

Gartner Danmark ApS

Kalvebod Brygge 45, 3. sal.
1560 København V
Denmark

CVR no. 12 51 68 35

Annual report 2016

The annual report was presented and approved at
the Company's annual general meeting on

24 May 2017

Jacob Kornerup
chairman

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Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of Gartner Danmark ApS for the financial year 1 January – 31 December 2016.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

It is our opinion that the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2016 and of the results of the Company's operations for the financial year 1 January – 31 December 2016 in accordance with the Danish Financial Statements Act.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

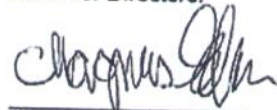
We recommend that the annual report be approved at the annual general meeting.

Copenhagen 10 May 2017

Executive Board:


Elin Gaare Ronsbo

Board of Directors:


Gunnar Magnus
Eriksson
Chairman


Paola Farina


Craig Warren Safian


Daniel Sorlin Peale



Independent auditor's report

To the shareholder of Gartner Danmark ApS

Opinion

We have audited the financial statements of Gartner Danmark ApS for the financial year 1 January – 31 December 2016 comprising income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2016, and of the results of the Company's operations for the financial year 1 January – 31 December 2016 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements 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 International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, 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.

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control that Management determines 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, Management is 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 in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.



Independent auditor's report

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to 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 and the additional requirements in Denmark will always detect a material misstatement when it exists. Misstatements may 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 made on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the company 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 purpose 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 Management.
- conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements 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 contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.



Independent auditor's report

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.

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 10 May 2017

KPMG

Statsautoriseret Revisionspartnerselskab
CVR no. 25 57 81 98

Mark Palmberg
State Authorised
Public Accountant

Gartner Danmark ApS
Annual report 2016
CVR no. 12 51 68 35

Management's review

Company details

Gartner Danmark ApS
Kalvebod Brygge 45, 3. sal.
1560 København V
Denmark

Telephone: +45 45 58 64 00
Website: www.gartner.com
E-mail: gartner.danmark@gartner.com

CVR no.: 12 51 68 35
Established: 1 September 1988
Registered office: Copenhagen
Financial year: 1 January – 31 December

Board of Directors

Gunnar Magnus Eriksson, Chairman
Paola Farina
Craig Warren Safian
Daniel Sorlin Peale

Executive Board

Elin Gaare Ronesen

Auditor

KPMG
Statsautoriseret Revisionspartnerselskab
Dampfærgevej 28
2100 København Ø
Denmark

Annual general meeting

The annual general meeting will be held on 24 May 2017.

Management's review

Financial highlights

DKK'000	2018	2015	2014	2013	2012
Key figures					
Gross margin	75,225	55,214	55,584	38,772	33,873
Operating profit	17,259	8,131	13,411	3,220	2,380
Profit/loss from financial income and expenses	-642	-578	-53	-241	2
Profit for the year	12,917	5,708	10,017	2,148	1,800
Total assets	79,094	91,709	88,852	73,015	69,945
Equity	9,685	16,767	26,081	18,044	15,894
Financial ratios in %					
Return on assets	20.2%	9.0%	16.6%	4.5%	3.4%
Equity ratio	12.2%	18.3%	29.3%	24.7%	22.7%
Return on equity	97.7%	26.6%	45.4%	12.7%	10.3%
Average number of employees	38	35	33	29	27

Financial ratios are calculated in accordance with the Danish Society of Financial Analysts' guidelines on the calculation of financial ratios "Recommendations and Financial Ratios 2015".

The financial ratios have been calculated as follows:

Return on assets	$\frac{\text{Profit/loss from ordinary operating activities}}{\text{Average assets} \times 100}$
Return on equity	$\frac{\text{Profit/loss for the year}}{\text{Average equity} \times 100}$
Equity ratio	$\frac{\text{Closing equity}}{\text{Equity and liabilities at year-end} \times 100}$

Management's review

Operating review

Principal activities

Gartner Danmark ApS is a part of the the world's leading information technology research and advisory company. We deliver the technology-related insight necessary for our clients to make the right decisions every day.

Development in activities and financial position

The income statement for 2016 shows a profit of DKK 12,917 thousand against a profit of DKK 5,706 thousand last year, and the balance sheet at 31 December 2016 shows equity of DKK 9,885 thousand against equity of DKK 16,767 thousand last year.

The results are considered satisfactory.

Events after the balance sheet date

No events have occurred that may significantly affect the Company's financial position.

Outlook

For the coming financial year, the Board of Directors still expects a profit.

Intellectual capital

Gartner Danmark ApS aims to attract and retain talented employees with relevant knowledge and experience within their competencies to maintain and further develop our business and intellectual capital.

Financial statements 1 January – 31 December

Income statement

DKK'000	Note	2016	2015
Gross profit		75,225	55,214
Staff costs	2	-57,537	-46,834
Depreciation and impairment losses on property, plant and equipment		-429	-249
Operating profit		17,259	8,131
Financial income	3	1	232
Financial expenses	4	-457	-808
Profit before tax		16,803	7,555
Tax on profit for the year	5	-3,886	-1,849
Profit for the year		12,917	5,706
Proposed profit appropriation			
Proposed dividend recognised under entity		2,000	20,000
Retained earnings		10,917	-14,294
		12,917	5,706

Financial statements 1 January – 31 December

Balance sheet

DKK'000	Note	2016	2015
ASSETS			
Non-current assets			
Property, plant and equipment	8		
Fixture and fittings, tools and equipment		1,548	415
Leasehold improvements		1,311	169
		<u>2,859</u>	<u>584</u>
Investments			
Deposits	7	624	399
		<u>624</u>	<u>399</u>
Total non-current assets		<u>3,483</u>	<u>983</u>
Current assets			
Receivables			
Trade receivables		38,478	21,904
Contract work in progress	8	7,103	4,524
Receivables from group entities		1,347	277
Other receivables		132	0
Prepayments	9	7,895	6,939
		<u>54,955</u>	<u>33,644</u>
Cash at bank and in hand		<u>20,656</u>	<u>57,082</u>
Total current assets		<u>75,611</u>	<u>90,726</u>
TOTAL ASSETS		<u>79,094</u>	<u>91,709</u>

Financial statements 1 January – 31 December

Balance sheet

DKK'000	Note	2016	2015
EQUITY AND LIABILITIES			
Equity			
Share capital	10	675	675
Proposed dividend for the year		2,000	20,000
Retained earnings		7,010	-3,908
Total equity		9,685	16,767
Provisions			
Provisions for deferred tax	11	1,353	1,219
Total provisions		1,353	1,219
Liabilities other than provisions			
Short-term liabilities other than provisions			
Prepayments received from customers		41,270	38,129
Trade payables		426	1,292
Payables to group entities		10,171	19,489
Corporation tax		-171	866
Other payables		16,360	13,947
		68,056	73,723
Total liabilities other than provisions		68,056	73,723
TOTAL EQUITY AND LIABILITIES		79,094	91,709
Contractual obligations, contingencies, etc.	12		
Related party and related party disclosures	13		

Financial statements 1 January – 31 December

Statement of changes in equity

DKK'000	Share capital	Retained earnings	Proposed dividend	Total
Equity at 1 January 2016	675	6,328	20,000	27,003
Adjustment prior year	0	-10,235	0	-10,235
Distributed dividend	0	0	-20,000	-20,000
Profit for the year; see profit appropriation	0	10,917	2,000	12,917
Equity at 31 December 2016	675	7,010	2,000	9,685

There have been no changes in the share capital during the last five years.

Financial statements 1 January – 31 December

Notes

1 Accounting policies

The annual report of Gartner Danmark ApS has been prepared in accordance with the provisions applying to reporting class C medium-sized entities under the Danish Financial Statements Act.

As of 1 January 2016, the Company has implemented Act no. 738 of 1 June 2015. This has not entailed any changes to recognition or measurement.

2015 Adjustment

During 2016, the Company identified an error relating to 2015. The Company received too much intercompany revenue related to the fulfillment of third party consulting projects contracted through other Gartner entities. This error is adjusted as an error relating to 2015 whereby the comparative figures for 2015 has been adjusted. The effect on revenue in 2015 amounts to DKK 13,381 thousand less tax effect of DKK 3,144 thousand, resulting in a reduction in net profit of DKK 10,235 thousand. The identical amount is also reflected in the statement of changes in equity.

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Income statement

Revenue

Income from the sale of goods, comprising the sale of information technology and advisory related services, is recognised in revenue when delivery and transfer of risk to the buyer have taken place, and the income may be measured reliably and is expected to be received. The date of transfer of the most significant benefits and risks is determined using standard Incoterms @ 2010.

Subscription contracts are accrued over the term of the contract.

Revenue is measured net of all types of discounts/rebates granted. Also, revenue is measured net of VAT and other indirect taxes charged on behalf of third parties.

Financial statements 1 January – 31 December

Notes

Accounting policies (continued)

Gross profit

Pursuant to section 32 of the Danish Financial Statements Act, the items revenue, cost of sales, other external expenses and other operating income are aggregated into one item designated gross profit.

Other external expenses

Other external expenses include the year's expenses relating to the entity's core activities, including expenses relating to distribution, sales, advertising, administration, premises, bad debts, payments under operating leases, etc.

Staff costs

Staff costs include wages and salaries, including holiday pay and pensions, incentive programmes as well as other social security contributions, etc., made to the Company's employees. The item is net of refunds made by public authorities.

Financial income and expenses

Financial income and expenses comprise interest income and expense, financial costs regarding finance leases, gains and losses on securities, payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme, etc.

Tax on profit/loss for the year

Tax for the year comprises current tax for the year and changes in deferred tax, including changes in tax rates. The tax expense relating to the profit/loss for the year is recognised in the income statement at the amount attributable to the profit/loss for the year and directly in equity at the amount attributable to entries directly in equity.

Balance sheet

Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

The item comprises depreciation of property, plant and equipment.

Property, plant and equipment are depreciated on a straight-line basis over the expected useful life of each individual asset. The depreciation basis is the cost.

Financial statements 1 January – 31 December

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Accounting policies (continued)

The expected useful lives of the assets are as follows:

Leasehold improvements	8 years
Fixtures and fittings, tools and equipment	3-5 years

Investments

Other receivables and deposits are recognised at amortised cost.

Receivables

Receivables are measured at amortised cost.

Write-down is made for bad debt losses where there is an objective indication that a receivable or a portfolio of receivables has been impaired. If there is an objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

Contract work in progress

Contract work in progress is measured at the selling price of the work performed. The selling price is calculated on the basis of the stage of completion at the balance sheet date and the projected income from the relevant contract. The stage of completion is stated as the share of costs incurred in proportion to estimated total costs relating to the individual work.

When the selling price of work in progress cannot be estimated reliably, the selling price is measured at the lower of costs incurred and net realisable value.

The individual contract work is recognised in the balance sheet as receivables or payables, respectively. Net assets comprise total work in progress where the selling price of the work performed exceeds progress billings. Net liabilities comprise total work in progress where progress billings exceed the selling price.

Costs arising from sales work and contracting are recognised in the income statement as incurred.

Prepayments

Prepayments comprise prepayment of costs incurred relating to subsequent financial years.

Financial statements 1 January – 31 December

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Accounting policies (continued)

Equity

Dividends

Proposed dividends are recognised as a liability at the date on which they are adopted at the annual general meeting (declaration date). The expected dividend payment for the year is disclosed as a separate item under equity.

Corporation tax and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities measured on the planned use of the asset or settlement of the liability, respectively. However, deferred tax is not recognised on temporary differences relating to office buildings non-deductible for tax purposes and other items where temporary differences arise at the date of acquisition without affecting either profit/loss or taxable income.

Deferred tax is measured in accordance with the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Changes in deferred tax as a result of changes in tax rates are recognised in the income statement or equity, respectively.

Liabilities other than provisions

Financial liabilities are recognised at the date of borrowing at cost, corresponding to the proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost, corresponding to the capitalised value using the effective interest rate. Accordingly, the difference between cost and the nominal value is recognised in the income statement over the term of the loan together with interest expenses.

Other liabilities are measured at net realisable value.

Prepayments and deferred income

Deferred income comprises payments received regarding income in subsequent years.

Financial statements 1 January – 31 December

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Accounting policies (continued)

Cash flow statement

Pursuant to section 86(4) of the Danish Financial Statements Act, no cash flow statement has been prepared. The Company's cash flows are included in the cash flow statement in the consolidated financial statements of Gartner Inc.

2 Staff costs and incentive schemes		
DKK'000	2016	2015
Wages and salaries	53,649	43,456
Pensions	3,752	3,322
Other social security costs	136	56
	<u>57,537</u>	<u>46,834</u>
Average number of full-time employees	36	35

Incentive scheme

All employees can sign up for Employee Stock Purchase Program (ESPP) granting the right to purchase Gartner shares at a 5% discount compared to the market price at the date of purchase.

Employees can purchase shares for up to 10% of their monthly salary after tax. The programme is limited to a maximum amount that is adjusted quarterly.

The Company has an incentive scheme for executives to retain important talents. Gartner issues Restricted Stock Units (RSU) at no cost to these employees based on annual assessments as a form of bonus. Employees eligible for this programme have no influence on the allocation.

Financial statements 1 January – 31 December

Notes

3 Other financial income

DKK'000

Interest income from group entities

2016	2015
1	232
1	232

4 Financial expenses

Interest expense to group entities

Other interest expense

147	189
310	619
457	808

5 Tax on profit for the year

Calculated tax on taxable income for the year

Deferred tax adjustments for the year

3,752	1,401
134	448
3,886	1,849

6 Property, plant and equipment

DKK'000

Cost at 1 January 2016

Additions during the year

Disposals

Cost at 31 December 2016

Accumulated depreciation at 1 January 2016

Depreciation for the year

Accumulated depreciation and impairment losses at 31 December 2016

Reversal of accumulated depreciation on disposals

Total reversal of accumulated depreciation

Carrying amount at 31 December 2016

Leasehold improve- ments	Fixture and fittings, tools and equipment	Total
810	1,548	2,168
1,415	1,477	2,892
-810	-485	-1,075
1,415	2,568	3,973
-441	-1,132	-1,573
-135	-294	-429
-576	-1,428	-2,002
472	416	888
472	416	888
1,311	1,548	2,859

Financial statements 1 January – 31 December

Notes

7 Deposits

DKK'000

Deposits at 1 January 2016

Disposals

Additions

Carrying amount at 31 December 2016

2016	2015
399	396
-399	3
624	0
624	399

8 Contract work in progress

Selling price of work performed

Progress billings

18,198	9,449
-11,095	-4,925
7,103	4,524

recognised as follows:

Contract work in progress (assets)

Contract work in progress (liabilities)

9,134	6,593
-2,031	-2,069
7,103	4,524

In the balance sheet, work in progress is classified as net receivables, DKK 9,134 thousand, and net liabilities, DKK 2,013 thousand.

9 Prepayments

Prepayments comprises prepaid commission of DKK 7,178 thousand (2015: DKK 6,382 thousand) and other prepaid costs of DKK 717 thousand (2015: DKK 557 thousand).

10 Share capital

The share capital comprises 675 shares of a nominal amount of DKK 1,000 each.

The Company's share capital has remained unchanged at DKK 675 thousand over the past five years.

Financial statements 1 January – 31 December

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11 Provision for deferred tax

Deferred tax relates to property, plant and equipment, prepayments and other payables.

12 Contingent liabilities and other financial obligations

Other financial obligations

Rent and lease liabilities include a rent obligation totalling DKK 6,814 thousand (2015: DKK 500 thousand) regarding non-cancellable rent agreements with a remaining term of five years. Furthermore, the Company has lease obligations under operating leases for cars totalling DKK 758 thousand (2015: DKK 2,772 thousand) with a non-cancellable period of six months.

13 Related parties

Gartner Danmark ApS' related parties comprise the following:

Control

Gartner Europe Holdings B.V, Amsterdam, Holland/the Netherlands

Related party transactions

The Company has chosen only to disclose transactions that are not carried out on an arm's length basis in accordance with section 98c(7) of the Danish Financial Statements Act.

Consolidated financial statements

The consolidated financial statements for 2016 can be obtained by contacting the ultimate parent company, Gartner Inc., Stamford, USA.