

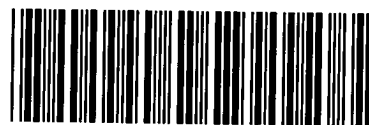
Gartner U.K. Limited

Annual report and financial statements

For the year ended 31 December 2019

Registered number 02266016

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Gartner U.K. Limited
Directors' report and financial statements
For the year ended 31 December 2019

Directors' report and financial statements

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Strategic report

The directors present their strategic report for the year ended 31 December 2019.

Principal Activity

Gartner U.K. Limited (the "Company") is a UK subsidiary of Gartner, Inc., the world's leading research and advisory company. The Company equips business leaders with indispensable insights, advice and tools to achieve their mission-critical priorities and build the successful organisations of tomorrow.

Financial Performance Review

For the year ended 31 December 2019, the business made an operating loss of £6,049,000 (2018: profit of £9,106,000) on sales of £349,778,000 (2018: £261,124,000). Headcount at the year-end was 1,762 (2018: 1,721) with access to a far greater pool of associates, contractors and resources from other group companies. The decreased operating results were primarily driven by the integration of the CEB Global Ltd. operations, which resulted in increased compensation and facility expenses due to the additional headcount.

The profit after taxation for the year ended 31 December 2019 was £5,131,000 (2018: £4,970,000).

The Company continues to execute a strategy to grow its business and improve operating margins.

Business Review

Overview

Gartner, Inc., a corporation organized under the laws of the State of Delaware, USA and headquartered in Stamford, Connecticut, USA ("Gartner USA"), and its direct and indirect subsidiaries together (collectively "Gartner") constitute the world's leading research and advisory company. The Company delivers business services and products in the following business segments:

- **Research** provides trusted, objective insights and advice on the mission-critical priorities of leaders across all functional areas of the enterprise through reports, briefings, proprietary tools, access to the Gartner research experts, peer networking services and membership programs that enable the clients to drive organisational performance.
- **Conferences** provides business professionals across the organisation the opportunity to learn, share and network. From industry-leading conferences focused on specific business roles and topics, to peer-driven sessions, the Company's offerings enable attendees to experience the best of Gartner insight and advice live.
- **Consulting** combines the power of Gartner market-leading research with custom analysis and on-the-ground support to help chief information officers and other senior executives driving technology-related strategic initiatives move confidently from insight to action.

For more information regarding Gartner and its products and services, visit www.gartner.com.

Strategic report (continued)

Competitive Advantages

The Company believes that the principal factors that differentiate it from its competitors are:

- Superior research content — The Company believes that it creates and has access to the broadest, highest-quality and most relevant research coverage of all major functional roles in the enterprise. The Company's independent operating model and research analysis generates unbiased insight that it believes is timely, thought-provoking and comprehensive, and that is known for its high quality, independence and objectivity.
- Leading brand name — The Company has provided critical, trusted insight under the Gartner name for over 40 years.
- Global footprint and established customer base — Gartner has a global presence with clients in more than 100 countries on six continents.
- Experienced management team — The directors and management team of the Company and its subsidiary are composed of research veterans and experienced industry executives with long tenure at Gartner.
- Substantial operating leverage in the Company's business model — The Company has the ability to distribute its intellectual property and expertise across multiple platforms, including research and advisory subscription and membership programs, conferences and consulting engagements, to derive incremental revenue and profitability.
- Vast network of analysts and consultants — As of 31 December 2019, the Company had access to approximately 2,300 research experts and 780+ experienced consultants located around the world. Gartner research experts are located in more than 30 countries, enabling the Company to cover vast aspects of business and technology on a global basis.

Strategy

The fundamentals of the Company's strategy include a focus on creating extraordinary research content, delivering innovative and highly differentiated product offerings, building a strong sales capability, providing world class client service with a focus on client engagement and retention, and continuously improving operational effectiveness.

Key Performance Indicators

The following business measurements are important performance indicators for the Company's business segments:

- Research
 - Client retention rate - represents a measure of client satisfaction and renewed business relationships at a specific point in time. Client retention is calculated on a percentage basis by dividing current clients, who were also clients a year ago, by all clients from a year ago. The client retention rate for Gartner's worldwide research organisation is 82% and 83% in 2019 and 2018, respectively.
- Consulting
 - Utilisation rate - represents a measure of productivity of the Company's consultants. Utilisation rates are calculated for billable headcount on a percentage basis by dividing total hours billed by total hours available to bill. Gartner's worldwide consulting organisation had a utilisation rate of 62% and 63% in 2019 and 2018, respectively.
- Conferences
 - Number of destination conferences - represents the total number of hosted destination conferences completed during the period. The Company held 15 and 14 events in 2019 and 2018, respectively.
 - Number of destination conferences attendees - represents the number of people who attend conferences. In 2019, the Company had 11,419 attendees, which represents a 6% increase on the attendee figure for 2018 of 10,755.

Strategic report *(continued)*

Factors That May Affect Future Performance

The Company operates in a highly competitive and rapidly changing environment that involves numerous risks and uncertainties, some of which are beyond the Company's control. In addition, the Company and its clients are affected by global economic conditions and trends. The following discusses many, but not all, of the risks and uncertainties that may affect the Company's future performance, and is not intended to be all-inclusive. Any of the risks described below could have a material adverse impact on the Company's business, prospects, results of operations, financial condition, and cash flows.

- The Company's operating results could be negatively impacted by global economic conditions.
- There is uncertainty with respect to the extent to which the Company's operations, financial condition and cash flows may be negatively affected by the COVID-19 crisis.
- The Company faces significant competition and its failure to compete successfully could materially adversely affect its results of operations, financial condition and cash flows.
- The Company and Gartner USA may not be able to maintain the quality of the existing products and services.
- The Company and Gartner USA may not be able to enhance and develop the existing products and services, or introduce the new products and services that are needed to remain competitive.
- Technology is rapidly evolving, and if the Company does not continue to develop new product and service offerings in response to these changes, the Company's business could suffer.
- The Company's research business depends on renewals of subscription-based services and sales of new subscription-based services for a significant portion of its revenue, and failure to renew at historical rates or generate new sales of such services could lead to a decrease in its revenues.
- The Company's consulting business depends on non-recurring consulting engagements and failure to secure new engagements could lead to a decrease in its revenues.
- The profitability and success of the Company's conferences and other meetings could be adversely affected by external factors beyond its control.
- The Company's sales to governments are subject to appropriations and may be terminated.
- The Company may not be able to attract and retain access to qualified personnel which could jeopardise the quality of its products and services and its future growth plans.
- The Company may not be able to maintain the equity in its brand name.
- The Company is subject to risks from operating globally.
- Failure to comply with complex laws and regulations could have a material adverse effect to the Company's operations or financial condition.
- The Company is exposed to volatility in foreign currency exchange rates from its international operations.
- Natural disasters, pandemics, terrorist acts, war, actions by the governments, and other geopolitical events could disrupt the Company's operations.
- Privacy concerns could damage the Company's reputation and deter current and potential clients from using its products and services or attending its conferences.
- The Company is exposed to risks related to cybersecurity.
- The Company may experience outages and disruptions of its online services if it fails to maintain an adequate operations infrastructure.
- If the Company is unable to enforce and protect its intellectual property rights, its competitive position may be harmed.
- The Company has grown, and may continue to grow, through acquisitions and strategic investments, which could involve substantial risks.

Strategic report *(continued)*

Brexit

The Company's business is subject to risks from changes in the regulatory environment it operates in. Currently, the exit of United Kingdom (U.K.) from the European Union (the EU), commonly referred to as "Brexit", could be disruptive and negatively impact the Company's business and the business of its clients. The Company continues to monitor Brexit and its potential impacts on the Company's business operation and financial condition. The specific effects of Brexit on the Company's operations depend in part on what agreements are negotiated between the U.K. and the EU regarding post-Brexit access to EU markets. If Brexit leads to legal uncertainty and potentially divergent national laws and regulations in the U.K. and the EU, then the Company, as well as our clients who have significant operations in the U.K., may incur additional costs and expenses as we adapt to the divergent regulatory frameworks. For example, if Brexit requires changes in our legal entity structure in the U.K. and the EU, our contractual commitments in the U.K. and the rest of the EU may be impacted. Additionally, separation from the EU may negatively impact the U.K. economy, result in the imposition of tariffs or result in currency devaluations in the U.K. The impact of any of these effects of Brexit, among others, could materially harm the Company's business and financial results.

COVID-19

In December 2019, a novel coronavirus disease ("COVID-19") was reported in Wuhan, China and on 11 March 2020, the World Health Organization characterised COVID-19 as a pandemic. The virus has since spread to nearly all regions in the world and has created significant uncertainties and disruption in the global economy. The Company is closely monitoring the pandemic-related developments, and its highest priority is the health and safety of its associates, clients, vendors, partners and other stakeholders. The Company is working closely with clients to provide best in class COVID-19 related research to assist in achieving their mission critical priorities.

As a result of the COVID-19 pandemic, the Company and its subsidiary have temporarily closed their offices and implemented significant travel restrictions. Though many of the employees continue to work remotely, these changes impact the normal business operations. It is difficult to predict when or how the Company will begin to lift the actions put in place as part of its business continuity plans, including work from home requirements and travel restrictions. Additionally, the Company cancelled or postponed certain conferences beginning in the first quarter of 2020. The consulting and research businesses also started to experience a slowdown. In response to the pandemic's impacts to the business, the Company has implemented certain cost management actions.

Any future asset impairment charges, increase in allowance for doubtful accounts or restructuring charges could be more likely if the negative effects of the COVID-19 pandemic continue and will be dependent on the severity and duration of the crisis.

Properties

- Most of the Company's U.K. operations is premised on a 107,540 square foot building that opened in September 2017. The Egham lease has a term of 15 years. After vacating the other local building in August 2019, the company moved to another 44,475 square foot premises in Egham, the lease term of which is 3 years.
- Additionally, the Company has consolidated its London operations into a new 53,597 square foot premises that opened in June 2019. The London lease has a term of 10 years.

Strategic report (continued)

Section 172(1) Statement

In discharging their duty to promote the interests of the Company under section 172, Companies Act 2006, the directors of the Company have regard to a number of factors and stakeholder interests. These are described below.

Long term consequences of business decisions and maintaining reputation for high standards of business conduct

The continued success of Gartner's business model is described in the Company's Strategic Report and is dependent upon its ability to provide the highest standards of independent and unbiased research, and build long term relationships with clients and other stakeholders.

Maintenance of a reputation for high standards of business conduct is critical to both of these foundational elements of the Company's success, and that of the wider Gartner group, and forms an inherent part of the Board's decision making. Gartner's policies and procedures to safeguard its reputation, which the Company actively engages in, are described in more detail below.

Stakeholder identification and engagement

The Company recognises the importance of maintaining strong relationships with its stakeholders in order to create sustainable, long-term value, and the Board encourages active dialogue and transparency with all its stakeholder groups. The Company has identified two external and two internal stakeholder groups which are principally relevant to the proper discharge of the duty of the directors under section 172(1) to promote the success of the Company.

Clients

A fundamental element of delivering the Company's strategy is the provision of a world class client service offering, focusing on client engagement and retention. The Board receives regular reports on the Company's performance, including client retention rates, being one of the key quantitative metrics by which client service and engagement is measured. Preparation for contract renewal begins well in advance of contract expiration. The Company reviews and evaluates its value-add and return on investment for the client to ensure that it offers a compelling reason for renewal. Feedback from clients is obtained through a number of formal and informal processes, including the Office of the Ombudsman described below. Any significant client issues are reported to the Board.

Vendors

As part of its core research business, Gartner research analysts cover vendors that, based on the analysts' judgment, are significant participants in the markets Gartner covers, including both Gartner clients and non-clients.

Ensuring that vendors perceive Gartner as a source of trusted, unbiased research is critical to the success of the research business. In order to safeguard this reputation, the wider Gartner group maintains an independent Office of the Ombudsman to which both client and non-client vendors may submit a complaint about research, an analyst, the methodology used to create the research, or anything related to a draft or published document.

Guidance for vendors on how complaints are dealt with internally, together with Gartner's policies designed to ensure the independence and objectivity of its research are published on the Gartner's website, available at <https://www.gartner.com/en/research/methodologies/independence-and-objectivity>.

The escalation of vendor complaints is dealt with, as a matter of policy, by the Office of the Ombudsman. The Office of the Ombudsman also actively solicits commentary about Gartner objectivity directly from clients, non-clients and employees and recommends process and policy improvements where applicable.

To the extent that material issues relating to the business of the Company arise, these will be reported to the Board, which is responsible for ensuring that corrective action is taken where appropriate.

Strategic report (continued)

Section 172(1) Statement (continued)

Stakeholder identification and engagement (continued)

Employees

Gartner is fundamentally a people business, and the achievement of the Company's business objectives is in part driven by its ability to attract, retain and motivate top talent. Therefore, the Company strives to offer best-in-class financial and non-financial benefits, and to foster a culture of continuous improvement and growth, including through the provision of internal and external training and development.

The Company regularly conducts employee surveys to measure employee engagement and assess whether employees feel they have the information, tools and resources to do their jobs effectively.

The Company is committed to being an equal opportunity employer and has adopted formal diversity and inclusion policies.

The Company supports a number of voluntary, employee-driven Employee Resource Groups (ERGs) that bring employees together and foster a diverse, inclusive and supportive workplace. Gartner currently has four formal ERGs:

- Mosaic at Gartner focuses on underrepresented racial, ethnic and multicultural backgrounds;
- Pride at Gartner represents LGBTQ associates and allies;
- Veterans at Gartner is for those who served in the military; and
- Women at Gartner focuses on advocating issues that affect women in the workplace.

All ERGs are open to all employees, regardless of ERG name or constituency, and play a key role in driving employee engagement at Gartner.

The Board recognises that the Company's business model may expose individual employees to unwanted influence from, for example, vendors seeking favourable coverage. Employees are encouraged to report instances of this type, and are able at any time to refer the matter to the Office of the Ombudsman. The procedures are designed to ensure that employees are provided with a protective mechanism should unwanted influence be exerted. In addition, all Gartner employees have access to a free-of-charge hotline to report any concerns on an anonymous basis.

The Company's investment in its human capital and strong employee engagement has led to external recognition; Glassdoor's annual Employee Choice Award recognised the Company as one of the Best Places to Work U.K. 2018, 2019.

Owners

As a wholly-owned subsidiary of the wider Gartner group, the Board engages in regular dialogue with representatives from the Company's parent entity. The Board of the Company directors appointed by Gartner Inc, which enables the views of the wider Gartner group to be considered and discussed at Board meetings. In addition, the Board receives regular reports and updates on matters of strategic importance from members of the central finance and management teams within the wider Gartner group.

Impact on the environment and the community

Environment

As a research and advisory business, the Company is not a significant consumer of natural resources, it does not create large volumes of emissions or waste, and its physical footprint is small.

However, in compliance with wider Gartner group policies, the Company strives to minimise its environmental impact wherever possible and actively manages its energy consumption and waste creation.

Communities and supply chains

The Company seeks to make a positive impact in the communities in which it operates and actively promotes minority- and women-owned business enterprise (MWBE) business vendors whenever feasible in its supply chain.

Gartner U.K. Limited
Directors' report and financial statements
For the year ended 31 December 2019

Strategic report *(continued)*

Section 172(1) Statement *(continued)*

Impact on the environment and the community *(continued)*

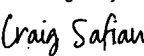
Communities and supply chains *(continued)*

Gartner is committed to conducting business in an ethical and honest manner and in compliance with all applicable laws and regulations, while furthering its values of diversity, inclusion, respect and integrity.

Toward that goal, Gartner endeavours to choose reputable suppliers which conduct their business in a manner that shows such a commitment. The Company has adopted Gartner's Supplier Code of Conduct which sets out the Gartner group's expectations on:

- Fair labour practices
- The protection of human rights
- Privacy and data security
- Anti-bribery and anti-corruption protections and
- Compliance and misconduct reporting.

By order of the board

DocuSigned by:

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C Safian
Director

11 November 2020

Directors' report

The directors present their report and the audited financial statements for the year ended 31 December 2019.

Dividends

Gartner U.K. Limited (the "Company") did not pay a dividend during the year (2018: *£nil*).

Going concern

Although the Company had net current assets of £10,607,000 as at 31 December 2019 and has made a profit for the year then ended of £5,131,000, the Company is part of a group cash pooling arrangement.

The financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The directors have prepared cash flow forecasts up to 31 December 2021 which indicate that, taking account of severe but plausible downsides and the anticipated impact of COVID-19 on the operations and its financial resources, the Company will have sufficient funds through the cash pooling arrangement from its ultimate parent company, Gartner, Inc., to meet its liabilities as they fall due for that period.

The full extent to which the COVID-19 pandemic may impact the Company's results, operations or liquidity is uncertain. In assessing the going concern basis, the directors have considered the negative impacts to all of the Company's business segments with Conferences being the most impacted. However, Conferences business accounts for less than 25% of the Company's revenue historically. Since the COVID-19 pandemic, the Company has continued its research and advisory services and will continue to execute a strategy to grow its business. Despite the slowed-down growth in the Company's business, the directors believe that the Company's emphasis on producing business and technology insight into every major business function in the enterprise will continue to drive client engagement and satisfaction with the research products. Nonetheless, the directors have incorporated a stress test in cash flow forecasts and considered a plausible but severe downside scenario which assumes zero Conference businesses and slowed down growth in research and advisory business. Based on the analysis, it is the directors' opinion that the circumstances which would give rise to doubt in the Company's going concern are highly unlikely. Additionally, in response to the pandemic's impacts, the Company has implemented workforce reductions, significant limitations on hiring and third-party spending, reductions to discretionary spending and elimination of non-essential travel and re-prioritization of capital expenditures.

Those forecasts are dependent on Gartner, Inc. providing additional financial support during that period. Gartner, Inc. has indicated its intention to continue to make available such funds as are needed by the Company for the period covered by the forecasts. Based on their assessment of Gartner, Inc.'s financial position, the directors are satisfied that Gartner, Inc. has the ability to provide the support required by the Company and that it is in Gartner's economic interests to do so. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Directors

The directors who held office during the year, and up to the date of this report, unless otherwise noted, were as follows:

C Safian
W Dorgan (*resigned 4 March 2019*)
P Busby
M Lithgow
K Holland (*appointed 4 March 2019; resigned 1 August 2020*)

Directors' report *(continued)*

Employment policies

The Company continues to give particular attention to the employment of disabled people. Applicants who are disabled and those who become disabled during employment are offered the widest range of training and opportunity appropriate to their skills.

The Company considers the establishment of the right priorities and environment for people is essential for their performance and development and to the future of the Company.

Employees are kept informed of the group's financial performance and a share option scheme is operated to give employees a chance to participate in the group's success.

Engagement with suppliers, customers and others in a business relationship with the Company

A directors' statement, summarising the Company's business relationships with suppliers, customers and others, is included in the Strategic Report.

Post balance sheet events

January 2020 Cost Sharing Alignment

Effective 1 January 2020, Gartner incorporated various Intangible Property ("IP") including CEB, Research Board, and Evanta IP into the Amended and Restated Agreement for Sharing Research and Development Costs with Respect to Intangible Property ("Gartner CSA"), to which the Company is already a party. The Gartner CSA is now aligned by territory as well as by Global Technology Sales and Global Business Sales. In connection with the cost sharing alignment, the Company simultaneously entered into various license arrangements with various group companies.

COVID-19

In December 2019, a novel coronavirus disease ("COVID-19") was reported in Wuhan, China and on 11 March 2020, the World Health Organization characterised COVID-19 as a pandemic. The virus has since spread to nearly all regions in the world and has created significant uncertainties and disruption in the global economy. The Company is closely monitoring the pandemic-related developments, and its highest priority is the health and safety of its associates, clients, vendors, partners and other stakeholders. The Company is working closely with clients to provide best in class COVID-19 related research to assist in achieving their mission critical priorities.

As a result of the COVID-19 pandemic, the Company and its subsidiary have temporarily closed their offices and implemented significant travel restrictions. Though many of the employees continue to work remotely, these changes impact the normal business operations. It is difficult to predict when or how the Company will begin to lift the actions put in place as part of its business continuity plans, including work from home requirements and travel restrictions. Additionally, the Company cancelled or postponed certain conferences beginning in the first quarter of 2020. The consulting and research businesses also started to experience a slowdown. In response to the pandemic's impacts to the business, the Company has implemented certain cost management actions.

Any future asset impairment charges, increase in allowance for doubtful accounts or restructuring charges could be more likely if the negative effects of the COVID-19 pandemic continue and will be dependent on the severity and duration of the crisis.

Political contributions

The Company made no political contributions during the year (2018: *£nil*).

Gartner U.K. Limited
Directors' report and financial statements
For the year ended 31 December 2019

Directors' report *(continued)*


Disclosure of information to auditor

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

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office:

By order of the board

DocuSigned by:

F42D01EBCE0B413...
C Safian
Director
Gartner UK Limited (registered number 02266016)
Tamesis, The Glanty, Egham, Surrey, TW20 9AH

11 November 2020

Gartner U.K. Limited
Directors' report and financial statements
For the year ended 31 December 2019

Statement of directors' responsibilities in respect of the Strategic Report, the Directors' Report and the financial statements

The directors are responsible for preparing the Strategic Report, 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 UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework*.

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 period. 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 UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal 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, 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GARTNER U.K. LIMITED

Opinion

We have audited the financial statements of Gartner U.K. Limited ("the company") for the year ended 31 December 2019 which comprise the Profit and Loss Account, Statement of Other Comprehensive Income, Balance Sheet, and Statement of Changes in Equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure Framework*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

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. In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. 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.

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report 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 strategic report and the directors' report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GARTNER U.K. LIMITED
(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.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 11, the directors are responsible for: the preparation of the financial statements and for 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

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

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

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

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

Gemma Hancock

Gemma Hancock (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
1 Forest Gate
Brighton Road
Crawley
West Sussex
RH11 9PT

12 November 2020

Gartner U.K. Limited
Directors' report and financial statements
For the year ended 31 December 2019

Profit and Loss Account

for the year ended 31 December 2019

	<i>Note</i>	2019 £000	2018 £000
Turnover	2	349,778	261,124
Administrative expenses	3	(375,005)	(275,639)
Other operating income		19,178	23,621
Operating (loss) / profit		(6,049)	9,106
Interest receivable and similar income	7	608	244
Interest payable and similar expenses	8	(333)	(1,060)
Dividend income	10	6,642	11,874
Gain on divested operations	11	1,490	116
Impairment losses on investments		-	(919)
Impairment losses on goodwill		-	(12,446)
Profit before taxation		2,358	6,915
Tax on profit	9	2,773	(1,945)
Profit for the financial year		5,131	4,970

The notes on pages 18 to 39 form part of these accounts.

Gartner U.K. Limited
 Directors' report and financial statements
 For the year ended 31 December 2019

Statement of Other Comprehensive Income

for the year ended 31 December 2019

	2019 £000	2018 £000
Profit for the year	5,131	4,970
Other comprehensive income / (loss)		
<i>Items that may or may not be reclassified to profit or loss:</i>		
Effects of currency translation on investments	2	(90)
Other comprehensive income / (loss) for the year, net of income tax	2	(90)
Total comprehensive income for the year	5,133	4,880

The notes on pages 18 to 39 form part of these accounts.

Gartner U.K. Limited
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For the year ended 31 December 2019


Balance Sheet

at 31 December 2019

	Note	2019 £000	2019 £000	2018 £000	2018 £000
Fixed assets					
Intangibles assets	12		250		560
Tangible assets	13		32,570		24,329
Lease right-of-use assets	14		43,999		
Investments	15		10,012		761,126
			86,831		786,015
Non-current debtors	16		1,947		1,786
Current assets					
Debtors	16	159,736		193,315	
Cash at bank and in hand		10,772		566	
		170,508		193,881	
Creditors:					
Lease liabilities – current	14	(2,149)			
Other amounts falling due within one year	17	(157,752)		(925,534)	
		(159,901)		(925,534)	
Net current assets / (liabilities)			10,607		(731,653)
Total assets less current liabilities			99,385		56,148
Creditors:					
Lease liabilities – non-current	14	(48,731)			
Other amounts falling due after one year	18	(2,600)		(12,275)	
			(51,331)		(12,275)
Net assets			48,054		43,873
Capital and reserves					
Called up share capital	22		11,187		11,187
Share premium			743,226		743,226
Merger reserve			(723,103)		(723,103)
Share reserve			1,976		1,572
Profit and loss account			14,768		10,991
Shareholders' funds			48,054		43,873

The notes on pages 18 to 39 form part of these accounts.

These financial statements were approved by the board of directors on 11 November 2020 and were signed on its behalf by:

DocuSigned by:

C Safian
Director
Company registered number 02266016

Gartner U.K. Limited
Directors' report and financial statements
For the year ended 31 December 2019

Statement of Changes in Equity

for the year ended 31 December 2019

	Called up share capital	Share Premium	Merger Reserve	Profit and loss account	Share reserve	Total equity
	£000	£000	£000	£000	£000	£000
Balance at 1 January 2018	3,300	-	-	6,742	1,614	11,656
Share issuance	7,887	743,226	-	-	-	751,113
Equity adjustments for business combinations under common control	-	-	(723,103)	-	-	(723,103)
Retained profit for the financial year	-	-	-	4,970	-	4,970
Foreign currency translation	-	-	-	(90)	-	(90)
Share based payment charge	-	-	-	-	(42)	(42)
Repayment of Parent's contribution for share based payment	-	-	-	(631)	-	(631)
Balance at 31 December 2018	11,187	743,226	(723,103)	10,991	1,572	43,873
Retained profit for the financial year	-	-	-	5,131	-	5,131
Foreign currency translation	-	-	-	2	-	2
Share based payment charge	-	-	-	-	404	404
Repayment of Parent's contribution for share based payment	-	-	-	(1,356)	-	(1,356)
Balance at 31 December 2019	11,187	743,226	(723,103)	14,768	1,976	48,054

The notes on pages 18 to 39 form part of these accounts.

Notes

(forming part of the financial statements)

1 Accounting policies

Gartner U.K. Limited (the "Company") is a private company incorporated, domiciled & registered in the UK. The registered number is 02266016 and the registered address is Tamesis, The Glanty, Egham, Surrey TW20 9AH.

The Company is exempt by virtue of s401 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

These financial statements were prepared in accordance with Financial Reporting Standard 101 *Reduced Disclosure Framework* ("FRS 101"). The amendments to FRS 101 applicable and effective for financial years presented, have also been applied.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- a cash flow statement and related notes;
- comparative period reconciliations for share capital, tangible fixed assets and intangible assets;
- certain disclosures under IFRS 15 *Revenue from Contracts with Customers*;
- certain disclosures under IFRS 16 *Leases*;
- disclosures in respect of related party transactions;
- the effects of new but not yet effective IFRSs; and
- disclosures in respect of the compensation of key management personnel.

The Company's ultimate parent undertaking, Gartner, Inc., includes the Company in its consolidated financial statements. The consolidated financial statements of Gartner, Inc. are prepared in accordance with generally accepted accounting principles in the United States of America and are available to the public and may be obtained from 56 Top Gallant Road, PO Box 10212, Stamford, CT 06904-2212 USA. As the consolidated financial statements of Gartner, Inc. include the equivalent disclosures, the Company has also taken the exemption under FRS 101 available in respect of the following disclosure:

- Certain disclosures required by IAS 36 *Impairment of assets* in respect of the impairment of goodwill and indefinite life intangible assets;
- Certain disclosures required by IFRS 13 *Fair Value Measurement* and the disclosures required by IFRS 7 *Financial Instrument Disclosures*;
- IFRS 2 *Share Based Payments* in respect of group settled share based payments; and
- Certain disclosures required by IFRS 3 *Business Combinations* in respect of business combinations undertaken by the Company in the current and prior periods including the comparative period reconciliation for goodwill.

Notes (continued)

1 Accounting policies (continued)

The Company has initially applied IFRS 16 *Leases* from 1 January 2019. Due to the transition method chosen by the Company in applying IFRS 16, comparative information throughout these financial statements has not been restated to reflect the new standard's requirement and it did not result in a cumulative effect adjustment to the Company's financial statements. Changes to significant accounting policies in applying the standard are described below. The adoption of IFRS 16 did not result in a cumulative effect adjustment to the Company's financial statements.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements in accordance with FRS 101.

1.1 Measurement convention

The financial statements are prepared on the historical cost basis. Non-current assets and disposal groups held for sale are stated at the lower of previous carrying amount and fair value less cost to sell.

1.2 Going concern

Although the Company had net current assets of £10,607,000 as at 31 December 2019 and has made a profit for the year then ended of £5,131,000, the Company is part of a group cash pooling arrangement.

The financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The directors have prepared cash flow forecasts up to 31 December 2021 which indicate that, taking account of severe but plausible downsides and the anticipated impact of COVID-19 on the operations and its financial resources, the Company will have sufficient funds through the cash pooling arrangement from its ultimate parent company, Gartner, Inc., to meet its liabilities as they fall due for that period.

The full extent to which the COVID-19 pandemic may impact the Company's results, operations or liquidity is uncertain. In assessing the going concern basis, the directors have considered the negative impacts to all of the Company's business segments with Conferences being the most impacted. However, Conferences business accounts for less than 25% of the Company's revenue historically. Since the COVID-19 pandemic, the Company has continued its research and advisory services and will continue to execute a strategy to grow its business. Despite the slowed-down growth in the Company's business, the directors believe that the Company's emphasis on producing business and technology insight into every major business function in the enterprise will continue to drive client engagement and satisfaction with the research products. Nonetheless, the directors have incorporated a stress test in cash flow forecasts and considered a plausible but severe downside scenario which assumes zero Conference businesses and slowed down growth in research and advisory business. Based on the analysis, it is the directors' opinion that the circumstances which would give rise to doubt in the Company's going concern are highly unlikely. Additionally, in response to the pandemic's impacts, the Company has implemented workforce reductions, significant limitations on hiring and third-party spending, reductions to discretionary spending and elimination of non-essential travel and re-prioritization of capital expenditures.

Those forecasts are dependent on Gartner, Inc. providing additional financial support during that period. Gartner, Inc. has indicated its intention to continue to make available such funds as are needed by the Company for the period covered by the forecasts. Based on their assessment of Gartner, Inc.'s financial position, the directors are satisfied that Gartner, Inc. has the ability to provide the support required by the Company and that it is in Gartner's economic interests to do so. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Notes (continued)

1 Accounting policies (continued)

1.2 Going concern (continued)

Consequently, the directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

1.3 Foreign currency

Transactions in foreign currencies are translated to the Company's functional currencies at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the profit and loss account.

The assets and liabilities of branches denominated in foreign currencies are translated at the foreign exchange rate ruling at the balance sheet date. Profit and loss accounts of the branch operation are translated at the average rates of exchange for the period. Gains and losses arising on these translations are included in other comprehensive income.

1.4 Non-derivative financial instruments

Non-derivative financial instruments comprise investments in equity securities, trade and other debtors, cash and cash equivalents, and trade and other creditors. Subsequent to initial recognition, all assets are measured at amortised cost within the scope of IFRS 9.

Trade and other debtors

Trade and other debtors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

Trade and other creditors

Trade and other creditors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

Investments in equity securities

Investments in subsidiaries are carried at cost less impairment.

1.5 Derivative financial instruments

Derivative financial instruments are recognised at fair value. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss. However, where derivatives qualify for hedge accounting, recognition of any resultant gain or loss depends on the nature of the item being hedged.

Forward contracts

The Company has foreign exchange transaction risk, since it typically enters into transactions that are denominated in foreign currencies which differ from the local functional currency. The Company enters into short-term foreign currency forward exchange contracts to mitigate the economic effects of these foreign currency transaction risks. These contracts are accounted for at fair value with realised and unrealised gains and losses recognised in Other Expense, net since the Company does not designate these contracts as hedges for accounting purposes.

Notes (continued)**1 Accounting policies (continued)****1.6 Tangible fixed assets**

Tangible fixed assets are stated at cost less accumulated depreciation.

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. The estimated useful lives are as follows:

Short leasehold improvements	-	shorter of the lease term or the useful economic life of the assets
Computers and office equipment	-	3 years
Telephone equipment	-	5 years
Furniture & Fixtures	-	8 years

Depreciation methods, useful lives and residual values are reviewed at each balance sheet date.

1.7 Intangible assets

Intangible assets that are acquired by the Company are stated at cost less accumulated amortisation. Amortisation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of the intangible assets. The estimated useful lives of the Company's intangible assets are between 3 and 5 years.

1.8 Impairment*Financial assets (including trade and other debtors)*

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether it is impaired using the ECL model, as required under IFRS 9 *Financial Instruments*. Loss allowances are measured as 12-month ECL if the credit risk on the financial asset has not increased significantly since the initial recognition. If the credit risk has increased significantly, lifetime ECL are recognized.

ECL are a probability-weighted estimate of credit losses over the expected life of the financial instrument. For a financial asset that is not credit-impaired at the reporting date, loss allowances are calculated as the present value of all cash shortfalls (i.e. the difference between all contractual cash flows that are due in accordance with the contract and all the cash flows that are expected to be received), discounted at the original effective interest rate. For a financial asset that is credit-impaired at the reporting date but that is not a purchased or originated credit-impaired financial asset, loss allowances are calculated as the difference between the gross carrying amount and the present value of estimated future cash flows discounted at the original effective interest rate. Interest on the impaired asset continues to be recognized through the unwinding of the discount. When a subsequent event causes the amount of loss allowances to decrease, the decrease in loss allowances is reversed through profit and loss.

Non-financial assets

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

Notes (continued)**1 Accounting policies (continued)****1.8 Impairment (continued)***Non-financial assets (continued)*

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units, or ("CGU"). Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment is tested reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a *pro rata* basis.

In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

1.9 Employee benefits*Defined contribution plans*

A defined contribution plan is a post-employment benefit plan under which the Company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees.

Share-based payment transactions

Restricted Stock Units ("RSUs") represent the right to receive shares of stock at a future date, subject to certain service and, in some cases, performance conditions. RSU recipients do not have any of the rights of a Gartner stockholder, including voting rights and the right to receive dividends and distributions, until after actual shares of common stock are issued in respect of the award, which is subject to the prior satisfaction of the vesting and other criteria related to such grants.

In accordance with IFRS 2, the fair value of RSU awards is determined on the date of grant based on the market price of Gartner USA's common stock and is amortised to compensation expense over the related vesting periods. The Company took advantage of the option available in IFRS 1 to apply IFRS 2 only to equity instruments that were granted after 7 November 2002 that were unvested at 1 January 2006.

Notes (continued)

1 Accounting policies (continued)

1.10 Turnover

The Company recognises revenue when performance obligations have been satisfied.

Continuous service revenues are recognised ratably over the applicable contract term (i.e. as the Company provides services over the contract period), generally a twelve-month period. The Company's policy is to record, at the time of signing of a continuous service contract, the fees receivable and related deferred revenues for the full amount of the contract billable on that date. Cancellations have not been significant. All contracts are billable at signing, except in certain limited cases when special terms are granted.

Revenues from consulting engagements are recognised as work is delivered or services provided and are evaluated on a contract by contract basis.

Publication and other non-continuous service revenues are recognised on the date of publication or completion of service.

Additionally, the Company has various licensing agreements with its group companies, which requires payments that provide the Company with a return in accordance with internationally accepted arm's length standards. Revenue is recognized when the Company has the right to receive payment under the terms of the licensing agreements.

1.11 Leases

IFRS 16 *Leases* replaces the provisions of IAS 17 and IFRIC 4 that relates to the recognition, measurement, presentation and disclosures of leases. As explained, IFRS 16 was adopted without restating comparative information under the modified retrospective approach, and it did not result in a cumulative effect adjustment to the Company's financial statements. The key changes to the Company's accounting policies resulting from its adoption of IFRS 16 *Leases* are described below.

Accounting policy before 1 January 2019

Previously, the Company classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the Company under IAS 17. All leases were classified as operating leases and were charged to the profit and loss account on a straight-line basis over the period of the lease.

Accounting policy after January 1, 2019

Under IFRS 16, the Company assesses whether a contract is, or contains, a lease based on the definition of a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. For facility leases, the Company has elected not to separate non-lease components and account for both the lease and non-lease components as a single lease component. The Company recognises a right-of-use asset and a lease liability at the lease commencement date for all leases including short-term leases. The Company has elected not to recognize right-of-use assets and lease liabilities for leases of low-value assets including office equipment and other assets unless they are part of the facility lease arrangements and share reasonably similar characteristics.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

Notes (continued)

1 Accounting policies (continued)

1.11 Leases (continued)

Accounting policy after January 1, 2019 (continued)

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate as the Company's lease agreements do not provide implicit interest rates. The incremental borrowing rate is calculated for each individual lease and represents the rate of interest that the Company would have to pay to borrow on a collateralized basis over a similar term an amount equal to the lease payment in a similar economic environment. The lease liability is remeasured when there is a change in future lease payments. At remeasurement, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

1.12 Expense

Commission expense

The Company records the related commission obligation upon signing of the contract and amortises the corresponding deferred commission expense over the contract period in which the related continuous services revenues are earned and recognised as income.

1.13 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

Notes (continued)**2 Turnover**

Turnover represents the amounts (excluding Value Added Tax and other sales taxes) derived from the provision of goods and services to customers and other group companies.

The Company is exempt from the scope of IFRS 8 and accordingly has not disclosed any segmental information regarding turnover.

*Required disclosures under IFRS 15**(i) Customer contract assets and liabilities*

The Company has recognised the following assets and liabilities related to contracts with customers:

	31 December 2019 £000	31 December 2018 £000
Assets:		
Trade debtors and accrued income, gross	68,677	79,563
Contract asset (1)	1,084	1,750
Loss allowance	(421)	(593)
	69,340	80,720
Contract Liabilities:		
Current deferred revenues	103,710	113,459
Non-current deferred revenue	1,109	1,754
	104,819	115,213

- (1) Contract assets represent recognised revenue for which we do not have an unconditional right to payment as of balance sheet date because the project may be subject to a progress billing milestone or some other billing restriction.

During the year ended 31 December 2019, the Company recognised £102,291,000 of revenue (2018: £47,331,000) that was attributable to deferred revenue that was recorded at 31 December 2018. During 2019, the Company recorded a total of £421,000 loss allowance (2018: £593,000) for contract assets (see Note 1.8 for impairment accounting policy).

(i) Assets recognised from the costs to obtain or fulfil contracts with customers

Upon the signing of a customer contract, the Company capitalises the related commission as a recoverable direct incremental cost of obtaining the underlying contract and records a corresponding commission payable. No other amounts are capitalised as a cost of obtaining or fulfilling a customer contract because no expenditures have been identified that meet the requisite capitalisation criteria. For research, consulting and other, the straight-line method is used for amortising deferred commissions over a period that is based on the projected recoverability for such costs, using factors such as the underlying contract period, the timing of when the corresponding revenues will be earned and the anticipated term of the engagement.

At 31 December 2019, the balance of prepaid commissions was £17,961,000 (2018: £16,212,000) in connection with costs to obtain or fulfil contracts with customers. During the year ended 31 December 2019, the Company recognised £28,141,000 amortisation expense (2018: £20,923,000) on commissions and £nil impairment (2018: £nil).

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Notes (continued)

3 Expenses and auditor's remuneration

	2019 £000	2018 £000
<i>Included in profit/loss are the following:</i>		
Depreciation of tangible fixed assets	6,740	5,298
Depreciation on ROU assets	4,188	-
Amortisation of intangible fixed assets	310	159
Exchange (gain) / loss	(346)	51
Auditor's remuneration – audit of these financial statements	33	53
Amounts receivable by the Company's auditor and its associates in respect of tax compliance/advisory services	-	32
Acquisition & integration costs	30	2,956
	<u>30</u>	<u>2,956</u>

4 Staff numbers and costs

The average number of persons employed by the Company (including directors) during the year, analysed by category, was as follows:

	Number of employees 2019	2018
Research & Operations	906	758
Sales & Marketing	641	475
Administration & Support	204	161
	<u>1,751</u>	<u>1,394</u>

The aggregate payroll costs of these persons were as follows:

	2019 £000	2018 £000
Wages and salaries	162,555	131,381
Social security costs	23,248	18,248
Contributions to defined contribution plans	9,018	7,146
	<u>194,821</u>	<u>156,775</u>

5 Directors' remuneration

	2019 £000	2018 £000
Directors' remuneration	489	368
Company contributions to money purchase pension plans	9	10
	<u>498</u>	<u>378</u>

The remuneration of the highest paid director was £366,000 (2018: £291,000), and company pension contributions of £nil (2018: £3,000) were made to money purchase scheme on this director's behalf.

	Number of directors 2019	2018
Retirement benefits are accruing to the following number of directors under:		
Money purchase schemes	2	3
	<u>2</u>	<u>3</u>

Notes (continued)**6 Employee benefits***Defined contribution plans*

The Company operates a defined contribution pension plan.

The total expense relating to these plans in the current year was £9,018,170 (2018: £7,145,879).

Share based payments

The disclosures below provide information regarding the Company's share-based compensation awards, all of which are classified as equity awards in accordance with IFRS 2. All awards are made by Gartner USA under its 2014 Long Term Incentive Plan (the "Plan") and relate to shares of Gartner USA common stock. The Plan allows for equity awards to be made to employees and directors of Gartner USA, as well as employees and directors of its subsidiaries (including the Company), in the form of stock appreciation rights and restricted stock units, among others.

Restricted Stock Units ("RSUs") represent the right to receive shares of stock at a future date, subject to certain service and, in some cases, performance conditions. RSUs recipients do not have any of the rights of a Gartner stockholder, including voting rights and the right to receive dividends and distributions, until after actual shares of common stock are issued in respect of the award, which is subject to the prior satisfaction of the vesting and other criteria relating to such grants.

In accordance with IFRS 2, the fair value of RSU awards is determined on the date of grant based on the market price of Gartner USA's common stock and is amortised to compensation expense over the related vesting periods, which is generally four years for service-based awards. The Company recorded compensation expense for RSU awards of £2,179,000 for the year ended 31 December 2019 (2018: £1,757,000).

A summary of the changes in RSUs outstanding for the current and prior years is as follows:

	Number of RSUs in thousands	Weighted average exercise price	Number of RSUs in thousands	Weighted average exercise price
	2019	2019	2018	2018
Unvested at the beginning of the year	65	-	54	-
Granted	26	-	28	-
Transferred in	-	-	12	-
Forfeited or expired	(3)	-	(5)	-
Released	(25)	-	(24)	-
	<hr/>		<hr/>	
Unvested at the end of the year	63	-	65	-
	<hr/>		<hr/>	

Gartner U.K. Limited
Directors' report and financial statements
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Notes *(continued)*

7 Other interest receivable and similar income

	2019 £000	2018 £000
Group loan interest receivable	172	244
Bank Interest	90	-
Net foreign exchange gain	346	-
	<u>608</u>	<u>244</u>

8 Interest payable and similar expenses

	2019 £000	2018 £000
Group loan interest payable	-	585
Discounted provisions, unwinding of discount	86	202
Bank charges	240	222
Interest payable	7	-
Net foreign exchange loss	-	51
	<u>333</u>	<u>1,060</u>

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Notes (continued)

9 Taxation				
Recognised in profit and loss account	2019	2019	2018	2018
	£000	£000	£000	£000
<i>UK corporation tax</i>				
Current tax on income for the year	-		2,682	
Adjustments in respect of prior years	(1,037)		127	
		(1,037)		2,809
<i>Foreign tax</i>				
Current tax on income for the year	183			
		183		
Total current tax		(854)		2,809
<i>Deferred tax (see Note 19)</i>				
Origination and reversal of temporary differences	(1,839)		(709)	
Adjustment in respect of prior years	250		(155)	
Effect of deferred tax rate change	(330)			
Total deferred tax		(1,919)		(864)
Tax on profit		(2,773)		1,945
Reconciliation of effective tax rate				
	2019		2018	
	£000		£000	
Profit for the year	5,131		4,970	
Total tax expense	(2,773)		1,945	
Profit excluding taxation	2,358		6,915	
Tax using the UK corporation tax rate of 19% (2018: 19%)	448		1,314	
Effects of:				
Non-deductible expenses	(496)		3,118	
Share based payments	(529)		(339)	
Short term timing differences	-		25	
Capital allowances for the period in excess of depreciation	-		23	
Non-taxable income	(1,262)		(2,256)	
Foreign tax suffered	183		-	
Underage related to business combinations	-		87	
Over provided in prior years	(787)		(27)	
Effect of deferred tax rate change	(330)		-	
	(2,773)		1,945	

In the March 2020 budget the government announced that the UK corporation tax rate will remain unchanged at 19% from 1 April 2020, this is substantially enacted. Current tax rate for 2019 is 19% and the deferred rate for 2019 is 19%.

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Notes *(continued)*

10 Dividend income

	2019	2018
	£000	£000
Dividend income from shares in other group companies (see Note 15)	6,642	11,874

11 Gain on divested operations

	2019	2018
	£000	£000
Gain on divested operations	1,490	116

During 2018, the Company divested non-core businesses, which were acquired in the CEB acquisition in April 2017 by the Company's ultimate parent company, Gartner, Inc., and subsequently integrated into the Company's businesses. The sales resulted in an additional gain in 2019 of £1,490,000 (2018: £116,000).

12 Intangible assets

	Developed Technology
	£000
Cost	
Balance at 1 January and 31 December 2019	637
Amortisation	
Balance at 1 January 2019	77
Provided during the year	310
Balance at 31 December 2019	387
Net Book Value	
At 31 December 2019	250
At 1 January 2019	560

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Notes (continued)

13 Tangible fixed assets

	Short leasehold improvements	Computers and office equipment	Fixtures, fittings and telephone equipment	Total
	£000	£000	£000	£000
Cost				
Balance at 1 January 2019	24,593	8,002	7,535	40,130
Additions	10,168	2,564	2,870	15,602
Disposals	(6,075)	(1,882)	(1,102)	(9,059)
Balance at 31 December 2019	28,686	8,684	9,303	46,673
Depreciation				
Balance at 1 January 2019	8,539	4,827	2,435	15,801
Charge for the year	2,777	2,239	1,724	6,740
Disposals	(6,018)	(1,318)	(1,102)	(8,438)
Balance at 31 December 2019	5,298	5,748	3,057	14,103
Net book value At 31 December 2019	23,388	2,936	6,246	32,570
At 1 January 2019	16,054	3,175	5,100	24,329

14 Leases

The Company's leasing activities are primarily for facilities under cancellable & non-cancellable lease agreements expiring during 2019 and through September 2032. The Company also leases certain equipment and other assets, which either are of low-value, or are part of the facility lease arrangements, share similar characteristics and therefore are treated as part of facility leases.

The Company has initially applied IFRS 16 *Leases* from 1 January 2019 using the modified retrospective method. Under this method of adoption, the cumulative effect of applying the new standard is recorded at the date of the initial application, with no restatement of comparative prior periods presented. The adoption of IFRS 16 did not result in a cumulative effect adjustment to the Company's financial statements. However, the adoption of the new standard required recognition of right-of-use assets and lease liabilities on the Company's balance sheet and improved disclosures notwithstanding the exemptions available under FRS 101.

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Notes *(continued)*

14 Leases *(continued)*

Required disclosures under IFRS 16

(i) Lease right-of-use assets and liabilities

	Facility Lease Right-of-Use Assets
	£000
Balance at 1 January 2019	46,917
Additions	1,270
Depreciation charge for the year	(4,188)
	<hr/>
Balance at 31 December 2019	43,999
	<hr/>

	Facility Lease Liabilities
	£000
Maturity analysis – contractual undiscounted cash flows	
Less than one year	3,954
One to five years	30,871
More than five years	47,945
	<hr/>
Total undiscounted lease liabilities at 31 December 2019	82,770
	<hr/>

Current	2,149
Non-current	48,731
	<hr/>

Included in the balance sheet at 31 December 2019	50,880
	<hr/>

Weighted-average incremental borrowing rate applied	5.9%
Total cash outflow	6,080

(ii) Amounts recognised in profit and loss account

	2019
	£000
Interest expense on lease liabilities (included in administrative expenses)	3,013
Expenses relating to leases expired during the transition year 2019 (included in administrative expenses)	2,450
Expenses relating to low-value leases (included in administrative expenses)	132

Notes (continued)**14 Leases (continued)***(iii) Effect of adoption of IFRS 16 Leases*

The adoption of IFRS 16 on 1 January 2019 had a material impact on the Company's balance sheet. The Company's lease was previously classified as an operating lease under the principles of IAS 17. On adoption of IFRS 16, the related lease liabilities were remeasured at £50,282,000 based on the present value of the Company's remaining minimum lease payments using the Company's incremental borrowing rates as at 1 January 2019. In addition, corresponding right-of-use assets of £46,917,000 were recognized. However, there was no cumulative effect to the Company's equity.

	£000
Operating lease commitment at 31 December 2018 as disclosed in the Company's financial statements	78,888
Exemption for leases expired during the transition year 2019	(2,609)
Exemption for low-value leases	(159)
	<hr/>
Adjusted operating lease commitment at 31 December 2018 for IFRS 16 remeasurement	76,120
Lease liabilities recognised at 1 January 2019 discounted using the incremental borrowing rates	50,282

In connection with the IFRS 16 adoption, the Company has applied the following practical expedients as permitted under the standard:

- Applying a single discount rate to a portfolio of leases with reasonably similar characteristics;
- Relying on previous assessments on whether a contract is, or contains, a lease at the date of initial application under IAS 17 and IFRIC 4;
- Relying on previous assessments on whether leases are onerous as an alternative to performing an impairment review;
- Excluding initial direct costs for the measurement of the right-of-use asset at the date of initial application; and
- Using hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

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Notes (continued)

15 Fixed asset investments

	Shares in group undertakings £000
Cost	
At 1 January 2019	761,126
Disposals in connection with business combinations under common control:	
- Machina Research (Hong Kong) Ltd	(1)
- CEB Global Limited	(751,113)
	<hr/>
At 31 December 2019	10,012
	<hr/>
Provisions	
At 1 January and 31 December 2019	-
	<hr/>
Net book value	
At 31 December 2019	10,012
	<hr/>
At 31 December 2018	761,126
	<hr/>

On 11 July 2019, CEB Global Limited, the Company's subsidiary undertaking, distributed £751,455,000 dividend in specie to the Company, which set off against the existing intercompany receivable from the Company. Immediately after, CEB Global Limited applied for strike off from the Companies House. As the final dividend received exceeded the cost of the Company's investment in CEB Global Limited, it resulted in an ultimate dividend income of £342,000 from investments (see Note 10).

Additionally, on 19 December 2019, Computer Financial Consultants Limited, the Company's subsidiary undertaking, paid a cash dividend of £6,300,000 to the Company (see Note 10).

The Company had an interest in the following entity at the period end:

	Country of incorporation	Registered office address	Principal activity	Percentage of shares held	Classes of shares
<i>Subsidiary undertakings</i>					
Computer Financial Consultants Limited	England	Tamesis, The Glanty, Egham, TW20 9AH	Technical and financial consultancy in relation to IT equipment and related services	100%	Ordinary

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Notes *(continued)*

16 Debtors

	2019 £000	2018 £000
Trade debtors	41,818	59,120
Amounts owed by group undertakings	63,749	82,177
Other debtors	671	4,025
Deferred tax asset (see Note 19)	3,686	2,113
Corporation tax recoverable	1,898	-
Prepayments and accrued income	49,861	47,666
	<u>161,683</u>	<u>195,101</u>
Due within one year	159,736	193,315
Due after more than one year		
Deferred tax asset	1,793	1,686
Prepayments	154	-
Other debtors	-	100
	<u>1,947</u>	<u>1,786</u>

17 Creditors: amounts falling due within one year

	2019 £000	2018 £000
Trade creditors	3,405	5,573
Amounts owed to group undertakings	6,526	762,251
Other creditors	12,006	9,906
Taxation and social security	9,823	9,178
Corporation tax	-	1,901
Accruals and deferred income	125,992	136,725
	<u>157,752</u>	<u>925,534</u>

18 Creditors: amounts falling after more than one year

	2019 £000	2018 £000
Accruals and deferred income	2,600	12,275
	<u>2,600</u>	<u>12,275</u>

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Notes (continued)

19 Deferred tax assets and liabilities

Recognised deferred tax assets and liabilities

Deferred tax assets are attributable to the following:

	2019 £000	2018 £000
Tangible fixed assets	405	578
Share based payments	1,389	1,108
Tax losses	1,324	-
Provisions	568	427
	<u>3,686</u>	<u>2,113</u>

Movement in deferred tax during the year

	1 January 2019 £000	Adjustments in respect of prior years £000	Effect of tax rate change £000	Recognised in income £000	Recognised in equity £000	31 December 2019 £000
Tangible fixed assets	578	(250)	68	9	-	405
Share based payments	1,108	-	212	415	(346)	1,389
Tax losses	-	-	-	1,324	-	1,324
Provisions	427	-	50	91	-	568
	<u>2,113</u>	<u>(250)</u>	<u>330</u>	<u>1,839</u>	<u>(346)</u>	<u>3,686</u>

Movement in deferred tax during the prior year

	1 January 2018 £000	Adjustments in respect of prior years £000	Additions from business assets transfer £000	Recognised in income £000	Recognised in equity £000	31 December 2018 £000
Tangible fixed assets	60	154	169	195	-	578
Share based payments	838	-	433	298	(461)	1,108
Provisions	210	1	-	216	-	427
	<u>1,108</u>	<u>155</u>	<u>602</u>	<u>709</u>	<u>(461)</u>	<u>2,113</u>

Notes (continued)**20 Derivative financial instruments***Fair values of derivative financial instruments*

IFRS 7 and IFRS 13 provides a framework for the measurement of fair value and a valuation hierarchy based upon the transparency of inputs used in the valuation of assets and liabilities. Classification within the hierarchy is based upon the lowest level of input that is significant to the resulting fair value measurement. The table below analyses financial instruments, into a fair value hierarchy based on the valuation technique used to determine fair value.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices)
- Level 3: inputs for the assets or liability that are not based on observable market data (unobservable inputs).

The fair values of derivative financial instruments by class shown in the balance sheet are as follows:

	Fair value 2019 £000	Fair value 2018 £000
IFRS 9 categories of financial instruments designated as fair value through profit or loss (note 21)		
Foreign currency forwards	(38)	80
	<hr/>	<hr/>
Total financial (liabilities) / assets at fair value through profit or loss	(38)	80
	<hr/>	<hr/>

The Company enters into foreign currency forward exchange contracts to hedge the effects of adverse fluctuations in foreign currency exchange rates. Valuation of the foreign currency forward contracts is based on foreign currency exchange rates in active markets, which the Company considers a Level 2 input.

21 Forward contracts

As of 31 December 2019, the Company has 11 (2018: 7) short-term foreign currency forward exchange contracts outstanding with notional contract amount of £4,790,693 (2018: £8,293,816). The fair value of the asset/(liability) at the end of the year is (£38,416) (2018: £80,481). All of the outstanding contracts at 31 December 2019 matured by the end of January 2020.

22 Capital and reserves**Share capital**

	2019 £000	2018 £000
<i>Allotted, called up and fully paid</i>		
11,187,425 (2018: 11,187,425) Ordinary shares of £1 each	11,187	11,187
	<hr/>	<hr/>

Notes (continued)

23 Ultimate parent company and parent company of a larger group

The Company's immediate parent undertaking and controlling party is Gartner Europe Holdings B.V.

The Company's ultimate parent undertaking is Gartner USA. The largest and smallest group in which the results of the Company and its subsidiary undertakings are consolidated is that headed by Gartner USA. The consolidated financial statements of Gartner USA are available to the public on www.investor.gartner.com and also on www.sec.gov, and may be obtained by making written request to Investor Relations Department, Gartner, Inc., 56 Top Gallant Road, Stamford, CT 06904, U.S.A.

24 Accounting estimates and judgements

The preparation of financial statements requires the use of estimates and judgements about future events. Management develops estimates using both current and historical experience, as well as other factors, including the general economic environment and actions that may be taken in the future. Management adjusts such estimates when the facts and circumstances dictate. However, Management's estimate may involve significant uncertainties and judgements and cannot be determined with precision. In addition, these estimates are based on best judgement at a point in time and as such these estimates could be material and would be reflected in the Company's financial statements in future periods. Management's selection of the accounting policies which contain critical estimates and judgements is listed below:

- Tangible fixed assets – Impairment: Note 1 (1.8) – If there is an indication of impairment of these assets, an assessment will be undertaken to determine an estimate of the recoverable value of the asset;
- Intangible assets – Impairment: Note 1 (1.8) – If there is an indication of impairment of these assets, an assessment will be undertaken to determine an estimate of the recoverable value of the asset;
- Impairment on trade debtors or contract assets: Note (1.8) – The Company makes an estimate of the recoverable value of trade and other debtors. The Company applies IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade debtors and contract assets;
- Share-based payment transactions: Note 1 (1.9) – Determining the appropriate amount of associated periodic expense requires management to estimate the rate of employee forfeitures and if factors change, the Company may deem it necessary to modify the assumptions and adjust the amount of expense accordingly;
- Revenue recognition: Note (1.10) – A judgement is made to recognise revenue evenly over the contract period, with reference to the milestones achieved in the terms of the contract;
- Lease accounting: Note 1 (1.11) – In determining the lease term, the Company makes a judgement whether it is reasonably certain to exercise extension options. Additionally, the application of the incremental borrowing rate involves estimates and assumptions.

Notes (continued)

25 Subsequent events

January 2020 Cost Sharing Alignment

Effective 1 January 2020, Gartner incorporated various Intangible Property ("IP") including CEB, Research Board, and Evanta IP into the Amended and Restated Agreement for Sharing Research and Development Costs with Respect to Intangible Property ("Gartner CSA"), to which the Company is already a party. The Gartner CSA is now aligned by territory as well as by Global Technology Sales and Global Business Sales. In connection with the cost sharing alignment, the Company simultaneously entered into various license arrangements with various group companies.

COVID-19

In December 2019, a novel coronavirus disease ("COVID-19") was reported in Wuhan, China and on 11 March 2020, the World Health Organization characterised COVID-19 as a pandemic. The virus has since spread to nearly all regions in the world and has created significant uncertainties and disruption in the global economy. The Company is closely monitoring the pandemic-related developments, and its highest priority is the health and safety of its associates, clients, vendors, partners and other stakeholders. The Company is working closely with clients to provide best in class COVID-19 related research to assist in achieving their mission critical priorities.

As a result of the COVID-19 pandemic, the Company and its subsidiary have temporarily closed their offices and implemented significant travel restrictions. Though many of the employees continue to work remotely, these changes impact the normal business operations. It is difficult to predict when or how the Company will begin to lift the actions put in place as part of its business continuity plans, including work from home requirements and travel restrictions. Additionally, the Company cancelled or postponed certain conferences beginning in the first quarter of 2020. The consulting and research businesses also started to experience a slowdown. In response to the pandemic's impacts to the business, the Company has implemented certain cost management actions.

Any future asset impairment charges, increase in allowance for doubtful accounts or restructuring charges could be more likely if the negative effects of the COVID-19 pandemic continue and will be dependent on the severity and duration of the crisis.