Accenture (UK) Limited Consolidated Financial Statements

Strategic Report, Directors' Report and Consolidated Financial Statements

For the year ended 31 August 2014

Registered No. 4757301 (England & Wales)

ACCENTURE (UK) LIMITED CONSOLIDATED FINANCIAL STATEMENTS

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DIRECTORS AND OTHER INFORMATION

DIRECTORS	Executive Directors:	Nationality:
	O Benzecry (Chairman and Managing Director)	United Kingdom
	A Chapple	American
	T Fetherston-Dilke	United Kingdom
	E McGuigan	United Kingdom
	J Oates	United Kingdom
	P Rowe	United Kingdom
	S Whitehouse	United Kingdom

SECRETARY

P Rowe

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ACCENTURE (UK) LIMITED CONSOLIDATED FINANCIAL STATEMENTS

STRATEGIC REPORT

Principal activities

Accenture is one of the world's leading professional services companies, providing management consulting, technology and outsourcing services to clients across a broad range of industries. Accenture (UK) Limited and its controlled subsidiary undertakings form the Accenture (UK) Limited Group, hereafter referred to in this report as the UK Group. The ultimate parent undertaking of the UK Group is Accenture plc.

Business review

Strategy

Accenture operates globally with one common brand and business model designed to enable it to provide clients around the world with the same high level of service. Drawing on a combination of industry and functional expertise, technology capabilities and alliances, and its global delivery resources, Accenture seeks to provide differentiated services that help its clients measurably improve their business performance and create sustainable value for their customers and stakeholders. Accenture's global delivery model enables it to provide an end-to-end delivery capability by drawing on its global resources to deliver high-quality, cost-effective solutions to its clients.

In fiscal 2014, Accenture continued to implement a strategy focused on industry and technology differentiation, as well as geographic expansion. Accenture has made a number of changes in its operating model and organisation structure, including moving additional professionals with management consulting and technology consulting skills from other parts of Accenture into its five operating groups. In addition, Accenture aligned its resources around four growth platforms: Accenture Strategy, a unique capability bringing together business strategy and technology strategy at scale; Accenture Digital, an end-to-end digital capability combining its services in digital marketing, analytics and mobility; Accenture Technology, which provides global delivery capabilities, focuses on research and development in our Technology Labs and manages our alliance relationships; and Accenture Operations, which combines our business process outsourcing capabilities with our infrastructure and cloud services, enabling us to run key operations "as a service" for clients. These changes were implemented by the UK Group.

Delivering the strategy

The UK Group's five operating groups being Communications, Media and Technology, Financial Services, Health & Public Services, Products and resources are its primary market channel, organised around 19 industry groups. The UK Group's industry focus gives the business an understanding of industry evolution, business issues and applicable technologies, enabling it to deliver innovative solutions tailored to each client or, as appropriate, more standardised capabilities to multiple clients.

The operating groups assemble integrated client engagement teams, which typically consist of industry experts, capability specialists and professionals with local market knowledge. The operating groups have primary responsibility for building and sustaining long-term client relationships; providing management and technology consulting services; working with the growth platforms to sell and deliver the full suite of services, ensuring client satisfaction and achieving revenue and profitability objectives.

The UK Group reports its turnover by type of work being consulting, outsourcing, income received from the provision of services to other Accenture entities and reimbursements.

Strengths and resources

Alliances

The UK Group has sales and delivery alliances with companies whose capabilities complement the business by enhancing a service offering or delivering a new technology. By combining alliance partners' products and services with the UK Group's own capabilities and expertise, it creates innovative, high-value business solutions for its clients. Most of the UK Group's alliances are non-exclusive. These alliances can generate revenues from services the UK Group provides to implement its alliance partners' products as well as revenue from the resale of their products. The UK Group also receives as reimbursement some direct payments, which are not material to its business, from the alliance partners to cover costs it incurs for marketing and other assistance.

Research and innovation

The UK Group is committed to developing leading-edge ideas. Research and innovation have been factors in its success, and will help the business to grow in the future. The UK Group uses its investment in research and development to help create, commercialise and disseminate innovative business strategies and technology solutions.

The UK Group's research and innovation program is designed to generate early insights into how knowledge can be harnessed to create innovative business solutions for its clients and to develop business strategies with significant value. The UK Group also promotes the creation of knowledge capital and thought leadership through the Accenture Institute for High Performance.

STRATEGIC REPORT

Employees

The UK Group's most important asset is its people. One of the key goals is to have the best talent, with highly specialised skills, at the right levels, to enhance its differentiation and competitiveness. The UK Group is deeply committed to the career development of its employees, who receive significant and focused technical, functional, industry, managerial and leadership skill development and training appropriate for their roles and levels within the UK Group. The UK Group provides its people with expert content and opportunities to collaborate in a broad range of physical and virtual learning environments. The UK Group seeks to reinforce its employees' commitments to its clients, culture and values through a comprehensive performance management and compensation system and a career philosophy that provides rewards based on individual and company performance. The UK Group strives to maintain a work environment that reinforces collaboration, motivation and innovation and is consistent with Accenture's core values and Code of Business Ethics.

The average numbers of people employed by the UK Group during the year was 8,797 (2013: 8,499).

Competition

The UK Group operates in a highly competitive and rapidly changing marketplace and competes with a variety of organisations that offer services competitive with those the UK Group offers. The UK Group's competitors include:

- large multinational providers, including the services arms of large global technology providers (hardware, equipment and software), that offer some or all of the services that the UK Group offers;
- off-shore service providers in lower-cost locations, particularly in India, that offer services globally that are similar to the services the UK Group offers, often at highly competitive prices and on more aggressive contractual terms;
- accounting firms that have expanded or are in the process of expanding, including through acquisitions, their consulting services in areas that compete with the UK Group;
- niche solution or service providers or local competitors that compete with the UK Group in a specific geographic market, industry segment or service area, including companies that provide new or alternative products, services or delivery models; and
- in-house departments of large corporations that use their own resources, rather than engage an outside firm for the types of services the UK Group provides.

The UK Group's turnover is derived primarily from large multi-national companies, medium-sized companies, governments, government agencies and other enterprises. The UK Group believes that the principal competitive factors in the industries in which it compete include:

- skills and capabilities of people;
- technical and industry expertise;
- innovative service and product offerings;
- ability to add business value and improve performance;
- reputation and client references;
- contractual terms, including competitive pricing;
- ability to deliver results reliably and on a timely basis;
- scope of services;
- service delivery approach;
- quality of services and solutions;
- availability of appropriate resources; and
- global reach and scale, including level of presence in key emerging markets.

Clients typically retain the UK Group on a non-exclusive basis.

Financial review

The consolidated statement of profit and loss and the consolidated statement of other comprehensive income for the year ended 31 August 2014 and the consolidated statement of financial position at that date, are set out on pages 17, 18 and 19 respectively. Consolidated turnover for the year ended 31 August 2014 amounted to £2,188,448,000 (2013: £2,135,885,000) and the profit for the financial year after taxation amounted to £103,875,000 (2013 restated: £117,947,000). Net assets at 31 August 2014 amounted to £1,616,050,000 (2013: £1,475,888,000).

STRATEGIC REPORT

Key performance indicators

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

	2014	2013
Revenue growth/(decline)	2%	(5%)
Gross profit margin	18%	19%
Operating profit margin	6%	7%

The Directors' focus remains on developing the UK Group and continuing to deliver value to its clients and pursuing profitable growth.

Business events

During the year the UK Group continued to implement a strategy focused on industry and technology differentiation as well as expansion. As part of this initiative, the UK Group made the following investments:

- On 1 December 2013 Accenture (UK) Limited acquired 100% of the issued share capital of Cutting Edge Solutions Limited for a consideration of £5,279,920;

- On 6 December 2013 Accenture (UK) Limited acquired 100% of the issued share capital of Procurian UK Limited for a consideration of USD$1;

- On 17 January 2014, Accenture (UK) Limited acquired 100% of the issued share capital of TLE Strategy Limited for a consideration of £732,350;

- On 9 June 2014, Accenture (UK) Limited acquired 100% of the issued share capital of PureApps Limited for a consideration of £8,513,022; and

- On 14 August 2014, Accenture (UK) Limited acquired 100% of the issued share capital of Fjord Network Limited for a consideration of £325.000.

Risks that relate to the UK Group's business

In addition to the other information set out in these financial statements, you should carefully consider the following factors which could materially adversely affect the business (business of the UK Group), financial condition and results of operations (including revenues and profitability). The UK Group's business is also subject to general risks and uncertainties that may broadly affect companies, including Accenture. Additional risks and uncertainties not currently known to the Directors or that the Directors currently deem to be immaterial also could materially adversely affect the UK Group's business, financial condition and results of operations.

Our results of operations could be adversely affected by volatile, negative or uncertain economic conditions and the effects of these conditions on our clients' businesses and levels of business activity

Global macroeconomic conditions affect our clients' businesses and the markets they serve. Volatile, negative or uncertain economic conditions in our significant markets have undermined and could in the future undermine business confidence in our significant markets or in other markets, which are increasingly interdependent, and cause our clients to reduce or defer their spending on new initiatives and technologies, or may result in our clients reducing, delaying or eliminating spending under existing contracts with us, which would negatively affect our business. Growth in the markets we serve could be at a slow rate, or could stagnate or contract, in each case, for an extended period of time.

Differing economic conditions and patterns of economic growth and contraction in the geographical regions in which we operate and the industries we serve have affected and may in the future affect demand for our services. A portion of our revenues and profitability is derived from our clients in Europe and outside Europe. Weak demand or a slower than expected recovery in these markets could have a material adverse effect on our results of operations. In addition, because we have businesses in markets outside of Europe, an economic slowdown in one or more of those other markets could adversely affect our results of operations as well. On-going economic volatility and uncertainty and changing demand patterns affect our business in a number of other ways, including making it more difficult to accurately forecast client demand and effectively build our revenue and resource plans, particularly in consulting.

Risks that relate to the UK Groups' business (continued)

Our results of operations could be adversely affected by volatile, negative or uncertain economic conditions and the effects of these conditions on our clients' businesses and levels of business activity (continued)

Economic volatility and uncertainty is particularly challenging because it may take some time for the effects and changes in demand patterns resulting from these and other factors to manifest themselves in our business and results of operations. Changing demand patterns from economic volatility and uncertainty could have a significant negative impact on our results of operations.

Our business depends on generating and maintaining ongoing, profitable client demand for our services and solutions, and a significant reduction in such demand could materially affect our results of operations

Our revenue and profitability depend on the demand for our services with favourable margins, which could be negatively affected by numerous factors, many of which are beyond our control and unrelated to our work product. As mentioned previously, volatile, negative or uncertain global economic conditions and lower growth in the markets we serve have adversely affected and could in the future adversely affect client demand for our services and solutions. In addition, as new technologies become available, such as Software as a Service (SaaS), which continually change the nature of our business, clients may slow spending on current technologies in anticipation of implementing these new technologies. Such a slowdown can negatively impact our results of operations if the pace and level of spending on new technologies is not sufficient to make up any shortfall. Developments in the industries we serve, which may be rapid, also could shift demand to new services and solutions. If, as a result of new technologies or changes in the industries we serve, clients demand new services and solutions, we may be less competitive in these new areas or need to make significant investment to meet that demand. Companies in the industries we serve sometimes seek to achieve economies of scale and other synergies by combining with or acquiring other companies.

If one of our current clients merge or consolidate with a company that relies on another provider for its consulting, systems integration and technology, or outsourcing services, we may lose work from that client or lose the opportunity to gain additional work if we are not successful in generating new opportunities from the merger or consolidation. At any given time in a particular industry, one or a small number of clients could contribute to a significant portion of our revenues, and any decision by such a client to delay, reduce, or eliminate spending on our services and solutions could have a disproportionate impact on the results of our operations in the relevant industry and/or geography.

Many of our consulting contracts are less than 12 months in duration, and these contracts typically permit a client to terminate the agreement with as little as 30 days' notice. Longer-term, larger and more complex contracts, such as some of our outsourcing contracts, generally require a longer notice period for termination and often include an early termination charge to be paid to us, but this charge might not be sufficient to cover our costs or make up for anticipated on-going revenues and profits lost upon termination of the contract. Many of our contracts allow clients to terminate, or delay, reduce or eliminate spending on the services and solutions we provide.

Additionally, a client could choose not to retain us for additional stages of a project, try to renegotiate the terms of the contract or cancel or delay additional planned work. When contracts are terminated or not renewed, we lose the anticipated revenues, and it may take significant time to replace the level of revenues lost. Consequently, our results of operations in subsequent periods could be materially lower than expected. The specific business or financial condition of a client, changes in management and changes in a client's strategy also are all factors that can result in terminations, cancellations or delays.

If we are unable to keep our supply of skills and resources in balance with client demand and attract and retain professionals with strong leadership skills, our business, the utilisation rate of our professionals and the results of our operations may be materially adversely affected

Our success is dependent, in large part, on our ability to keep our supply of skills and resources in balance with client demand and our ability to attract and retain personnel with the knowledge and skills to lead our business. Experienced personnel in our industry are in high demand, and competition for talent is intense. We must hire, retain and motivate appropriate numbers of talented people with diverse skills in order to serve clients, respond quickly to rapid and on-going technology, industry and macroeconomic developments and grow and manage our business. For example, if we are unable to hire or continually train our employees to keep pace with the rapid and continuing changes in technology and the industries we serve or changes in the types of services clients are demanding, such as the increase in demand for outsourcing services, we may not be able to develop and deliver new services and solutions to fulfil client demand. As we expand our services and solutions, we must also hire and retain an increasing number of professionals with different skills and professional expectations than those of the professionals we have historically hired and retained. Additionally, if we are unable to successfully integrate, motivate and retain these professionals, our ability to continue to secure work in those industries and services and solutions may suffer.

We are particularly dependent on retaining members of Accenture Leadership and other experienced managers, and if we are unable to do so, our ability to develop new business and effectively lead our current projects could be jeopardised. We depend on identifying, developing and retaining key employees to provide leadership and direction for our business.

Risks that relate to the UK Group' business (continued)

If we are unable to keep our supply of skills and resources in balance with client demand and attract and retain professionals with strong leadership skills, our business, the utilisation rate of our professionals and the results of our operations may be materially adversely affected (continued)

Similarly, our profitability depends on our ability to effectively utilise personnel with the right mix of skills and experience to perform services for our clients, including our ability to transition employees to new assignments on a timely basis. If we are unable to effectively deploy our employees globally on a timely basis to fulfil the needs of our clients, our ability to perform our work profitably could suffer. If our utilisation rate of our professionals is too high, it could have an adverse effect on employee engagement and attrition, the quality of the work performed as well as its ability to staff projects. If our utilisation rate is too low, our profitability and the engagement of our employees could suffer. The costs associated with recruiting and training employees are significant. An important element of our business model is the deployment of our employees around the world, which allows us to move talent as needed. Therefore, if we are not able to deploy the talent we need because of increased regulation of immigration or work visas, including limitations placed on the number of visas granted, limitations on the type of work performed or location in which the work can be performed, and new or higher minimum salary requirements, it could be more difficult to staff our employees on client engagements and this could increase our costs.

Our equity-based incentive compensation plans are designed to reward high-performing personnel for their contributions and provide incentives for them to remain with us. If the anticipated value of such incentives does not materialise because of volatility or lack of positive performance in Accenture plc's stock price, or if our total compensation package is not viewed as being competitive, our ability to attract and retain the personnel we need could be adversely affected. In addition, if Accenture plc does not obtain the shareholder approval needed to continue granting equity awards under its share plans in the amounts we believe is necessary, our ability to attract and retain personnel could be negatively affected.

There is a risk that at certain points in time, we will find it difficult to hire and retain a sufficient number of employees with the skills or backgrounds to meet current and/or future demand. In these cases, we might need to redeploy existing personnel or increase our reliance on subcontractors to fill certain labour needs, and if not done effectively, our profitability could be negatively impacted. Additionally, if demand for our services were to escalate at a high rate, we may need to adjust our compensation practices, which could put upward pressure on our costs and adversely affect our profitability if we are unable to recover these increased costs. At certain times, however, we may also have more personnel than we need in certain skill sets or at compensation levels that are not aligned with skill sets. In these situations, we must evaluate voluntary attrition and use reduced levels of new hiring and increased involuntary terminations as means to keep our supply of skills and resources in balance with client demand. If we are not successful in these initiatives, the results of operations could be adversely affected.

The markets in which we compete are highly competitive, and we might not be able to compete effectively

The markets in which we offer services are highly competitive. Our competitors include:

- large multinational providers, including the services arms of large global technology providers (hardware, equipment and software), that offer some or all of the services that we do;
- off-shore service providers in lower-cost locations, that offer services similar to the services we offer, often at highly competitive prices and on more aggressive contractual terms;
- accounting firms that have expanded or are in the process of expanding, including through acquisitions, their consulting services in areas that compete with us;
- niche solution or service providers or local competitors that compete with us in a specific geographic market, industry segment or service area, including companies that provide new or alternative products, services or delivery models; and
- in-house departments of large corporations that use their own resources, rather than engage an outside firm for the types of services we provide.

Some competitors are companies that may have greater financial, marketing or other resources than we have and, therefore, may be better able to compete for new work and skilled professionals.

Even if we have potential offerings that address marketplace or client needs, competitors may be more successful at selling similar services we offer, including to companies that are our clients. Some competitors are more established in certain emerging markets, and that may make executing its geographic expansion strategy in these markets more challenging. Additionally, competitors may also offer more aggressive contractual terms, which may affect our ability to win work. Our future performance is largely dependent on our ability to compete successfully in the markets we currently serve, while expanding into additional markets. If we are unable to compete successfully, we could lose market share and clients to competitors, which could materially adversely affect the results of operations.

Risks that relate to the UK Group' business (continued)

The markets in which we compete are highly competitive, and we might not be able to compete effectively (continued)

In addition, we may face greater competition due to consolidation of companies in the technology sector, through strategic mergers or acquisitions. Consolidation activity may result in new competitors with greater scale, a broader footprint or offerings that are more attractive than ours. For example, there has been a trend toward consolidation among hardware manufacturers, software developers and vendors, and service providers, which has resulted in the convergence of products and services. Over time, our access to such products and services may be reduced as a result of this consolidation. Additionally, vertically integrated companies are able to offer as a single provider more integrated services (software and hardware) to clients than we can in some cases and therefore may represent a more attractive alternative to clients. If buyers of services favour using a single provider for an integrated technology stack, such buyers may direct more business to such competitors, and this could materially adversely affect the our competitive position and our results of operations.

We could have liability or our reputation could be damaged if we fail to protect clients and/or Accenture data or information systems as obligated by law or contract or if our information systems are breached

We are dependent on information technology networks and systems to securely process, transmit and store electronic information and to communicate among our locations and with our clients, alliance partners, and vendors. As the breadth and complexity of this infrastructure continues to grow, including as a result of the use of mobile technologies and social media, the potential risk of security breaches and cyberattacks increases. Such breaches could lead to shutdowns or disruptions of our systems and potential unauthorised disclosure of sensitive or confidential information.

In providing services to clients, we often manage, utilise and store sensitive or confidential client or Accenture data, including personal data, and we expect these activities to increase. As a result, we are subject to numerous laws and regulations designed to protect this information, such as the national laws implementing the European Union Directive on Data Protection. These laws and regulations are increasing in complexity and number, change frequently and sometimes conflict among the various countries in which we operate. If any person, including any of our employees, negligently disregards or intentionally breaches our established controls with respect to client or Accenture data, or otherwise mismanages or misappropriates that data, we could be subject to significant monetary damages, regulatory enforcement actions, fines and/or criminal prosecution in one or more jurisdictions. These monetary damages might not be subject to a contractual limit of liability or an exclusion of consequential or indirect damages and could be significant. Unauthorised disclosure of sensitive or confidential client or Accenture data, whether through systems failure, employee negligence, fraud or misappropriation, could damage our reputation and cause us to lose clients.

Similarly, unauthorised access to or through our information systems or those we develop for our clients, whether by our employees or third parties, including a cyberattack by computer programmers and hackers, members of organised crime and/or state-sponsored organisations, who may develop and deploy viruses, worms or other malicious software programs, could result in negative publicity, significant remediation costs, legal liability, damage to our reputation and government sanctions and could have a material adverse effect on our results of operations.

In addition, our liability insurance might not be sufficient in type or amount to cover us against claims related to security breaches, cyberattacks and other related breaches.

Our results of operations and ability to grow could be materially negatively affected if we cannot adapt and expand our services and solutions in response to ongoing changes in technology and offerings by new entrants

Our success depends on our ability to continue to develop and implement services and solutions that anticipate and respond to rapid and continuing changes in technology and industry developments and offerings by new entrants to serve the evolving needs of our clients. Current areas of significant change include mobility, cloud-based computing, digital, the processing and analysing of large amounts of data and SaaS solutions. Technological developments such as these may materially affect the cost and use of technology by our clients and, in the case of SaaS solutions, could affect the nature of how our revenue is generated. These technologies, and others that may emerge, could reduce, and over time, replace some of our legacy business. In addition, we have seen some clients delaying spending under existing contracts and engagements and entering into new contracts more slowly while they evaluate the new technologies. Our growth strategy focuses on responding to these types of developments by driving innovation that will enable us to expand our business into new growth areas. If we do not sufficiently invest in new technology and industry developments, or evolve and expand our business at sufficient speed and scale, or if we do not make the right strategic investments to respond to these developments and successfully drive innovation, our services and solutions, results of operations, and our ability to develop and maintain a competitive advantage and continue to grow could be negatively affected.

In addition, we operate in a quickly evolving environment, in which there currently are, and we expect will continue to be, new technology entrants. New services or technologies offered by competitors or new entrants may make our offerings less differentiated or less competitive, when compared to other alternatives, which may adversely affect our results of operations.

Risks that relate to the UK Group' business (continued)

Our results of operations could materially suffer if we are not able to obtain sufficient pricing to enable us to meet our profitability expectations

If we are not able to obtain sufficient pricing for our services, our revenue and profitability could materially suffer. The rates we are able to charge for our services are affected by a number of factors, including:

- general economic and political conditions;
- the competitive environment in our industry;
- our clients' desire to reduce their costs;
- our ability to accurately estimate, attain and sustain contract revenues, margins and cash flows over the full contract period, which includes our ability to estimate the impact of inflation and foreign exchange on our margins over long-term contracts; and
- procurement practices of clients and their use of third-party advisors.

In addition, our profitability with respect to our services and solutions for new technologies may be different when compared to the profitability of our current business, due to factors such as the use of alternative pricing, the mix of work and the number of service providers, among others. For example, in projects involving our SaaS solutions, revenue is typically generated on a usage basis, which may be more difficult to predict accurately due to more limited historical data using this new commercial model.

The competitive environment in the industry in which we operate affects our ability to obtain favourable pricing in a number of ways, any of which could have a material negative impact on the results of our operations. The less we are able to differentiate our services and solutions and/or clearly convey the value of our services and solutions, the more risk we have that they will be seen as commodities, with price being the driving factor in selecting a service provider. In addition, the introduction of new services or products by competitors could reduce our ability to obtain favourable pricing for the services or products the we offer. Competitors may be willing, at times, to price contracts lower than ours in an effort to enter the market or increase market share. Further, if competitors develop and implement methodologies that yield greater efficiency and productivity, they may be better positioned to offer services similar to ours at lower prices.

If our pricing estimates do not accurately anticipate the cost, risk and complexity of performing our work or third parties upon whom we rely on do not meet their commitments, then our contracts could have delivery inefficiencies and be unprofitable

Our contract profitability is highly dependent on our forecasts and predictions about the level of effort and cost necessary to deliver such services and solutions, which is based on available data and could turn out to be materially inaccurate. If we do not accurately estimate the effort, costs or timing for meeting our contractual commitments and/or completing projects to a client's satisfaction, our contracts could yield lower profit margins than planned, or be unprofitable. Our pricing, costs and profit margin estimates on our consulting and outsourcing work include anticipated long-term cost savings for the client that we expect to achieve and sustain over the life of the contract. We may fail to accurately assess the risks associated with potential contracts. This could result in existing contracts and contracts entered into in the future being less profitable than expected or unprofitable, which could have an adverse effect on our profitability.

Similarly, if we experience unanticipated delivery difficulties due to our management, the failure of third parties to meet their commitments, or for any other reason, our contracts could yield lower profit margins than planned or be unprofitable. In particular, large and complex arrangements often require that we utilise subcontractors or that our services and solutions incorporate or coordinate with the software, systems or infrastructure requirements of other vendors and service providers, including companies with which we have alliances. Our profitability depends on the ability of these subcontractors, vendors and service providers to deliver their products and services in a timely manner and in accordance with the project requirements, as well as on our effective oversight of their performance. Some of this work involves new technologies, which may not work as intended or may take more effort to implement than initially predicted. In some cases, these subcontractors are small firms, and they might not have the resources or experience to successfully integrate their services or products with large-scale projects or enterprises. In addition, certain client work requires the use of unique and complex structures and alliances, some of which require us to assume responsibility for the performance of third parties whom we do not control. Any of these factors could adversely affect our ability to perform and subject us to additional liabilities, which could have a material adverse effect on relationships with our clients and on the results of our operations.

Risks that relate to the UK Group' business (continued)

Our work with Public Service clients exposes us to additional risks inherent in the Public Service contracting environment

Our Public Service work carries various risks inherent in the Public Service contracting process. These risks include, but are not limited to, the following:

- Public Service entities often reserve the right to audit our contract costs and conduct inquiries and investigations of the business practices with respect to Public Service contracts. Negative findings from audits, investigations or inquiries could affect our future sales and profitability by preventing us, by operation of law or in practice, from receiving new Public Service contracts for some period of time.

- If a Public Service client discovers improper or illegal activities in the course of audits or investigations, we may become subject to various penalties and administrative sanctions, which may include termination of contracts, forfeiture of profits, suspension of payments, fines and suspensions or debarment from doing business with other Public Service agencies. The inherent limitations of internal controls may not prevent or detect all improper or illegal activities.

- Public Service contracts are subject to heightened reputational and contractual risks compared to contracts with commercial clients. For example, Public Service contracts and the proceedings surrounding them are often subject to more extensive scrutiny and publicity. Negative publicity, including an allegation of improper or illegal activity, regardless of its accuracy, may adversely affect our reputation.

- Terms and conditions of Public Service contracts also tend to be more onerous and are often more difficult to negotiate. For example, these contracts often contain high or unlimited liability for breaches and feature less favourable payment terms and sometimes require us to take on liability for the performance of third parties.

- Public Service entities typically fund projects through appropriated monies. While these projects are often planned and executed as multi-year projects, Public Service entities usually reserve the right to change the scope of or terminate these projects for lack of approved funding and/or at their convenience. Changes in government or political developments, including budget deficits, shortfalls or uncertainties or government spending reductions could result in our projects being reduced in price or scope or terminated altogether, which also could limit our recovery of incurred costs, reimbursable expenses and profits on work completed prior to the termination. Furthermore, if insufficient funding is appropriated to the Public Service entity to cover termination costs, we may not be able to fully recover our investments.

- Political and economic factors such as pending elections, the outcome of recent elections, changes in leadership among key executive or legislative decision makers, revisions to governmental tax or other policies and reduced tax revenues can affect the number and terms of new government contracts signed or the speed at which new contracts are signed, decrease future levels of spending and authorisations for programs that we bid, shift spending priorities to programs in areas for which we do not provide services and/or leads to changes in enforcement or how compliance with relevant rules or laws is assessed.

Our business could be materially adversely affected if we incur legal liability

We may be subject to, or may become a party to, a variety of litigation or other claims and suits that arise from time to time in the ordinary course of our business. Our business is subject to the risk of litigation involving current and former employees, clients, alliance partners, subcontractors, suppliers, competitors, government agencies or others through private actions, class actions, whistle-blower claims, administrative proceedings, regulatory actions or other litigation. Regardless of the merits of the claims, the cost to defend current and future litigation may be significant, and such matters can be time-consuming and divert management's attention and resources. The results of litigation and other legal proceedings are inherently uncertain, and adverse judgments or settlements in some or all of these legal disputes may result in materially adverse monetary damages, penalties or injunctive relief against us. Any claims or litigation, even if fully indemnified or insured, could damage our reputation and make it more difficult to compete effectively or to obtain adequate insurance in the future.

For example, we could be subject to significant legal liability and litigation expense if we fail to meet our contractual obligations, contribute to internal control deficiencies of a client or otherwise breach obligations, to third parties, including clients, alliance partners, employees and former employees, and other parties with whom we conduct business, or if our subcontractors breach or dispute the terms of our agreements with them and impede our ability to meet our obligations with clients. We may enter into agreements with non-standard terms because we perceive this as an important economic opportunity or because our personnel did not adequately follow its contracting guidelines.

Risks that relate to the UK Group' business (continued)

Our business could be materially adversely affected if we incur legal liability (continued)

In addition, the contracting practices of competitors, along with the demands of increasingly sophisticated clients, may cause contract terms and conditions that are unfavourable to become new standards in the marketplace. We may find ourselves committed to providing services or solutions that we are unable to deliver or whose delivery will reduce our profitability or cause them financial loss. If we cannot or do not meet our contractual obligations and if our potential liability is not adequately limited through the terms of our agreements, liability limitations are not enforced or a third party alleges fraud or other wrongdoing to prevent us from relying upon those contractual protections, we might face significant legal liability and litigation expense and our results of operations could be materially adversely affected. In addition, as we expand our services and solutions into new areas, such as taking over the operation of certain portions of our clients' businesses, which increasingly include the operation of functions and systems that are critical to the core businesses of our clients, we may be exposed to additional operational, regulatory or other risks specific to these new areas. A failure of a client's system based on our services or solutions could also subject us to a claim for significant damages that could materially adversely affect the results of our operations.

The occurrences or conditions described above could affect not only our business with the particular government entities involved, but also our business with other entities of the same or other governmental bodies or with certain commercial clients, and could have a material adverse effect on our business or our results of operations.

While we maintain insurance for certain potential liabilities, such insurance does not cover all types and amounts of potential liabilities and is subject to various exclusions as well as caps on amounts recoverable. Even if we believe a claim is covered by insurance, insurers may dispute our entitlement to recovery for a variety of potential reasons, which may affect the timing and, if they prevail, the amount of our recovery.

Our results of operations could be materially adversely affected by fluctuations in foreign currency exchange rates

Although we report our results of operations in Sterling, a percentage of our revenues are denominated in currencies other than Sterling. Unfavourable fluctuations in foreign currency exchange rates could have a material adverse effect on our results of operations.

As we continue to leverage our global delivery model, more of our expenses are incurred in currencies other than those in which we bill for the related services. An increase in the value of certain currencies, such as the Indian rupee, against the Sterling could increase costs for delivery of services at off-shore sites by increasing labour and other costs that are denominated in local currency. Our contractual provisions or cost management efforts might not be able to offset their impact, and our currency hedging activities, which are designed to partially offset this impact, might not be successful.

This could result in a decrease in the profitability of our contracts that are utilising delivery centre resources. Conversely, a decrease in the value of certain currencies against the Sterling, such as the Indian rupee, could place us at a competitive disadvantage compared to service providers that benefit to a greater degree from such a decrease and can, as a result, deliver services at a lower cost.

In addition, our currency hedging activities are themselves subject to risk. These include risks related to counterparty performance under hedging contracts and risks related to currency fluctuations. We also face risks that extreme economic conditions, political instability, or hostilities or disasters of the type described above could impact or perhaps eliminate the underlying exposures that we are hedging. Such an event could lead to losses being recognised on the currency hedges then in place that are not offset by anticipated changes in the underlying hedge exposure.

Adverse changes to our relationships with key alliance partners or in the business of our key alliance partners could adversely affect its results of operations

We have alliances with companies whose capabilities complement our own. A portion of our services and solutions are based on technology or software provided by a few major providers that are our alliance partners. The priorities and objectives of our alliance partners may differ from ours. As most of our alliance relationships are non-exclusive, the alliance partners are not prohibited from competing with us or forming closer or preferred arrangements with our competitors. One or more of our key alliance partners may be acquired by a competitor, or key alliance partners might merge with each other, either of which could reduce our access over time to the technology or software provided by those partners. In addition, our alliance partners could experience reduced demand for their technology or software, including, for example, in response to changes in technology, which could lessen related demand for our services. If we do not obtain the expected benefits from our alliance relationships for any reason, we may be less competitive, our ability to offer attractive solutions to our clients may be negatively affected, and our results of operations could be adversely affected.

Outsourcing services and the continued expansion of our other services and solutions into new areas subject us to different operational risks than our consulting and systems integration services

Outsourcing services, which represented approximately 31% of our turnover in 2014, present different operational risks, when compared to consulting and systems integration services. Our outsourcing services involve taking over the operation of certain portions of our clients' businesses, which may include the operation of functions that are critical to the core businesses of our clients. Disruptions in service or other performance problems could damage our clients' businesses, expose us to claims, and harm our reputation and business.

Risks that relate to the UK Group' business (continued)

Outsourcing services and the continued expansion of our other services and solutions into new areas subject us to different operational risks than our consulting and systems integration services (continued)

We have continued to expand our services and solutions into new business areas and provide services to new types of clients, and we expect to continue to do so in the future. Expanding into new areas, and providing services to new types of clients may expose us to additional operational, regulatory or other risks specific to these new areas. We could also incur liability for failure to comply with laws or regulations applicable to the services we provide clients.

We may also face exposure in our outsourcing business if we contribute to internal control issues of a client. If a process we manage for a client were to result in internal controls failures at the client or impair the client's ability to comply with our own internal control requirements, there is a risk that we could face legal liability. Many of our clients request that we obtain a Service Organisation Control audit prepared under Statement on Standards for Attestation Engagements No. 16 and International Standard on Assurance Engagements 3402, formerly referred to as SAS 70. If we receive a qualified opinion, or do not deliver audit reports timely, our ability to acquire new clients and retain existing clients may be adversely affected and our reputation could be harmed.

Our services or solutions could infringe upon the intellectual property rights of others or we might lose our ability to utilise the intellectual property of others

We cannot be sure that our services and solutions, including, for example, our software solutions, or the solutions of others that we offer to our clients, does not infringe on the intellectual property rights of third parties, and these third parties could claim that we or our clients are infringing upon their intellectual property rights. These claims could harm our reputation, cause us to incur substantial costs or prevent us from offering some services or solutions in the future. Any related proceedings could require us to expend significant resources over an extended period of time. In most of our contracts, we agree to indemnify our clients for expenses and liabilities resulting from claimed infringements of the intellectual property rights of third parties. In some instances, the amount of these indemnities could be greater than the revenues we receive from the client. Any claims or litigation in this area could be time-consuming and costly, damage our reputation and/or require us to incur additional costs to obtain the right to continue to offer a service or solution to our clients. If we cannot secure this right at all or on reasonable terms, or we cannot substitute alternative technology, our operations could be materially adversely affected.

The risk of infringement claims against us may increase as we expand our industry software solutions and continue to develop and license our software to multiple clients. Additionally, in recent years, individuals and firms have purchased intellectual property assets in order to assert claims of infringement against technology providers and customers that use such technology. Any such action naming us or our clients could be costly to defend or lead to an expensive settlement or judgment against us. Moreover, such an action could result in an injunction being ordered against our clients or our own services or operations, causing further damages.

Many of our contracts include payments that link some of our fees to the attainment of performance or business targets and/or require us to meet specific service levels. This could increase the variability of our revenues and impact our margins

Many of our contracts include clauses that tie our compensation to the achievement of agreed-upon performance standards or milestones. If we fail to satisfy these measures, we could significantly reduce or eliminate our fees under the contracts, increase the costs of meeting performance standards or milestones, delay expected payments or subject us to potential damage claims under the contract terms. Clients also often have the right to terminate a contract and pursue damage claims under the contract for serious or repeated failure to meet these service commitments. We also have a number of contracts, in both outsourcing and consulting, in which a portion of our compensation depends on performance measures such as cost-savings, revenue enhancement, benefits produced, business goals attained and adherence to schedule. These goals can be complex and may depend on our clients' actual levels of business activity or may be based on assumptions that are later determined not to be achievable or accurate. These provisions could increase the variability in revenues and margins earned on those contracts.

If we are unable to collect our receivables or unbilled services, our results of operations, financial condition and cash flows could be adversely affected

Our business depends on our ability to successfully obtain payment from our clients of the amounts they owe us for work performed. We evaluate the financial condition of our clients and usually bill and collect on relatively short cycles. In limited circumstances, we also extend financing to our clients. We have established allowances for losses of receivables and unbilled services. We might not accurately assess the creditworthiness of our clients. Macroeconomic conditions could also result in financial difficulties for our clients, including bankruptcy and insolvency. This could cause clients to delay payments to us, request modifications to their payment arrangements that could increase our receivables balance, or default on their payment obligations to us. In addition, in certain industries, some clients have requested a longer payment term, which has adversely affected, and may continue to adversely affect, our cash flows. Recovery of client financing and timely collection of client balances also depends on our ability to complete our contractual commitments and bill and collect our contracted revenues. If we are unable to meet our contractual requirements, we might experience delays in collection of and/or be unable to collect our client balances, and if this occurs, our results of operations and cash flows could be adversely affected. In addition, if we experience an increase in the time to bill and collect for our services, our cash flows could be adversely affected.

Risks that relate to the UK Group' business (continued)

Our results of operations could fluctuate and be difficult to predict

Our results of operations have varied in the past and are likely to vary significantly from quarter to quarter in the future, making them difficult to predict. Some of the factors that could cause our results of operations to vary include:

- the business decisions of our clients to begin to curtail or reduce the use of our services, including in response to changes in macroeconomic or political conditions unrelated to our business, general market conditions and new technologies;
- periodic differences between our clients' estimated and actual levels of business activity associated with ongoing work, as well as the stage of completion of existing projects and/or their termination or restructuring;
- changes in the our pricing or competitors' pricing;
- our ability to manage costs, including those for our own or subcontracted personnel, travel, support services and severance;
- contract delivery inefficiencies, such as those due to poor delivery or changes in forecasts;
- currency exchange rate fluctuations;
- Our ability to transition employees quickly from completed to new projects and maintain an appropriate headcount in each of its workforces;
- changes in estimates, accruals or payments of variable compensation to our employees;
- seasonality, including number of workdays and holiday and summer vacations;
- acquisition, integration and operational costs related to businesses acquired;
- the introduction of new products or services by us, competitors or alliance partners;
- changes in, or the application of changes in, accounting principles or pronouncements under International Financial Reporting Standards, particularly those related to revenue recognition; and
- global, regional and local economic and political conditions and related risks, including acts of terrorism.

Our results of operations could be adversely affected if we are unable to maintain effective internal controls

The accuracy of our financial reporting is dependent on the effectiveness of our internal controls. We are required to provide a report from management to Directors on our internal control over financial reporting that includes an assessment of the effectiveness of these controls. Internal control over financial reporting has inherent limitations, including human error, the possibility that controls could be circumvented or become inadequate because of changed conditions, and fraud. Because of these inherent limitations, internal control over financial reporting might not prevent or detect all misstatements or fraud. If we cannot maintain and execute adequate internal control over financial reporting or implement required new or improved controls that provide reasonable assurance of the reliability of the financial reporting and preparation of our financial statements for external use, we could suffer harm to our reputation, fail to meet our public reporting requirements on a timely basis, be unable to properly report on our business and our results of operations, or be required to restate our financial statements, and the results of our operations and our ability to obtain new business could be materially adversely affected.

We make estimates and assumptions in connection with the preparation of our consolidated financial statements, and any changes to those estimates and assumptions could adversely affect our financial results

Our financial statements have been prepared in accordance with International Financial Reporting Standards. The application of generally accepted accounting principles requires us to make estimates and assumptions about certain items and future events that affect our reported financial condition, and our accompanying disclosure with respect to, among other things, revenue recognition and income taxes. We base our estimates on historical experience, contractual commitments and on various other assumptions that we believe to be reasonable under the circumstances and at the time they are made. These estimates and assumptions involve the use of judgment and are subject to significant uncertainties, some of which are beyond our control. If our estimates, or the assumptions underlying such estimates, are not correct, actual results may differ materially from our estimates, and we may need to, among other things, adjust revenues or accrue additional charges that could adversely affect our results of operations.

Liquidity risk

Our principal assets are financed by operating cash flows and intercompany funding. We have no reliance on third party funding. In the event of a customer default, the Directors would seek to re-negotiate the terms and conditions attaching to the loans from the intercompany entities.

STRATEGIC REPORT

Risks that relate to the UK Group' business (continued)

Cash flow risk

Our contracts are structured to ensure that the expected cash inflows on a contract will be sufficient to cover the expected cash outflows on the contract. Where a cash flow deficit arises we will manage the deficit through short-term liquidity facilities with intercompany entities.

Environmental responsibility

We are committed to incorporating leading environmental practices into our business strategy and operations and to fostering environmental awareness and responsibility among the stakeholders, including employees, clients and suppliers. Within the context of our business, the priorities are to:

- Encourage environmental awareness among the employees and provide appropriate training and information on programs to harness employee enthusiasm and offer opportunities for employees to collaborate on our journey to improve environmental performance.
- Engage with our clients and suppliers to consider the environmental impact of how we deliver work, procure goods and services and assess opportunities for improving the environmental performance of our clients, suppliers and ourselves.
- Track our carbon dioxide emissions resulting from our energy usage and business travel activities and implement a continual improvement program to reduce these emissions. Optimise the energy usage in our office locations including through efficient real estate operations and consider renewable energy sources where feasible. Use collaboration technologies to reduce the need for business travel.
- Measure waste generation and water usage where possible and conduct our business in a manner that aims to prevent pollution and minimise the consumption of natural resources.
- Seek to minimise the waste we send to landfill from our operations by promoting reuse and recycling, including by seeking to recycle or recondition the PCs and mobile devices.
- Comply with all applicable legal and other requirements in the management of our operations.

We have gained ISO 14001 certification for our environmental management system in the Fenchurch Street office in London.

Employees

We are an equal opportunities employer and have an Equal Opportunities Policy in addition to a Grievance Procedure and a Meritocracy and Harassment Policy.

We are committed to being an equal opportunities and diverse employer. All matters related to employment are decided on the basis of qualifications, merit and business need. We do not discriminate on the basis of race, religion or belief, colour, sex or sexual orientation, gender reassignment, age, physical or mental disability, marital status, nationality, ethnic or national origin.

It is our policy to develop and maintain measures to encourage best practice in the recruitment and selection, reward and recognition, training and development and retention of employees. In support of this policy, we seek to implement best practice initiatives in respect of our anti-discrimination legislation obligations, rather than the minimum standard. In appointing people to jobs, we operate on the basis of meritocracy, that is that the best person for the job will be selected.

Communication and consultation with employees or their representatives occurs on a regular basis through a variety of channels, including regular e-mail bulletins, "town hall" calls, podcasts, engagement via our People Advocates Network, meetings with our organised trade unions as well as regular dialogue via a UK wide employee forum, with the aim of ensuring that views of employees are taken into account when decisions are made that are likely to affect their interests.

By order of the Board

.... Date: 28.04.15

O Benzecry
Director
30 Fenchurch Street
London
EC3M 3BD

DIRECTORS' REPORT

The Directors present the Strategic Report, Directors' Report and the Consolidated Financial Statements of the Accenture (UK) Limited Group and Company for the year ended 31 August 2014.

Directors of the Group

The Directors who held office during the year were as follows:

O Benzecry (Chairman and Managing Director)
G Bryant (retired 30 September 2014)
A Chapple
T Fetherston-Dilke
E McGuigan (appointed 22 January 2015)
J Oates
P Rowe
S Whitehouse

None of the Directors who held office at the end of the financial year have any interest in the shares of the Accenture (UK) Limited Group.

International Financial Reporting Standards ('IFRS')

During the year the UK Group applied IFRS, as adopted by the EU, for the first time. Details of the transition are provided in Note 30 to the financial statements.

Political and charitable donations

The UK Group made charitable donations totalling £856,667 during the year (2013: £794,442). The UK Group made no political donations during the year (2013: £Nil).

Indemnity insurance

The UK Group has professional indemnity insurance in place for the benefit of the Directors.

Details in respect of the following items have been disclosed in the Strategic Report:

Employees
Financial risk management

Subsequent events

On 22 September 2014, Accenture (UK) Limited acquired 100% of the share capital of Hytracc Consulting UK Limited for a consideration of USD$5,038,000.

Disclosure of information to the auditors

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 UK Group's auditors are 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 UK Group's auditors are aware of that information.

Auditors

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be re-appointed and KPMG, Chartered Accountants will therefore continue in office.

By order of the Board

.... Date: 28.04.15

O Benzecry
Director
30 Fenchurch Street
London
EC3M 3BD

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, the Directors' Report and the UK Group and Company Financial Statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Group and Company financial statements for each financial year. Under that law they are required to prepare group financial statements in accordance with IFRS as adopted by EU and applicable law and have elected to prepare the Company financial statements in accordance with IFRS as adopted by EU.

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 Group and Company and the profit or loss of the Group and Company for that period. In preparing each of the Group and Company financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRS as adopted by EU; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

By order of the Board

.... Date: 28.04.15

O Benzecry
Director
30 Fenchurch Street
London
EC3M 3BD

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ACCENTURE (UK) LIMITED

We have audited the financial statements of Accenture (UK) Limited Group and Company for the year ended 31 August 2014 (the financial statements), set out on pages 17 to 79. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRS) as adopted by the European Union and in the case of the Company as applied in accordance with the Companies Act 2006.

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

Respective responsibilities of Directors and Auditors

As explained more fully in the Statement of Directors' responsibilities (set out on page 15), the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Company circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the Directors and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the financial statements

In our opinion the financial statements:
- give a true and fair view of the state of the UK Group's and of the Company's affairs as at 31 August 2014 and of the UK Group's profit for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and in the case of the Company as applied in accordance with the Companies Act 2006; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:
- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Michael Gibbons

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

Date: 28/4/15

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 AUGUST 2014

	Note	2014 £000	2013 £000
Turnover	3	2,188,448	2,135,885
Cost of sales		(1,793,157)	(1,731,983)
Gross profit		395,291	403,902
Administration expenses		(252,473)	(262,429)
Profit on disposal of property, plant and equipment		186	819
Loss on disposal of group companies	27	(323)	-
Profit on disposal of group companies	27	18	-
Share of intangible assets contributed to joint venture	15	-	6,950
Share of results of joint venture, net of taxation	15	(9,015)	(330)
Profit before interest and taxation	4	133,684	148,912
Finance income	5	1,402	898
Finance costs	5	(2,078)	(2,416)
Profit before taxation		133,008	147,394
Income tax expense	9	(29,133)	(29,447)
Profit attributable to equity holders of the Company		103,875	117,947

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 AUGUST 2014

	Note	2014 £000	2013 £000
Profit attributable to equity holders of the Company		103,875	117,947
Items that will not be reclassified subsequently to profit and loss			
Remeasurements of post employment benefit obligations	8	(11,059)	(704)
Related taxation	10	2,212	151
Items that may be reclassified subsequently to profit and loss			
Net change in fair value of cash flow hedge transferred from equity	19	9,426	4,634
Deferred taxation on change in fair value of cash flow hedge transferred from equity	10	(2,045)	(972)
Effective portion of changes in fair value of cash flow hedge	19	22,167	(34,840)
Deferred taxation on effective portion of changes in fair value of cash flow hedge	10	(4,810)	7,309
Total comprehensive income attributable to equity holders of the Company		119,766	93,525

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 AUGUST 2014

		31 August 2014	31 August 2013	1 September 2012
ASSETS	Note	**£000**	**£000**	**£000**
Non-current assets				
Goodwill and intangible assets	12	1,652,211	1,636,406	1,636,756
Property, plant and equipment	14	31,012	33,694	36,645
Investment in joint venture	15	3,015	10,272	-
Deferred tax assets	10	36,150	49,049	53,588
Derivative financial instruments	19	1,228	-	3,528
Retirement benefit assets	8	-	540	1,568
Amounts recoverable on contracts	17	32,965	59,721	63,375
Other receivables	16	4,209	4,267	12,032
Total non-current assets		1,760,790	1,793,949	1,807,492
Current assets				
Trade and other receivables	16	267,930	224,018	190,057
Derivative financial instruments	19	2,069	-	700
Amounts recoverable on contracts	17	173,540	144,829	128,022
Income tax receivable		-	-	1,986
Cash and cash equivalents	18	58,389	52,071	17,670
Total current assets		501,928	420,918	338,435
Total assets		**2,262,718**	**2,214,867**	**2,145,927**
EQUITY				
Share capital	20	(1,026,000)	(1,026,000)	(1,026,000)
Share premium	21	(97,000)	(97,000)	-
Cash flow hedge reserve		5,304	30,042	6,173
Capital contribution		(87,796)	(67,400)	(35,218)
Retained earnings		(410,558)	(315,530)	(198,136)
Total equity		(1,616,050)	(1,475,888)	(1,253,181)
LIABILITIES				
Non-current liabilities				
Derivative financial instruments	19	(3,399)	(17,014)	(3,494)
Deferred income	24	(53,909)	(80,579)	(99,717)
Retirement benefit liability	8	(10,861)	-	-
Provisions	23	(34,507)	(34,391)	(37,045)
Total non-current liabilities		(102,676)	(131,984)	(140,256)
Current liabilities				
Trade and other payables	24	(299,835)	(369,737)	(547,965)
Income tax payable		(2,793)	(6,763)	-
Derivative financial instruments	19	(6,528)	(21,209)	(8,750)
Deferred income	24	(233,446)	(206,503)	(192,141)
Provisions	23	(1,390)	(2,783)	(3,634)
Total current liabilities		(543,992)	(606,995)	(752,490)
Total liabilities		**(646,668)**	**(738,979)**	**(892,746)**
Total equity and liabilities		**(2,262,718)**	**(2,214,867)**	**(2,145,927)**

These financial statements were approved by the Board of Directors on 28.04.15 and were signed on its behalf by:

T Fetherston-Dilke
Director

O Benzecry
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 AUGUST 2014

	Share capital £000	Share premium £000	Cash flow hedge reserve £000	Capital contribution £000	Retained earnings £000	Total equity £000
As at 1 September 2013	(1,026,000)	(97,000)	30,042	(67,400)	(315,530)	(1,475,888)
Profit for the financial year	-	-	-	-	(103,875)	(103,875)
Other comprehensive income	-	-	(24,738)	-	8,847	(15,891)
Total comprehensive income	-	-	(24,738)	-	(95,028)	(119,766)
Transactions with owners of the UK Group recognised directly in equity						
Capital contribution movement	-	-	-	(17,655)	-	(17,655)
Tax benefit excess on exercise of share based payments	-	-	-	(7,129)	-	(7,129)
Deferred tax movement on unexercised share based compensation	-	-	-	4,388	-	4,388
As at 31 August 2014	**(1,026,000)**	**(97,000)**	**5,304**	**(87,796)**	**(410,558)**	**(1,616,050)**
For the financial year ended 31 August 2013						
As at 1 September 2012	(1,026,000)	-	6,173	(35,218)	(198,136)	(1,253,181)
Profit for the financial year	-	-	-	-	(117,947)	(117,947)
Other comprehensive income	-	-	23,869	-	553	24,422
Total comprehensive income	-	-	23,869	-	(117,394)	(93,525)
Transactions with owners of the UK Group recognised directly in equity						
Issue of share capital	-	(97,000)	-	-	-	(97,000)
Capital contribution	-	-	-	(25,413)	-	(25,413)
Tax benefit excess on exercise of share based payments	-	-	-	(7,628)	-	(7,628)
Deferred tax movement on unexercised share based compensation	-	-	-	859	-	859
As at 31 August 2013	**(1,026,000)**	**(97,000)**	**30,042**	**(67,400)**	**(315,530)**	**(1,475,888)**

The capital contribution is calculated after considering the fair value of the cumulative cash settlements paid and payable, by the UK Group to Accenture plc in respect of share based compensation recharges, which were less than the IFRS 2 charge previously recognised.

All movements are attributable to the owners of the parent company.

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 AUGUST 2014

	Note	31 August 2014 £000	31 August 2013 £000
Profit attributable to equity holders of the Company		103,875	117,947
Finance income	5	(1,402)	(898)
Finance costs	5	2,078	2,416
Income tax expense	9	29,133	29,447
Profit before interest and taxation		133,684	148,912
Adjustments to profit before interest and taxation for non-cash items			
Depreciation of property, plant and equipment	14	11,206	11,447
Amortisation of intangible assets	12	2,879	4,078
Share based compensation expenses	6	41,641	42,216
Defined benefit pension expense	8	1,177	1,186
Share of results of joint venture, net of taxation	15	9,015	330
Foreign exchange losses	4	99	1,674
Loss on disposal of group companies	27	323	-
Share of intangible assets contributed to joint venture	15	-	(6,950)
Profit on disposal of property, plant and equipment		(186)	(819)
Research and development tax credit	9	(6,000)	-
		193,838	202,074
Movement in working capital	11	(149,705)	(147,189)
Defined benefit pension contributions	8	(761)	(774)
Taxation paid		(16,030)	(5,247)
Net cash flow from operating activities		**27,342**	**48,864**
Cash flows from investing activities			
Interest income received		929	482
Acquisition of property, plant and equipment	14	(8,408)	(10,461)
Proceeds from disposal of property, plant and equipment		869	2,883
Acquisition of intangible assets	12	(940)	(3,463)
Proceeds from the disposal of intangible assets	12	117	52
Cash contribution to joint venture	15	(1,758)	(3,652)
Cash acquired on acquisition of group companies	13	2,737	-
Cash disposed of on disposal of group companies	13	(153)	-
Acquisition of group companies	13	(14,275)	(300)
Net cash flow from investing activities		**(20,882)**	**(14,459)**
Net increase in cash and cash equivalents		**6,460**	**34,405**
Cash and cash equivalents at beginning of the year	18	52,071	17,670
Effect of exchange rate fluctuations on cash held		(142)	(4)
Cash and cash equivalents at the end of the year	18	**58,389**	**52,071**

1 Reporting entity

Accenture (UK) Limited is a private company limited by share capital incorporated and domiciled in the United Kingdom.

The address of its registered office is:
30 Fenchurch Street
London
EC3M 3BD

2 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the consolidated and Company financial statements and in preparing the opening IFRS statement of financial position at 1 September 2012. The accounting policies have been applied consistently by the Group entities for the purposes of the consolidated financial statements.

Statement of compliance

The consolidated financial statements of Accenture (UK) Limited have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU), and in the case of the Company as applied in accordance with the Companies Act 2006, which comprise standards and interpretations approved by the International Accounting Standards Board (IASB). IFRS as adopted by the EU differ in certain respects from IFRS as issued by the IASB. References to IFRS hereafter refer to IFRS adopted by the EU. These are the UK Group's first financial statements prepared in accordance with IFRS and IFRS 1 'First Time Adoption of International Financial Reporting Standards' has been applied. An explanation of how the transition to IFRS has impacted the reported financial position and the financial performance of the UK Group is provided in Note 30 to the financial statements.

Basis of preparation

The consolidated financial statements have been prepared on a historical cost basis except for the following material items in the statement of financial position:
- derivative financial instruments are measured at fair value
- contingent consideration on business combinations is measured at fair value
- financial instruments at fair value through profit and loss are measured at fair value
- the defined benefit pension liability includes the fair value of Plan assets, unrecognised actuarial losses, unrecognised actuarial gains and the present value of the defined benefit obligation.

Presentation of the financial statements in accordance with IAS 1 (revised 2007)

The consolidated financial statements are presented in accordance with IAS 1 'Presentation of Financial Statements (revised 2007)'. In accordance with IFRS 1, the UK Group presents three statements of financial position in its first IFRS financial statements. In future periods, the UK Group will present two periods of the statement of financial position only except when it: (i) applies an accounting policy retrospectively, (ii) makes a retrospective restatement of items in its financial statements, or (iii) reclassifies material items in the financial statements.

Functional and presentation currency

The consolidated financial statements are presented in sterling, which is the Company's functional currency and the UK Group's presentational currency. All financial information presented in sterling has been rounded to the nearest thousand.

Use of estimates and judgements

The preparation of the consolidated financial statements in accordance with IFRS 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 29 and relate primarily to goodwill, retirement benefit obligations, lease abandonment provisions, dilapidation provisions, deferred taxation and share based payments.

2 Accounting policies *(continued)*

Use of estimates and judgements *(continued)*

The consolidated statement of financial position shows an excess of current liabilities over current assets. In this regard the Directors have sought, and received, confirmation from the UK Group's parent undertaking that continuing financial support will be provided for the foreseeable future covering a period of not less than 12 months from the date of approval of these financial statements. The financial statements therefore have been prepared on a going concern basis which assumes that the UK Group will continue in operational existence for the foreseeable future.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiary undertakings as at 31 August 2014. The acquisition method of accounting has been adopted. Under this method, the results of subsidiary undertakings acquired or disposed of are included in the consolidated statement of profit and loss from the date of acquisition up to the date of disposal.

The UK Group's share of the results and net assets of joint ventures, which are entities in which the UK Group holds an interest on a long-term basis and which are contractually jointly controlled by the UK Group and one or more other partner, are accounted for using the equity method from the date on which joint control is obtained until joint control ceases.

Under Section 408 of the Companies Act 2006, the Company is exempt from the requirement to present its own profit and loss account. The profit of the Company is disclosed in the Statement of Changes in Equity in the Company's financial statements.

Business combinations

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the UK Group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the UK Group takes into consideration potential voting rights that currently are exercisable.

For acquisitions made on or after 1 September 2012, the UK Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in the statement of profit and loss.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the UK Group incurs in connection with a business combination are expensed as incurred.

Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not re-measured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in the statement of profit and loss.

As part of its transition to IFRS, the UK Group elected to restate only those business combinations that occurred on or after 1 September 2012 after availing of an exemption under IFRS 1 which allows first time adopters to elect not to apply 'IFRS 3 Business combinations" retrospectively to past business combinations. In respect of acquisitions prior to 1 September 2012, goodwill represents the amount recognised under the UK Group's previous accounting framework, UK GAAP.

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 on consolidation 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 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.

2 Accounting policies *(continued)*

Intangible assets (other than goodwill)

An intangible asset, other than goodwill, is recognised to the extent that it is probable that the expected future economic benefits attributable to the asset will flow to the UK Group 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 transferrable or separable from the UK Group 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.

Amortisation is recognised to write-off the book value of intangible assets over their useful lives, which is between three to eleven years, on a straight-line basis on the assumption of zero residual value.

Software

Acquired 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 expensed as incurred.

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.

Turnover and long-term contracts

Contracts have different terms based on the scope, deliverables and complexity of the engagement, the terms of which frequently require the use of judgments and estimates in recognising turnover. The UK Group entities have many types of contracts, including time and-materials contracts, fixed-price contracts and contracts with features of both of these contract types. In addition, some contracts include incentives related to costs incurred, benefits produced or adherence to schedules that may increase the variability in turnover and margins earned on such contracts. Rigorous reviews are conducted prior to signing such contracts to evaluate whether these incentives are reasonably achievable.

Turnover from technology integration consulting contracts is recognised using the percentage-of-completion method of accounting, which involves calculating the percentage of services provided during the reporting period compared with the total estimated services to be provided over the duration of the contract. The UK Group's contracts for technology integration consulting services generally span six months to two years. Estimated turnover 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 turnover and costs can be made. Estimates of total contract turnover and costs are continuously monitored during the term of the contract, and recorded turnover and estimated costs are subject to revision as the contract progresses. Such revisions may result in increases or decreases to turnover and are reflected in the financial statements in the periods in which they are first identified. If 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 turnover that will be generated by the contract and are included in cost of sales and in liabilities.

2 Accounting policies *(continued)*

Turnover and long-term contracts *(continued)*

Turnover from contracts for non-technology integration consulting services with fees based on time and materials or cost-plus is recognised as the services are performed and amounts are earned. Amounts are considered to be earned once evidence of an arrangement has been obtained, services are delivered, fees are fixed or determinable, and collectability is reasonably assured. In such contracts, the UK Group's efforts, measured by time incurred, typically are provided in less than a year and represent the contractual milestones or output measure, which is the contractual earnings pattern. For non-technology integration consulting contracts with fixed fees, turnover is recognised as amounts become billable in accordance with contract terms, provided the billable amounts are not contingent, are consistent with the services delivered, and are earned. Contingent or incentive turnover relating to non-technology integration consulting contracts are recognised when the contingency is satisfied and amounts are earned.

Outsourcing contracts typically span several years and involve complex delivery, often through multiple workforces in different countries. In a number of these arrangements, client employees are hired and become responsible for certain client obligations. Turnover is recognised on outsourcing contracts as amounts become billable in accordance with contract terms, unless the amounts are billed in advance of performance of services, in which case revenues are recognised when the services are performed and amounts are earned. Turnover from time-and-materials or cost-plus contracts are recognised as the services are performed. In such contracts, the UK Group's effort, measured by time incurred, represents the contractual milestones or output measure, which is the contractual earnings pattern. Turnover from unit-priced contracts are recognised as transactions are processed based on objective measures of output. Turnover from fixed-price contracts are recognised on a straight-line basis, unless revenues are earned and obligations are fulfilled in a different pattern. Outsourcing contracts can also include incentive payments for benefits delivered to clients. Turnover relating to such incentive payments are recorded when the contingency is satisfied and amounts are earned. Estimates of contract profitability are continuously reviewed and reassessed. Circumstances that potentially affect profitability over the life of the contract include decreases in volumes of transactions or other inputs/outputs on which payment is earned, failure to deliver agreed benefits, variances from planned internal/external costs to deliver services and other factors affecting turnover and costs.

Inter-company turnover relates to both consulting and outsourcing services provided by the UK Group to other Accenture entities. This turnover is recognised on a time and materials or cost-plus basis and is recognised as the services are performed and the amounts are earned.

Costs related to delivering outsourcing services are expensed as incurred, with the exception of certain transition costs related to the set-up of processes, personnel and systems, which are deferred during the transition period and expensed evenly over the period outsourcing services are provided. The deferred costs are specific internal costs or incremental external costs directly related to transition or set-up activities necessary to enable the outsourced services. Generally, deferred amounts are protected in the event of early termination of the contract and are monitored regularly for impairment. Impairment losses are recorded when projected remaining undiscounted operating cash flows of the related contract are not sufficient to recover the carrying amount of contract assets. Amounts billable to the client for transition or set-up activities are deferred and recognised as revenue evenly over the period outsourcing services are provided. Contract acquisition and origination costs are expensed as incurred.

Turnover recognised in excess of billings is recorded as unbilled services. Billings in excess of turnover recognised are recorded as deferred income until revenue recognition criteria are met. Client prepayments (even if non-refundable) are deferred and recognised over future periods as services are delivered or performed.

Taxation

Income tax represents the sum of current tax and deferred tax.

Income tax is recognised in the statement of profit and loss 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. Taxable profit differs from net profit as reported in the statement of profit and loss 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.

The Company determines whether a tax position is likely to be sustained upon examination by the applicable taxing authority, including resolution of any related appeals or litigation processes, based on the technical merits of the position. The tax provision recognised is measured as the future probable outflow of economic benefit upon ultimate settlement, which could result in recording a tax liability that would reduce net assets. The UK Group has determined that there are no unrecorded tax liabilities that would have a material impact on the UK Group's/Company's financial position or results of operations. The tax years 2012 through to 2014 remain open to examination by the taxing jurisdiction to which the UK Group is subject. In certain circumstances, the tax years 2010 and 2012 could also remain open to examination.

2 **Accounting policies** ***(continued)***

Taxation ***(continued)***

Deferred income 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 UK Group 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 substantially 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 derecognised to the extent that it is no longer probable that the related tax benefit will be realised.

Property, plant and equipment

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment losses. 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:

Leasehold improvements	Term of lease, 15 years maximum
Lease dilapidations	Term of lease
Computer equipment	2 to 5 years
Furniture and fixtures	7 to 10 years

On disposal of property, plant and equipment, the cost and related accumulated depreciation and impairments are removed from the statement of financial position and the net amount, less any proceeds, is taken to the statement of profit and loss.

The carrying values of property, plant and equipment are reviewed when there is any indication of impairment.

Cost includes expenditure that is directly attributable to the acquisition of the asset. Subsequent costs are included in an assets carrying amount or recognised as a separated asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the UK Group and the cost of the replaced item can be measured reliably. All other repair and maintenance costs are charged to the statement of profit and loss during the financial period in which they are incurred.

Leases

Leases where the lessor retains substantially all the risks and rewards of ownership are classified as operating leases. Operating lease income and expenses are charged to the statement of profit and loss on a straight line basis over the lease term. Lease incentives are recognised over the lease term on a straight line basis.

A provision is recognised for expected future costs relating to the abandonment of leasehold premises. It is expected that these charges will be incurred over the life of the property leases and will be offset by the release of the provision. The provision assumptions are reviewed on a regular basis and any difference between the actual charges and the provision is expensed or credited as appropriate to the statement of profit and loss.

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 statement of profit and loss except when recognised in other comprehensive income, as qualifying cash flow hedges.

Trade and other receivables and payables

Trade and other receivables and payables are stated at cost less any impairment losses, which approximates to fair value given the short-term nature of these assets and liabilities.

Trade receivables are carried at original invoice amount less an allowance for potentially uncollectable debts. Provision is made when there is objective evidence that the UK Group will not be in a position to collect all of its receivables when they fall due. Bad debts are written off in the statement of profit and loss on identification.

2 Accounting policies *(continued)*

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand as well as short-term deposits with a maturity of three months or less.

Derivative financial instruments and hedging activities

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

The UK Group is exposed to currency risk through its use of resources supplied by Accentures' Global Delivery Network. To mitigate this risk, the UK Group 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 UK Group has designated these derivatives as cash flow hedges. As of 31 August 2013 and 2014, the UK Group held no derivatives that were designated as fair value or net investment 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 UK Group'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 UK Group 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 UK Group 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 other comprehensive income and is reclassified into the statement of profit and loss 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 statement of profit and loss.

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. When the hedged item is a non-financial asset, the amount recognised in other 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 other comprehensive income is recognised immediately in the statement of profit and loss. In other cases, the amount recognised in other comprehensive income is transferred to the statement of profit and loss in the same period that the hedged item affects profit and loss.

The UK Group 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 the statement of profit and loss and are offset by gains and losses on the related monetary items.

Details of the significant inputs and assumptions into the fair values of these instruments are provided in Note 26.

Employee benefits

(a) Defined contribution plans

Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in the statement of profit and loss 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.

2 Accounting policies *(continued)*

Employee benefits *(continued)*

(b) Defined benefit plans

The UK Group's net obligation in respect of defined benefit pension plans is calculated separately for each plan 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 UK Group, 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 other comprehensive income. The UK Group 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 statement of profit and loss.

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 UK Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

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

(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 UK Group 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 UK Group operates a number of share based payment plans the details of which are presented in Note 22 to the financial statements. The share-based payment expense is recognised in the statement of profit and loss 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 UK Group's parent, Accenture plc, the UK Group 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 is recorded as a capital contribution.

Research

Expenditure on research activities is recognised in the statement of profit and loss as incurred.

Finance costs and finance income

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

Finance income includes 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.

Dividends

Dividends on ordinary shares are recognised as a liability in the UK Group'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.

2 Accounting policies *(continued)*

Forthcoming requirements

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning on or after 1 July 2014, and have not been applied in preparing these financial statements. The UK Group does not plan to adopt these standards early; instead it will apply them from their effective dates as determined by their dates of EU endorsement. The UK Group is still reviewing the upcoming standards to determine their impact.

New or amended standard	Summary of the requirements	EU effective date (periods beginning)
Amendment to IAS 19 *Defined Benefit Plans: Employee Contributions*	These narrow scope amendments apply to contributions from employees or third parties to benefit plans. The objective of the amendments is to simplify the accounting for contributions that are independent of the number of years of employee service, for example, employee contributions that are calculated according to a fixed percentage of salary.	1 February 2015 (available for early adoption).
Amendments to IFRS 11 *Accounting for acquisitions of interests in Joint Operations*	This amendment requires the acquirer of an interest in a joint operation in which the activity constitutes a business, as defined in IFRS 3 'Business combinations', to apply all of the principles on business combinations accounting in IFRS 3 and other IFRSs except for those principles that conflict with the guidance of IFRS 11. In addition, the acquirer shall disclose the information required by IFRS 3 and other IFRSs for business combinations.	Not endorsed - expected to be endorsed in Q3 2015.
Amendments to IAS 16 and IAS 38 *Clarification of acceptable methods of depreciation and amortisation*	IAS 16 and IAS 38 both establish the principle for the basis of depreciation and amortisation as being the expected pattern of consumption of the future economic benefits of an asset. The objective of the amendments is to ensure that preparers do not use revenue-based methods to calculate charges for the depreciation or amortisation of items of property, plant and equipment or intangible assets. This is because a revenue-based method reflects a pattern of economic benefits being generated from the asset, rather than the expected pattern of consumption of the future economic benefits embodied in the asset.	Not endorsed - expected to be endorsed in Q3 2015.
Amendments to IAS 27 *Equity method in Separate Financial Statements*	The amendments to IAS 27 permit the use of the equity method in separate financial statements, and apply to the accounting for subsidiaries, joint ventures and associates. When an entity prepares separate financial statements, it shall now account for subsidiaries, joint ventures and associates using either of the three following methods: (i) Cost; (ii) In accordance with IFRS 9 / IAS 39; or (iii) Using the equity method as described in IAS 28.	Not endorsed - expected to be endorsed in Q3 2015.
Amendments to IFRS 10 and IAS 28: *Sale or contribution of assets between an investor and its associate or joint venture (September 2014)*	The amendments to IFRS 10 and IAS 28 address an inconsistency between the two standards in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognised when a transaction involves a business. A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if those assets are housed in a subsidiary.	Not endorsed - expected to be endorsed in Q4 2015.

2 Accounting policies *(continued)*

Forthcoming requirements *(continued)*

New or amended standard	***Summary of the requirements***	**EU effective date (periods beginning)**
Amendments to IFRS 10, IFRS 12 and IAS 28: Investment Entities: *Applying the consolidation exception (December 2014)*	The amendments to IFRS 10, IFRS 12 and IAS 28 clarify that the exemption from preparing consolidated financial statements applies to a parent entity that is a subsidiary of an investment entity, when the investment entity measures all of its subsidiaries at fair value through profit or loss. The amendments also clarify that only a subsidiary that is not an investment entity itself and provides support services to the investment entity is consolidated. All other subsidiaries of an investment entity are measured at fair value. The amendments to IAS 28 allow an investor, when applying the equity method to retain the fair value measurement applied by the investment entity associate or joint venture to its interests in subsidiaries. The consequential amendments to IFRS 12 clarify that investment entities that measure their subsidiaries at fair value through profit or loss shall present the disclosures relating to investment entities required by IFRS 12.	Not endorsed - expected to be endorsed in Q4 2015.
Amendments to IAS 1: *Disclosure Initiative*	The following narrow scope amendments have been made to IAS 1 under the Disclosure Initiative: - Materiality and aggregation: clarifies that an entity should not obscure useful information by aggregating or disaggregating information. It also clarifies that materiality considerations apply to the primary financial statements, notes and any other specific requirements in IFRS so that disclosures specifically required by IFRSs are only required where the information is material. - Statement of financial position, statement of profit or loss, statement of other comprehensive income: clarifies that the line items specified by IAS 1 for these statements can be aggregated or disaggregated as relevant. - Presentation of items of other comprehensive income: clarifies that an entity's share of other comprehensive income of equity accounted associates and joint ventures should be presented in aggregate as single line items based on whether or not the item will subsequently be reclassified to profit or loss. - Notes to the financial statements: clarifies that entities have flexibility when designing the structure of the notes and provides guidance on how to determine a systematic order of the notes.	Not endorsed - expected to be endorsed in Q4 2015.
IFRS 9 *Financial Instruments*	IFRS 9 Financial Instruments issued on 24 July 2014 is the IASB's replacement of IAS 39's Financial Instruments: Recognition and Measurement. The Standard includes requirements for recognition and measurement, impairment, derecognition and general hedge accounting. *Recognition and measurement* The recognition and measurement of financial assets under IFRS 9 is built on a single classification and measurement approach for financial assets that reflects the business model in which they are managed and their cash flow characteristics. The recognition of financial liabilities under IFRS 9 carries forward the treatment of IAS 39, except that IFRS 9 does introduce new requirements for the accounting for and presentation of changes in the fair value of an entity's own debt when the entity has chosen to measure the debt at fair value using the fair value option. IFRS 9 requires that the changes in the fair value of an entity's own credit risk should be recognised in other comprehensive income rather than the profit or loss.	Not endorsed - expected to be endorsed in Q2 2015.

2 Accounting policies *(continued)*

Forthcoming requirements *(continued)*

New or amended standard	Summary of the requirements	
IFRS 9 *Financial Instruments (continued)*	*Impairment* IFRS 9 requires an entity to recognise expected credit losses at all times and to update the amount of expected credit losses recognised at each reporting date to reflect changes in the credit risk of financial instruments. This model is forward looking and it eliminates the threshold for the recognition of expected credit losses, so that it is no longer necessary for a trigger event to have occurred before credit losses are recognised. Consequently more timely information is required to be provided about expected credit losses. Specifically, IFRS 9 requires an entity to base its measurement of expected credit losses on reasonable and supportable information that is available without undue cost or effort, and that includes historical, current and forecast information. In addition, the same impairment model is applied to all financial assets subject to impairment accounting. *Hedge accounting* IFRS 9 introduces a substantial revision to hedge accounting requirements which will allow entities better reflect their risk management activities in their financial statements. The revision was issued in a response to concerns of preparers of financial statements about the difficulty of appropriately reflecting management activities in financial statements, the changes also address concerns raised by users of the financial statements about the difficulty of understanding hedge accounting. The version of IFRS 9 issued in 2014 supersedes all previous versions and is mandatorily effective for periods beginning on or after 1 January 2018 with early adoption permitted (subject to local endorsement requirements). For a limited period, previous versions of IFRS 9 may be adopted early if not already done so provided the relevant date of initial application is before 1 February 2015. In addition, the own credit changes can be early applied in isolation without otherwise changing the accounting for financial instruments.	Not endorsed - expected to be endorsed H2 2015.
IFRS 15 *Revenue from Contracts with Customers*	IFRS 15 establishes the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. The core principle of the standard is that an entity shall recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.	Not endorsed - expected to be endorsed in Q2 2015.

3 Turnover and segmental analysis

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

	Year ended 31 August 2014 £000	Year ended 31 August 2013 £000
Consulting	889,293	878,108
Outsourcing	675,115	657,250
Intercompany	501,621	496,505
Reimbursements	122,419	104,022
	2,188,448	2,135,885

4 Profit before interest

Profit before interest and taxation is stated after charging:	Year ended 31 August 2014 £000	Year ended 31 August 2013 £000
Auditors' remuneration		
- audit fee in respect of consolidated financial statements	17	17
- audit fee in respect of the UK Group undertakings registered in the United Kingdom	319	315
Depreciation of property, plant and equipment	11,206	11,447
Amortisation of intangible assets	2,879	4,078
Loss on foreign currency translation	99	1,674
Operating lease payments	24,011	23,237

5 Finance income and costs

	Year ended 31 August 2014 £000	Year ended 31 August 2013 £000
Finance income		
Bank interest	584	278
Intercompany interest	399	328
Interest on client finance	345	204
Net interest income on pension plan	74	88
	1,402	898
Finance costs		
Intercompany interest	(590)	(1,180)
Interest relating to accretion of dilapidations/provisions	(1,488)	(1,236)
	(2,078)	(2,416)

6 Staff numbers and costs

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

	Year ended 31 August 2014	Year ended 31 August 2013
Leadership	490	474
Senior manager	1,195	1,183
Manager	1,773	1,652
Below manager level	5,339	5,190
	8,797	8,499

The aggregate payroll costs of these persons were as follows:	Year ended 31 August 2014 £000	Year ended 31 August 2013 £000
Wages and salaries	633,427	616,348
Social security costs	91,562	92,408
Defined benefit pension plan (Note 8)	1,177	1,186
Defined contribution pension plan (Note 8)	33,848	33,185
Equity settled share based compensation (Note 22)	41,641	42,216
Other employee benefits	24,538	22,354
	826,193	807,697

7 Directors' remuneration

The Directors' remuneration for the year was as follows:	2014 £000	2013 £000
Remuneration	3,386	3,433

The UK Group made no contributions towards the pension funds of the Directors in the year to 31 August 2014 (2013: £Nil).

In respect of the highest paid Director:	2014 £000	2013 £000
Remuneration	768	737

8 Pensions

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

Money purchase plan

The UK Group 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 UK Group 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 UK Group. The pension charge for the period represents contributions payable by the UK Group to the Plan and amounted to £33,848,152 (2013: £33,184,967). There were no outstanding contributions at either the beginning or end of the financial year.

Defined benefit plans

On 31 March 2013, the Accenture Pension Plan (APP), previously held by Accenture Services Ltd, was transferred to Accenture (UK) Limited. On 12 November 2013, the Accenture Retirement Fund (ARF), previously held by Accenture Services Ltd, was transferred to Accenture (UK) Limited and merged into the APP.

The 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 UK Group. 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 UK Group 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 UK Group 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 6 April 2011. The valuation was updated for statutory financial reporting purposes to 31 August 2014 by a qualified independent actuary.

The UK Group paid total contributions to the APP of £760,716 during the year. The expected contributions for the coming financial year are £795,000.

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 22 years at the date of the last funding valuation at 6 April 2011.

The defined benefit obligation includes benefits attributable to current employees 10% (2013: 14%), former employees 60% (2013: 59%) and current pensioners 30% (2013: 27%).

8 Pensions (*continued*)

The UK Group has adopted the disclosure requirements of International Accounting Standard 19 'Employee benefits'.

	2014 £000	2013 £000	2012 £000
Fair value of Plan assets	230,346	214,424	196,233
Present value of Plan liabilities	(241,207)	(213,884)	(194,665)
	(10,861)	540	1,568
Deferred tax (liability)/asset on pension (liability)/asset	2,172	(115)	(361)
Defined benefit pension Plan (deficit)/surplus	(8,689)	425	1,207

The net pension deficit of £8,689,000 (2013: surplus £425,000) is disclosed in the statement of financial position as a retirement liability of £10,861,000 (2013: asset £540,000) and a deferred tax asset of £2,172,000 (2013: liability £115,000).

Plan liabilities

Changes in the present value of Plan liabilities are as follows:	2014 £000	2013 £000	2012 £000
Present value at start of year	213,884	194,665	191,415
Current service cost	893	1,186	843
Actuarial losses	19,563	12,883	(4,350)
Interest expense	9,559	8,226	10,040
Benefits paid	(3,154)	(3,254)	(3,488)
Past service costs	284	-	-
Contributions by Plan participants	178	178	205
Present value at end of year	241,207	213,884	194,665

Plan assets

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

	2014 £000	2013 £000	2012 £000
Fair value at start of year	214,424	196,233	178,739
Interest return on Plan assets	9,633	8,314	10,533
Excess of actual return over interest cost	8,504	12,179	9,492
Employer contributions	761	774	752
Contributions by Plan participants	178	178	205
Benefits paid	(3,154)	(3,254)	(3,488)
Fair value at end of year	230,346	214,424	196,233

Analysis of assets

The major categories of Plan assets are as follows:	2014 %	2013 %	2012 %
Cash and cash equivalents	-	-	-
Equity instruments	54.50	54.69	49.62
Debt instruments	45.50	45.31	50.38
	100.00	100.00	100.00

Actual return on Plan assets	2014 £000	2013 £000	2012 £000
Actual return on Plan assets	18,137	20,493	20,025

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

8 **Pensions *(continued)***

History of experience on Plan assets and liabilities

Amounts for the current and previous year are as follows:	2014	2013
	£000	£000
Fair value of Plan assets	230,346	214,424
Defined benefit obligation	(241,207)	(213,884)
(Deficit)/surplus in Plan	(10,861)	540
Experience gains/(losses) on Plan assets		
Difference	8,504	12,179
Percentage of present value of Plan assets	3.69%	5.68%
Experience gains/(losses) on Plan liabilities		
Difference	1,442	(1,986)
Percentage of present value of Plan liabilities	0.60%	(0.93%)
Experience losses on Plan liabilities		
Recognised in other comprehensive income	(19,563)	(12,883)

Principal actuarial assumptions

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

	2014	2013
	%	%
Discount rate for Plan liabilities	3.75	4.50
Rate of general long-term increase in salaries	4.50	4.75
Pension increases	3.50	3.75
RPI Inflation	3.50	3.75
CPI Inflation	2.50	3.25

Post-retirement mortality assumptions	2014	2013
	Years	Years
Current UK pensioners at retirement age - male	23.30	23.20
Current UK pensioners at retirement age - female	25.80	25.70
Future UK pensioners at retirement age - male	25.60	25.50
Future UK pensioners at retirement age - female	28.20	28.10

The assumptions used were set by the UK Group'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 2014, 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 2014. 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.

	2014	2013
Amount recognised in operating profit	£000	£000
Current and past service cost	1,177	1,186
Amounts recognised in finance income or costs		
Net interest income	(74)	(88)
Total recognised in the statement of profit and loss	1,103	1,098

	2014	2013
Amounts recognised in the statement of other comprehensive income	£000	£000
Return on Plan assets in excess of that recognised in net interest	8,504	12,179
Actuarial losses due to changes in financial assumptions	(19,563)	(12,883)
Amounts recognised in the statement of comprehensive income	(11,059)	(704)

The cumulative amount of actuarial loss recognised in the statement of other comprehensive income as of 31 August 2014 is £38,917,000 (2013: £27,858,000).

8 Pensions *(continued)*

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 decrease in service costs of £125,000 and a decrease in the defined benefit obligation of £20,385,000 as at 31 August 2014.

		2014	
	Current values	**Increase in the discount rate of 0.5%**	**Adjusted values**
	£000	**£000**	**£000**
Service cost	1,086	(125)	961
Defined benefit obligation	241,207	(20,385)	220,822

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

9 Income tax

	Year ended 31 August 2014	**Year ended 31 August 2013**
Taxation recognised in the statement of profit and loss		
Current taxation	**£000**	**£000**
Corporation tax charge	23,627	16,726
Foreign withholding tax	4,104	2,746
Adjustments in respect to prior years	(2,612)	(193)
	25,119	19,279
Deferred taxation		
Origination and reversal of timing differences	3,295	8,448
Effect of changes in tax rates	1,721	2,388
Adjustments in respect to prior years	(1,002)	(668)
	4,014	10,168
Tax expense in the statement of profit and loss	29,133	29,447
Taxation recognised in the statement of comprehensive income		
Deferred taxation on post employment benefit obligations	(2,212)	(151)
Deferred taxation on change in fair value of cash flow hedge transferred from equity	2,045	972
Deferred taxation on effective portion of changes in fair value of cash flow hedge	4,810	(7,309)
	4,643	(6,488)
Taxation recognised within capital contribution		
Current tax benefit excess on exercise of share based payments	(7,129)	(7,628)
Deferred tax movement on unexercised share based compensation	4,388	859
	(2,741)	(6,769)

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:

	Year ended 31 August 2014	**Year ended 31 August 2013**
	£000	**£000**
Profit before taxation	133,008	147,394
Corporation tax at a blended rate of 22.16% (2013: 23.58%)	29,475	34,756
Effects of:		
Losses of joint venture	736	(829)
Research and development tax credit	-	(3,964)
Expenses not deductible for tax purposes	1,808	2,298
Group relief received not paid	(2,467)	(4,051)
Foreign withholding tax suffered	3,195	2,098
Adjustments in respect to prior years	(3,614)	(861)
Total tax charge	29,133	29,447

9 Income tax (continued)

In 2014, a research and development tax credit of £6,000,000 has been included within cost of sales. This treatment is in accordance with the Finance Bill 2013. In 2013, a research and development tax credit of £16,811,000 has been included within current tax.

The applicable corporation tax rate in 2014 of 22.16% is a blended rate incorporating the decrease in the UK corporation tax rate from 23% to 21% on 1 April 2014 (212 days at 23% and 153 days at 21%). The applicable corporation tax rate in 2013 of 23.58% is a blended rate incorporating the decrease in the UK corporation tax rate from 24% to 23% on 1 April 2013 (212 days at 24% and 153 days at 23%).

In accordance with IFRS provisions, a rate of 20% has been used as a basis for the calculation of deferred tax (2013: 21.4%).

10 Deferred tax

Current year movement

	Net balance at 1 September 2013	Recognised in profit and loss	Recognised in other comprehensive income	Recognised directly in equity	Acquired in business combinations/ disposals	Net balance at 31 August 2014
	£000	£000	£000	£000	£000	£000
Property, plant and equipment	14,412	(1,393)	-	-	25	13,044
Share based payments	24,802	(1,719)	-	(4,388)	-	18,695
Derivatives	8,181	-	(6,855)	-	-	1,326
Employee benefits	(115)	75	2,212	-	-	2,172
Intangible assets/contracts in progress	-	114	-	-	(457)	(343)
Provisions	-	-	-	-	17	17
Carry forward of tax losses	1,769	(1,091)	-	-	561	1,239
Deferred tax assets	49,049	(4,014)	(4,643)	(4,388)	146	36,150

Prior year movement

	Net balance at 1 September 2012	Recognised in profit and loss	Recognised in other comprehensive income	Recognised directly in equity	Acquired in business combinations/ disposals	Net balance at 31 August 2013
	£000	£000	£000	£000	£000	£000
Property, plant and equipment	16,669	(2,257)	-	-	-	14,412
Share based payments	27,517	(1,856)	-	(859)	-	24,802
Derivatives	1,844	-	6,337	-	-	8,181
Employee benefits	(361)	95	151	-	-	(115)
Carry forward of tax losses	7,919	(6,150)	-	-	-	1,769
Deferred tax assets	53,588	(10,168)	6,488	(859)	-	49,049

11 **Working capital**

Current year movement	Trade and other receivables £000	Other receivables £000	Amounts recoverable on contracts £000	Deferred income £000	Provisions £000	Trade and other payables £000	Total £000
Opening balance as at 1 September 2013	224,018	4,267	204,550	(287,082)	(37,174)	(369,737)	(261,158)
Assets/liabilities acquired on acquisition of the UK Group companies	5,972	-	878	(1,928)	(67)	(11,580)	(6,725)
Assets/liabilities disposed of on disposal of the UK Group companies	(173)	-	(73)	-	-	353	107
Movement in share based payment accrual	-	-	-	-	-	(23,986)	(23,986)
Accrual of finance income and costs	399	-	-	-	(1,488)	(590)	(1,679)
Payments outstanding in respect of acquisitions	-	-	-	-	-	(575)	(575)
Other movements	-	-	-	-	-	(132)	(132)
Movement in working capital	37,714	(58)	1,150	1,655	2,832	106,412	149,705
Closing balance as at 31 August 2014	**267,930**	**4,209**	**206,505**	**(287,355)**	**(35,897)**	**(299,835)**	**(144,443)**

Prior year movement	Trade and other receivables £000	Other receivables £000	Amounts recoverable on contracts £000	Deferred income £000	Provisions £000	Trade and other payables £000	Total £000
Opening balance as at 1 September 2012	190,057	12,032	191,397	(291,858)	(40,679)	(547,965)	(487,016)
Assets/liabilities acquired on acquisition of the UK Group companies	48	-	-	-	-	(164)	(116)
Issue of share capital	-	-	-	-	-	97,000	97,000
Movement in share based payment accrual	-	-	-	-	-	(16,804)	(16,804)
Accrual of finance income and costs	328	-	-	-	(1,236)	(1,180)	(2,088)
Other movements	-	-	-	-	-	677	677
Movement in working capital	33,585	(7,765)	13,153	4,776	4,741	98,699	147,189
Closing balance as at 31 August 2013	**224,018**	**4,267**	**204,550**	**(287,082)**	**(37,174)**	**(369,737)**	**(261,158)**

On 9 August 2013, Accenture International Sarl subscribed for two shares in Accenture (UK) Limited and paid a subscription price of £48,500,000 for each share, a total of £97,000,000. The £97,000,000 was left outstanding on inter-company debt owed by Accenture International Sarl to Accenture (UK) Limited. Accenture (UK) Limited assigned the benefit of this receivable to a group entity in full and final settlement of loan balances in the same amount owed by the Company.

12 Goodwill and intangible assets

	Goodwill	Customer Relationships	Trademarks	Software	Total
Cost	**£000**	**£000**	**£000**	**£000**	**£000**
At 1 September 2012	1,632,193	1,835	-	8,980	1,643,008
Additions	-	-	-	3,463	3,463
Acquisitions (additions as part of business combinations)	317	-	-	-	317
Disposals	-	-	-	(1,554)	(1,554)
At 31 August 2013	1,632,510	1,835	-	10,889	1,645,234
At 1 September 2013	1,632,510	1,835	-	10,889	1,645,234
Additions	-	241	-	699	940
Acquisitions (additions as part of business combinations)	14,755	3,229	117	-	18,101
Disposal of subsidiary company	-	(237)	-	-	(237)
Disposals	-	-	(117)	(68)	(185)
At 31 August 2014	1,647,265	5,068	-	11,520	1,663,853
Amortisation					
At 1 September 2012	-	1,076	-	5,176	6,252
Charge for the year	-	183	-	3,895	4,078
Eliminated on disposal	-	-	-	(1,502)	(1,502)
At 31 August 2013	-	1,259	-	7,569	8,828
At 1 September 2013	-	1,259	-	7,569	8,828
Charge for the year	-	347	-	2,532	2,879
Eliminated on disposal	-	-	-	(65)	(65)
At 31 August 2014	-	1,606	-	10,036	11,642
Net book values					
At 31 August 2014	**1,647,265**	**3,462**	-	**1,484**	**1,652,211**
At 31 August 2013	1,632,510	576	-	3,320	1,636,406
At 31 August 2012	1,632,952	-	-	3,804	1,636,756

Goodwill arose primarily on the acquisition by the UK Group of Accenture plc in 2003 for £1,923,681,000. The carrying value of goodwill in respect of this acquisition at 31 August 2014 is £1,587,855,000 (2013: £1,587,855,000).

Under previous GAAP (UK GAAP), goodwill with a finite useful life was amortised over a presumed maximum useful life of ten years. This amortisation was charged to the statement of profit and loss on a straight line basis from the date of initial recognition. Goodwill with an infinite useful life was not amortised. The net book value of goodwill as at the date of transition to IFRS (1 September 2012) has been treated as its deemed cost. The UK Group considers that goodwill is not impaired at the statement of financial position date or at the date of transition to IFRS.

Goodwill is subject to impairment testing when an indicator of impairment is considered to exist. No impairment charge was recognised by the UK Group in 2014 (2013: £Nil).

The recoverable amount of goodwill is determined based on value in use calculations. The carrying value of goodwill is compared to its estimated 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 for 2015 and management reviewed forecasts for each of the following years from 2016 to 2019 inclusive. A long-term perpetuity growth rate was applied in respect of the years after 2019. The estimates of future cash flows were based on consideration of past experience together with an assessment of the future prospects of the UK Group.

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 rates of between 2% and 4.5% have been applied in the impairment review for the years from 2015 to 2019. The discount rate used in the impairment review was 8.7% (2013: 9%), being the UK Group's weighted average cost of capital. The long-term growth rate used was 4.5% (2013: 4.5%) which is higher than the average long term growth rate of the UK economy as a whole. This higher growth rate has been applied based on the historic trend of Accenture's performance versus that of the UK economy generally.

12 Goodwill and intangible assets *(continued)*

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 2 percentage points would not give rise to an impairment. Similarly an increase in the discount rate from 8.7% to 10.7% would not give rise to an impairment. A reduction in the nominal growth rate in perpetuity from 4.5% to 3.5% 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.

Intangible assets in relation to customer relationships and trademarks have arisen on a number of acquisitions made during the year. Details in respect to these acquisitions are outlined in Note 13.

13 Acquisitions and disposals

During the year the UK Group acquired the following companies:

- On 1 December 2013 Accenture (UK) Limited acquired 100% of the issued share capital of Cutting Edge Solutions Limited for a consideration of £5,279,920. The principal activity of Cutting Edge Solutions Limited is that of software consultancy and supply, and the provision of high quality product lifecycle management (PLM) and IT services.
- On 6 December 2013 Accenture (UK) Limited acquired 100% of the issued share capital of Procurian UK Limited for a consideration of USD$1. The principal activity of Procurian UK Limited is the provision of business and management consultancy in procurement services.
- On 17 January 2014, Accenture (UK) Limited acquired 100% of the issued share capital of TLE Strategy Limited for a consideration of £732,350, The principal activity of TLE Strategy Limited is the provision of management consultancy services.
- On 9 June 2014, Accenture (UK) Limited acquired 100% of the issued share capital of PureApps Limited for a consideration of £8,513,022. The principal activity of the PureApps Group is software, software training, consultancy, support and maintenance.
- On 14 August 2014, Accenture (UK) Limited acquired 100% of the issued share capital of Fjord Network Limited for a consideration of £325,000. The principal activity of Fjord Network Limited is digital design.

On 15 July 2014, PureApps Limited disposed of its 100% subsidiary, PureApps Benelux BV, to Accenture BV for a consideration of €1. This resulted in a loss on disposal of £322,999.

On 25 September 2012, the UK Group acquired Octagon Research Solutions Limited for a consideration of £300,000.

The fair values of assets and liabilities acquired (which equates to their carrying values) are set out below:	Year ended 31 August 2014 £000	Year ended 31 August 2013 £000
Intangible assets	3,346	-
Property, plant and equipment	799	99
Cash	2,737	-
Trade and other receivables	5,972	48
Amounts recoverable on contracts	878	-
Deferred tax	186	-
Trade and other payables	(11,580)	(164)
Deferred income	(1,928)	-
Corporation tax	(248)	-
Provisions	(67)	-
	95	(17)
Goodwill (Note 12)	14,755	317
Consideration	14,850	300
Satisfied by:		
Cash paid	14,275	300
Amounts owed to the UK Group companies	325	-
Contingent consideration	250	-

13 Acquisitions and disposals *(continued)*

The fair value of identifiable net assets acquired in 2014 was £95,000.

	Fair Values £000	Consideration £000	Goodwill £000
Total acquisitions	95	14,850	14,755

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 taxation.

The fair value of assets and liabilities disposed of by way of company disposal in the year is as follows:

	2014 £000
Intangible assets	237
Cash	153
Trade debtors and prepayments (including inter-company)	173
Amounts recoverable on contracts	73
Deferred tax	40
Trade and other payables	(353)
Fair value of assets and liabilities disposed of during the year	323

14 Property, plant and equipment

	Leasehold Improvements	Furniture and fixtures	Computers and related equipment	Total
Cost	**£000**	**£000**	**£000**	**£000**
At 1 September 2012	34,762	6,027	58,475	99,264
Additions	2,981	434	6,772	10,187
Disposals	(346)	(481)	(25,146)	(25,973)
Acquisitions (additions as part of business combinations)	-	-	99	99
Transfers from the UK Group companies	203	51	20	274
At 31 August 2013	**37,600**	**6,031**	**40,220**	**83,851**
At 1 September 2013	37,600	6,031	40,220	83,851
Additions	2,360	219	5,829	8,408
Disposals	(818)	(14)	(4,934)	(5,766)
Acquisitions (additions as part of business combinations)	474	16	309	799
At 31 August 2014	**39,616**	**6,252**	**41,424**	**87,292**
Depreciation				
At 1 September 2012	16,226	3,945	42,448	62,619
Disposals	(194)	(421)	(23,294)	(23,909)
Charge for year	2,945	445	8,057	11,447
At 31 August 2013	**18,977**	**3,969**	**27,211**	**50,157**
At 1 September 2013	18,977	3,969	27,211	50,157
Disposals	(522)	(14)	(4,547)	(5,083)
Charge for year	2,845	458	7,903	11,206
At 31 August 2014	**21,300**	**4,413**	**30,567**	**56,280**
Net book value				
At 31 August 2014	**18,316**	**1,839**	**10,857**	**31,012**
At 31 August 2013	18,623	2,062	13,009	33,694
At 31 August 2012	18,536	2,082	16,027	36,645

Depreciation has been charged to cost of sales in the statement of profit and loss.

15 Investment in joint venture

	2014 £000	2013 £000	2012 £000
At 1 September	10,272	-	-
Share of intangible assets contributed to the joint venture	-	6,950	-
Cash contributions	1,758	3,652	-
Share of result of joint venture, net of taxation	(9,015)	(330)	-
At 31 August	3,015	10,272	-
Share of gross assets	4,819	10,333	-
Share of gross liabilities	(1,804)	(61)	-

On 19 December 2012, Accenture (UK) Limited and Taleris Holdings LLC (UK), a subsidiary of General Electric, formed a joint venture entity, Taleris Global LLP. Accenture (UK) Limited holds a 36.6% equity interest in the venture after contributing cash funding, software licences and other business assets. The principal activity of Taleris Global LLP is to develop software for the aviation industry.

The UK Group has classified its investment in Taleris Global LLP as a joint venture. In doing so, the UK Group has considered the governance structure of Taleris Global LLP and the purpose and design of the business. The governance structure of Taleris Global LLP outlines that certain key business decisions may only be made with the unanimous approval of the Board, of which Accenture (UK) Limited controls 40% of the voting rights.

16 Trade and other receivables

	2014 £000	2013 £000	2012 £000
Current			
Trade receivables	196,797	166,414	145,778
Amounts owed by the UK Group undertakings (Note 27)	49,203	40,475	23,646
Other receivables	10,710	7,759	8,568
	256,710	214,648	177,992
Prepayments	11,220	9,370	12,065
	267,930	224,018	190,057
Non-current			
Other receivables	4,209	4,267	12,032

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.

The ageing of trade and other receivables (excluding prepayments) at 31 August was as follows:

	2014 Gross value £000	2013 Gross value £000	2012 Gross value £000
Not past due	191,651	177,885	138,089
0 - 90 days past due	62,203	33,343	32,723
90 - 180 days past due	1,890	2,864	180
+180 days past due	966	556	7,000
	256,710	214,648	177,992

16 Trade and other receivables *(continued)*

Receivable balances are continuously monitored and reviewed for indicators of impairment at each reporting date. Examples of the factors considered include evidence of financial difficulty of the client, payment default, major concessions being sought by the client or breach of contract. All balances are reviewed individually. Following a review of the carrying value of all trade receivable balances, an impairment provision was not deemed necessary (2013: £Nil).

The carrying value of the UK Group's trade and other receivables are denominated in Sterling.

Client receivables are dispersed across many different industries and clients. At 31 August 2014. The UK Group had trade receivables outstanding of £196,797,000 (2013: £166,414,000). These trade receivable balances relate to clients that have a good track record with the UK Group in terms of recoverability. At 31 August 2014, the UK Group had one client that represented 10% or more of the total trade receivables balance (2013: one client represented 10% or more of the total trade receivables balance). These balances were recovered post year end.

17 Amounts recoverable on contracts

Amounts recoverable on contracts - current	2014 £000	2013 £000	2012 £000
Unbilled services	158,216	137,623	122,549
Deferred transition costs	15,324	7,206	5,473
	173,540	144,829	128,022
Amounts recoverable on contracts - non-current			
Unbilled services	2,917	8,980	6,539
Deferred transition costs	30,048	50,741	56,836
	32,965	59,721	63,375

Amounts recoverable on contracts relates to deferred transition costs on outsourcing contracts and services provided in excess of billings.

18 *Cash and cash equivalents*

	2014 £000	2013 £000	2012 £000
Cash at bank	14,577	2,257	17,670
Time deposit	43,812	49,814	-
	58,389	52,071	17,670

The time deposit is an account on which interest is earned over a 1 day maturity period. The funds can be withdrawn without any advance notice.

The cash and cash equivalents balances consists of £52,604,026 (2013: £51,904,914) denominated in sterling and £5,785,272 (2013: £166,112) denominated in other currencies.

19 Derivative financial instruments

	2014 £000 Assets £000	2013 £000 Assets £000	2012 £000 Assets £000
Forward foreign exchange contracts - Assets			
Current	2,069	-	700
Non-current	1,228	-	3,528

	2014 £000 Liabilities £000	2013 £000 Liabilities £000	2012 £000 Liabilities £000
Forward foreign exchange contracts - Liabilities			
Current	(6,528)	(21,209)	(8,750)
Non-current	(3,399)	(17,014)	(3,494)

19 Derivative financial instruments *(continued)*

Assets and liabilities relating to derivative financial instruments represent the fair value of open forward foreign exchange contracts which the UK Group 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 date. During 2014, the fair value of the UK Group's foreign exchange hedges increased significantly mainly due to the strengthening of the Pound Sterling against the Indian Rupee. The UK Group does not anticipate any non-performance by the counterparties and its exposure to foreign currency risk is disclosed in Note 26.

The gains and losses arising from cash flow hedging positions are recognised in reserves in line with the UK Group's accounting policy. The position recognised in reserves is recognised net of deferred tax.

The cash flow hedge reserve shows fair value losses of £6,630,000 (before the impact of deferred tax) as at 31 August 2014 (2013: £38,223,000). This represents the mark to market losses on the UK Group's portfolio of forward foreign exchange contracts at the year end date. This decrease in the fair value of forward foreign exchange contract losses of £31,593,000 (2013: increase in losses of £30,206,000) has been recognised in the consolidated statement of other comprehensive income. The amounts related to cash flow hedges that were recognised in cost of sales in the year ended 31 August 2014 was £14,063,000 (2013: £8,089,000).

The notional principal amounts of the outstanding forward foreign exchange contracts at 31 August 2014 were £250,812,312 (2013: £222,629,194 and 2012: £219,905,600). These forward foreign contracts are to mature within one to three years as follows:

	2014	2013	2012
	£000	£000	£000
Mature within one year	130,049	116,312	113,726
Mature within two years	82,916	72,157	72,947
Mature within three years	37,847	34,160	33,233
	250,812	222,629	219,906

A review of the fair value measurements as required by IFRS 7 is outlined in Note 26.

20 Called up 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.

	2014	2013	2012
Authorised	£000	£000	£000
1,030,000,000 ordinary shares at £1 each	1,030,000	1,030,000	1,030,000
Issued, called up and fully paid			
1,026,000,005 (2013: 1,026,000,005) ordinary shares at £1 each	1,026,000	1,026,000	1,026,000

On 9 August 2013, the Company issued 2 ordinary shares of £1 each for a consideration of £97,000,000.

21 Share premium

	2014	2013	2012
	£000	£000	£000
Balance at the beginning of the year	97,000	-	-
Share premium arising on issue of shares	-	97,000	-
Balance at the end of the year	97,000	97,000	-

On 9 August 2013, Accenture International Sarl subscribed for two shares in Accenture (UK) Limited and paid a subscription price of £48,500,000 for each share, a total of £97,000,000. The £97,000,000 was left outstanding on inter-company debt owed by Accenture International Sarl to Accenture (UK) Limited. Accenture (UK) Limited assigned the benefit of this receivable to an inter-company group entity in full and final settlement of loan balances in the same amount owed by the Company.

22 Share based payments

Stock Options

Plans in place for eligible employees:

The UK Group participates in four share option plans operated by the UK Group's ultimate parent undertaking, Accenture plc, for employees and executives of group companies. The exercise price of the granted options is equal to the market price of the shares on the date of grant. Share options generally have an exercise price that is at least equal to the fair value of the Accenture plc Class A ordinary share on the date the option was granted. The fair value of each option granted was estimated on the date of grant using the Black Scholes Merton option pricing model. Options have a contractual life of ten years. All share options outstanding are fully vested at 31 August 2014. The UK Group has no legal or constructive obligation to repurchase or settle the options in cash.

The number of share options outstanding at 31 August 2014 granted in the financial years 2001 to 2005 are as follows:

	2014	2013
Number of options	**Number**	**Number**
Outstanding at the beginning of the year	428,969	694,897
Exercised during the year	(187,351)	(191,580)
Transferred during the year	(723)	(73,010)
Forfeited during the year	-	(1,338)
Outstanding at the end of the year	240,895	428,969
Exercisable at the end of the year	240,895	428,969

	2014	2013
Weighted average exercise price	**$**	**$**
Outstanding at the beginning of the year	25.08	24.72
Exercised during the year	25.19	24.49
Transferred during the year	27.21	25.92
Outstanding at the end of the year	24.98	25.08
Exercisable at the end of the year	24.98	25.08

The weighted average share price at the date of exercise of share options in the year was $78.19.

Share options outstanding at 31 August 2014 have exercise prices ranging from $22.29 to $27.21 with a weighted average remaining contractual life of 0.42 years.

The expense recognised in the statement of profit and loss in respect of share options was £Nil (2013: £Nil).

Restricted Stock Units (RSUs)

The UK Group participates in eight RSU plans operated by the ultimate parent undertaking, Accenture plc, for employees and executives of group companies. 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. The fair value of the RSUs granted is based on Accenture plc's share price on the date of grant. 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 UK Group's treasury stock price on a FIFO basis.

	2014	2013
	Number	**Number**
Outstanding at 1 September	3,603,052	4,194,753
Forfeited during the year	(232,173)	(131,975)
Exercised during the year	(1,541,376)	(1,509,103)
Transferred during the year	53,210	(549,094)
Granted during the year	1,045,534	1,598,471
Outstanding at the end of the year	**2,928,247**	**3,603,052**
Exercisable at the end of the year	**44,982**	**101,966**

22 Share based payments (*continued*)

Transferred RSUs during the period represents the transfer of share based payments units between Group companies. These arise as a result of employees transferring between UK Group companies. For RSUs that were exercised during the year, the weighted average share price at the date of exercise was $77.60. The RSUs outstanding at 31 August 2014 have a weighted average remaining vesting period of 2.24 years (2013: 2.44 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.

Statement of profit and loss expense for RSUs granted

The expense recognised in the statement of profit and loss in respect of RSUs was £39,045,704 (2013: £39,622,857).

Employee Share Purchase Plan

The UK Group 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 UK Group in respect of the ESPP represents the discount on market price received by participants in the year.

Statement of profit and loss expense for ESSP shares granted

The expense recognised in the statement of profit and loss in respect of ESPP shares was £2,594,930 (2013: £2,593,347).

23 Provisions

	Office lease incentive £000	Dilapidations £000	Lease abandonment £000	Total £000
At 1 September 2012	10,219	5,895	24,565	40,679
Charged/(credited) to the statement of profit and loss	149	2,193	(2,025)	317
Utilised during the year	(844)	-	(2,978)	(3,822)
At 31 August 2013	9,524	8,088	19,562	37,174
At 1 September 2013	9,524	8,088	19,562	37,174
Arising as part of business combinations	14	53	-	67
Charged/(credited) to the statement of profit and loss	140	980	(34)	1,086
Utilised during the year	(949)	-	(1,481)	(2,430)
At 31 August 2014	8,729	9,121	18,047	35,897

Analysed as current liabilities	Office lease incentive £000	Dilapidations £000	Lease abandonment £000	Total £000
At 31 August 2014	820	55	515	1,390
At 31 August 2013	852	-	1,931	2,783
Analysed as non-current liabilities				
At 31 August 2014	7,909	9,066	17,532	34,507
At 31 August 2013	8,672	8,088	17,631	34,391

Office lease incentive

The office lease incentive relates to reduced rent payments during certain periods of property leases. Rental expenses are recognised on a straight line basis over the life of the lease. It is expected that the costs will be incurred up until 2029.

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.

Lease abandonment

A provision is recognised for expected future costs relating to the abandonment of leasehold premises. It is expected that these costs will be incurred over the life of the property leases. It is expected that the costs will be incurred up until 2029.

24 Trade and other payables

	2014 £000	2013 £000	2012 £000
Trade payables	21,118	18,230	22,247
Amounts owed to the UK Group undertakings (Note 27)	77,336	127,123	258,874
Payroll withholding taxes and social charges	41,996	43,102	44,984
VAT and other tax payable	59,276	49,751	46,532
Other payables	14,310	7,288	6,436
Accruals	85,799	124,243	168,892
	299,835	369,737	547,965
Deferred income	233,446	206,503	192,141
	533,281	576,240	740,106

Non-current	2014 £000	2013 £000	2013 £000
Deferred income	53,909	80,579	99,717

25 Commitments

(a) The UK Group had no capital commitments at the end of the year (2013: £Nil).

(b) Total commitments under non-cancellable operating leases are as follows:

Operating leases payments on buildings due:	2014 £000	2013 £000
Within one year	26,536	30,631
In the second to fifth years inclusive	82,595	90,762
Over five years	187,597	214,302
	296,728	335,695

The UK Group leases a number of properties under operating leases. The leases typically run for a period of 15 to 25 years. Rents are generally reviewed every five years.

During the year ended 31 August 2014, £24,011,000 (2013: £23,237,000) was recognised as an expense in the statement of profit and loss in respect of operating leases.

26 Financial instruments and financial risk

The fair values of financial assets and liabilities together with the carrying amounts shown in the consolidated statement of financial position are as follows:

2014 *Financial assets*	Fair value - hedging instruments £000	Loans and receivables £000	Other financial liabilities £000	Total carrying amount £000	Fair value £000
Trade and other receivables (current)	-	256,710	-	256,710	N/A
Trade and other receivables (non-current)	-	4,209	-	4,209	4,209
Cash and cash equivalents	-	58,389	-	58,389	N/A
Amounts recoverable on contracts (current and non-current)	-	161,133	-	161,133	N/A
Forward foreign currency contracts	3,297	-	-	3,297	3,297
	3,297	480,441	-	483,738	

26 Financial instruments and financial risk *(continued)*

	Fair value - hedging instruments £000	Loans and receivables £000	Other financial liabilities £000	Total carrying amount £000	Fair value £000
Financial liabilities					
Trade and other payables	-	-	(299,835)	(299,835)	N/A
Forward foreign currency contracts	(9,927)	-	-	(9,927)	(9,927)
	(9,927)	-	(299,835)	(309,762)	
2013					
Financial assets					
Trade and other receivables (current)	-	214,648	-	214,648	N/A
Trade and other receivables (non-current)	-	4,267	-	4,267	4,267
Cash and cash equivalents	-	52,071	-	52,071	N/A
Amounts recoverable on contracts (current and non-current)	-	146,603	-	146,603	N/A
Forward foreign currency contracts	-	-	-	-	-
	-	417,589	-	417,589	
Financial liabilities					
Trade and other payables	-	-	369,737	369,737	N/A
Forward foreign currency contracts	(38,223)	-	-	(38,223)	(38,223)
	(38,223)	-	369,737	331,514	

A number of the UK Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Set out below is an analysis of financial instruments carried at fair value, by valuation method. The different levels in the fair market hierarchy have been identified as follows:

Level 1 - quoted (unadjusted) prices in active markets for identical assets or liabilities;
Level 2 - inputs other than quoted prices included within Level 1 that are observable, either directly or indirectly;
Level 3 - inputs that are not based on observable market data.
Fair values have been determined for measurement and/or disclosure purposes based on the following methods:

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Trade and other receivables/payables/amounts recoverable on contracts (current and non-current)	For receivables, unbilled services and payables, fair value is the amount that is payable contractually less an impairment provision where appropriate.	Not applicable	Not applicable
Cash and cash equivalents (including short term bank deposits)	For short term bank deposits and cash and cash equivalents, all of which have a remaining maturity of less than three months, the carrying amount is a reasonable approximation of fair value.	Not applicable	Not applicable
Forward foreign currency exchange contracts	The fair value of forward foreign exchange contracts is determined using forward exchange rates at the year end date, with the resulting value discounted back to present value (Level 2).	Not applicable	Not applicable

26 Financial instruments and financial risk *(continued)*

The carrying value of trade and other receivable, trade and other payables, amounts recoverable on contracts (current and non-current) and cash and cash equivalents is estimated to approximate to fair value due to the short-term maturity of these instruments.

There were no transfers between Level 1, 2 or 3 in any direction during the year.

Financial risk management
The UK Group has exposure to the following risks arising from its use of financial instruments:
- credit risk;
- liquidity risk; and
- currency risk.

Risk management framework

The UK Group's Board of Directors has overall responsibility for the establishment and oversight of the UK Group's risk management framework. The UK Group's risk management policies are established to identify and analyse the risks faced by the UK Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the UK Group's activities.

Credit risk
The UK Group's financial instruments, consisting of cash and cash equivalents, forward foreign exchange contracts, client receivables and unbilled services are exposed to concentrations of credit risk. The UK Group places its cash and cash equivalents with highly-rated financial institutions, limits the amount of credit exposure with any one financial institution and conducts ongoing evaluation of the credit worthiness of the financial institutions with which it does business. Client receivables are dispersed across many different industries and clients. Therefore, concentrations of credit risk are limited. At 31 August 2014, the UK Group had one client that represented 10% or more of the total trade receivables balance (2013: one client represented 10% or more of the total trade receivables balance). These balances were recovered post year end. The UK Group subjects new clients to credit checks and reviews the financial strength of established clients regularly in reviewing the appropriateness of credit limits.

Liquidity Risk
The UK Group has cash resources at its disposal through the holding at the year end of deposits and cash balances of £58,388,796 (2013: £52,071,026). This provides some flexibility in financing the UK Group's operations. The UK Group's policy is to ensure that sufficient resources are available from either cash balances, cash flows or group company borrowings to ensure that all obligations are met as they fall due. Management monitors rolling cash flow forecasts on an ongoing basis to determine the adequacy of the liquidity position of the UK Group.

Foreign currency risk
The UK Group is exposed to foreign currency risk in the ordinary course of business. This risk arises predominantly from the UK Group's use of resources supplied by the Global Delivery Network. To mitigate this risk, the UK Group 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. These hedges are designated as cash flow hedges. The UK Group reviews the effectiveness of its hedges on an ongoing basis based on a comparison of the change in fair value of the actual derivative designated as a hedging instrument and the change in fair value of the hypothetical derivative. As at 31 August 2014, the UK Group held no derivatives that were designated as fair value or net investment hedges.

Information in respect of these hedges is disclosed in Note 19.

The UK Group has exposure to US dollar exchange rate fluctuations through balances receivable and payable to Accenture Plc group companies at 31 August 2014. Fluctuations in the GBP£: USD$ exchange rate between 31 August 2014 and the date of settlement of these intercompany positions has resulted in the recognition of foreign exchange gains of £353,000 in the statement of profit and loss in 2015.

The following sensitivity analysis has been provided to outline the effect, on reported assets and performance, of foreign exchange rate fluctuations on the UK Group's foreign currency forward contracts. A five per cent strengthening of the sterling exchange rate against the Indian Rupee at the year end date would have effected equity and total comprehensive income by the amounts shown below. This sensitivity analysis assumes that all other variables remain constant and does not include offsetting gains or losses on the underlying exposure.

26 **Financial instruments and financial risk (*continued*)**

	Profit and loss Strengthening	Weakening	Equity, net of tax Strengthening	Weakening
31 August 2014	**£000**	**£000**	**£000**	**£000**
Indian Rupee - 5% movement	-	-	(14,636,987)	4,943,314
31 August 2013				
Indian Rupee - 5% movement	-	-	(7,260,633)	7,504,009

Credit risk:

The maximum exposure to credit risk at 31 August was:

	2014 £000	2013 £000
Trade and other receivables	260,919	218,915
Cash and cash equivalents	58,389	52,071
Amounts recoverable under contracts - unbilled services	161,133	146,603
Forward foreign currency contracts	3,297	-

Liquidity risk

The following are the contracted maturities of financial liabilities as at 31 August:

At 31 August 2014	Carrying Amount £000	Within one year £000	Between 1 and 2 years £000	Between 2 and 5 years £000	Greater than five years £000
Non-derivative financial liabilities					
Trade and other payables	(299,835)	(299,835)	-	-	-
Derivative financial liabilities					
Forward foreign exchange contracts	(9,927)	(6,528)	(3,399)	-	-
	(309,762)	(306,363)	(3,399)	-	-

At 31 August 2013	Carrying Amount £000	Within one year £000	Between 1 and 2 years £000	Between 2 and 5 years £000	Greater than five years £000
Non-derivative financial liabilities					
Trade and other payables	(369,737)	(369,737)	-	-	-
Derivative financial liabilities					
Forward foreign exchange contracts	(38,223)	(21,209)	(17,014)	-	-
	(407,960)	(390,946)	(17,014)	-	-

27 **Related party disclosures**

The principal related party transactions requiring disclosure under IAS 24 'Related party disclosures' relate to transactions with group companies, joint ventures and the compensation of key management personnel.

All transactions with group companies and joint ventures are carried out on an arm's length basis.

All transactions between Accenture (UK) Limited and its subsidiaries have been eliminated on consolidation.

Transactions with other Accenture plc. group companies (not subsidiaries of Accenture (UK) Limited) not eliminated on consolidation comprise of the following:

	2014 £000	2013 £000
Turnover	501,621	496,505
Cost of sales	(835,530)	(847,263)
Group company interest income	399	328
Group company interest expense	(590)	(1,180)
Fixed assets transferred from group companies	-	274
Receivables	49,203	40,475
Payables	(77,336)	(127,123)

27 Related party disclosures *(continued)*

During the year, the UK Group acquired/disposed of a number of companies from/to other Accenture plc group entities. These transactions were as follows:

- On 1 December 2013, Accenture (UK) Limited acquired 100% of the issued share capital of Cutting Edge Solutions Limited for a consideration of £5,279,920 from Accenture PLM GMBH.
- On 6 December 2013, Accenture (UK) Limited acquired 100% of the issued share capital of Procurian UK Limited for a consideration of USD$1 from Procurian International I LLC.
- On 15 July 2014, PureApps Limited transferred its 100% subsidiary, PureApps Benelux BV, to Accenture BV for a consideration of €1. This resulted in a loss on disposal of £322,999.
- On 21 February 2014, Procurian UK Limited transferred its 1% shareholding in Procurian India Private Limited to other Accenture Plc entities resulting in a gain on disposal of £17,975.
- On 14 August 2014, Accenture (UK) Limited acquired 100% of the issued share capital of Fjord Network Limited for a consideration of £325,000.

On 15 May 2014, Accenture (UK) Limited acquired customer contracts and intangibles assets for a consideration of £240,640 from Enkitec Europe Limited.

During the year, Accenture (UK) Limited disposed of trademarks to Accenture Global Services Limited for a consideration of £117,000.

During 2013, property, plant and equipment to the value of £274,000 was transferred to the Company from other Accenture group entities.

Taleris Global LLP has been identified as a related party, by virtue of Accenture (UK) Limited owning 36.6% of the equity of the partnership. During the year, Accenture (UK) Limited advanced assets to Taleris Global LLP to the value of £1,758,000 (2013: £10,601,765).

For the purposes of the disclosure requirements of IAS 24 'Related party disclosures', the term "key management personnel" (i.e. those persons having the authority and responsibility for planning, directing, and controlling the activities of the UK Group), comprise the UK Executive Board who manage the business and affairs of the UK Group.

Key management personnel compensation incurred by the UK Group comprised of the following:

	2014 £000	2013 £000
Short term employee benefits	6,095	6,265
Share-based payments	1,806	1,850
	7,901	8,115

28 Subsequent events

On 22 September 2014, Accenture (UK) Limited acquired 100% of the share capital of Hytracc Consulting UK Limited for a consideration of USD$5,038,000.

29 Accounting estimates and judgements

The preparation of the consolidated financial statements in accordance with IFRS 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 believes 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 IFRS and does not require management's judgement in its application. Key sources of estimation uncertainty and critical accounting judgements are as follows:

Goodwill

The UK Group has capitalised goodwill of £1,647,265,000 at 31 August 2014 (2013: £1,632,510,000) as detailed in Note 12 to the financial statements. Goodwill is required to be tested for impairment if changes in circumstances or the occurrence of events indicate potential impairment exists. The UK Group 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 a growth rate in perpetuity. No goodwill impairment charge was recognised by the UK Group in 2014 (2013: £Nil).

29 Accounting estimates and judgements *(continued)*

Retirement benefit obligations

The UK Group operates a defined benefit pension plan, details of which are as set out in Note 8 to the financial statements. The UK Group's total obligation in respect of this defined benefit pension plan is calculated by an independent qualified actuary, is updated annually and totals £241,207,000 at 31 August 2014 (2013: £213,884,000). Plan assets at 31 August 2014 amounted to £230,346,000 (2013: £214,424,000) giving a net plan deficit of £10,861,000 (2013: surplus of £540,000). The size of the obligation is sensitive to actuarial assumptions. The key assumptions are the discount rate, the rate of future salary increases, the rate of future pension increases, the inflation rate and life expectancy. Plan assets are also sensitive to asset returns and the level of contributions made by the UK Group.

Lease abandonment provisions

Lease abandonment provisions of £18,047,000 (2013: £19,562,000) have been recognised as at 31 August 2014. These provisions relate to payments which the UK Group is committed to making in respect of leased properties that are no longer being utilised less forecasted sublease income. The UK Group is actively seeking tenants in respect of a number of these properties. The UK Group's success in negotiating subleases in respect of these properties will impact the recognition of this provision going forward.

Dilapidation provisions

The UK Group has recognised a provision of £9,121,000 (2013: £8,088,000) for the costs expected to be incurred in returning leasehold premises to their original state when exiting at the conclusion of a lease agreement. 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.

Deferred taxation

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

Share based payments

The assumptions used in determining the amounts charged in the UK Group statement of profit and loss include judgements in respect of performance conditions, length of service, future share prices, dividend, interest rates and exercise patterns.

30 Transition to IFRS

The consolidated financial statements of Accenture (UK) Limited for the year ended 31 August 2014 have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union. Up to and including the financial year ended 31 August 2013, the UK Group prepared its consolidated financial statements in accordance with UK GAAP.

The transition date to IFRS (being the beginning of the period for which the UK Group presents full comparative information under IFRS in its first IFRS financial statements as stipulated under IFRS 1 'First-time Adoption of International Financial Reporting Standards'), was 1 September 2012.

In accordance with IFRS 1, which establishes the framework for transition to IFRS by a first-time adopter, the UK Group has elected to avail of the specified exemption from the general principle of retrospective re-statement in relation to business combinations.

Business combinations undertaken prior to the transition date of 1 September 2012 were not subject to restatement. Accordingly, goodwill as at the transition date was carried forward at its net book value and, together with goodwill arising on business combinations subsequent to the transition date, is subject to annual impairment testing in accordance with IAS 36 'Impairment of assets'. As required under IFRS 1, goodwill was assessed for impairment at the transition date and no impairment charge was deemed necessary.

30 Transition to IFRS (*continued*)

A reconciliation of the UK Group's statement of profit and loss and statement of other comprehensive income as previously presented under UK GAAP to that as presented under IFRS as at 31 August 2013 is as follows:

Consolidated Statement of Profit and Loss for the year ended 31 August 2013

	As originally reported £000	Reclassification £000		Remeasurement £000		As restated under IFRS £000
Turnover	2,135,885	-		-		2,135,885
Cost of sales	(1,694,622)	(37,361)	(a)	-		(1,731,983)
Gross profit	441,263	(37,361)		-		403,902
Administration expenses	(304,467)	37,254	(a)	4,784	(b)	(262,429)
Profit on disposal of property, plant and equipment	819	-		-		819
Share of intangible assets contributed to joint venture	6,843	107	(a)	-		6,950
Share of results of joint venture, net of taxation	(330)	-		-		(330)
Profit before interest and taxation	144,128	-		4,784		148,912
Finance income	3,382	-		(2,484)	(c)	898
Finance costs	(2,416)	-		-		(2,416)
Profit before taxation	145,094	-		2,300		147,394
Income tax expense	(23,678)	-		(5,769)	(d)	(29,447)
Profit attributable to equity holders of the Company	121,416	-		(3,469)		117,947

Consolidated Statement of Other Comprehensive Income for the year ended 31 August 2013

	As originally reported £000	Reclassification £000	Remeasurement £000		As restated under IFRS £000
Profit attributable to equity holders of the Company	121,416	-	(3,469)		117,947
Items that will not be reclassified subsequently to profit and loss					
Remeasurement of post employment benefit obligations	(3,188)	-	2,484	(c)	(704)
Related taxation	682	-	(531)	(c)	151
Items that may be reclassified subsequently to profit and loss					
Net change in fair value of cash flow hedge transferred from equity	-	-	4,634	(e)	4,634
Deferred taxation on change in fair value of cash flow hedge transferred from equity	-	-	(972)	(e)	(972)
Effective portion of changes in fair value of cash flow hedge	-	-	(34,840)	(e)	(34,840)
Deferred taxation on effective portion of changes in fair value of cash flow hedge	-	-	7,309	(e)	7,309
Total comprehensive income attributable to equity holders of the Company	**118,910**	**-**	**(25,385)**		**93,525**

30 Transition to IFRS (*continued*)

A reconciliation of the UK Group statement of financial position, as previously presented under UK GAAP, to that as presented under IFRS as at 31 August 2013 is as follows:

Consolidated statement of financial position as at 31 August 2013

	As previously reported £000	Reclassification £000		Remeasurement £000		As restated under IFRS £000
ASSETS						
Non-current assets						
Goodwill and intangible assets	1,628,302	3,320	(f)	4,784	(b)	1,636,406
Property, plant and equipment	37,014	(3,320)	(f)	-		33,694
Investment in joint venture	10,272	-		-		10,272
Deferred tax assets	-	27,077	(g)	21,972	(g)	49,049
Retirement benefit assets	-	540	(h.1)	-		540
Amounts recoverable on contracts	-	59,721	(h.2)	-		59,721
Other receivables	63,988	(59,721)	(h.2)	-		4,267
Total non-current assets	**1,739,576**	**27,617**		**26,756**		**1,793,949**
Current assets						
Trade and other receivables	396,039	(172,021)	(h.3)	-		224,018
Amounts recoverable on contracts	-	144,829	(h.3)	-		144,829
Cash and cash equivalents	52,071	-		-		52,071
Total current assets	**448,110**	**(27,192)**		**-**		**420,918**
Total assets	**2,187,686**	**425**		**26,756**		**2,214,867**
EQUITY						
Share capital	(1,026,000)	-		-		(1,026,000)
Share premium	(97,000)	-		-		(97,000)
Cash flow hedge reserve	-	-		30,042	(e)	30,042
Capital contribution	-	(48,225)	(h.6)	(19,175)	(i)	(67,400)
Retained earnings	(364,355)	48,225	(h.6)	600	(j)	(315,530)
Total equity	**(1,487,355)**	**-**		**11,467**		**(1,475,888)**
LIABILITIES						
Non-current liabilities						
Derivative financial instruments	-	-		(17,014)	(e)	(17,014)
Deferred income	(80,579)	-		-		(80,579)
Retirement benefit liability	425	(425)	(h.1)	-		-
Provisions	(37,174)	2,783	(h.5)	-		(34,391)
Total non-current liabilities	**(117,328)**	**2,358**		**(17,014)**		**(131,984)**
Current liabilities						
Trade and other payables	(583,003)	213,266	(h.4)	-		(369,737)
Income tax payable	-	(6,763)	(h.4)	-		(6,763)
Derivative financial instruments	-	-		(21,209)	(e)	(21,209)
Deferred income	-	(206,503)	(h.4)	-		(206,503)
Provisions	-	(2,783)	(h.5)	-		(2,783)
Total current liabilities	**(583,003)**	**(2,783)**		**(21,209)**		**(606,995)**
Total liabilities	**(700,331)**	**(425)**		**(38,223)**		**(738,979)**
Total equity and liabilities	**(2,187,686)**	**(425)**		**(26,756)**		**(2,214,867)**

30 Transition to IFRS (*continued*)

A reconciliation of the UK Group statement of financial position as previously presented under UK GAAP to that as presented under IFRS as at 31 August 2012 is as follows:

Consolidated statement of financial position as at 1 September 2012

	As previously reported £000	Reclassification £000		Remeasurement £000		As restated under IFRS £000
ASSETS						
Non-current assets						
Goodwill and intangible assets	1,632,952	3,804	(f)	-		1,636,756
Property, plant and equipment	40,449	(3,804)	(f)	-		36,645
Deferred tax assets	-	38,423	(g)	15,165	(g)	53,588
Derivative financial instruments	-	-		3,528	(e)	3,528
Retirement benefit asset	-	1,568	(h.1)	-		1,568
Amounts recoverable on contracts	-	63,375	(h.2)	-		63,375
Other receivables	75,407	(63,375)	(h.2)	-		12,032
Total non-current assets	**1,748,808**	**39,991**		**18,693**		**1,807,492**
Current assets						
Trade and other receivables	358,849	(168,792)	(h.3)	-		190,057
Derivative financial instruments	-	-		700	(e)	700
Amounts recoverable on contracts	-	128,022	(h.3)	-		128,022
Income tax receivable	-	1,986	(h.3)	-		1,986
Cash and cash equivalents	17,670	-		-		17,670
Total current assets	**376,519**	**(38,784)**		**700**		**338,435**
Total assets	**2,125,327**	**1,207**		**19,393**		**2,145,927**
EQUITY						
Share capital	(1,026,000)	-		-		(1,026,000)
Cash flow hedge reserve	-	-		6,173	(e)	6,173
Capital contribution	-	(22,812)	(h.6)	(12,406)	(i)	(35,218)
Retained earnings	(220,032)	22,812	(h.6)	(916)	(j)	(198,136)
Total equity	**(1,246,032)**	**-**		**(7,149)**		**(1,253,181)**
LIABILITIES						
Non-current liabilities						
Derivative financial instruments	-	-		(3,494)	(e)	(3,494)
Deferred income	(99,717)	-		-		(99,717)
Retirement benefit liability	1,207	(1,207)	(h.1)	-		-
Provisions	(40,679)	3,634	(h.5)	-		(37,045)
Total non-current liabilities	**(139,189)**	**2,427**		**(3,494)**		**(140,256)**
Current liabilities						
Trade and other payables	(740,106)	192,141	(h.4)	-		(547,965)
Derivative financial instruments	-	-		(8,750)	(e)	(8,750)
Deferred income	-	(192,141)	(h.4)	-		(192,141)
Provisions	-	(3,634)	(h.5)	-		(3,634)
Total current liabilities	**(740,106)**	**(3,634)**		**(8,750)**		**(752,490)**
Total liabilities	**(879,295)**	**(1,207)**		**(12,244)**		**(892,746)**
Total equity and liabilities	**(2,125,327)**	**(1,207)**		**(19,393)**		**(2,145,927)**

30 Transition to IFRS (*continued*)

The standards that gave rise to the most significant disclosure requirements and changes to the consolidated results of the UK Group on transition to IFRS were as follows:

Disclosure requirements:
- IFRS 1 First-time adoption of International Financial Reporting Standards
- IFRS 7 Financial instruments: Disclosure
- IAS 32 Financial instruments: Disclosures and presentation

Changes to the consolidated results:
- IFRS 3 Business Combinations
- IAS 12 Income taxes
- IAS 19 Employee benefits
- IAS 39 Financial instruments: Recognition and measurement
- IAS 36 Impairment of assets
- IAS 38 Intangible assets

On transitioning to IFRS, the UK Group reviewed the classifications of assets, liabilities, income and expenses in the financial statements. As a result, a number of reclassifications were recognised that more appropriately discloses the UK Groups activities.

The IFRS transition adjustments and financial statement reclassifications are outlined as follows:

(a) Bank fees of £107,000, that were previously recognised within other operating income/(expenses) have been reclassified to administration expenses.

Payroll expenses and inter-company costs of £37,254,000, that were previously recognised within administration expenses have been reclassified to cost of sales. This reclassification more appropriately describes the Group's activities.

(b) Amortisation of goodwill is not permitted under IFRS 3 'Business Combinations'. The transition to IFRS has resulted in the de-recognition of the amortisation charge recognised in 2013 of £4,784,000.

(c) The UK Group's defined benefit pension plan has been accounted for in accordance with IAS 19 'Employee benefits'. The adoption of IAS 19 has resulted in the recognition of reduced finance income of £2,484,000 in the statement of profit and loss and reduced remeasurment of post employment benefit obligations of £2,484,000 in the statement of comprehensive income. The defined benefit pension plan asset recognised in accordance with both IFRS and UK GAAP is £540,000 as at 31 August 2013. These transition adjustments have resulted in an increased deferred tax charge of £531,000 being recognised in the statement of profit and loss and a reduced deferred tax credit of £531,000 being recognised in the statement of comprehensive income for the year ended 31 August 2013.

(d) The transition to IFRS has resulted in an increase in the income tax charge recognised in the statement of profit and loss of £5,769,000 in 2013. This increase has arisen from the recognition of additional deferred tax assets arising on share based compensation and their subsequent release (£1,328,000), an increase in the deferred tax charge on the defined benefit pension plan (£531,000) as outlined in (c) above and the reclassification of a current tax credit to reserves in respect of share based payments (£7,628,000).

(e) IFRS 1 'First time adoption of International Financial Reporting Standards' outlines that a first time adopter may apply hedge accounting prospectively from the date of transition if the criteria for hedge accounting under IFRS is met. The conditions for hedge accounting have been met as at 1 September 2012 and therefore hedge accounting has been applied in accordance with IAS 39 'Financial Instruments: Recognition and measurement'. This has resulted in the recognition of derivative financial instrument assets and liabilities along with the associated deferred taxation as follows:

	2013	2012
Included within total assets:	**£000**	**£000**
Derivative financial instruments - non-current asset	-	3,528
Derivative financial instruments - current asset	-	700
Derivative financial instruments - deferred taxation	8,181	1,844
Included within total equity and liabilities:		
Cash flow hedge reserve	30,042	6,173
Derivative financial instruments - non-current liability	(17,014)	(3,494)
Derivative financial instruments - current liability	(21,209)	(8,750)

30 Transition to IFRS (*continued*)

(e) The movement on these derivative financial instruments, recognised in the statement of other comprehensive income in 2013 is as follows:

	2013
Included within the statement of other comprehensive income:	**£000**
Net change in fair value of cash flow hedge transferred from equity	4,634
Deferred taxation on change in fair value of cash flow hedge transferred from equity	(972)
Effective portion of changes in fair value of cash flow hedge	(34,840)
Deferred taxation on effective portion of changes in fair value of cash flow hedge	7,309
Movement in cash flow hedge reserve	(23,869)

(f) Software assets previously included within property, plant and equipment have been reclassified to goodwill and intangible assets. The net book value of software assets reclassified in 2013 totalled £3,320,000 (2012: £3,804,000).

(g) Deferred tax assets of £27,192,000 (2012: £38,784,000) and deferred tax liabilities of £115,000 (2012: £361,000) had previously been disclosed within trade and other receivables and net pension assets respectively in the UK GAAP financial statements. In accordance with IAS 12 'Income taxes', this net deferred tax asset has been disclosed in the statement of financial position as a non-current asset of £27,077,000 (2012: £38,423,000).

The adoption of IAS 12 'Income tax' has resulted in the recognition of additional deferred tax assets of £21,972,000 (2012: £15,165,000) arising on share based compensation (£13,791,000) and cash flow hedges (£8,181,000). As at 31 August 2013, deferred tax assets of £24,802,000 relating to share based payments have been recognised. These deferred tax assets represent the excess of future tax deductions over the associated expenses recognised in the statement of profit and loss.

(h) In accordance with IFRS, a number of balances have been disclosed separately on the face of the statement of financial position. These reclassifications are as follows:

(1) In accordance with IAS 12 'Income taxes', the UK Group's deferred tax liability in respect of the defined benefit pension plan has been reclassified from the net pension asset to deferred taxation as follows for each year:

	2013	2012
	£000	**£000**
Previously stated in UK GAAP financial statements	425	1,207
Disclosed as follows under IFRS:		
Defined benefit pension asset - disclosed as non-current assets	540	1,568
Related deferred taxation	(115)	(361)

(2) Debtors - amounts recoverable in more than one year have been reclassified as follows under non-current assets for each year:

	2013	2012
	£000	**£000**
Previously stated in UK GAAP financial statements	63,988	75,407
Disclosed as follows under IFRS:		
Amounts recoverable on contracts	59,721	63,375
Other receivables	4,267	12,032

(3) Debtors - amounts recoverable in less than one year have been reclassified as follows under non-current assets and current assets for each year:

	2013	2012
	£000	**£000**
Previously stated in UK GAAP financial statements	396,039	358,849
Disclosed as follows under IFRS:		
Non-current assets		
Deferred tax asset	27,192	38,784
Current assets		
Trade and other receivables	224,018	190,057
Corporation tax receivable	-	1,986
Amounts recoverable on contracts	144,829	128,022

30 Transition to IFRS (*continued*)

(4) Creditors - amounts payable in less than one year have been reclassified as follows under current liabilities for each year:

	2013	2012
	£000	£000
Previously stated in UK GAAP financial statements	(583,003)	(740,106)
Disclosed as follows under IFRS:		
Trade and other payables	(369,737)	(547,965)
Corporation tax payable	(6,763)	-
Deferred income	(206,503)	(192,141)

(5) Provisions have been reclassified as follows under non-current liabilities and current liabilities for each year:

	2013	2012
	£000	£000
Previously stated in UK GAAP financial statements	(37,174)	(40,679)
Disclosed as follows under IFRS:		
Non-current liabilities - Provisions	(34,391)	(37,045)
Current liabilities - Provisions	(2,783)	(3,634)

(6) Capital contribution has been reclassified from retained earnings as follows for each year:

	2013	2012
Disclosed as follows under IFRS:	£000	£000
Capital contribution	(48,225)	(22,812)

The capital contribution is calculated after considering the fair value of the cumulative cash settlements paid and payable by the UK Group to Accenture plc in respect of share based compensation recharges, which were less than the IFRS 2 charge previously recognised.

(i) A deferred tax asset of £24,802,000 has been recognised in respect of share based payments as at 31 August 2013. This asset arises on the value of forecasted future tax deductions available to the UK Group. In accordance with IAS 12 'Income taxes', deferred tax arising on tax deductions in excess of the expense recognised in the statement of profit and loss is recognised within equity. The transitional remeasurment of capital contribution consists of the following:

	£000
Deferred tax asset recognised in reserves as at 31 August 2012	(12,406)
Deferred tax asset released through equity during 2013	859
Tax benefit excess on exercise of share based payments	(7,628)
	(19,175)

(j) The remeasurement of retained earnings recognised in 2013 and 2012 on the transition to IFRS has resulted from the following:

	2013	2012
	£000	£000
De-recognition of amortisation of goodwill	(4,784)	-
Decrease in deferred tax expense arising on share based payments	(2,244)	916
Tax benefit excess on exercise of share based payments	7,628	-
	600	916

31 Subsidiaries and joint ventures

The UK Group consists of the following entities:

	Country of incorporation	Principal activity	Percentage of ordinary shares held
Subsidiary undertakings owned directly			
Accenture Services Ltd	UK	Dormant	100%
Accenture (Azerbaijan) Limited	UK	Consulting	100%
Accenture Properties	UK	Dormant	100%
Imagine Broadband (USA) Ltd	UK	Dormant	100%
Accenture HR Services Limited	UK	Dormant	100%
Accenture Post-Trade Processing Limited	UK	Consulting	100%
TLE Strategy Limited	UK	Dormant	100%
Cutting Edge Solutions Limited	UK	Consulting	100%
Procurian UK Limited	UK	Dormant	100%
PureApps Limited	UK	Consulting	100%
Fjord Network Limited	UK	Consulting	100%
Subsidiary undertakings owned indirectly			
Imagine Broadband (USA) LLC	USA	Dormant	100%
Joint ventures			
Taleris Global LLP	UK	Consulting	37%

Subsequent to the year end, Procurian UK Limited, TLE Strategy Limited and PureApps Limited were placed into liquidation as part of the UK Group's ongoing initiative to rationalise the organisational structure.

On 22 September 2014, Accenture (UK) Limited acquired 100% of the share capital of Hytracc Consulting UK Limited for a consideration of USD$5,038,000.

32 Ultimate parent company

The Company's immediate parent company is Accenture International Sarl, a company incorporated in Luxembourg. The Company's intermediate holding company is Accenture SCA, a company registered in Luxembourg.

The Company's ultimate parent company is Accenture plc, a company incorporated in Ireland but which is also designated as a domestic registrant of the Securities & 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 (Miscellaneous Provisions) Act 2009, is prepared under US Generally Accepted Accounting Principles (US GAAP) and the Irish Companies Acts 1963 to 2013 and can be obtained from the Company Secretary, 1 Grand Canal Square, Grand Canal Harbour, Dublin 2, Ireland. The SEC Filing is prepared in accordance with US GAAP and the regulations of the SEC and is available from www.sec.gov or from the Accenture website (www.accenture.com/investor).

COMPANY STATEMENT OF FINANCIAL POSITION AS AT 31 AUGUST 2014

	Note	31 August 2014 £000	31 August 2013 £000	1 September 2012 £000
ASSETS				
Non-current assets				
Goodwill and intangible assets	2	1,648,691	1,646,176	1,636,971
Property, plant and equipment	4	30,431	33,694	36,490
Financial assets - Group undertakings unlisted	5	34,348	56,281	70,387
Financial assets - Joint ventures	5	3,015	10,602	-
Deferred tax assets	9	36,520	49,107	47,202
Derivative financial instruments	11	1,228	-	3,528
Retirement benefit assets		-	265	-
Amounts recoverable on contracts	7	32,965	59,721	62,240
Other receivables	6	4,200	4,267	12,031
Total non-current assets		1,791,398	1,860,113	1,868,849
Current assets				
Trade and other receivables	6	267,784	224,855	190,702
Derivative financial instruments	11	2,069	-	700
Amounts recoverable on contracts	7	172,607	144,829	127,968
Cash and cash equivalents	8	55,042	51,971	17,396
Total current assets		497,502	421,655	336,766
Total assets		**2,288,900**	**2,281,768**	**2,205,615**
EQUITY				
Share capital	12	(1,026,000)	(1,026,000)	(1,026,000)
Share premium	13	(97,000)	(97,000)	-
Cash flow hedge reserve		5,304	30,042	6,173
Capital contribution		(71,147)	(50,751)	(21,000)
Retained earnings		(392,352)	(294,179)	(189,498)
Total equity		(1,581,195)	(1,437,888)	(1,230,325)
LIABILITIES				
Non-current liabilities				
Derivative financial instruments	11	(3,399)	(17,014)	(3,494)
Deferred income	16	(53,653)	(80,579)	(99,717)
Retirement benefit liability		(10,861)	-	-
Amounts owed to group undertakings		-	-	(146,782)
Provisions	15	(34,503)	(34,391)	(37,045)
Total non-current liabilities		(102,416)	(131,984)	(287,038)
Current liabilities				
Trade and other payables	16	(363,522)	(474,713)	(481,648)
Income tax liability		(2,733)	(6,688)	(2,202)
Derivative financial instruments	11	(6,528)	(21,209)	(8,750)
Deferred income	16	(231,180)	(206,503)	(192,018)
Provisions	15	(1,326)	(2,783)	(3,634)
Total current liabilities		(605,289)	(711,896)	(688,252)
Total liabilities		(707,705)	(843,880)	(975,290)
Total equity and liabilities		**(2,288,900)**	**(2,281,768)**	**(2,205,615)**

These financial statements were approved by the Board of Directors on 28.04.15.....and were signed on its behalf by:

T Fetherston-Dilke
Director

O Benzecry
Director

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 AUGUST 2014

	Share capital £000	Share premium £000	Cash flow hedge £000	Capital Contribution £000	Retained earnings £000	Total equity £000
As at 1 September 2013	(1,026,000)	(97,000)	30,042	(50,751)	(294,179)	(1,437,888)
Profit for the financial year	-	-	-	-	(107,020)	(107,020)
Other comprehensive income	-	-	(24,738)	-	8,847	(15,891)
Total comprehensive income	-	-	(24,738)	-	(98,173)	(122,911)
Transactions with owners of the Company recognised directly in equity						
Capital contribution movement	-	-	-	(17,655)	-	(17,655)
Tax benefit excess on exercise of share based payments	-	-	-	(7,129)	-	(7,129)
Deferred tax movement on share based payments	-	-	-	4,388	-	4,388
As at 31 August 2014	**(1,026,000)**	**(97,000)**	**5,304**	**(71,147)**	**(392,352)**	**(1,581,195)**

	Share capital £000	Share premium £000	Cash flow hedge £000	Capital Contribution £000	Retained earnings £000	Total equity £000
For the financial year ended 31 August 2013						
As at 1 September 2012	(1,026,000)	-	6,173	(21,000)	(189,498)	(1,230,325)
Profit for the financial year	-	-	-	-	(115,302)	(115,302)
Other comprehensive income	-	-	23,869	-	10,621	34,490
Total comprehensive income	-	-	23,869	-	(104,681)	(80,812)
Transactions with owners of the Company recognised directly in equity						
Issue of share capital	-	(97,000)	-	-	-	(97,000)
Capital contribution movement	-	-	-	(22,634)	-	(22,634)
Tax benefit excess on exercise of share based payments	-	-	-	(10,881)	-	(10,881)
Deferred tax movement on share based payments	-	-	-	3,764	-	3,764
As at 31 August 2013	**(1,026,000)**	**(97,000)**	**30,042**	**(50,751)**	**(294,179)**	**(1,437,888)**

The capital contribution is calculated after considering the fair value of the cumulative cash settlements paid, and payable, by Accenture (UK) Limited to Accenture plc in respect of share based compensation recharges, which were less than the IFRS 2 charge previously recognised.

COMPANY STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 AUGUST 2014

	Note	2014 £000	2013 £000
Profit attributable to equity holders of the Company		107,020	115,302
Finance income		(1,405)	(1,181)
Finance costs		2,078	3,993
Income tax expense		29,176	27,219
Profit before interest and taxation		136,869	145,333
Adjustments to profit before interest and taxation for non-cash items			
Depreciation of property, plant and equipment	4	11,190	11,388
Amortisation of intangible assets	2	2,726	4,078
Share based compensation expense		41,631	37,899
Defined benefit pension expenses		1,177	494
Impairment of investment in joint venture	5	9,345	-
Impairment of investment in group company	19	323	74
Gain on rationalisation of financial assets		(2,776)	(674)
Gain on transfer of intangible assets to joint venture	5	-	(6,950)
Foreign exchange losses		221	2,878
Profit on disposal of property, plant and equipment		(186)	(819)
Research and development tax credit		(6,000)	-
		194,520	193,701
Movement in working capital	10	(151,368)	(135,461)
Defined benefit pension contributions		(761)	(323)
Taxation paid		(16,025)	(9,058)
Net Cash flow from operating activities		**26,366**	**48,859**
Cash flows from investing activities			
Interest income received		929	482
Acquisition of property, plant and equipment	4	(8,436)	(10,461)
Proceeds from disposal of property, plant and equipment		869	2,891
Acquisition of intangible assets	2	(940)	(3,463)
Proceeds from the disposal of software		-	52
Cash contribution to joint venture	5	(1,758)	(3,652)
Cash acquired on acquisition of businesses	3	458	171
Acquisition of group companies	5	(14,275)	(300)
Net cash flows from investing activities		**(23,153)**	**(14,280)**
Net increase in cash and cash equivalents		**3,213**	**34,579**
Cash and cash equivalents at beginning of the year	8	51,971	17,396
Effect of exchange rate fluctuations on cash held		(142)	(4)
Cash and cash equivalents at the end of the year	8	**55,042**	**51,971**

1 **Statement of profit and loss**

The statement of profit and loss and related notes of the parent undertaking have not been presented separately in these financial statements. The profit of the Company for the year ended 31 August 2014 is disclosed in the statement of changes in equity included in these financial statements.

2 **Goodwill and intangible assets**	**Goodwill**	**Customer relationships**	**Software**	**Total**
Cost	**£000**	**£000**	**£000**	**£000**
At 1 September 2012	1,632,408	1,835	8,980	1,643,223
Additions	9,872	-	3,463	13,335
Disposals	-	-	(1,554)	(1,554)
At 31 August 2013	1,642,280	1,835	10,889	1,655,004
At 1 September 2013	1,642,280	1,835	10,889	1,655,004
Additions	-	241	699	940
Acquisitions (additions as part of business combinations)	4,234	70	-	4,304
Disposals	-	-	(68)	(68)
At 31 August 2014	1,646,514	2,146	11,520	1,660,180
Amortisation				
At 1 September 2012	-	1,076	5,176	6,252
Charge for the year	-	183	3,895	4,078
Eliminated on disposal	-	-	(1,502)	(1,502)
At 31 August 2013	-	1,259	7,569	8,828
At 1 September 2013	-	1,259	7,569	8,828
Charge for the year	-	194	2,532	2,726
Eliminated on disposal	-	-	(65)	(65)
At 31 August 2014	-	1,453	10,036	11,489
Net book values				
At 31 August 2014	**1,646,514**	**693**	**1,484**	**1,648,691**
At 31 August 2013	1,642,280	576	3,320	1,646,176
At 31 August 2012	1,632,408	759	3,804	1,636,971

Goodwill arose primarily on the acquisition by the Company of Accenture plc in 2003 for £1,923,681,000. The carrying value of goodwill in respect of this acquisition at 31 August 2014 is £1,587,855,000 (2013: £1,587,855,000).

Under previous GAAP (UK GAAP), goodwill with a finite useful life was amortised over a presumed maximum useful life of ten years. This amortisation was charged to the statement of profit and loss on a straight line basis from the date of initial recognition. Goodwill with an infinite useful life was not amortised. The net book value of goodwill as at the date of transition to IFRS (1 September 2012) has been treated as its deemed cost. The Company considers that goodwill is not impaired at the balance sheet date or at the date of transition to IFRS.

Goodwill is subject to impairment testing when an indicator of impairment is considered to exist. No impairment charge was recognised by the Company in 2014 (2013: £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 for 2015 and management reviewed forecasts for each of the following years from 2016 to 2019 inclusive. A long-term perpetuity growth rate was applied in respect of the years after 2019. The estimates of future cash flows were based on consideration of past experience together with an assessment of the future prospects for the Company.

2 Intangible assets *(continued)*

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 rates of between 2% and 4.5% have been applied in the impairment review for the years from 2015 to 2019. The discount rate used in the impairment review was 8.7% (2013: 9%), being the Company's weighted average cost of capital. The long-term growth rate used was 4.5% (2013: 4.5%) which is higher than the average long term growth rate of the UK economy as a whole. This higher growth rate has been applied based on the historic trend of Accenture's performance versus that of the UK economy generally.

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 2 percentage points would not give rise to an impairment. Similarly an increase in the discount rate from 8.7% to 10.7% would not give rise to an impairment. A reduction in the nominal growth rate in perpetuity from 4.5% to 3.5% 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.

Intangible assets in relation to customer relationships have arisen due to a number of acquisitions during the year. Details in respect to these acquisitions are outlined in Note 3.

3 Acquisitions

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

- On 12 February 2014, the Company acquired the trade and certain of the assets and liabilities of TLE Strategy Limited for a consideration of £645,000. The principal activity of TLE Strategy Limited is the provision of management consultancy services.
- On 1 March 2014, the Company acquired the trade and certain of the assets and liabilities of Procurian UK Limited for a consideration of USD$1. The principal activity of Procurian UK Limited is the provision of business and management consultancy in procurement services.
- On 12 November 2013, the Accenture Retirement Fund (ARF) and related deferred tax liability, previously held by Accenture Services Ltd, was transferred to Accenture (UK) Limited for a consideration of £220,000.

In 2013, the Company acquired the following:

- On 25 September 2012, the Company acquired the assets and liabilities of Octagon Research Solutions Limited for a consideration of £300,000; and
- On 31 March 2013, the Company acquired the assets and liabilities of Accenture Services Ltd and Accenture HR Services Limited for a consideration of £45,662,000 and £54,565,000 respectively.

The fair values of assets and liabilities acquired are set out below:	Year ended 31 August 2014 £000	Year ended 31 August 2013 £000
Intangible assets - customer relationships	70	-
Property, plant and equipment	177	192
Cash and cash equivalents	458	171
Trade and other receivables	699	148,868
Amounts recoverable on contracts	-	1,067
Deferred income	(111)	-
Other non-current assets	41	-
Retirement benefit asset	275	15,400
Deferred tax asset	495	1,168
Trade and other payables	(5,484)	(75,800)
Corporation tax asset	11	6
Provisions	-	(417)
	(3,369)	90,655
Goodwill (Note 2)	4,234	9,872
Consideration	865	100,527

	Year ended 31 August 2014 £000	Year ended 31 August 2013 £000
Satisfied by:		
Amounts owed to group companies	865	100,527

3 Acquisitions *(continued)*

The fair value of identifiable net assets acquired in 2014 was as follows:

	Fair Values £000	Consideration £000	Goodwill £000
Total acquisitions	(3,369)	865	4,234

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.

4 Property, plant and equipment

	Leasehold Improvements £000	Furniture and fixtures £000	Computers related equipment £000	Total £000
Cost				
At 1 September 2012	34,663	5,830	49,646	90,139
Additions	2,941	433	6,816	10,190
Acquisitions (additions as part of business combinations)	-	89	103	192
Disposals	(302)	(426)	(17,921)	(18,649)
Transfers from group companies	269	12	-	281
At 31 August 2013	37,571	5,938	38,644	82,153
At 1 September 2013	37,571	5,938	38,644	82,153
Additions	2,361	219	5,856	8,436
Acquisitions (additions as part of business combinations)	-	-	177	177
Disposals	(819)	(14)	(4,933)	(5,766)
At 31 August 2014	39,113	6,143	39,744	85,000
Depreciation				
At 1 September 2012	16,162	3,806	33,681	53,649
Disposals	(150)	(366)	(16,062)	(16,578)
Charge for year	2,936	436	8,016	11,388
At 31 August 2013	18,948	3,876	25,635	48,459
At 1 September 2013	18,948	3,876	25,635	48,459
Disposals	(523)	(13)	(4,544)	(5,080)
Charge for year	2,837	453	7,900	11,190
At 31 August 2014	21,262	4,316	28,991	54,569
Net book value				
At 31 August 2014	**17,851**	**1,827**	**10,753**	**30,431**
At 31 August 2013	18,623	2,062	13,009	33,694
At 31 August 2012	18,501	2,024	15,965	36,490

Depreciation has been charged to cost of sales in the statement of profit and loss.

5 Financial assets

Group undertakings unlisted

	Total
Cost	**£000**
At 1 September 2012	150,388
Additions	300
Disposals	(14,332)
At 31 August 2013	136,356
At 1 September 2013	136,356
Additions	14,850
Disposals	(300)
At 31 August 2014	150,906
Provisions for impairment	
At 1 September 2012	80,001
Charge for the year	74
At 31 August 2013	80,075
At 1 September 2013	80,075
Charge for the year	36,483
At 31 August 2014	116,558
Net book value	
At 31 August 2014	**34,348**
At 31 August 2013	**56,281**

During the year the Company acquired the following:

- On 17 January 2014, Accenture (UK) Limited acquired 100% of the issued share capital of TLE Strategy Limited for a consideration of £732,350. The principal activity of TLE Strategy Limited is the provision of management consultancy services.

- On 1 December 2013, Accenture (UK) Limited acquired 100% of the issued share capital of Cutting Edge Solutions Limited for a consideration of £5,279,920. The principal activity of Cutting Edge Solutions Limited is that of software consultancy and supply, and the provision of high quality product lifecycle management (PLM) and IT services.

- On 6 December 2013, Accenture (UK) Limited acquired 100% of the issued share capital of Procurian UK Limited for a consideration of USD$1. The principal activity of Procurian UK Limited is the provision of business and management consultancy in procurement services.

- On 9 June 2014, Accenture (UK) Limited acquired 100% of the issued share capital of PureApps Limited for a consideration of £8,513,022. The principal activity of the PureApps Group is software, software training, consultancy, support and maintenance.

- On 14 August 2014, Accenture (UK) Limited acquired 100% of the issued share capital of Fjord Network Limited for a consideration of £325,000. This liability remains outstanding at 31 August 2014. The principal activity of Fjord Network Limited is digital design.

On 10 December 2013, Octagon Research Solutions Limited was placed into liquidation as part of Accenture (UK) Limited's ongoing initiative to rationalise its organisational structure. On 14 June 2014, Octagon Research Solutions Limited distributed its assets. This resulted in a disposal of £300,000 and the release of an impairment provision of £74,000 being recognised in the financial statements of Accenture (UK) Limited.

On 15 July 2014, PureApps Limited disposed of its 100% subsidiary, PureApps Benelux BV, to Accenture BV for a consideration of €1. This resulted in the recognition of an impairment provision of £322,999.

Details relating to the fair values of the assets and liabilities acquired on acquisitions and the consideration paid is disclosed in Note 13 to the consolidated financial statements.

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 2014 using the net asset method which resulted in an impairment charge of £36,482,999. This impairment has resulted from certain financial assets distributing their assets by way of dividends in the year.

5 **Financial assets *(continued)***

Accenture (UK) Limited's subsidiaries as at 31 August 2014 are as follows:

Name of subsidiary	Principal activity	Country of incorporation and principal place of business	Proportion of ownership interest and voting rights held (both directly and indirectly) 2014	2013
Accenture Service Ltd	Dormant	UK	100%	100%
Accenture Azerbaijan Limited	Consulting	UK	100%	100%
Accenture Properties	Dormant	UK	100%	100%
Imagine Broadband (USA) Limited	Dormant	UK	100%	100%
Accenture HR Services Limited	Dormant	UK	100%	100%
Accenture Post-Trade Processing Limited	Consulting	UK	100%	100%
Imagine Broadband LLC	Dormant	USA	100%	100%
TLE Strategy Limited	Dormant	UK	100%	100%
Cutting Edge Solutions Limited	Consulting	UK	100%	100%
Procurian UK Limited	Dormant	UK	100%	100%
PureApps Limited	Consulting	UK	100%	100%
Fjord Network Limited	Consulting	UK	100%	100%

On 22 September 2014, Accenture (UK) Limited acquired 100% of the issued share capital of Hytracc Consulting UK Limited for a consideration of USD$5,038,000.

Subsequent to the year end, Procurian UK Limited, PureApps Limited and TLE Strategy Limited were placed into liquidation as part of Accenture (UK) Limited's ongoing initiative to rationalise its organisational structure.

Joint ventures

	2014 £000	2013 £000
Cost		
At 1 September	10,602	-
Intangible assets contributed to joint venture	-	6,950
Cash contributions	1,758	3,652
At 31 August 2013	12,360	10,602
Impairment		
Charge for the year	9,345	-
At 31 August 2014	9,345	-
Net book values		
At 31 August	3,015	10,602

Details of joint ventures as at 31 August 2014 are as follows:

Name of joint venture	Principal activity	Country of incorporation and principal place of business	Proportion of ownership interest held 2014	2013
Taleris Global LLP	Consulting	UK	36.60%	36.60%

On 19 December 2012, Accenture (UK) Limited and Taleris Holdings LLC (UK), a subsidiary of General Electric, formed a joint venture entity, Taleris Global LLP. Accenture (UK) Limited holds a 36.6% equity interest in the venture after contributing cash funding, software licences and other business assets. The principal activity of Taleris Global LLP is to develop software for the aviation industry.

The Company has classified its investment in Taleris Global LLP as a joint venture. In doing so, the Company has considered the governance structure of Taleris Global LLP and the purpose and design of the business. The governance structure of Taleris Global LLP outlines that certain key business decisions may only be made with the unanimous approval of the Board, of which Accenture (UK) Limited controls 40% of the voting rights.

In light of the trading performance of Taleris Global LLP in the year, the Directors have reviewed the carrying value of the investment. This has resulted in the recognition of an impairment provision of £9,345,000.

6 Trade and other receivables

	2014	2013	2012
Current	£000	£000	£000
Trade receivables	194,071	166,414	145,668
Amounts owed by group undertakings (Note 19)	52,802	41,312	28,860
Other receivables	9,736	7,759	4,765
	256,609	215,485	179,293
Prepayments	11,175	9,370	11,409
	267,784	224,855	190,702
Non-current			
Other receivables	4,200	4,267	12,031

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.

The ageing of trade and other receivables (excluding prepayments) at 31 August was as follows:

	2014	2013	2012
	£000	£000	£000
Not past due	191,870	178,723	139,494
0 - 90 days	62,133	33,343	32,692
90 - 180 days	1,802	2,864	177
+180 days	804	555	6,930
	256,609	215,485	179,293

Receivable balances are continuously monitored and reviewed for indicators of impairment at each reporting date. Examples of the factors considered include evidence of financial difficulty of the client, payment default, major concessions being sought by the client or breach of contract. All balances are reviewed individually. Following a review of the carrying value of all trade receivable balances, an impairment provision was not deemed necessary (2013: £Nil).

The carrying value of the Company's trade and other receivables are denominated in Sterling.

Client receivables are dispersed across many different industries and clients. At 31 August 2014, the Company had trade receivables outstanding of £194,071,000 (2013: £166,414,000). These trade receivable balances relate to clients that have a good track record with the Company in terms of recoverability. At 31 August 2014, the Company had one client that represented 10% or more of the total trade receivables balance (2013: one client represented 10% or more of the total trade receivables balance). These balances were recovered post year end.

7 Amounts recoverable on contracts

Amounts recoverable on contracts - current	2014	2013	2012
	£000	£000	£000
Unbilled services	157,283	137,622	122,496
Deferred transition costs	15,324	7,207	5,472
	172,607	144,829	127,968
Amounts recoverable on contracts - non-current			
Unbilled services	2,917	8,982	6,540
Deferred transition costs	30,048	50,739	55,700
	32,965	59,721	62,240

Amounts recoverable on contracts relates to deferred transition costs on outsourcing contracts and services provided in excess of billings.

8 Cash and cash equivalents

	2014	2013	2013
	£000	£000	£000
Cash at bank	11,229	2,157	17,396
Time deposit	43,813	49,814	-
	55,042	51,971	17,396

The time deposit is an account on which interest is earned over a 1 day maturity period. The funds can be withdrawn by the Company without any advance notice. The cash and cash equivalents balances consists of £49,256,350 (2013: £51,805,104) denominated in sterling and £5,785,272 (2013: £166,112) denominated in other currencies.

9. Deferred taxation

Current year movement	Net balance at 1 September 2013 £000	Recognised in profit or loss £000	Recognised in other comprehensive Income £000	Recognised directly in equity £000	Acquired in business combinations £000	Net balance at 31 August 2014 £000
Property, plant and equipment	14,412	(1,389)	-	-	-	13,023
Share-based payments	24,802	(1,719)	-	(4,388)	-	18,695
Derivatives	8,181	-	(6,855)	-	-	1,326
Employee benefits	(57)	69	2,212	-	(52)	2,172
Intangible assets	-	79	-	-	(14)	65
Carry forward tax loss	1,769	(1,091)	-	-	561	1,239
Deferred tax assets	49,107	(4,051)	(4,643)	(4,388)	495	36,520

Prior year movement	Net balance at 1 September 2012 £000	Recognised in profit or loss £000	Recognised in Other Comprehensive Income £000	Recognised directly in equity £000	Acquired in business combinations £000	Net balance at 31 August 2014 £000
Property, plant and equipment	15,943	(2,404)	-	-	873	14,412
Share-based payments	21,496	3,478	-	(3,764)	3,592	24,802
Derivatives	1,844	-	6,337	-	-	8,181
Employee benefits	-	347	2,893	-	(3,297)	(57)
Carry forward tax loss	7,919	(6,150)	-	-	-	1,769
Deferred tax assets	47,202	(4,729)	9,230	(3,764)	1,168	49,107

In accordance with IFRS provisions, a rate of 20% has been used as a basis for the calculation of deferred tax (2013: 21.40%).

10 Working capital

Current year movement	Trade and other receivables £000	Other receivables £000	Amounts recoverable on contracts £000	Deferred income £000	Provisions £000	Trade and other payables £000	Total £000
At 1 September 2013	224,855	4,267	204,550	(287,082)	(37,174)	(474,713)	(365,297)
Assets/liabilities acquired on acquisition of group companies	699	41	-	(111)	-	(5,484)	(4,855)
Movement in share based payment accrual	-	-	-	-	-	(23,980)	(23,980)
Accrual of finance income and costs	401	-	-	-	(1,488)	(590)	(1,677)
Payments outstanding in respect of business acquisitions	-	-	-	-	-	(865)	(865)
Dividend received from group company	59,055	-	-	-	-	-	59,055
Repayment of loan with group company	(22,572)	-	-	-	-	-	(22,572)
Other movement	-	-	-	-	-	2,195	2,195
Increase in working capital	5,346	(108)	1,022	2,360	2,833	139,915	151,368
At 31 August 2014	**267,784**	**4,200**	**205,572**	**(284,833)**	**(35,829)**	**(363,522)**	**(206,628)**

Prior year movement	Trade and other receivables £000	Other receivables £000	Amounts recoverable on contracts £000	Deferred income £000	Provisions £000	Trade and other payables £000	Total £000
At 1 September 2012	190,702	12,031	190,208	(291,735)	(40,679)	(628,430)	(567,903)
Assets/liabilities acquired on acquisition of group companies	148,868	-	1,067	-	(417)	(75,800)	73,718
Issue of share capital	-	-	-	-	-	97,000	97,000
Movement in share based payment accrual	-	-	-	-	-	(15,265)	(15,265)
Accrual of finance income and costs	700	-	-	-	(1,227)	(1,316)	(1,843)
Payments outstanding in respect of business acquisitions	-	-	-	-	-	(100,527)	(100,527)
Assignment of inter-company balances arising on transfer of trade and assets of subsidiaries	(101,574)	-	-	-	-	101,574	-
Dividend received from group companies	15,006	-	-	-	-	-	15,006
Other movements	-	-	-	-	-	(944)	(944)
Movement in working capital	(28,847)	(7,764)	13,275	4,653	5,149	148,995	135,461
At 31 August 2014	**224,855**	**4,267**	**204,550**	**(287,082)**	**(37,174)**	**(474,713)**	**(365,297)**

On 9 August 2013, Accenture International Sarl subscribed for two shares in Accenture (UK) Limited and paid a subscription price of £48,500,000 for each share, a total of £97,000,000. The £97,000,000 was left outstanding on inter-company debt owed by Accenture International Sarl to Accenture (UK) Limited. Accenture (UK) Limited assigned the benefit of this receivable to an inter-company group entity in full and final settlement of loan balances in the same amount owed by the Company.

11 Derivative financial instruments

Information in respect of the Company's derivative financial instruments is disclosed in Note 19 and Note 26 of the consolidated financial statements.

12 Share capital

Information in respect of the Company's share capital is disclosed in Note 20 to the consolidated financial statements.

13 Share premium

Information in respect of the Company's share premium is disclosed in Note 21 to the consolidated financial statements.

14 Share based payments

Information in respect of the Company's share-based payments are disclosed in Note 22 to the consolidated financial statements.

The share based payment expense recognised by Accenture (UK) Limited for the year ended 31 August 2014 is £41,634,326 (2013: £37,899,190).

15 Provisions

	Office lease incentive £000	Dilapidations £000	Lease abandonment £000	Total £000
At 1 September 2012	10,219	5,895	24,565	40,679
(Charged)/credited to the statement of profit and loss	149	2,193	(2,025)	317
Utilised during the year	(844)	-	(2,978)	(3,822)
At 31 August 2013	9,524	8,088	19,562	37,174
Non-current liabilities	8,672	8,088	17,631	34,391
Current liabilities	852	-	1,931	2,783

	Office lease incentive £000	Dilapidations £000	Lease abandonment £000	Total £000
At 1 September 2013	9,524	8,088	19,562	37,174
(Charged)/credited to the statement of profit and loss	140	979	(34)	1,085
Utilised during the year	(949)	-	(1,481)	(2,430)
At 31 August 2014	8,715	9,067	18,047	35,829
Non-current liabilities	7,904	9,067	17,532	34,503
Current liabilities	811	-	515	1,326

Office lease incentive
The office lease incentive relates to reduced rent payments during certain periods of property leases. Rental expenses are recognised on a straight line basis over the life of the lease. It is expected that the costs will be incurred up until 2029.

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.

Lease abandonment
A provision is recognised for expected future costs relating to the abandonment of leasehold premises. It is expected that these costs will be incurred over the life of the property leases. It is expected that the costs will be incurred up until 2029.

16 Trade and other payables

	2014 £000	2013 £000	2012 £000
Trade payables	20,342	18,230	22,247
Amounts owed to group undertakings (Note 19)	143,929	232,142	287,558
Payroll withholding taxes and social charges	41,775	43,102	16,914
VAT and other tax payable	59,243	49,751	46,532
Other payables	13,185	7,288	3,294
Accruals	85,048	124,200	105,103
	363,522	474,713	481,648
Deferred income			
Deferred income	231,180	206,503	192,018
Non-current			
Deferred income	53,653	80,579	99,717

17 Commitments

(a) The Company had no capital commitments at the end of the year (2013: £Nil).

(b) Total commitments under non-cancellable operating leases are as follows:

Operating leases payments on buildings due:	2014 £000	2013 £000
Within one year	26,309	30,631
In the second to fifth years inclusive	82,012	90,762
Over five years	187,597	214,302
	295,918	335,695

The Company leases a number of properties under operating leases. The leases typically run for a period of 15 to 25 years. Rents are generally reviewed every five years.

During the year ended 31 August 2014, £23,655,000 (2013: £23,237,000) was recognised as an expense in the statement of profit and loss in respect of operating leases.

18 Subsequent events

On 1 April 2015, the trade and the trading assets of Fjordnet Limited and Fjord Network Limited were transferred to Accenture (UK) Limited.

Other information in respect to subsequent events effecting the Company is disclosed in Note 28 to the consolidated financial statements.

19 Related party disclosures

The principal related party relationships requiring disclosure under IAS 24 'Related party disclosures' relate to transactions with group companies, joint ventures and the compensation of key management personnel.

All transactions with group companies and joint ventures are carried out on an arm's length basis.

Transactions with group companies comprise of the following:	2014 £000	2013 £000
Turnover	496,533	491,938
Cost of sales	(835,605)	(1,222,952)
Group company interest income	(401)	700
Group company interest expense	590	(1,315)
Net book value of fixed transferred group companies	-	383
Receivables	52,802	41,312
Payables	143,929	232,142

19 Related party disclosures *(continued)*

During the year, the Company acquired/disposed of a number of companies from/to other Accenture plc. group entities. These transactions were as follows:

- On 1 December 2013, Accenture (UK) Limited acquired 100% of the issued share capital of Cutting Edge Solutions Limited for a consideration of £5,279,920 from Accenture PLM GMBH.
- On 6 December 2013, Accenture (UK) Limited acquired 100% of the issued share capital of Procurian UK Limited for a consideration of $1 from Procurian International I LLC.
- On 14 August 2014, Accenture (UK) Limited acquired 100% of the issued share capital of Fjord Network Limited for a consideration of £325,000 from Fjordnet Limited.

On 15 May 2014, Accenture (UK) Limited acquired certain customer contracts and intangibles assets for a consideration of £240,640 from Enkitec Europe Limited.

On 12 February 2014, the Company acquired the trade and certain of the assets and liabilities of TLE Strategy Limited for a consideration of £645,000.

On 1 March 2014, the Company acquired the trade and certain of the assets and liabilities of Procurian UK Limited for a consideration of USD$1.

On 12 November 2013, The Accenture Retirement Fund (ARF), previously held by Accenture Services Ltd, was transferred to Accenture (UK) Limited and merged into the Accenture Pension Plan (APP) for a consideration of £220,000 net of deferred taxation.

During 2013, property, plant and equipment to the value of £281,000 were transferred from Accenture group companies to Accenture (UK) Limited.

Taleris Global LLP has been identified as a related party; by virtue of Accenture (UK) Limited owning 36.6% of the equity of the partnership. During the year, Accenture (UK) Limited advanced assets to Taleris Global LLP to the value of £1,758,000 (2013: £10,601,765).

For the purposes of the disclosure requirements of IAS 24 'Related party disclosures', the term "key management personnel" (i.e. those persons having the authority and responsibility for planning, directing, and controlling the activities of the Company), comprise the UK Executive Board who manage the business and affairs of the Company.

Key management personnel compensation incurred by the Company comprised of the following:	**2014**	**2013**
	£000	**£000**
Short term employee benefits	6,095	6,265
Share-based payments	1,806	1,850
	7,901	8,115

20 Accounting estimates and judgements

The material accounting estimates and judgements made by management in the preparation of these financial statements are outlined in Note 29 to the consolidated financial statements.

21 Reconciliation from UK GAAP to IFRS

The Company financial statements of Accenture (UK) Limited for the year ended 31 August 2014 have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union. Up to and including the financial year ended 31 August 2013, the Company prepared its financial statements in accordance with UK GAAP.

Information in respect to the transition to IFRS including details on the accounting standards which gave rise to the most significant changes to results and disclosures are disclosed in Note 30 to the consolidated financial statements.

21 Reconciliation from UK GAAP to IFRS *(continued)*

A reconciliation of the Company statement of profit and loss and statement of other comprehensive income as previously presented under UK GAAP to that as presented under IFRS as at 31 August 2013 is as follows:

Statement of profit and loss for the year ended 31 August 2013

	As originally stated £000	Reclassification £000	Remeasurement £000	As restated £000
Turnover	2,119,099	-	-	2,119,099
Cost of sales	(1,683,999)	(14,499) (a)	-	(1,698,498)
Gross profit	435,100	(14,499)	-	420,601
Administration expenses	(303,233)	14,418 (a)	5,176 (b)	(283,639)
Other operating income	6,869	81 (a)	-	6,950
Operating profit	138,736	-	5,176	143,912
Profit on disposal of property, plant and equipment	821	-	-	821
Gain on rationalisation of financial asset	674	-	-	674
Impairment of financial asset	(74)	-	-	(74)
Profit before interest and taxation	140,157	-	5,176	145,333
Finance income	2,215	-	(1,034) (c)	1,181
Finance costs	(2,543)	-	(1,450) (c)	(3,993)
Profit before taxation	139,829	-	2,692	142,521
Income tax expense	(22,200)	-	(5,019) (d)	(27,219)
Profit attributable to the equity holders of the Company	117,629	-	(2,327)	115,302

Statement of Other Comprehensive Income for the year ended 31 August 2013

	As originally reported £000	Reclassification £000	Remeasurement £000	As restated under IFRS £000
Profit attributable to the equity holders of the Company	117,629	-	(2,327)	115,302
Items that will not be reclassified subsequently to profit and loss				
Remeasurement of post employment benefit obligations	(15,998)	-	2,484 (c)	(13,514)
Related taxation	3,424	-	(531) (c)	2,893
Items that may be reclassified subsequently to profit and loss				
Net change in fair value of cash flow hedge transferred from equity	-	-	4,634 (e)	4,634
Deferred taxation on change in fair value of cash flow hedge transferred from equity	-	-	(972) (e)	(972)
Effective portion of changes in fair value of cash flow hedge	-	-	(34,840) (e)	(34,840)
Deferred taxation on effective portion of changes in fair value of cash flow hedge	-	-	7,309 (e)	7,309
Total comprehensive income attributable to equity holders of the Company	**105,055**	-	**(24,243)**	**80,812**

21 Reconciliation from UK GAAP to IFRS (continued)

A reconciliation of the Company statement of financial position, as previously presented under UK GAAP, to that as presented under IFRS as at 31 August 2013 is as follows:

Statement of financial position as at 31 August 2013

	As originally stated £000	Reclassification £000		Remeasurement £000		As restated £000
ASSETS						
Non-current assets						
Goodwill and intangible assets	1,637,680	3,320	(f)	5,176	(b)	1,646,176
Property, plant and equipment	37,014	(3,320)	(f)	-		33,694
Financial assets - Group undertakings unlisted	56,281	-		-		56,281
Financial assets - Joint ventures	10,602	-		-		10,602
Deferred tax asset	-	27,135	(g)	21,972	(g)	49,107
Retirement benefit plan	-	265	(h .1)			265
Amounts recoverable on contracts	-	59,721	(h .2)	-		59,721
Other receivables	63,988	(59,721)	(h .2)	-		4,267
Total non-current assets	1,805,565	27,400		27,148		1,860,113
Current assets						
Trade and other receivables	396,876	(172,021)	(h .3)	-		224,855
Amounts recoverable on contracts	-	144,829	(h .3)	-		144,829
Cash and cash equivalents	51,971	-		-		51,971
Total current assets	448,847	(27,192)		-		421,655
Total assets	**2,254,412**	**208**		**27,148**		**2,281,768**
EQUITY						
Share Capital	(1,026,000)	-		-		(1,026,000)
Share premium	(97,000)	-		-		(97,000)
Cash flow hedge reserve	-	-		30,042	(e)	30,042
Capital contribution	-	(30,255)	(h .7)	(20,496)	(i)	(50,751)
Retained earnings	(325,963)	30,255	(h .7)	1,529	(j)	(294,179)
Total equity	(1,448,963)	-		11,075		(1,437,888)
LIABILITIES						
Non-current liabilities						
Derivative financial instruments	-	-		(17,014)	(e)	(17,014)
Deferred income	(80,579)	-		-		(80,579)
Retirement benefit plan	208	(208)	(h .1)	-		-
Provisions	(37,174)	2,783	(h .5)	-		(34,391)
Total non-current liabilities	(117,545)	2,575		(17,014)		(131,984)
Current liabilities						
Trade and other payables	(687,904)	213,191	(h .4)	-		(474,713)
Income tax payable	-	(6,688)	(h .4)			(6,688)
Derivative financial instruments	-	-		(21,209)	(e)	(21,209)
Deferred income	-	(206,503)	(h .4)	-		(206,503)
Provisions	-	(2,783)	(h .5)	-		(2,783)
Total current liabilities	(687,904)	(2,783)		(21,209)		(711,896)
Total liabilities	(805,449)	(208)		(38,223)		(843,880)
Total equity and liabilities	**(2,254,412)**	**(208)**		**(27,148)**		**(2,281,768)**

21 Reconciliation from UK GAAP to IFRS (continued)

A reconciliation of the Company statement of financial position as previously presented under UK GAAP to that as presented under IFRS as at 31 August 2012 is as follows:

Statement of financial position as at 1 September 2012

	As originally stated £000	Reclassification £000		Remeasurement £000		As restated £000
ASSETS						
Non-current assets						
Goodwill and intangible assets	1,633,167	3,804	(f)	-		1,636,971
Property, plant and equipment	40,294	(3,804)	(f)	-		36,490
Financial assets - Group undertakings unlisted	70,387	-		-		70,387
Deferred tax asset	-	33,135	(h .3)	14,067	(g)	47,202
Derivative financial instruments	-	-		3,528	(e)	3,528
Amounts recoverable on contracts	-	62,240	(h .2)	-		62,240
Other receivables	74,271	(62,240)	(h .2)	-		12,031
Total non-current assets	1,818,119	33,135		17,595		1,868,849
Current assets						
Trade and other receivables	351,805	(161,103)	(h .3)	-		190,702
Derivative financial instruments	-	-		700	(e)	700
Amounts recoverable on contracts	-	127,968	(h .3)	-		127,968
Cash and cash equivalents	17,396	-		-		17,396
Total current assets	369,201	- 33,135		700		336,766
Total assets	**2,187,320**	-		**18,295**		**2,205,615**
EQUITY						
Share capital	(1,026,000)	-		-		(1,026,000)
Cash flow hedge reserve	-	-		6,173	(e)	6,173
Capital contribution	-	(7,621)	(h .7)	(13,379)	(i)	(21,000)
Retained earnings	(198,274)	7,621	(h .7)	1,155	(j)	(189,498)
Total equity	(1,224,274)	-		(6,051)		(1,230,325)
LIABILITIES						
Non-current liabilities						
Derivative financial instruments	-	-		(3,494)	(e)	(3,494)
Trade and other payables	(246,499)	99,717	(h .5)	-		(146,782)
Deferred income	-	(99,717)	(h .5)	-		(99,717)
Provisions	(40,679)	3,634	(h .6)	-		(37,045)
Total non-current liabilities	(287,178)	3,634		(3,494)		(287,038)
Current liabilities						
Trade and other payables	(675,868)	194,220	(h .4)	-		(481,648)
Income tax payable	-	(2,202)	(h .4)	-		(2,202)
Derivative financial instruments	-	-		(8,750)	(e)	(8,750)
Deferred income	-	(192,018)	(h .4)	-		(192,018)
Provisions	-	(3,634)	(h .6)	-		(3,634)
Total current liabilities	(675,868)	(3,634)		(8,750)		(688,252)
Total liabilities	(963,046)	-		(12,244)		(975,290)
Total equity and liabilities	**(2,187,320)**	-		**(18,295)**		**(2,205,615)**

21 Reconciliation from UK GAAP to IFRS *(continued)*

On transitioning to IFRS, the Company reviewed the classifications of assets, liabilities, income and expenses in the financial statements. This review resulted in a number of reclassifications that more appropriately discloses the Company's activities and balances.

The IFRS transition adjustments and financial statement reclassifications are outlined as follows:

(a) Bank fees of £81,000, that were previously recognised within other operating income has been reclassified to administration expenses.

Payroll expenses and inter-company costs of £14,418,000, that were previously recognised within administration expenses have been reclassified to cost of sales. This reclassification more appropriately describes the Group's activities.

(b) Amortisation of goodwill is not permitted under IFRS 3 'Business Combinations'. The transition to IFRS has resulted in the de-recognition of the amortisation charge recognised in 2013 of £5,176,000.

(c) The Company's defined benefit pension plan has been accounted for in accordance with IAS 19 'Employee benefits'. The adoption of IAS 19 has resulted in the recognition of reduced finance income of £2,484,000 in the statement of profit and loss and reduced remeasurment of post employment benefit obligations of £2,484,000 in the statement of other comprehensive income. The defined pension plan asset recognised in accordance with both IFRS and UK GAAP is £265,000 as at 31 August 2013. These transition adjustments have resulted in an increased deferred tax charge of £531,000 being recognised in the statement of profit and loss and a reduced deferred tax credit of £531,000 being recognised in the statement of other comprehensive income for the year ended 31 August 2013.

(d) The transition to IFRS has resulted in an increase in the income tax charge recognised in the statement of profit and loss of £5,019,000 in 2013. This increase has arisen from the recognition of additional deferred tax assets arising on share based compensation and their subsequent release (£5,331,000), an increase in the deferred tax charge on the defined benefit pension plan outlined in (c) above and the reclassification of a current tax charge credit to reserves in respect of share based payments (£10,881,000).

(e) IFRS 1 'First time adoption of International Financial Reporting Standards' outlines that a first time adopter may apply hedge accounting prospectively from the date of transition if the criteria for hedge accounting under IFRS is met. The conditions for hedge accounting have been met as at 1 September 2012 and therefore hedge accounting has been applied in accordance with IAS 39 'Financial instruments: Recognition and measurement'. This has resulted in the recognition of derivative financial instrument assets and liabilities along with the associated deferred taxation as follows:

	2013	2012
Included within total assets:	**£000**	**£000**
Derivative financial instruments - non-current asset	-	3,528
Derivative financial instruments - current asset	-	700
Derivative financial instruments - deferred taxation	8,181	1,844
Included within total equity and liabilities:		
Cash flow hedge reserve	30,042	6,173
Derivative financial instruments - non-current liability	(17,014)	(3,494)
Derivative financial instruments - current liability	(21,209)	(8,750)

The movement on these derivative financial instruments, recognised in the statement of other comprehensive income in 2013 is as follows:

	2013
Included within the statement of other comprehensive income:	**£000**
Net change in fair value of cash flow hedge transferred from equity	4,634
Deferred taxation on change in fair value of cash flow hedge transferred from equity	(972)
Effective portion of changes in fair value of cash flow hedge	(34,840)
Deferred taxation on effective portion of changes in fair value of cash flow hedge	7,309
Movement in cash flow hedge reserve	(23,869)

(f) Software assets previously included within property, plant and equipment have been reclassified to goodwill and intangible assets. The net book value of software assets reclassified in 2013 totalled £3,320,000 (2012: £3,804,000).

(g) Deferred tax assets of £27,192,000 (2013: £33,135,000) and deferred tax liabilities of £57,000 had previously been disclosed within trade and other receivables and net pension assets respectively in the UK GAAP financial statements. In accordance with IAS 12 'Income taxes', this net deferred tax asset has been disclosed in the statement of financial position as a non-current asset of £27,135,000 (2012: £33,135,000).

The adoption of IAS 12 'Income tax' has resulted in the recognition of additional deferred tax assets of £21,972,000 (2013: £14,067,000) arising on share based payments (£13,791,000) and cash flow hedges (£8,181,000). As at 31 August 2013, deferred tax assets of £24,802,000 relating to share based payments have been recognised. These deferred tax assets represent the excess of future tax deductions over the associated expenses recognised in the statement of profit and loss.

21 Reconciliation from UK GAAP to IFRS *(continued)*

(h) In accordance with IFRS, a number of balances have been disclosed separately on the face of the statement of financial position. These reclassifications are as follows:

(1) In accordance with IAS 12 'Income taxes', the Company's deferred tax liability in respect of the defined benefit pension plan has been reclassified from the net pension asset to deferred taxation as follows for year ended 31 August 2013 (there was no defined benefit pension in Accenture (UK) Limited in year ended 31 August 2012):

	2013
	£000
Previously stated in UK GAAP financial statements	208
Disclosed as follows under IFRS:	
Defined benefit asset - disclosed as non-current assets	265
Related deferred taxation	(57)

(2) Debtors amounts recoverable in more than one year have been reclassified as follows under non-current assets for each year:

	2013	**2012**
	£000	**£000**
Previously stated in UK GAAP financial statements	63,988	74,271
Disclosed as follows under IFRS:		
Amounts recoverable on contracts	59,721	62,240
Other receivables	4,267	12,031

(3) Debtors - amounts recoverable in less than one year have been reclassified as follows under non-current assets and current assets for each year:

	2013	**2012**
	£000	**£000**
Previously stated in UK GAAP financial statements	396,876	351,805
Disclosed as follows under IFRS:		
Non-current assets		
Deferred tax asset	27,192	33,135
Current assets		
Trade and other receivables	224,855	190,702
Amounts recoverable on contracts	144,829	127,968

(4) Creditors - amounts payable in less than one year have been reclassified as follows under current liabilities for each year:

	2013	**2012**
	£000	**£000**
Previously stated in UK GAAP financial statements	(687,904)	(675,868)
Disclosed as follows under IFRS:		
Trade and other payables	(474,713)	(481,648)
Corporation tax payable	(6,688)	(2,202)
Deferred income	(206,503)	(192,018)

(5) Creditors - amounts payable after more than one year has been reclassified as follows under non-current liabilities for each year:

	2013	**2012**
	£000	**£000**
Previously stated in UK GAAP financial statements	(80,579)	(246,499)
Disclosed as follows under IFRS:		
Trade and other payables	(80,579)	(146,782)
Deferred income	-	(99,717)

21 Transition to IFRS (*continued*)

(6) Provisions have been reclassified as follows under non-current liabilities and current liabilities for each year:

	2013	2012
	£000	**£000**
Previously stated in UK GAAP financial statements	(37,174)	(40,679)
Disclosed as follows under IFRS:		
Non-current liabilities - Provisions	(34,391)	-
Current liabilities - Provisions	(2,783)	(40,679)

(7) Capital contribution has been reclassified from retained earnings as follows for each year:

	2013	2012
Disclosed as follows under IFRS:	**£000**	**£000**
Capital contribution	(30,255)	(7,621)

The capital contribution is calculated after considering the fair value of the cumulative cash settlements paid and payable by the Company to Accenture plc in respect of share based compensation recharges, which were less than the IFRS 2 charge previously recognised.

(i) A deferred tax asset of £24,802,000 has been recognised in respect of share based payments as at 31 August 2013. This asset arises on the value of forecasted future tax deductions available to the Company. In accordance with IAS 12 'Income taxes', deferred tax arising on tax deductions in excess of the associated expense recognised in the statement of profit and loss is recognised within equity.

The transitional remeasurement of capital contribution consists of the following:

	2013
	£000
Deferred tax recognised in reserves as at 31 August 2012	(13,379)
Deferred tax released through equity during 2013	3,764
Tax benefit excess on exercise of share based payments	(10,881)
	(20,496)

(j) The remeasurement of retained earnings of £1,529,000 recognised in 2013 on the transition to IFRS has resulted from the following transition adjustments:

	2013	2012
	£000	**£000**
De-recognition of goodwill previously recognised	(5,176)	-
Increase in deferred tax asset arising on share based payments - current year	(4,176)	1,155
Tax benefit excess on share based payments	10,881	-
	1,529	1,155