

Company Registration Number: 07628810 (England & Wales)

Kream Comms Limited

Annual Report and Financial Statements

for the Year Ended 31 August 2018



Kream Comms Limited

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Kream Comms Limited

Company Information

Directors P Rowe
D Burton
A Rice
D Simpson

Company number 07628810

Registered office 30 Fenchurch Street,
London
EC3M 3BD
United Kingdom

Solicitor Osborne Clarke
One London Wall
London
EC2Y 5EB
DX466LD6

Banker National Westminster Bank PLC
Strand Branch
PO Box 414
38 Strand
London
WC2H 5JB

Auditor KPMG
1 Stokes Place
St. Stephen's Green
Dublin 2
Ireland

Kream Comms Limited

Directors' Report for the Year Ended 31 August 2018

The Directors present their annual report and the financial statements for the year ended 31 August 2018. The comparative period is for 16 months ended 31 August 2017.

Principal activities

The Company's principal activity is the provision of moving image production and post-production services.

Directors of the Company

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

P Rowe

A Haire (resigned 7 December 2017)

D Burton

A Rice

D Simpson (appointed 7 December 2017)

None of the Directors who held office at the end of the financial year has any interest in the shares of the Company.

Financial Reporting Standard (FRS)

The financial statements are prepared under FRS102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

Going concern

The Directors consider 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.

Employees

The Company is 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 Company. The Company reinforces employees' commitments to its clients, culture and values through a comprehensive performance management and compensation system and career philosophy that provides rewards based on individual and Company performance. The Company is committed to inclusion and diversity, striving to maintain a work environment that reinforces collaboration, motivation and innovation and is consistent with the Accenture Group's core values and Code of Business Ethics.

The Company is an equal opportunities employer and has an Equal Opportunities Policy in addition to a Grievance Procedure and a Meritocracy and Harassment Policy. In support of this policy, the Company seeks to implement best practice initiatives in respect of anti-discrimination legislation, rather than the minimum standard. Appointments within the Company are made solely based on meritocracy.

Communication and consultation with employees or their representatives occur on a regular basis through a variety of channels, including regular e-mail bulletins, "town hall" calls, podcasts, and engagement utilising the People Advocates Network, with the aim of ensuring that views of employees are taken into account when decisions are made that are likely to affect their interests.

At 31 August 2018, the Company had 17 employees (2017: 19).

Results and dividends

The results for the year are set out on page 8.

No ordinary dividends were paid (2017: £nil). The Directors do not recommend payment of a final dividend.

Kream Comms Limited

Directors' Report for the Year Ended 31 August 2018 (continued)

Post balance sheet events

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

Policy and practice of payment of creditors

The Company has a variety of payment terms with its suppliers. The terms of payment for purchases under contracts are agreed separately with each supplier.

Political donations

The Company made no political nor charitable donations during the year (2017: £Nil).

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 for the year ended 31 August 2018 (<https://www.accenture.com/us-en/company-annual-report>). The Accenture Group performance continues to be strong and there is not considered to be a significant risk to the Company's continuing profitability.

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

Brexit

The economic and political conditions of our business environment may be destabilised by the United Kingdom's decision to exit the European Union, the way in which it effects this decision, and the resulting arrangements that are negotiated. In turn, this may negatively impact our business operations and the levels of business activity amongst our clients. In particular, there could be risks associated with:

- the loss of the Single Market's freedom of movement provisions;
- provisions related to the movement of data;
- foreign exchange;
- decisions by clients to delay investments.

Competitive pressures

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

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

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

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

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

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

Kream Comms Limited

Directors' Report for the Year Ended 31 August 2018 (continued)

Disclosure of information to the auditor

So far as the Directors are aware, there is no relevant information of which the Company's auditor is unaware. Additionally, each Director has taken all necessary steps that they ought to have taken as a Director in order to make themselves aware of all relevant audit information and to establish that the Company's auditor is aware of that information.

This report has been prepared in accordance with the provisions applicable to companies' entitled to the small companies exemption. The Directors have also taken the available exemption from the requirement to prepare a Strategic Report.

Appointment of auditor

During the year, KPMG, Chartered Accountants and Registered Auditors, were appointed as Auditor and pursuant to Section 487 of the Companies Act 2006, the auditor will continue in office.

Approved by the Board on 18/04/19 and signed on its behalf by:


D Burton
Director

Date: 18/04/19

Kream Comms Limited

Statement of Directors' Responsibilities in respect of the Directors' Report and the Financial Statements for the Year Ended 31 August 2018

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

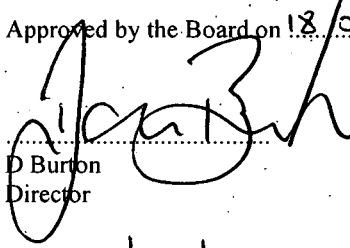
Company law requires the Directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with United Kingdom Accounting Standards and applicable law (United Kingdom Generally Accepted Accounting Practice), including FRS102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

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; and
- 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 18/04/19 and signed on its behalf by:


D Burton
Director

Date: 18/04/19

Kream Comms Limited

Independent Auditor's Report to the Members of Kream Comms Limited

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Kream Comms Limited for the year ended 31 August 2018 set out on pages 8 to 20 which comprise the statement of Profit and Loss and other Comprehensive Income, Statement of Changes in Equity and related notes, including the summary of significant accounting policies set out in note 2. The financial reporting framework that has been applied in their preparation is Irish Law and FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

In our opinion, the accompanying financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 August 2018 and of its (loss) for the year then ended;
- have been properly prepared in accordance with FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been properly prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with ethical requirements that are relevant to our audit of financial statements in the UK, including the Financial Reporting Council (FRC)'s Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We have nothing to report on going concern

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

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. We have nothing to report in these respects.

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

Other information

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

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

Based solely on our work on the other information:

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

Kream Comms Limited

Independent Auditor's Report to the Members of Kream Comms Limited (continued)

Report on the audit of the financial statements (continued)

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit or
- the Directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in regard to these matters.

Respective responsibilities and restrictions on use

Responsibilities of Directors for the financial statements

As explained more fully in the Directors' responsibilities statement set out on page 5, the Directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

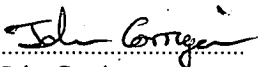
Auditor's responsibilities for the audit of the financial statements

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

A fuller description of our responsibilities is provided on the FRC's website at:
<https://www.frc.org.uk/auditorsresponsibilities>

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

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



John Corrigan

for and on behalf of KPMG, Statutory Auditor

1 Stokes Place

St. Stephen's Green

Dublin 2

Ireland

Date:

8 May 2019

Kream Comms Limited

Statement of Profit and Loss and Other Comprehensive Income for the Year Ended 31 August 2018

		For the year ended 31 Aug 2018 £	For the 16 month period ended 31 Aug 2017 £
	Note		
Turnover	4	4,570,084	8,167,120
Direct costs		<u>(2,488,030)</u>	<u>(5,256,265)</u>
Revenue		2,082,054	2,910,855
Administrative expenses:			
Operating		(1,837,993)	(2,082,065)
Depreciation		(565)	(1,305)
Amortisation and impairments		<u>(426,180)</u>	<u>(568,240)</u>
Total administrative expenses		<u>(2,264,738)</u>	<u>(2,651,610)</u>
Operating (loss)/profit	5	(182,684)	259,245
Interest payable and similar expenses	9	<u>(61,013)</u>	<u>(82,424)</u>
(Loss)/profit before taxation		(243,697)	176,821
Tax on (loss)/profit	10	<u>(10,749)</u>	<u>3,774</u>
(Loss)/profit for the financial year		<u>(254,446)</u>	<u>180,595</u>
Total comprehensive (loss)/income for the period		<u>(254,446)</u>	<u>180,595</u>
EBITDA before other costs*		244,061	828,790
EBIT before other costs**		(182,684)	259,245

* EBITDA defined as earnings before interest, tax, depreciation and amortisation.

** EBIT defined as earnings before interest and tax.

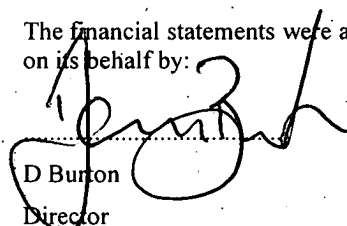
Kream Comms Limited

Company Registration Number: 07628810

Statement of Financial Position as at 31 August 2018

	Note	For the year ended 31 Aug 2018 £	For the 16 month period ended 31 Aug 2017 £
Fixed assets			
Goodwill	11	1,172,013	1,598,193
Tangible assets	12	-	827
		<u>1,172,013</u>	<u>1,599,020</u>
Current assets			
Debtors	13	5,511,536	7,168,485
Cash at bank and in hand	14	76,955	-
		<u>5,588,491</u>	<u>7,168,485</u>
Creditors: Amounts falling due within one year	15	<u>(525,818)</u>	<u>(2,339,385)</u>
Net current assets		<u>5,062,673</u>	<u>4,829,100</u>
Total assets less current liabilities		<u>6,234,686</u>	<u>6,428,120</u>
Creditors: Amounts falling due after more than one year	15	<u>(3,505,947)</u>	<u>(3,444,935)</u>
Net assets		<u>2,728,739</u>	<u>2,983,185</u>
Capital and reserves			
Called up share capital	18	1,000	1,000
Share premium		2,014,635	2,014,635
Profit and loss account		<u>713,104</u>	<u>967,550</u>
Total equity		<u>2,728,739</u>	<u>2,983,185</u>

The financial statements were approved by the Board of Directors and authorised for issue on 18/04/19 and are signed on its behalf by:


D Burton
Director

The notes on pages 11 to 20 form an integral part of these financial statements.

Kream Comms Limited

Statement of Changes in Equity for the Year Ended 31 August 2018

	Called up share capital £	Share premium £	Profit and loss account £	Total equity £
Balance at 1 September 2017	1,000	2,014,635	967,550	2,983,185
Loss and total comprehensive income for the year	-	-	(254,446)	(254,446)
Balance at 31 August 2018	<u>1,000</u>	<u>2,014,635</u>	<u>713,104</u>	<u>2,728,739</u>

	Called up share capital £	Share premium £	Profit and loss account £	Total equity £
Balance at 1 May 2016	1,000	2,014,635	786,955	2,802,590
Profit and total comprehensive income for the period	-	-	180,595	180,595
Balance at 31 August 2017	<u>1,000</u>	<u>2,014,635</u>	<u>967,550</u>	<u>2,983,185</u>

The notes on pages 11 to 20 form an integral part of these financial statements.

Kream Comms Limited

Notes to the Financial Statements for the Year Ended 31 August 2018

1 Company information

Kream Comms Limited is a private company limited by shares and incorporated, domiciled and registered in the United Kingdom. The registered number is 07628810.

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

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

2 Accounting policies

Accounting convention

These financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* ("FRS 102").

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

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

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 US Generally Accepted Accounting Principles (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 4 'Statement of Financial Position' - Reconciliation of the opening and closing number of shares
- Section 7 'Statement of Cash Flows' - Presentation of a Statement of Cash Flow and related notes and disclosures
- Section 33 'Related Party Disclosures' - Compensation for key management personnel

Going concern

The Company's accounts show a loss for the year of £254,446 (2017: £180,595 profit after tax) and a net asset position of £2,728,739 (2017: £2,983,185).

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.

Kream Comms Limited

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

2 Accounting policies (continued)

Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

- 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.

Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of unincorporated businesses over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 10 years.

Tangible fixed assets

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

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

<i>Asset class</i>	<i>Depreciation method and rate</i>
Land and buildings leasehold	over the life of the lease
Fixtures, fittings and equipment	25% to 33% straight line
Computer equipment	25% to 33% straight line

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.

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.

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.

Kream Comms Limited

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

2 Accounting policies (continued)

Basic financial liabilities

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow group companies are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Derecognition of financial liabilities

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

Equity instruments

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

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.

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 cost of 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

For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

Kream Comms Limited

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

2 Accounting policies (continued)

Leases

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the statement of financial position as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the income statement so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

Foreign exchange

Transactions in currencies other than the functional currency (foreign currency) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction, or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

All translation differences are taken to profit or loss, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

3 Judgements 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 the revision and future periods where the revision affects both current and future periods.

Key accounting estimates in preparing the financial statements include the amortisation period of goodwill. In determining the amortisation period the Directors estimate the useful life of the goodwill by determining the period over which the Company expects to consume the future economic benefits, with reference to future revenues expected to be generated.

There were no other estimates and assumptions considered to have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

4 Turnover and other revenue

The analysis of the Company's turnover is as follows:

	For the year ended 31 Aug 2018 £	For the 16 month period ended 31 Aug 2017 £
Moving image production services	<u>4,570,084</u>	<u>8,167,120</u>

The total turnover of the Company for the year has been derived entirely from its principal activity which is considered to be the sole class of business. The turnover from non-UK sources is not considered material and has not been disclosed.

Kream Comms Limited

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

5 Operating (loss)/profit

Operating (loss)/profit for the year/period is stated after charging/(crediting)

	For the year ended 31 Aug 2018 £	For the 16 month period ended 31 Aug 2017 £
Exchange losses	-	153
Depreciation of tangible fixed assets	565	1,305
Amortisation of intangible assets	426,180	568,240

6 Auditor's remuneration

	For the year ended 31 Aug 2018 £	For the 16 month period ended 31 Aug 2017 £
Fees payable to the Company's auditor and its associates:		
For audit services		
Audit of the Company's financial statements	8,929	9,220

7 Employees

The average monthly number of persons (including Directors) employed by the Company during the year was:

	For the year ended 31 Aug 2018 No.	For the 16 month period ended 31 Aug 2017 No.
Client services and other	16	18
Administration	1	1
	17	19

Their aggregate remuneration comprised:

	For the year ended 31 Aug 2018 £	For the 16 month period ended 31 Aug 2017 £
Wages and salaries	958,466	1,247,944
Social security costs	95,544	129,959
Pension costs	17,065	21,849
	1,071,075	1,399,752

Kream Comms Limited

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

8 Directors' remuneration

The Directors' remuneration for the year was as follows:

	For the year ended 31 Aug 2018 £	For the 16 month period ended 31 Aug 2017 £
Remuneration for qualifying services	-	127,825
Company pension contributions to defined contribution schemes	-	14,182
	<u>-</u>	<u>142,007</u>

The Directors did not perform any material services for this Company during the year and hence no emoluments have been disclosed.

9 Interest payable and similar expenses

	For the year ended 31 Aug 2018 £	For the 16 month period ended 31 Aug 2017 £
Interest payable to group undertakings	<u>61,013</u>	<u>82,424</u>

10 Taxation

Tax (credited)/charged in the income statement

	For the year ended 31 Aug 2018 £	For the 16 month period ended 31 Aug 2017 £
Deferred taxation		
Arising from origination and reversal of timing differences	<u>10,749</u>	<u>(3,774)</u>

The charge for the year can be reconciled to the profit per the Statement of Profit and Loss and Other Comprehensive Income as follows:

	For the year ended 31 Aug 2018 £	For the 16 month period ended 31 Aug 2017 £
(Loss)/profit before tax	<u>(243,697)</u>	<u>176,821</u>
Corporation tax at standard rate of 19% (2017: 19.69%)	(46,302)	34,816
Permanent adjustments	4,901	434
Adjustment to closing deferred tax	-	(12,131)
Tax increase/(decrease) arising from group relief	<u>52,150</u>	<u>(26,893)</u>
Total tax charge/(credit)	<u>10,749</u>	<u>(3,774)</u>

Kream Comms Limited

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

11 Intangible fixed assets

	Goodwill £
Cost	
At 1 September 2017	4,261,818
At 31 August 2018	4,261,818
Amortisation and impairment	
At 1 September 2017	2,663,625
Amortisation charge for the period	426,180
At 31 August 2018	3,089,805
Carrying amount	
At 31 August 2018	1,172,013
At 31 August 2017	1,598,193

Goodwill is specifically allocated to the Group of Cash Generating Units ("CGUs") that arose as a result of business combinations.

Impairment tests on goodwill are performed for each operating segment when indicators for impairment are identified. The impairment charge is the amount by which the carrying value exceeds the recoverable value. The recoverable value is the higher of the fair value less cost to sell and the value in use.

The discounted cash flow ("DCF") method is used to determine the value in use. In the DCF method the estimated future cash flows are discounted to their present value using a discount rate, determined as the Group's after-tax weighted average cost of capital that reflects the current market assessment of the time value of money and the risk of the asset. The estimated cash flows for the coming year are based on the annual budget approved by the Board of the parent company.

Cash flows for a subsequent four-year period are extrapolated using expected annual revenue growth rates for each CGU and EBITDA margins. For all businesses a 5% short-term revenue growth rate was used while EBITDA margins are expected to stay flat.

A growth rate of 5% has then been applied beyond the formal five-year period, into perpetuity, with the value-in-use calculation based on an extrapolation of the budgeted cash flow for future years. The after-tax discount rate applied in discounting projected cash flows to net present value is 6.91%.

Kream Comms Limited

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

12 Tangible assets

	Land and buildings leasehold £	Furniture, fittings and equipment £	Computer equipment £	Total £
Cost				
At 1 September 2017	3,382	41,054	272,670	317,106
Disposals	(3,382)	-	(272,670)	(276,052)
At 31 August 2018	-	41,054	-	41,054
Depreciation and impairment				
At 1 September 2017	2,645	41,054	272,580	316,279
Depreciation charge in the year	565	-	-	565
Eliminated on disposal	(3,210)	-	(272,580)	(275,790)
At 31 August 2018	-	41,054	-	41,054
Carrying amount				
At 31 August 2018	-	-	-	-
At 31 August 2017	737	-	90	827

13 Debtors

	Note	2018 £	2017 £
Amounts falling due within one year			
Work in progress		236,472	280,618
Amounts due from fellow group undertakings	21	5,065,411	6,193,122
Other debtors		32,000	135,327
Prepayments and accrued income		148,754	519,770
Deferred tax assets	16	28,899	39,648
		<u>5,511,536</u>	<u>7,168,485</u>

The entire amounts owed from group parties are non-interest bearing and repayable on demand. The carrying value of trade and other receivables equates to their fair value due to their short-term maturities. The maximum exposure to credit risk for trade and other receivables at the reporting date is their carrying amount.

14 Cash and cash equivalents

	2018 £	2017 £
Cash at bank	76,955	-
Bank overdrafts	-	(1,389,867)
Cash and cash equivalents	<u>76,955</u>	<u>(1,389,867)</u>

Kream Comms Limited

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

15 Creditors

	Note	2018 £	2017 £
Due within one year			
Bank overdraft	14	-	1,389,867
Trade creditors		63,007	16,998
Amounts due to group undertakings	21	82,253	79,947
Other taxation and social security		11,578	20,899
Other creditors		7,580	2,957
Accruals and deferred income		361,400	828,717
		<u>525,818</u>	<u>2,339,385</u>

The entire amounts owed to group parties within one year are payable on demand. None of this amount is interest bearing.

	Note	2018 £	2017 £
Due after one year			
Amounts owed to group undertakings	21	<u>3,505,947</u>	<u>3,444,935</u>

The Company has an intercompany loan owed to K Comms Group Limited for £3,023,453, which is redeemable in 2021.

Included in the figure of £3,505,947 (2017: £3,444,935) is accrued interest of £482,494 (2017: £421,482). Interest is charged at LIBOR + 1%. K Comms Group Limited do not have any intention to reclaim the loan value or accrued interest in the foreseeable future not less than 12 months from the date of signing the audit report.

16 Deferred tax

Deferred tax assets and liabilities are offset where the Company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Assets 2018 £	Assets 2017 £
Balances:		
Depreciation in excess of capital allowances	28,606	39,354
Other timing differences	<u>293</u>	<u>294</u>
	<u>28,899</u>	<u>39,648</u>
Movements in the year		2018 £
(Asset) at 1 September 2017		(39,648)
Charge to Statement of Comprehensive Income		<u>10,749</u>
(Asset) at 31 August 2018		<u>(28,899)</u>

17 Retirement benefit schemes

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.

The charge to profit or loss in respect of defined contribution schemes was £17,065 (2017: £21,849).

Kream Comms Limited

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

18 Share capital

Allotted, called up and fully paid shares

	2018	2017
	£	£
Issued and fully paid		
1,000 Ordinary Shares of £1 each	1,000	1,000

19 Commitments

The Company had no capital or financial commitments at the year end date (2017: £Nil)

20 Contingent liabilities

On 29 July 2013, the entity entered into a cross guarantee with National Westminster Bank plc which provides unlimited security for amounts owing by fellow group entities. The amounts outstanding at the year end under this guarantee was £nil (2017: £nil).

21 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.

22 Parent and ultimate parent undertaking

The Company's immediate parent company is Karma Communications Group Limited, a company incorporated in the United Kingdom.

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 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 or from Accenture web site (www.accenture.com).

23 Post balance sheet events

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