irish filing) and with the SEC (SEC filing). The Irish filing, which avails of a special derogation under the Companies Act 2014, is prepared under the US Generally Accepted Accounting Principles (US GAAP) and the Irish Companies Act 2014 and can be obtained from the Company secretary, 1 Grand Canal Square, Grand Canal Harbour, Dublin 2. The SEC filing is prepared in accordance with US GAAP and the regulations of the SEC and is available from www.sec.gov.ie or from the Accenture website (www.investor.accenture.com). Accenture plc prepares group financial statements and is the largest group for which group financial statements are drawn up and of which the Company is a member. No other group financial statements include the results of the Company.