

# **Global Knowledge Denmark ApS**

**Stamholmen 110, 2650 Hvidovre**

**Company reg. no. 29 39 97 00**

## **Annual report**

**1 October 2016 - 30 September 2017**

The annual report have been submitted and approved by the general meeting on the 12 March 2018.

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**Brian Glenn Holland**  
Chairman of the meeting

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Notes to users of the English version of this document:

- To ensure the greatest possible applicability of this document, British English terminology has been used.
- Please note that decimal points remain unchanged from the Danish version of the document. This means that for instance DKK 146.940 is the same as the English amount of DKK 146,940, and that 23,5 % is the same as the English 23.5 %.

## **Management's report**

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The board of directors and the managing director have today presented the annual report of Global Knowledge Denmark ApS for the financial year 1 October 2016 to 30 September 2017.

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

We consider the accounting policies used appropriate, and in our opinion the annual accounts provide a true and fair view of the company's assets and liabilities and its financial position as on 30 September 2017 and of the company's results of its activities in the financial year 1 October 2016 to 30 September 2017.

We are of the opinion that the management's review includes a fair description of the issues dealt with.

The annual report is recommended for approval by the general meeting.

Hvidovre, 12 March 2018

### **Managing Director**

Brian Glenn Holland

### **Board of directors**

Brian Glenn Holland

Paolo Giovanni Amato Renucci    Andrew Iain Boyle

Morten Koefoed Haaber

## **Independent auditor's report**

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### **To the shareholders of Global Knowledge Denmark ApS**

#### **Opinion**

We have audited the annual accounts of Global Knowledge Denmark ApS for the financial year 1 October 2016 to 30 September 2017, which comprise accounting policies used, profit and loss account, balance sheet and notes. The annual accounts are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the annual accounts give a true and fair view of the company's assets, liabilities and financial position at 30 September 2017 and of the results of the company's operations for the financial year 1 October 2016 to 30 September 2017 in accordance with the Danish Financial Statements Act.

#### **Basis for opinion**

We conducted our audit in accordance with international standards on auditing and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the below section "Auditor's responsibilities for the audit of the annual accounts". We are independent of the company in accordance with international ethics standards for accountants (IESBA's Code of Ethics) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these standards and requirements. We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our opinion.

#### **The management's responsibilities for the annual accounts**

The management is responsible for the preparation of annual accounts that give a true and fair view in accordance with the Danish Financial Statements Act. The management is also responsible for such internal control as the management determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, the management is responsible for evaluating the company's ability to continue as a going concern, and, when relevant, disclosing matters related to going concern and using the going concern basis of accounting when preparing the annual accounts, unless the management either intends to liquidate the company or to cease operations, or if it has no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the annual accounts**

Our objectives are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report including an opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with international standards on auditing and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements may arise due to fraud or error and may be considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions made by users on the basis of the annual accounts.

## **Independent auditor's report**

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As part of an audit conducted in accordance with international standards on auditing and the additional requirements applicable in Denmark, we exercise professional evaluations and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the annual accounts, whether due to fraud or error, design and perform audit procedures in response 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 the risk of not detecting a misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the 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 by the management and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's preparation of the annual accounts being based on the going concern principle and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may raise significant doubt about 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 annual accounts 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 annual accounts, including the disclosures in the notes, and whether the annual accounts reflect the underlying transactions and events in a manner that gives a true and fair view.

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 the internal control that we identify during our audit.

### **Statement on the management's review**

The management is responsible for the management's review.

Our opinion on the annual accounts does not cover the management's review, and we do not express any kind of assurance opinion on the management's review.

## **Independent auditor's report**

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In connection with our audit of the annual accounts, our responsibility is to read the management's review and in that connection consider whether the management's review is materially inconsistent with the annual accounts or our knowledge obtained during the audit, or whether it otherwise appears to contain material misstatement.

Furthermore, 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 believe that the management's review is in accordance with the annual accounts and that it has been prepared in accordance with the requirements of the Danish Financial Statement Acts. We did not find any material misstatement in the management's review.

Copenhagen, 12 March 2018

### **Grant Thornton**

State Authorised Public Accountants  
Company reg. no. 34 20 99 36

#### **Brian Rasmussen**

State Authorised Public Accountant  
MNE-nr. 30153

#### **Kasper Sone Randrup**

State Authorised Public Accountant  
MNE-nr. 36175

## Company data

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### **The company**

Global Knowledge Denmark ApS  
Stamholmen 110  
2650 Hvidovre

Company reg. no. 29 39 97 00  
Established: 23 February 2006  
Domicile: Copenhagen  
Financial year: 1 October 2016 - 30 September 2017  
12th financial year

### **Board of directors**

Brian Glenn Holland  
Paolo Giovanni Amato Renucci  
Andrew Iain Boyle  
Morten Koefoed Haaber

### **Managing Director**

Brian Glenn Holland

### **Auditors**

Grant Thornton, Statsautoriseret Revisionspartnerselskab  
Stockholmsgade 45  
2100 København Ø

### **Parent company**

Global Knowledge Holdings BV

## Management's review

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### The principal activities of the company

The Company advises, teaches and contributes to the development of IT and professional skills in organizations to any desired level. The objective is to add professional knowledge to companies and its employees to enable these companies to be efficient and successful.

The following principles are pursued:

- Consistent across the world
- High quality
- Experience from practice

Global Knowledge in EMEA is the largest independent supplier of IT training in the EMEA market, with more than 21 training centres in 13 countries, and operates a portfolio of over 4,300 courses. In EMEA, there are approximately 600 people working for Global Knowledge, over one third as technical teachers or consultants.

Global Knowledge is certified as:

- Cisco Learning Solutions Partner (CLSP)
- Microsoft Certified Partner for Learning Solutions (CPLS)
- VMWare Authorised Training Centre (VATC)
- VUE Authorised Test Centre
- Amazon Web Services (APN training partner)
- Avaya Learning Partner (ALP)
- Brocade Authorized Training Partners
- Google Cloud Premier Training Partner (GCP)
- IAPP Official Training Partners
- IBM Global Training Providers
- Juniper Authorized Education Partners
- Nutanix Authorized Training Centers
- Oracle Certified Partner
- Symantec Authorized Training Partners
- Veeam Authorized Education Center
- Red Hat Premier Business Partner
- Salesforce partner
- EC-Council Accredited Training Center (ATC)



## Management's review

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### Development in activities and financial matters

In 2017 the economic climate in Europe and also in Denmark had a negative impact on training investments where Companies were reducing on their training spend in order to lower their costs, but despite these economic pressures the Company still managed to grow turnover by 5% over 2016.

Despite this growth in turnover, with increasing costs from its major vendors such as Cisco, the gross profit for the year is DKK 7.189.000 against DKK 7.538.000 last year.

In 2017 despite, the Company suffering from an abnormally high turnover in its sales staff, including the resignation of its former Managing Director it nevertheless adopted an aggressive growth in its sales staff base in order to grow the business in future years. Because the on boarding cycle of a sales person into the training business is long, this resulted in an increase in sales staff costs without seeing a corresponding increase in sales. The Directors regard this as an investment for future years.

The result of this investment activity is that the Company incurred a loss from ordinary activities after tax are DKK -1.554.000 against DKK -647.000 last year. The management consider the results satisfactory.

The number of competitors has become less, but the competition of these remaining competitors has become stronger. The stronger competition is putting pressure on pricing. In addition, the vendors are offering more digital training solutions. It remains vital for the Company to keep striving for the highest market shares for its core vendor authorized portfolios. To further increase its number of buying customers and to growth its business it remains important that the company offers its training and services in a number of locations and via multiple delivery methods.

For the next year(s) the priority is ensuring that the sales team are stable and delivering upon expected quotas, increasing the number of buying customers, increase its share of wallet and increase its market shares on the core vendor portfolios. The new website that was launched in December 2017 will increase the Company's penetration via the internet and enable a far wider reach than today.

2017 saw an ever-increasing desire from customers to reduce the time their staff spend on training and be away from the office and the prediction is that less training time will be spend in classrooms in the training facility. The Company saw a growth in its virtual students in 2017 numbers (Students that are attending the training from another location, not being in the classroom). We hope to see that figure increase more in 2018 as Global Knowledge launches its Pan-EMEA training schedule that will allow students from all over EMEA to attend the same class virtually, thereby allowing The Company to offer its students more guaranteed events and at different times.

Late in the year the Company became the first Company within the Global Knowledge Group to utilise a remote classroom set up solution whereby the set up of the computers within its training center were all managed remotely by its EMEA Headquarters. This will enable the Company to reduce its overhead costs going forward and will help drive the Company towards profitability.

## Management's review

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### The expected development

The Company could benefit from the current IT skills shortage in combination with the current economic growth. Further to this the company should benefit from the new vendor authorized portfolios and from its capability to offer the new learning solutions to its clients.

The company will not only communicate its vendor solution into the market but will also address its solution to the market via Themes like Cloud, Security, Big data/ Analytics and Mobility.

### Expectations 2018

Based on:

- the expected market increase by some of the vendors in 2017 and further
- the Company's current portfolio's and the planned additions,
- the reseller and partnerships the Company has,
- the investment in systems and tools,
- the continued investment in a better classroom setup and IT infrastructure,
- the investment and further growth of the new learning capabilities

It is the expectation that the year 2018 will show a higher result in revenue and could hopefully bring the Company into profit. It is still the Director's medium term view that the Company will return into profit.

## **Accounting policies used**

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The annual report for Global Knowledge Denmark ApS is presented in accordance with those regulations of the Danish Financial Statements Act concerning companies identified as class B enterprises.

The accounting policies used are unchanged compared to last year, and the annual accounts are presented in Danish kroner (DKK).

### **Recognition and measurement in general**

Income is recognised in the profit and loss account concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs, these including depreciation, amortisation, writedown, provisions, and reversals which are due to changes in estimated amounts previously recognised in the profit and loss account are recognised in the profit and loss account.

Assets are recognised in the balance sheet when the company is liable to achieve future, financial benefits and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the company is liable to lose future, financial benefits and the value of the liability can be measured reliably.

At the first recognition, assets and liabilities are measured at cost. Later, assets and liabilities are measured as described below for each individual accounting item.

At recognition and measurement, such predictable losses and risks are taken into consideration, which may appear before the annual report is presented, and which concerns matters existing on the balance sheet date.

### **Translation of foreign currency**

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials.

Debtors, creditors, and other monetary items in foreign currency are translated by using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or the recognition in the latest annual accounts of the amount owed or the liability is recognised in the profit and loss account under financial income and expenses.

Fixed assets and other non-monetary assets acquired in foreign currency and which are not considered to be investment assets purchased in foreign currencies are measured at the exchange rate on the transaction date.

## **Accounting policies used**

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### The profit and loss account

#### **Gross profit**

The gross profit comprises the net turnover, changes in inventories of finished goods and work in progress, other operating income, and external costs.

The net turnover is recognised in the profit and loss account if delivery and risk transfer to the buyer have taken place before the end of the year, and if the income can be determined reliably and is expected to be received. The net turnover is recognised exclusive of VAT and taxes and with the deduction of any discounts granted in connection with the sale.

Costs of sales includes costs for the purchase of raw materials and consumables less discounts and changes in inventories.

Other external costs comprise costs for distribution, sales, advertisement, administration, premises, loss on debtors, and operational leasing costs.

#### **Staff costs**

Staff costs include salaries and wages including holiday allowances, pensions and other costs for social security etc. for staff members. Staff costs are less public reimbursements.

#### **Depreciation, amortisation and writedown**

Depreciation, amortisation and writedown comprise depreciation on, amortisation of and writedown relating to intangible and tangible fixed assets respectively.

#### **Net financials**

Net financials comprise interest, realised and unrealised capital gains and losses concerning financial assets and liabilities, amortisation of financial assets and liabilities, additions and reimbursements under the Danish tax prepayment scheme, etc. Financial income and expenses are recognised in the profit and loss account with the amounts that concerns the financial year.

#### **Tax of the results for the year**

The tax for the year comprises the current tax for the year and the changes in deferred tax, and it is recognised in the profit and loss account with the share referring to the results for the year and directly in the equity with the share referring to entries directly on the equity.

## Accounting policies used

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### The balance sheet

#### Intangible fixed assets

##### Goodwill

Goodwill is amortised over its estimated useful life, which is determined on the basis of the management's experience with the individual business areas. Goodwill is amortised on a straight-line basis over the amortisation period, which is 15 years. The amortisation period is determined on the basis of an expected payback period.

#### Tangible fixed assets

Tangible fixed assets are measured at cost with deduction of accrued depreciation and writedown.

The basis of depreciation is cost with deduction of any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the book value, the amortisation discontinues.

The cost comprises the acquisition cost and costs directly attached to the acquisition until the time when the asset is ready for use.

The cost of a total asset is divided into separate components. These components are depreciated separately, the useful lives of each individual components differing.

Depreciation takes place on a straight line basis and based on an evaluation of the expected useful life:

	<i>Useful life</i>
<i>Other plants, operating assets, fixtures and furniture</i>	<i>1-5 years</i>

Minor assets with an expected useful life of less than 1 year are recognised as costs in the profit and loss account in the year of acquisition.

Profit or loss deriving from the sales of tangible fixed assets is measured as the difference between the sales price reduced by the selling costs and the book value at the time of the sale. Profit or losses are recognised in the profit and loss account as other operating income or other operating expenses.

#### Leasing contracts

Payments in connection with operational leasing and other rental agreements are recognised in the profit and loss account over the term of the contract. The company's total liabilities concerning operational leasing and rental agreements are recognised under contingencies etc.

#### Inventories

Inventories are measured at cost on basis of the FIFO method. In case the net realisable value of the inventories is lower than the cost, writedown takes place to this lower value.

## **Accounting policies used**

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The cost for trade goods, raw materials, and consumables comprises the acquisition cost with the addition of the delivery costs.

The net realisable value for inventories is recognised as the market price with deduction of completion costs and selling costs. The net realisable value is determined taking into consideration the negotiability, obsolescence, and development of the expected market price.

### **Debtors**

Debtors are measured at amortised cost which usually corresponds to face value. In order to meet expected losses, writedown takes place at the net realisable value.

### **Accrued income and deferred expenses**

Accrued income and deferred expenses recognised under assets comprise incurred costs concerning the next financial year.

### **Available funds**

Available funds comprise cash at bank and in hand.

### **Corporate tax and deferred tax**

Current tax receivable and tax liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on previous years' taxable income and prepaid taxes. Tax receivable and tax liabilities are set off to the extent that legal right of set-off exists and if the items are expected to be settled net or simultaneously.

Deferred tax is measured on the basis of all temporary differences in assets and liabilities with a balance sheet focus.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation on the balance sheet date and prevailing when the deferred tax is expected to be released as current tax.

### **Liabilities**

Other liabilities are measured at amortised cost which usually corresponds to the nominal value.

### **Accrued expenses and deferred income**

Received payments concerning income during the following years are recognised under accrued expenses and deferred income.

## Profit and loss account 1 October - 30 September

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All amounts in DKK.

<u>Note</u>	<u>2016/17</u>	<u>2015/16</u>
<b>Gross profit</b>	<b>7.189.465</b>	<b>7.538.429</b>
1 Staff costs	-8.450.328	-7.479.713
Depreciation, amortisation and writedown relating to tangible and intangible fixed assets	-480.111	-606.016
<b>Operating profit</b>	<b>-1.740.974</b>	<b>-547.300</b>
Other financial income	223.221	0
Other financial costs	-35.859	-99.408
<b>Results before tax</b>	<b>-1.553.612</b>	<b>-646.708</b>
2 Tax on ordinary results	0	0
<b>Results for the year</b>	<b>-1.553.612</b>	<b>-646.708</b>
 <b>Proposed distribution of the results:</b>		
Allocated from results brought forward	-1.553.612	-646.708
<b>Distribution in total</b>	<b>-1.553.612</b>	<b>-646.708</b>

**Balance sheet 30 September**

All amounts in DKK.

<u>Note</u>	<u>2017</u>	<u>2016</u>
<b>Assets</b>		
<b>Fixed assets</b>		
3 Goodwill	1.027.432	1.369.905
Intangible fixed assets in total	<u>1.027.432</u>	<u>1.369.905</u>
4 Other plants, operating assets, and fixtures and furniture	204.297	128.907
Tangible fixed assets in total	<u>204.297</u>	<u>128.907</u>
<b>Fixed assets in total</b>	<b><u>1.231.729</u></b>	<b><u>1.498.812</u></b>
<b>Current assets</b>		
Manufactured goods and trade goods	98.935	260.907
Inventories in total	<u>98.935</u>	<u>260.907</u>
Trade debtors	4.095.451	3.605.188
Amounts owed by group enterprises	0	52.440
Other debtors	381.995	414.129
Accrued income and deferred expenses	1.162.952	929.562
Debtors in total	<u>5.640.398</u>	<u>5.001.319</u>
Available funds	<u>835.651</u>	<u>352.705</u>
<b>Current assets in total</b>	<b><u>6.574.984</u></b>	<b><u>5.614.931</u></b>
<b>Assets in total</b>	<b><u>7.806.713</u></b>	<b><u>7.113.743</u></b>



**Balance sheet 30 September**

All amounts in DKK.

<b>Equity and liabilities</b>			
<u>Note</u>		<u>2017</u>	<u>2016</u>
<b>Equity</b>			
5	Contributed capital	201.000	201.000
6	Results brought forward	-1.564.711	-11.099
	<b>Equity in total</b>	<b>-1.363.711</b>	<b>189.901</b>
<b>Liabilities</b>			
	Subordinate loan capital	1.765.722	0
	Long-term liabilities in total	1.765.722	0
	Bank debts	53.838	57.446
	Prepayments received from customers	2.001.234	818.707
	Trade creditors	1.714.121	586.865
	Debt to group enterprises	0	2.077.498
	Other debts	2.862.266	2.910.036
	Accrued expenses and deferred income	773.243	473.290
	Short-term liabilities in total	7.404.702	6.923.842
	<b>Liabilities in total</b>	<b>9.170.424</b>	<b>6.923.842</b>
	<b>Equity and liabilities in total</b>	<b>7.806.713</b>	<b>7.113.743</b>
<b>7</b>	<b>Mortgage and securities</b>		
<b>8</b>	<b>Contingencies</b>		

## Notes

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All amounts in DKK.

	<u>2016/17</u>	<u>2015/16</u>
<b>1. Staff costs</b>		
Salaries and wages	7.735.165	6.674.431
Pension costs	451.869	479.058
Other costs for social security	74.526	67.346
Other staff costs	188.768	258.878
	<u><b>8.450.328</b></u>	<u><b>7.479.713</b></u>
Average number of employees	<u>12</u>	<u>12</u>
<b>2. Tax on ordinary results</b>		
Tax of the results for the year	<u>0</u>	<u>0</u>
	<u><b>0</b></u>	<u><b>0</b></u>
<b>3. Goodwill</b>		
Cost 1 October 2016	<u>5.137.108</u>	<u>5.137.108</u>
<b>Cost 30 September 2017</b>	<u><b>5.137.108</b></u>	<u><b>5.137.108</b></u>
Amortisation and writedown 1 October 2016	-3.767.203	-3.424.730
Amortisation and writedown for the year	<u>-342.473</u>	<u>-342.473</u>
<b>Amortisation and writedown 30 September 2017</b>	<u><b>-4.109.676</b></u>	<u><b>-3.767.203</b></u>
<b>Book value 30 September 2017</b>	<u><b>1.027.432</b></u>	<u><b>1.369.905</b></u>
<b>4. Other plants, operating assets, and fixtures and furniture</b>		
Cost 1 October 2016	3.090.485	3.015.014
Additions during the year	<u>213.027</u>	<u>75.471</u>
<b>Cost 30 September 2017</b>	<u><b>3.303.512</b></u>	<u><b>3.090.485</b></u>
Depreciation and writedown 1 October 2016	-2.961.578	-2.698.035
Depreciation and writedown for the year	<u>-137.637</u>	<u>-263.543</u>
<b>Depreciation and writedown 30 September 2017</b>	<u><b>-3.099.215</b></u>	<u><b>-2.961.578</b></u>
<b>Book value 30 September 2017</b>	<u><b>204.297</b></u>	<u><b>128.907</b></u>

## Notes

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All amounts in DKK.

	<u>30/9 2017</u>	<u>30/9 2016</u>
<b>5. Contributed capital</b>		
Contributed capital 1 October 2016	<u>201.000</u>	<u>201.000</u>
	<b><u>201.000</u></b>	<b><u>201.000</u></b>
<b>6. Results brought forward</b>		
Results brought forward 1 October 2016	-11.099	635.609
Profit or loss for the year brought forward	<u>-1.553.612</u>	<u>-646.708</u>
	<b><u>-1.564.711</u></b>	<b><u>-11.099</u></b>

### 7. Mortgage and securities

Of the cash funds, tDKK 100 is pledged as security for bank debts.

### 8. Contingencies

#### Contingent liabilities

The company is subject to a rental obligation of tDKK 544 at September 30, 2017. The rental obligation will after February 1, 2018 be tDKK 348 after a change in the lease agreement.

#### Operational leasing

The company has lease commitments amounting to tDKK 26 at September 30, 2017.