

Registration number: 05909187

# **Accenture Song Production Studios Europe Limited (formerly CreativeDrive EMEA Ltd)**

Annual Report and Financial Statements

for the year ended 31 December 2021



# **Accenture Song Production Studios Europe Limited (formerly CreativeDrive EMEA Ltd)**

## **Contents**

Company Information	1
Strategic Report	2 to 3
Directors' Report	4 to 5
Statement of Directors' Responsibilities in respect of the Strategic Report, Directors' Report and Financial Statements	6
Independent Auditor's Report to the members of Accenture Song Production Studios Europe Limited (formerly CreativeDrive EMEA Ltd)	7 to 9
Profit and Loss Account	10
Balance Sheet	11
Statement of Changes in Equity	12
Notes to the Financial Statements	13 to 23

**Accounting Song Production Studios Europe Limited (formerly CreativeDrive EMEA Ltd)**

**Company Information**

<b>Directors</b>	P Rowe
	D Burton
	A Rice (Resigned 28.01.2022)
	D Simpson
	J McLaughlin (Resigned 29.06.2022)
	G Newton (Appointed on 26.07.2022)
<b>Company number</b>	05909187
<b>Registered office</b>	30 Fenchurch Street
	London
	EC3M 3BD
	United Kingdom
<b>Banker</b>	HSBC
	60 Queen Victoria Street
	London, EC4N 4TR
	United Kingdom
<b>Auditor</b>	Moore Kingston Smith LLP
	Charlotte Building
	17 Gresse Street
	London
	W1T 1QL

# Accenture Song Production Studios Europe Limited (formerly CreativeDrive EMEA Ltd)

## Strategic Report for the year ended 31 December 2021

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

### Principal activities

Accenture Song Production Studios Europe Limited (formerly CreativeDrive EMEA Ltd), the “Company”) is a wholly owned subsidiary of Accenture (UK) Limited (the “immediate parent”), which is headed by Accenture plc (the “ultimate parent”) and its subsidiaries (the “Accenture Group”).

On 1 July 2022, the Company changed its name to Accenture Song Productions Studios Europe Limited from CreativeDrive EMEA Ltd.

The Company is a tech-driven content production company that simplifies, automates and scales the creative asset production process.

### Business and financial review

The Company generated a profit for the year of £139,559 (2020: loss of £282,041). The Company has net assets of £2,448,336 at 31 December 2021 (2020 : £2,308,777).

### Key performance indicators

Key financial highlights are as follows:

	2021	2020
Revenue growth/(reduction)	19%	(29)%
Operating profit/(loss) margin (before impairment on investments)	1.55%	(3.3)%
Liquidity ratio	1.52	1.45

### Research and innovation

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

### Principal risks and uncertainties

The principal risks and uncertainties of the Company are intrinsically linked to those faced by the broader Accenture Group, which are disclosed in the Accenture plc Annual Report. The Accenture Group performance continues to be strong and the Directors do not believe there is any significant risk to the Company’s continuing profitability.

There are a range of risks and uncertainties facing the Company and the list below is not intended to be exhaustive. The focus is on those specific risks and uncertainties that the Directors believe could have a significant impact on the Company’s position and performance.

### COVID-19

The Company continues to work closely with its clients, helping them to rapidly adjust to the changing needs of their clients, suppliers and employees in the face of the pandemic. At the same time, as an employer the Company continues to make every effort to keep its employees and its communities engaged and cared for by putting their health and well-being at the top of our agenda. The Company has not seen any material adverse impact from COVID-19 on its business during the year or post year end. However, we are actively managing our business to respond to any potential future impact.

### Brexit

There has been no impact on the Company’s operations as a result of Brexit.

## **Accenture Song + Production Studios Europe Limited (formerly CreativeDrive EMEA Ltd)**

### **Strategic Report for the year ended 31 December 2021 (continued)**

#### **Principal risks and uncertainties (continued)**

##### **Competitive pressures**

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

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

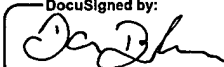
##### ***Reliance on Accenture Group - exposure to credit, liquidity and cash flow risk***

The Accenture Group operates a centralised treasury function which manages Accenture plc's overall Treasury policy, risk management and its liquidity requirements including those of the Company. The Company's principal financial assets are trade and other receivables related to clients and intercompany activity. The Company has no external borrowings and the Accenture Group Treasury function manages the Company's foreign exchange exposure.

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

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

Approved by the Board on 29 September 2022 and signed on its behalf by:

DocuSigned by:  
  
CP1AE96959E149C.....

D Burton

Director

# **Accenture Song Production Studios Europe Limited (formerly CreativeDrive EMEA Ltd)**

## **Directors' Report for the year ended 31 December 2021**

The Directors present their report and the audited Financial Statements of Accenture Song Production Studios Europe Limited (formerly CreativeDrive EMEA Ltd) for the year ended 31 December 2021.

### **Directors**

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

P Rowe

D Burton

A Rice (Resigned 28.01.2022)

J McLaughlin

D Simpson (Resigned 29.06.2022)

G Newton (Appointed on 26.07.2022)

### **Going concern**

The Company generated a profit after tax for the year amounted to £139,559 (2020: loss of £282,041) and had net current assets of £1,728,368 (2020: £1,439,390) and net assets of £2,448,336 as at 31 December 2021 (2020 : £2,308,777).

The Directors have considered the factors that impact the Company's future development, performance, cash flows and financial position along with Company's current liquidity in forming their opinion on the going concern basis.

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future.

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

### **Results and dividends**

The results for the year are set out on page 10.

No ordinary dividends were paid (2020: £nil). The Directors do not recommend payment of a final dividend.

### **Subsequent events**

The Directors are not aware of any other matters or circumstances not otherwise dealt with in the financial statements, that have significantly or may significantly affect the operations of the Company.

### **Political and charitable contributions**

The Company made no political nor charitable contributions during the year (2020: £Nil).

### **Disclosure of information to the auditor**

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

### **Company secretary exemption**

In accordance with section 270(1) of the Companies Act 2006, the Company has availed of the provision not requiring the Company to have a secretary.

### **Future developments**

The Company plans to continue its present activities.

**Acoustic Song & Production Studios Europe Limited (formerly CreativeDrive EMEA Ltd)**

**Directors' Report for the year ended 31 December 2021 (continued)**


**Matters dealt in Strategic Report**

The financial risk management and exposure to risks and research and innovation are discussed in Strategic Report on pages 2-3.

**Auditor**

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be re-appointed and Moore Kingston Smith LLP will therefore continue in office.

Approved by the Board on 29 September 2022 and signed on its behalf by:

DocuSigned by:  
  
GF4AE98863E148G.....

D Burton  
Director

**Accenture Song Production Studios Europe Limited (formerly CreativeDrive EMEA Ltd)**

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

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

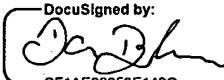
Company law requires the Directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* ("FRS 102").

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

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

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal controls as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Approved by the Board on 29 September 2022 and signed on its behalf by:

DocuSigned by:  
  
OF1AE96953E149G::.....

D Burton  
Director



## **Independent Auditor's Report to the members of Accenture Song Production Studios Europe Limited (Formerly CreativeDrive EMEA Ltd)**

### **Opinion**

We have audited the financial statements of Accenture Song Production Studios Europe Limited (formerly CreativeDrive EMEA Ltd) (the 'Company') for the year ended 31 December 2021 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Changes in Equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

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

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

### **Other information**

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

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

We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report has been prepared in accordance with applicable legal requirements.

## **Independent Auditor's Report to the members of Accenture Song Production Studios Europe Limited (Formerly CreativeDrive EMEA Ltd) (continued)**

### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and Directors' Report.

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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of Directors**

As explained more fully in the Statement of Directors' Responsibilities, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

## **Independent Auditor's Report to the members of Accenture Song Production Studios Europe Limited (Formerly CreativeDrive EMEA Ltd) (continued)**

### **Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud**

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

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the Company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the Company and considered that the most significant are the Companies Act 2006, UK financial reporting standards as issued by the Financial Reporting Council, and UK taxation legislation.
- We obtained an understanding of how the Company complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

### **Use of our report**

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

*Moore Kingston Smith LLP*

.....  
Ian Graham (Senior Statutory Auditor)

For and on behalf of Moore Kingston Smith LLP, Statutory Auditor

Chartered Accountants  
Statutory Auditor

Charlotte Building  
17 Gresse Street  
London  
W1T 1QL

29 September 2022

# Accounting Song Production Studios Europe Limited (formerly CreativeDrive EMEA Ltd)

## Profit and Loss Account for the year ended 31 December 2021

	Note	2021 £	2020 £
Turnover	4	12,330,305	10,359,205
Cost of sales		(6,435,317)	(5,950,264)
Gross profit		5,894,988	4,408,941
Administrative expenses		(5,703,797)	(4,747,302)
Operating profit/(loss)	5	191,191	(338,361)
Interest receivable and similar income	8	56	6,419
Interest payable and similar expenses	9	(7,482)	(3,645)
Profit/(loss) before tax		183,765	(335,587)
Taxation (charge)/credit	10	(44,206)	53,546
Profit/(loss) for the year		139,559	(282,041)

The above results were derived from continuing operations.

There are no items of comprehensive income in the year or preceding year other than those dealt within the Profit and Loss Account. Accordingly, no Statement of Comprehensive Income has been prepared.

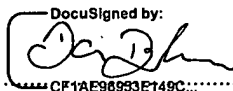
The notes on pages 13 to 23 form an integral part of these financial statements.

# ACCOUNTS BY PREDICTION STUDIOS Europe Limited (formerly CreativeDrive EMEA Ltd)

## Balance Sheet as at 31 December 2021

	Note	2021 £	2020 £ As restated (Note 2)
<b>Fixed assets</b>			
Tangible assets	11	1,272,452	1,304,134
		<u>1,272,452</u>	<u>1,304,134</u>
<b>Current assets</b>			
Debtors	12	4,453,682	4,296,584
Cash at bank and in hand		604,053	355,052
		<u>5,057,735</u>	<u>4,651,636</u>
<b>Creditors: amounts falling due within one year</b>	13	(3,329,367)	(3,212,246)
<b>Net current assets</b>		<u>1,728,368</u>	<u>1,439,390</u>
<b>Total assets less current liabilities</b>		<u>3,000,820</u>	<u>2,743,524</u>
<b>Provisions for liabilities</b>			
Provisions	14	(552,484)	(434,747)
<b>Net assets</b>		<u><u>2,448,336</u></u>	<u><u>2,308,777</u></u>
<b>Capital and reserves</b>			
Share capital	16	15,000	15,000
Profit and loss account	16	2,433,336	2,293,777
<b>Total equity</b>		<u><u>2,448,336</u></u>	<u><u>2,308,777</u></u>

Approved by the Board on 29 September 2022 and signed on its behalf by:

DocuSigned by:  
  
 CF1AE9693E149C.....

D Burton

Director

Company Registration Number: 05909187

The notes on pages 13 to 23 form an integral part of these financial statements.

**Accenture Song Production Studios Europe Limited (formerly CreativeDrive EMEA Ltd)**

**Statement of Changes in Equity for the year ended 31 December 2021**

	<b>Share capital</b>	<b>Profit and loss account</b>	<b>Total</b>
Balance as at 1 January 2021	15,000	2,293,777	2,308,777
Profit for the year	—	139,559	139,559
Balance at 31 December 2021	<u>15,000</u>	<u>2,433,336</u>	<u>2,448,336</u>

	<b>Share capital</b>	<b>Profit and loss account</b>	<b>Total</b>
Balance as at 1 January 2020	15,000	2,575,818	2,590,818
Loss for the year	—	(282,041)	(282,041)
Balance at 31 December 2020	<u>15,000</u>	<u>2,293,777</u>	<u>2,308,777</u>

The notes on pages 13 to 23 form an integral part of these financial statements.

# Accenture Song Production Studios Europe Limited (formerly CreativeDrive EMEA Ltd)

## Notes to the Financial Statements for the year ended 31 December 2021

### 1 Reporting Entity

Accenture Song Production Studios Europe Limited (formerly CreativeDrive EMEA Ltd) is a private company limited by shares, incorporated, domiciled and registered in the United Kingdom. The Company's registration number is 05909187 and the registered address is 30 Fenchurch Street, London, EC3M 3BD.

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

### 2 Accounting policies

#### Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### Basis of preparation

These financial statements have been prepared in accordance with FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* and the requirements of the Companies Act 2006.

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

#### Measurement convention

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

#### Summary of disclosure exemptions

The Company's ultimate parent undertaking, Accenture plc includes the Company in its consolidated financial statements. The consolidated financial statements of Accenture plc are prepared in accordance with Generally Accepted Accounting Principles in the United States of America (US GAAP) and are available to the public and may be obtained from 1 Grand Canal Square, Grand Canal Harbour, Dublin 2. In these financial statements, the Company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Section 7 'Statement of Cash Flows' - Presentation of a Statement of Cash Flow
- Section 33 'Related Party Disclosures' - Compensation for key management personnel

#### Correction of errors and reclassification of comparative amounts

During 2021, the Company discovered that the dilapidation provision from the lease hadn't been included in the Balance Sheet for the year ended 31 December 2020. As a consequence, the tangible assets and provisions have been understated. The errors have been corrected by restating each of the affected balance sheet line items for prior period and do not have any impact on prior year's profit or loss. The following table summarise the impact in the Balance Sheet:

		As previously reported	Adjustment	As restated
		£	£	£
<b>Assets</b>	<b>Note</b>			
Tangible assets	11	881,845	422,289	1,304,134
<b>Liabilities</b>				
Provisions	14	(12,458)	(422,289)	(434,747)

In addition, certain amounts in the tangible assets have been reclassified to conform to the current year's presentation.

# ACCOUNTING SONG PRODUCTION STUDIOS Europe Limited (formerly CreativeDrive EMEA Ltd)

## Notes to the Financial Statements for the year ended 31 December 2021 (continued)

### 2 Accounting policies (continued)

#### Going concern

The Company generated a profit after tax for the year amounted to £139,559 (2020: loss of £282,041) and had net current assets of £1,728,368 (2020: £1,439,390) and net assets of £2,448,336 as at 31 December 2021 (2020 : £2,308,777).

The Directors have considered the factors that impact the Company's future development, performance, cash flows and financial position along with Company's current liquidity in forming their opinion on the going concern basis.

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future.

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

#### Turnover

Turnover represents amounts receivable from clients for services provided and comprises fees, performance related bonuses, and direct costs incurred on behalf of clients.

Direct costs comprise third party production costs for those services that the Company is arranging for its clients in its capacity as an intermediary. The Company contracts directly with suppliers and is responsible for their payment, recharging its clients for all costs incurred. Where the Company acts as an intermediary, costs incurred with external suppliers are excluded from revenue.

Revenue comprises turnover, less amounts payable on behalf of clients to external suppliers performing part of the work being provided to the client, and represents fees, performance related bonuses and mark up on rechargeable expenses. Fees are comprised of retainer fees (recognised on a straight-line basis over the term of the contract). Revenue from contracts for the provision of services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable and contract costs as an expense in the period in which they are incurred.

#### Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or at valuation, less accumulated depreciation and any accumulated impairment losses.

The charge to depreciation is calculated to write off the original cost or valuation of tangible fixed assets, less their estimated residual value, over their expected useful lives as follows:

Asset class	Depreciation method and rate
Leasehold improvement	Straight line over the expected useful life of the leasehold building or lease term, whichever is shorter
Plant and machinery	25% straight line
Fixtures and fittings	25% straight line
Computer equipment	25% straight line

#### Impairment

Fixed assets are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use.



# **ACCOUNTING SONG PRODUCTION STUDIOS Europe Limited (formerly CreativeDrive EMEA Ltd)**

## **Notes to the Financial Statements for the year ended 31 December 2021 (continued)**

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

#### **Impairment (continued)**

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Fixed assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased, except for goodwill where impairment losses previously recognised are not reversed.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

#### **Cash and cash equivalents**

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts.

#### **Financial instruments**

The Company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments. Financial instruments are recognised in the Company's balance sheet when the Company becomes party to the contractual provisions of the instrument.

#### **Basic financial assets**

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

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

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

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

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the Company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

#### **Classification of financial liabilities**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

#### **Basic financial liabilities**

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

# **Academy Song Production Studios Europe Limited (formerly CreativeDrive EMEA Ltd)**

## **Notes to the Financial Statements for the year ended 31 December 2021 (continued)**

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

#### **Basic financial liabilities (continued)**

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade creditors are classified as due within one year if payment is due within one year or less. If not, they are presented as falling due after more than one year. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

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

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

#### **Offsetting of financial instruments**

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

#### **Taxation**

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to the profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Taxable profit differs from total comprehensive income because it excludes items of income or expense that are taxable or deductible in other periods. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting period.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date. Deferred tax is not discounted.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax assets and liabilities are offset when the Company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

#### **Provisions**

A provision is recognised when the Company has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

# **Ascential Song + Education Studios Europe Limited (formerly CreativeDrive EMEA Ltd)**

## **Notes to the Financial Statements for the year ended 31 December 2021 (continued)**

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

#### **Share capital**

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs

#### **Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the work in progress or fixed assets. The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the Company is demonstrably committed to terminate the employment of an employee or to provide termination benefits..

#### **Retirement benefits**

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

#### **Foreign exchange**

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

#### **Interest receivable and payable**

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

Interest payables comprise interest payable on group company borrowings.

#### **Leases**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

### **3 Judgments and key sources of estimation uncertainty**

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of revision and future periods where the revision affects both current and future periods. Key sources of estimation uncertainty are as follow:

#### **Turnover**

Revenues from contracts are recognised on the percentage-of-completion method, which involves calculating the percentage of services provided during the reporting period compared to the total estimated services to be provided over the duration of the contract. Estimated revenues used in applying the percentage-of-completion method include estimated incentives for which achievement of defined goals is deemed probable. This method is followed where reasonably dependable estimates of revenues and costs can be made.

# Accurate Song Production Studios Europe Limited (formerly CreativeDrive EMEA Ltd)

## Notes to the Financial Statements for the year ended 31 December 2021 (continued)

### 3 Judgments and key sources of estimation uncertainty (continued)

#### Turnover (continued)

Estimates of total contract revenues and costs are continuously monitored during the term of the contract, and recorded revenues and estimated costs are subject to revision as the contract progresses.

Such revisions may result in increases or decreases to revenues and income and are reflected in the Financial Statements in the periods in which they are first identified. If the Company's estimates indicate that a contract loss will occur, a loss provision is recorded in the period in which the loss first becomes probable and reasonably estimable. Contract losses are determined to be the amount by which the estimated total direct and indirect costs of the contract exceed the estimated total revenues that will be generated by the contract and are included in cost of services and classified in other accrued liabilities. Refer to the carrying amounts of the contract assets and contract liabilities in Note 12 and 13, respectively.

#### Taxation

Management is required to make judgements and estimates in relation to taxation assets and liabilities. The amounts recognised for taxation are based on management's estimate having taken appropriate professional advice. Refer to the carrying amount of deferred tax assets in Note 10.

#### Depreciation

The annual depreciation charge for fixed assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See Note 11 for the carrying amount of the tangible assets and note 2 for the useful economic lives for each class of asset.

#### Impairment of debtors

The Company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience. See Note 12 for the net carrying amount of the debtors.

#### Dilapidation provisions

The Company has recognised a provision for the costs expected to be incurred in returning leasehold premises to their original state when exiting at the conclusion of a lease agreement in Note 14. 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.

### 4 Turnover

The Company's principal activity is rendering of services. The analysis of turnover by geography is as follows:

	2021	2020
	£	£
<b>Turnover analysed by geographical market</b>		
United Kingdom	8,752,272	6,497,025
United States	1,296,166	1,793,434
Europe	1,842,685	1,636,749
Rest of world	439,182	431,997
Total	<u>12,330,305</u>	<u>10,359,205</u>
	2021	2020
	£	£
<b>Other significant revenue</b>		
Interest on bank deposits	<u>56</u>	<u>6,419</u>

# Accenture Song + Production Studios Europe Limited (formerly CreativeDrive EMEA Ltd)

## Notes to the Financial Statements for the year ended 31 December 2021 (continued)

### 5 Operating profit/(loss)

	2021	2020
	£	£
Operating profit/(loss) for the year is stated after charging:		
Exchange losses	37,618	37,343
Fees payable to the Company's auditor for the audit of the Company's financial statements	18,750	20,850
Depreciation of owned tangible fixed assets	450,810	169,818
Operating lease charges	250,000	250,000

### 6 Employees

The average number of persons employed by the Company during the financial year was:

	No.	No.
Leadership	1	2
Senior management	6	4
Manager	8	7
Below manager level	56	46
	71	59

The aggregate payroll costs were as follows:

	2021	2020
	£	£
Wages and salaries	3,396,428	2,899,883
Social security costs	375,938	287,167
Pension	100,326	79,310
	3,872,692	3,266,360

### 7 Directors' remuneration

	2021	2020
	£	£
Remuneration for qualifying services	—	166,081
Company pension contributions to defined contribution schemes	—	8,673

On 12 August 2020, Accenture Group appointed new directors to the Company. As a result, no emoluments were paid during the year for the Directors of the Company as they are employees of fellow group undertakings and are remunerated for their services to the subsidiary undertakings registered in the UK as a whole.

### 8 Interest receivable and similar income

	2021	2020
	£	£
Interest on bank deposits	56	6,419

# **Acoustic Song & Production Studios Europe Limited (formerly CreativeDrive EMEA Ltd)**

## **Notes to the Financial Statements for the year ended 31 December 2021 (continued)**

### **9 Interest payable and similar expenses**

	2021	2020
	£	£
Interest relating to accretion of dilapidations	7,482	—
Interest on bank overdrafts and loans	—	3,645
	<u>7,482</u>	<u>3,645</u>

### **10 Taxation**

Tax charged in the income statement:

	2021	2020
	£	£
<b>Current taxation</b>		
Corporation tax charge	50,744	—
Adjustments in respect of prior periods	12,900	(39,784)
Total current tax	<u>63,644</u>	<u>(39,784)</u>
<b>Deferred tax:</b>		
Arising from origination and reversal of timing differences	(16,816)	(8,242)
Arising from change in tax rates and laws	(3,106)	(2,760)
Arising from adjustments in respect of prior periods	484	(2,760)
Total deferred tax	<u>(19,438)</u>	<u>(13,762)</u>
	<u>44,206</u>	<u>(53,546)</u>
Total tax expense in the income statement		

#### **Factors affecting tax charge for the year.**

	2021	2020
	£	£
Profit before tax	<u>183,765</u>	<u>(335,587)</u>
Corporation tax at standard rate	34,915	(63,762)
<i>Increase/(decrease) from effect of:</i>		
Expenses not deductible in determining taxable profit	11,922	15,826
Group relief surrendered	—	2,436
Trade losses (brought forward)/carried back	(12,909)	37,257
UK deferred tax expense change in the law	(3,106)	(2,760)
Adjustments in respect of prior periods	13,384	(42,543)
Total tax expense	<u>44,206</u>	<u>(53,546)</u>

# ACCOUNTS BOX PRODUCTION STUDIOS Europe Limited (formerly CreativeDrive EMEA Ltd)

## Notes to the Financial Statements for the year ended 31 December 2021 (continued)

### 10 Taxation (continued)

Deferred tax movement in the year:

	At 31 December 2020	Current year Profit & Loss	At 31 December 2021
	£	£	£
Difference between accumulated depreciation and capital allowances	(13,833)	20,813	6,980
Pension	1,375	(1,375)	—
<b>Deferred tax assets/(liabilities)</b>	<b>(12,458)</b>	<b>19,438</b>	<b>6,980</b>

Deferred tax movement in the prior year:

	At 31 December 2019	Current year Profit & Loss	At 31 December 2020
	£	£	£
Difference between accumulated depreciation and capital allowances	(26,220)	12,387	(13,833)
Pension	—	1,375	1,375
<b>Deferred tax assets/(liabilities)</b>	<b>(26,220)</b>	<b>13,762</b>	<b>(12,458)</b>

### 11 Tangible assets

Cost	Leasehold Improvement	Plant and machinery	Fixtures and fittings	Computer equipment	Total
	£	£	£	£	£
At 31 December 2020 - As previously reported	558,147	242,835	145,480	396,631	1,343,093
Adjustment (Note 2)	423,678	11,557	136	5,448	440,819
At 1 January 2021 - As restated	981,825	254,392	145,616	402,079	1,783,912
Additions	304,887	—	22,154	92,087	419,128
At 31 December 2021	1,286,712	254,392	167,770	494,166	2,203,040
<b>Depreciation and impairment</b>					
At 31 December 2020 - As previously reported	79,436	91,025	28,018	262,769	461,248
Adjustment (Note 2)	1,390	11,557	136	5,447	18,530
At 1 January 2021 - As restated	80,826	102,582	28,154	268,216	479,778
Charge for the year	299,925	42,423	31,245	77,217	450,810
At 31 December 2021	380,751	145,005	59,399	345,433	930,588
<b>Carrying amount</b>					
At 31 December 2021	905,961	109,387	108,371	148,733	1,272,452
At 31 December 2020 (As restated (Note 2))	900,999	151,810	117,462	133,863	1,304,134

# Accounting Song & Production Studios Europe Limited (formerly CreativeDrive EMEA Ltd)

## Notes to the Financial Statements for the year ended 31 December 2021 (continued)

### 12 Debtors

	2021	2020
	£	£
<b>Debtors amounts due within one year</b>		
Trade debtors	3,247,078	2,609,138
Amounts owed by group parties	523,902	476,462
Corporation tax recoverable	—	39,784
Other debtors	675,722	1,171,200
	<u>4,446,702</u>	<u>4,296,584</u>

	Note	2021	2020
		£	£
<b>Debtors amounts due after more than one year</b>			
Deferred tax assets	10	6,980	—
		<u>6,980</u>	<u>—</u>

The entire amounts owed from group parties are non interest bearing and repayable on demand.

### 13 Creditors

	2021	2020
	£	£
<b>Due within one year</b>		
Trade creditors	891,154	1,657,987
Amounts due to group undertakings	1,596,648	147,904
Other taxation and social security	255,457	548,096
Other creditors	577,450	858,259
Corporation tax	8,658	—
	<u>3,329,367</u>	<u>3,212,246</u>

Amounts owed to group companies are non interest bearing and repayable on demand.

### 14 Provisions for liabilities

	Note	2021	As restated (Note 2) 2020
		£	£
Deferred tax liabilities	10	—	12,458
Lease dilapidation provision		552,484	422,289
		<u>552,484</u>	<u>434,747</u>

The Company has a property lease for land and building which expires on 21 November 2024. The Company has recognised a dilapidation provision for this property at its present value of £545,002 (2020: £422,289) with adjustments that result from changes in measuring the discounted amount of £122,713 plus accretion charge of £7,482 (Note 14) during the year.

### 15 Retirement benefit scheme

#### Defined contribution pension scheme

	2021	2020
	£	£
Charge to profit or loss in respect of defined contribution schemes	<u>100,326</u>	<u>79,310</u>

The Company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the Company in an independently administered fund.



# Accenture Song + Production Studios Europe Limited (formerly CreativeDrive EMEA Ltd)

## Notes to the Financial Statements for the year ended 31 December 2021 (continued)

### 16 Called up share capital

#### Allotted, called up and fully paid shares

	2021	2020
	£	£
Issued and fully paid		
Ordinary shares of £1 each	15,000	15,000

On 26 April 2021, the Company's shares was acquired by Accenture (UK) Limited, the new immediate parent of the Company as a result of this acquisition (Note 19).

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

Reserve	Description and purpose
Share capital	Nominal value of share capital subscribed for.
Profit and loss account	All other net gains and losses and transactions with owners not recognised elsewhere.

### 17 Operating lease commitments

At the reporting end date, the Company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

	2021	2020
	£	£
Due within one year		
Within one year	250,000	250,000
Between two and five years	479,167	729,167
	<u>729,167</u>	<u>979,167</u>

### 18 Related party transactions

The Company has taken advantage of the exemptions provided by Section 33 of FRS 102 'Related Party Disclosures' and has not disclosed transactions entered into between two or more members of a group, provided that any subsidiary undertaking which is party to the transaction is wholly owned by a member of that group.

### 19 Parent and ultimate parent undertaking

The Company's immediate parent is Accenture (UK) Limited, incorporated in the United Kingdom (Note 16).

The Company's ultimate parent is Accenture plc, a company incorporated in the Republic of Ireland but which is also designated as a domestic registrant of the Securities and Exchange Commission in the United States (SEC). As a consequence, Accenture plc files consolidated financial statements with the Companies Registration Office in Ireland (Irish filing) and with the SEC (SEC filing). The Irish filing, which avails of a special derogation under the Companies Act 2014, is prepared under US Generally Accepted Accounting Principles (US GAAP) and the Irish Companies Act 2014 can be obtained from the Company's Secretary, 1 Grand Canal Square, Grand Canal Harbour, Dublin 2, Ireland. The SEC filing is prepared in accordance with US GAAP and regulations of the SEC and is available from [www.sec.gov](http://www.sec.gov) or from Accenture web site ([www.accenture.com](http://www.accenture.com)). Accenture plc prepares group financial statements and is largest group for which group financial statements are drawn up and of which the Company is a member.

### 20 Post balance sheet events

The Directors are not aware of any other matters or circumstances not otherwise dealt with in the financial statements, that have significantly or may significantly affect the operations of the Company.

### 21 Approval of financial statements

The Board of Directors approved the financial statements on the 29 September 2022.