

**Årsredovisning**  
för  
**Lumesse Holdings AB**

556748-8100

Räkenskapsåret

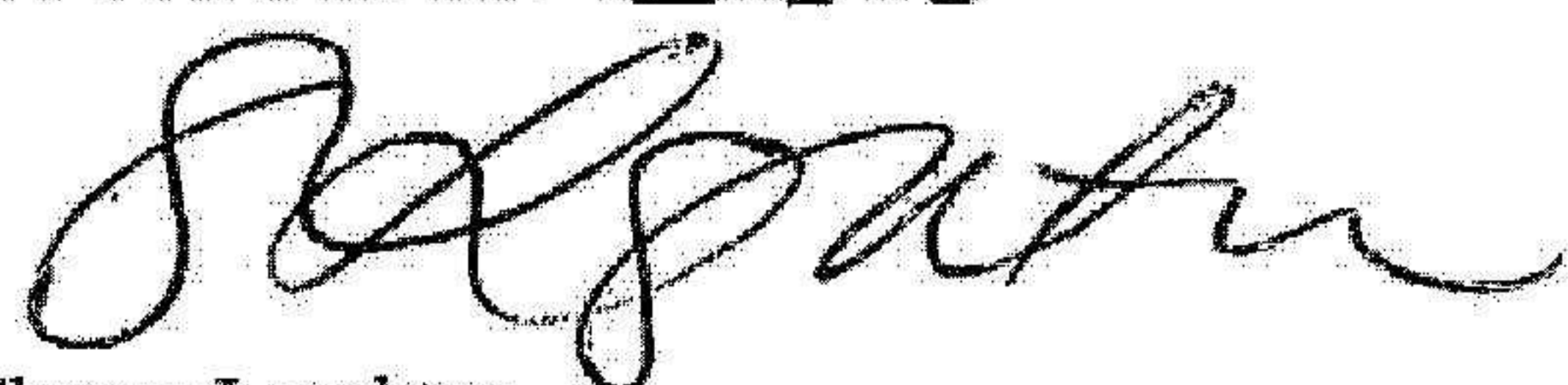
2021

**Fastställelseintyg**

Undertecknad styrelseledamot i Lumesse Holdings AB intygar att resultaträkningen och balansräkningen i årsredovisningen har fastställts på årsstämma 2022-09-23. Årsstämman beslutade att godkänna styrelsens förslag till resultatdisposition.

Jag intygar också att innehållet i årsredovisningen och revisionsberättelsen stämmer överens med originalen.

Stockholm den 2022- 26 -09



Shanna Laughton

2022100310334

**Årsredovisning**  
för  
**Lumesse Holdings AB**

556748-8100

Räkenskapsåret

2021

Lumesse Holdings AB  
Org.nr 556748-8100

1 (7)

Styrelsen för Lumesse Holdings AB avger följande årsredovisning för räkenskapsåret 2021.

Årsredovisningen är upprättad i EURO. Uppgifter inom parentes avser föregående år.

## Förvaltningsberättelse

### Verksamheten

#### Allmänt om verksamheten

Bolagets verksamhet är att äga aktier i Lumesse AB, vars huvudsakliga verksamhet är att utforma och tillhandahålla lösningar inom talent management.

Lumesse Holdings AB, org.nr 556748-8100 med säte i Stockholm är helägt dotterföretag till Lumesse Holdings B.V, org.nr 34289470 med säte i Amsterdam. Koncernmoder är CCG Global LLC, org.nr 7178411 med säte i New Castle.

Lumesse Holdings AB är moderföretag men med hänvisning till undantagsreglerna i ÅRL 7:2 upprättas ingen koncernredovisning.

<b>Flerårsöversikt (KEURO)</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
Nettoomsättning	0	0	0	0
Resultat efter finansiella poster	-6	-26	0	0
Soliditet (%)	76,1	76,3	77,2	76,9
Balansomslutning	2 817	2 818	2 819	2 819

För definitioner av nyckeltal, se Not 1 Redovisningsprinciper.

### Förändring av eget kapital

	<b>Aktie- kapital</b>	<b>Balanserat resultat</b>	<b>Årets resultat</b>	<b>Totalt</b>
Belopp vid årets ingång	11 000	2 165 465	-26 443	2 150 022
Disposition enligt beslut av årets årsstämma:		-26 443	26 443	0
Årets resultat			-6 333	-6 333
<b>Belopp vid årets utgång</b>	<b>11 000</b>	<b>2 139 022</b>	<b>-6 333</b>	<b>2 143 689</b>

Villkorade aktieägartillskott uppgår till 425 000 EUR (425 000 EUR).

Lumesse Holdings AB  
Org.nr 556748-8100

2 (7)

### Resultatdisposition

Styrelsen föreslår att till förfogande stående vinstmedel (EURO):

balanserad vinst	2 139 022
årets förlust	-6 333
	<b>2 132 689</b>

disponeras så att	
i ny räkning överföres	2 132 689
	<b>2 132 689</b>

Företagets resultat och ställning i övrigt framgår av efterföljande resultat- och balansräkning med noter.

2022100310336

Lumesse Holdings AB  
Org.nr 556748-8100

3 (7)

## Resultaträkning

Not

2021-01-01  
-2021-12-31

2020-01-01  
-2020-12-31

Summa rörelseintäkter, lagerförändringar m.m.

0

0

### Rörelsekostnader

Övriga externa kostnader

-20 299

-853

Summa rörelsekostnader

-20 299

-853

Rörelseresultat

-20 299

-853

### Finansiella poster

Övriga ränteintäkter och liknande resultatposter

13 953

0

Räntekostnader och liknande resultatposter

13

-25 590

Summa finansiella poster

13 966

-25 590

Resultat efter finansiella poster

-6 333

-26 443

Resultat före skatt

-6 333

-26 443

Årets resultat

-6 333

-26 443

2022100310337

Lumesse Holdings AB  
Org.nr 556748-8100

4 (7)

**Balansräkning**

Not

2021-12-31

2020-12-31

**TILLGÅNGAR****Anläggningstillgångar***Finansiella anläggningstillgångar*

Andelar i koncernföretag

2, 3

2 809 186

2 809 186

**Summa finansiella anläggningstillgångar****2 809 186****2 809 186****Summa anläggningstillgångar****2 809 186****2 809 186****Omsättningstillgångar***Kassa och bank*

Kassa och bank

8 119

8 651

**Summa kassa och bank****8 119****8 651****Summa omsättningstillgångar****8 119****8 651****SUMMA TILLGÅNGAR****2 817 305****2 817 837**

2022100310538

Lumesse Holdings AB  
Org.nr 556748-8100

5 (7)

**Balansräkning**

Not

2021-12-31

2020-12-31

**EGET KAPITAL OCH SKULDER****Eget kapital*****Bundet eget kapital***

Aktiekapital

11 000

11 000

**Summa bundet eget kapital****11 000****11 000*****Fritt eget kapital***

Balanserat resultat

2 139 022

2 165 465

Årets resultat

-6 333

-26 443

**Summa fritt eget kapital****2 132 689****2 139 022****Summa eget kapital****2 143 689****2 150 022****Kortfristiga skulder**

Leverantörsskulder

10 976

0

Skulder till koncernföretag

653 862

667 815

Upplupna kostnader och förutbetalda intäkter

8 778

0

**Summa kortfristiga skulder****673 616****667 815****SUMMA EGET KAPITAL OCH SKULDER****2 817 305****2 817 837**

2022100310339

Lumesse Holdings AB  
Org.nr 556748-8100

6 (7)

## Noter

### Not 1 Redovisningsprinciper

#### Allmänna upplysningar

Årsredovisningen är upprättad i enlighet med årsredovisningslagen och Bokföringsnämndens allmänna råd (BFNAR 2016:10) om årsredovisning i mindre företag.

#### Nyckeltalsdefinitioner

Soliditet (%)

Justerat eget kapital (eget kapital och obeskattade reserver med avdrag för uppskjuten skatt) i procent av balansomslutning.

### Not 2 Andelar i koncernföretag

	2021-12-31	2020-12-31
Ingående anskaffningsvärden	2 809 186	2 809 186
Utgående ackumulerade anskaffningsvärden	2 809 186	2 809 186
<b>Utgående redovisat värde</b>	<b>2 809 186</b>	<b>2 809 186</b>

### Not 3 Andelar i koncernföretag

Namn	Kapital- andel	Antal andelar	Bokfört värde		
Lumesse AB	100	30 000	2 809 186		
			<b>2 809 186</b>		
	<b>Org.nr</b>	<b>Säte</b>	<b>Eget kapital</b>	<b>Resultat</b>	
Lumesse AB	556512-7650	Stockholm	134 711	3 638	

Lumesse Holdings AB  
Org.nr 556748-8100

7 (7)

2022100310341

Stockholm den dag som framgår av vår elektroniska signatur

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Vincent Belliveau  
Ordförande

DocuSigned by:  
*Shanna Laughton*  
848CC6FC54D549D...

Shanna Laughton

Vår revisionsberättelse har lämnats den dag som framgår av vår elektroniska signatur.

Öhrlings PricewaterhouseCoopers AB

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*Valentin Zhuravel*  
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Valentyn Zhuravel  
Auktoriserad revisor

2022100310342

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<b>Electronic Record and Signature Disclosure:</b> Not Offered via DocuSign	Signature Adoption: Pre-selected Style Using IP Address: 174.115.221.233	

Vincent Belliveau vbelleveau@csod.com Chief International Officer Cornerstone OnDemand Security Level: Email, Account Authentication (None)	DocuSigned by: <i>Vincent Belliveau</i> 4550E7FA2AFE434...	Sent: 9/22/2022 11:30:08 AM Viewed: 9/22/2022 12:41:39 PM Signed: 9/22/2022 12:41:54 PM
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Valentin Zhuravel valentin.x.zhuravel@pwc.com Security Level: Email, Account Authentication (None)	DocuSigned by: <i>Valentin Zhuravel</i> E209AEC4AFC44AB...	Sent: 9/22/2022 12:41:56 PM Viewed: 9/22/2022 12:45:53 PM Signed: 9/22/2022 12:48:07 PM
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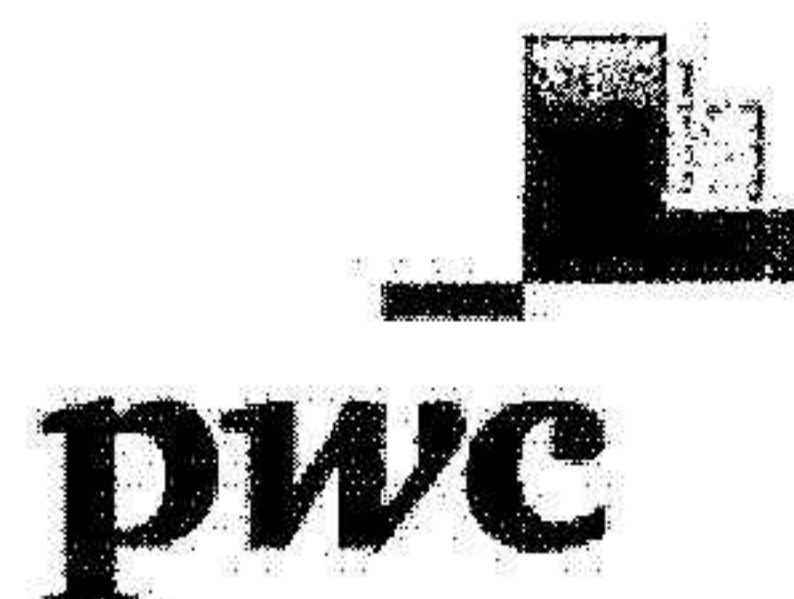
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## Revisionsberättelse

Till bolagsstämman i Lumesse Holdings AB, org.nr 556748-8100

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### Rapport om årsredovisningen

#### Uttalanden

Vi har utfört en revision av årsredovisningen för Lumesse Holdings AB för år 2021.

Enligt vår uppfattning har årsredovisningen upprättats i enlighet med årsredovisningslagen och ger en i alla väsentliga avseenden rättvisande bild av Lumesse Holdings ABs finansiella ställning per den 31 december 2021 och av dess finansiella resultat för året enligt årsredovisningslagen. Förvaltningsberättelsen är förenlig med årsredovisningens övriga delar.

Vi tillstyrker därför att bolagsstämman fastställer resultaträkningen och balansräkningen för Lumesse Holdings AB.

#### Grund för uttalanden

Vi har utfört revisionen enligt International Standards on Auditing (ISA) och god revisionssed i Sverige. Vårt ansvar enligt dessa standarder beskrivs närmare i avsnittet Revisorns ansvar. Vi är oberoende i förhållande till Lumesse Holdings AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

#### Styrelsens ansvar

Det är styrelsen som har ansvaret för att årsredovisningen upprättas och att den ger en rättvisande bild enligt årsredovisningslagen. Styrelsen ansvarar även för den interna kontroll som de bedömer är nödvändig för att upprätta en årsredovisning som inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag.

Vid upprättandet av årsredovisningen ansvarar styrelsen för bedömningen av bolagets förmåga att fortsätta verksamheten. De upplyser, när så är tillämpligt, om förhållanden som kan påverka förmågan att fortsätta verksamheten och att använda antagandet om fortsatt drift. Antagandet om fortsatt drift tillämpas dock inte om beslut har fattats om att avveckla verksamheten.

#### Revisorns ansvar

Våra mål är att uppnå en rimlig grad av säkerhet om huruvida årsredovisningen som helhet inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag, och att lämna en revisionsberättelse som innehåller våra uttalanden. Rimlig säkerhet är en hög grad av säkerhet, men är ingen garanti för att en revision som utförs enligt ISA och god revisionssed i Sverige alltid kommer att upptäcka en väsentlig felaktighet om en sådan finns. Felaktigheter kan uppstå på grund av oegentligheter eller misstag och anses vara väsentliga om de enskilt eller tillsammans rimligen kan förväntas påverka de ekonomiska beslut som användare fattar med grund i årsredovisningen.

En ytterligare beskrivning av vårt ansvar för revisionen av årsredovisningen finns på Revisorsinspektionens webbplats: [www.revisorsinspektionen.se/revisornsansvar](http://www.revisorsinspektionen.se/revisornsansvar). Denna beskrivning är en del av revisionsberättelsen.

### Rapport om andra krav enligt lagar och andra författningar

#### Uttalanden

Utöver vår revision av årsredovisningen har vi även utfört en revision av styrelsens förvaltning för Lumesse Holdings AB för år 2021 samt av förslaget till dispositioner beträffande bolagets vinst eller förlust.



Vi tillstyrker att bolagsstämman disponerar vinsten enligt förslaget i förvaltningsberättelsen och beviljar styrelsens ledamöter ansvarsfrihet för räkenskapsåret.

### Grund för uttalanden

Vi har utfört revisionen enligt god revisionssed i Sverige. Vårt ansvar enligt denna beskrivs närmare i avsnittet Revisorns ansvar. Vi är oberoende i förhållande till Lumesse Holdings AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

### Styrelsens ansvar

Det är styrelsen som har ansvaret för förslaget till dispositioner beträffande bolagets vinst eller förlust. Vid förslag till utdelning innefattar detta bland annat en bedömning av om utdelningen är försvarlig med hänsyn till de krav som bolagets verksamhetsart, omfattning och risker ställer på storleken av bolagets egna kapital, konsolideringsbehov, likviditet och ställning i övrigt.

Styrelsen ansvarar för bolagets organisation och förvaltningen av bolagets angelägenheter. Detta innefattar bland annat att fortlöpande bedöma bolagets ekonomiska situation, och att tillse att bolagets organisation är utformad så att bokföringen, medelsförvaltningen och bolagets ekonomiska angelägenheter i övrigt kontrolleras på ett betryggande sätt.

### Revisorns ansvar

Vårt mål beträffande revisionen av förvaltningen, och därmed vårt uttalande om ansvarsfrihet, är att inhämta revisionsbevis för att med en rimlig grad av säkerhet kunna bedöma om någon styrelseledamot i något väsentligt avseende:

- företagit någon åtgärd eller gjort sig skyldig till någon försummelse som kan föranleda ersättningsskyldighet mot bolaget
- på något annat sätt handlat i strid med aktiebolagslagen, årsredovisningslagen eller bolagsordningen.

Vårt mål beträffande revisionen av förslaget till dispositioner av bolagets vinst eller förlust, och därmed vårt uttalande om detta, är att med rimlig grad av säkerhet bedöma om förslaget är förenligt med aktiebolagslagen.

Rimlig säkerhet är en hög grad av säkerhet, men ingen garanti för att en revision som utförs enligt god revisionssed i Sverige alltid kommer att upptäcka åtgärder eller försummelser som kan föranleda ersättningsskyldighet mot bolaget, eller att ett förslag till dispositioner av bolagets vinst eller förlust inte är förenligt med aktiebolagslagen.

En ytterligare beskrivning av vårt ansvar för revisionen av förvaltningen finns på Revisorsinspektionens webbplats: [www.revisorsinspektionen.se/revisornsansvar](http://www.revisorsinspektionen.se/revisornsansvar). Denna beskrivning är en del av revisionsberättelsen.

### Anmärkning

Årsredovisningen har inte upprättats i sådan tid att det varit möjligt att, enligt 7 kap. 10 § aktiebolagslagen, hålla årsstämma inom sex månader efter räkenskapsårets utgång.

Stockholm den dag som framgår av min elektroniska signatur

Öhrlings PricewaterhouseCoopers AB

Valentyn Zhuravel  
Auktoriserad revisor

# Deltagare

ÖHRLINGS PRICEWATERHOUSECOOPERS AB 556029-6740 Sverige

**Signerat med Svenskt BankID**

**2022-09-22 19:48:55 UTC**

Namn returnerat från Svenskt BankID: VALENTYN ZHURAVEL

Datum

Valentyn Zhuravel

Auktoriserad revisor

Leveranskanal: E-post

2022100310345

Company Registration No. 10592838 (England and Wales)

2023090706330

**CORNERSTONE ONDEMAND UK HOLDINGS  
LIMITED**

**ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2021**

**CORNERSTONE ONDEMAND UK HOLDINGS LIMITED**

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**CORNERSTONE ONDEMAND UK HOLDINGS LIMITED**

**COMPANY INFORMATION**

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**Directors** Mr R. C. Courson  
Ms S. J. H. Laughton

**Company number** 10592838

**Registered office** 4 Coleman Street  
London  
EC2R 5AR

**Auditor** RSM UK Audit LLP  
Chartered Accountants  
The Pinnacle  
170 Midsummer Boulevard  
Milton Keynes  
Buckinghamshire  
MK9 1BP

2023090706332

**CORNERSTONE ONDEMAND UK HOLDINGS LIMITED****STRATEGIC REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2021**

The Directors present the Strategic Report and consolidated financial statements of Cornerstone OnDemand UK Holdings Limited ("the Company") and its group undertakings (together referred to as "the Group") for the year ended 31 December 2021.

**Introduction and history**

The Strategic Report has been prepared for the Group and therefore gives a greater emphasis to those matters which are significant to the Group when viewed as a whole.

On 5 August 2021 the Company's immediate parent undertaking, Cornerstone OnDemand, Inc ('Cornerstone'), announced it had entered into a definitive agreement to be acquired by Clearlake Capital Group, L.P. a leading private equity firm.

Upon the acquisition of Cornerstone by Clearlake Capital Group, L.P. during the year, Cornerstone became a privately held company, the shares of Cornerstone common stock were no longer listed on any public market, and the Company have elected to no longer take advantage of the exemption under section 401 of the Companies Act 2006, not to prepare consolidated accounts. Consequently, these are the first set of consolidated financial statements prepared by the Group.

Note 33 provides details of the Company's ultimate parent post the Clearlake acquisition, and at the reporting date.

During the prior year, the Company acquired Libra Acquireco Limited and its subsidiary undertakings, a provider of talent experience solutions, for total consideration of \$132,504,174. The full list of the Company's subsidiary undertakings is shown in note 14 in financial statements.

**Review of the business**

The principal activity of the Group is to provide learning and people development solutions, delivered as software-as-a-service ("SaaS"). The Group helps organizations around the globe recruit, train, and manage their employees. Our solutions are sold domestically and internationally through direct sales teams and distributors or indirectly through partners.

We consider revenue and gross profit % to be the key business indicators for our Group.

Revenue for 2021 was \$265.9m (2020: \$225.2m) (including revenue from related parties for royalties of \$42.1m (2020: \$42.3m)), an increase of \$40.6m (18.1%) over 2020. The acquisition of the Libra Acquireco Limited Group ("Libra") on 22nd April 2020, contributed \$16.9m of that increase (of which \$8.8m increase relates to fair value adjustment posted on acquisition in 2020). A small decrease in royalty revenue (\$0.2m), sales to new customers and upselling to existing customers (\$23.9m) delivered the remaining increase in revenue.

Gross profit for 2021 was \$238.8m (2020: \$198.0 m), an increase of 20.6% on the prior year. The gross margin for 2021 was 89.8% (2020: 87.9%).

The Group's loss before tax for the full fiscal year of 2021 was \$5.1 million (2020: \$24.1 million profit before tax) a decrease of \$29.2m year on year.

Key contributors to the decrease in profitability are:

- Gross profit increased by \$41m (2021: \$238.8m, 2020: \$198.0m), of which \$15m is as a direct result of the acquisition of Libra, with gross profit margin remaining stable year on year.
- Payments to related parties in the wider Cornerstone OnDemand Inc group were \$184.7m (2020: \$122.2m) an increase of \$62.5m. These payments relate to royalties, expense share and development costs for the use and development of the Cornerstone OnDemand global IP. The acquisition of Libra resulted in a reorganisation of global IP and transfer pricing partners for our group for the 2021 financial year, leading to the increase described above. Development of IP is a key strategic priority for our group, mitigating one of our key risks relating to the nature of our business.

**CORNERSTONE ONDEMAND UK HOLDINGS LIMITED****STRATEGIC REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2021**

- Amortisation and depreciation of tangible and intangible assets increased by \$3m (2021: \$13.1m, 2020: \$10.1), due to the amortisation of intangibles created on the purchase of the Libra group. This is a non-cash item.
- In 2020, the group benefitted from favourable exchange rates making a gain on exchange of \$13.6m, in the current year the group made a loss on exchange of \$0.2m.
- In 2021, as a result of the reorganization of global IP the group was able to capitalize \$9.1m of development costs on IP that it now owns (2020: \$nil).

Development of IP is a key strategic priority for our group, mitigating one of our key risks relating to the nature of our business. During the 2021 year, the group capitalized \$9.2m of development costs on owned IP (2020: \$nil).

At 31 December 2021, the Group's total cash at bank was \$63.7 million (2020: \$31.1 million) with trade receivables balance, net of provision for bad debts, of \$63.5 million (2020: \$66.6 million). Whilst revenue has increased by 18.1%, trade receivables have actually decreased year on year by 4.7% as a result of the group aligning contractual billing terms of customers from Libra and improving collections from existing contracts and the weakening of the Euro against the US dollar decreased translated trade receivables by \$3.2m.

At 31 December 2021, amounts owed by group undertakings and amounts owed to group undertaking increased to \$116.6 million (2020: \$95.3 million) and \$116.0 million (2020: \$63.2 million) respectively. These increases are due to royalties, expense share and development costs for the use and development of the Cornerstone OnDemand global IP.

At 31 December 2021 total deferred income increased by \$2.5 million from \$122.9 million to \$125.4 million whilst revenue increased by 18.1%. This is driven by the terms of the contracts billed in the year and the timing of the closing of the customer deals. In 2021 the increase in sales to new and existing customer were mostly invoiced and recognised in revenue in 2021. The weakening of the Euro against the US dollar decreased translated deferred revenue by \$6.1m.

As a result of the acquisition of Libra in the prior year, the group recognised \$198.1m (refer to note 15 in the financial statements for further details) on its consolidated statement of financial position in relation to goodwill. In accordance with the requirements of IFRS, the goodwill arising from the acquisition has been treated as if it were an asset of the acquired foreign operation and has been expressed in the same functional currency.

On this basis, management have allocated the goodwill into the functional currency of the acquired Group based on the functional currencies and revenue split within Libra Acquireco and its subsidiary undertakings. The goodwill was translated from these functional currencies into the US\$ presentational currency of the Group accounts, resulting in a \$9,599,886 loss (2020: £20,592,039 gain) on translation recognised in other comprehensive income in 2021 and 2020 respectively.

Property, plant and equipment have declined year on year from \$9.3m in 2020 to \$4.9m in 2021 primarily due to changing ways of working and the subsequent exit of leasehold properties in the United Kingdom and France. This also resulted in a year-on-year decrease in lease liabilities of \$2.6m across current and non current lease liabilities.

Deferred commissions assets has increased year on year by \$2.4m (2021: \$19.9m, 2020: \$17.4m) primarily as a result of sales commissions on increased revenue.

In 2020, as a result of the Libra acquisition, a restructuring provision of \$1.9m was created. During 2021 this provision was increased by \$1.1m and fully utilized by the end of the year as the restructuring programme was completed. For further information see note 23.

Cash generated by the group increased by \$32.5m, the improvement in cash is driven by improving customer collections and the increase in amounts owed to other Group undertakings in relation to the expense share and development costs agreements.

2023090706534

## CORNERSTONE ONDEMAND UK HOLDINGS LIMITED

### STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

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#### Going concern

The Group's net asset position at the reporting date has decreased to \$244.8 million (2020: \$261.4 million) as a result of the current year loss and the effect of exchange rates on the re-translation of subsidiary undertakings. The Directors have received confirmation from Cornerstone OnDemand, Inc. that it will continue to support the Company and Group as required to continue trading as a going concern, discharge its debts as they fall due, and ensure that the Company and Group is able to meet its contractual obligations to its customers.

#### Risk management objectives and policies

##### *Principal risks and uncertainties;*

##### *Risks related to the nature of the group business*

By the nature of the business in which it operates, the Group is exposed to risks around technology and technological innovation. The Group mitigates this risk by taking a proactive approach to technological trends, continuously developing its product offering by launching new functionality, new modules and new versions of the product, and where appropriate, makes strategic acquisitions and partnerships to enhance its product portfolio.

Our business depends substantially on the level of our customer satisfaction and specifically on customers renewing their agreements with us, purchasing additional products from us, or adding additional users. Any significant decline in our customer satisfaction rates, customer renewal rates, or the rates at which our customers purchase additional products or add additional users would harm our future operating results.

##### *Risks related to the group reliance on third parties*

The Group relies significantly on implementation partners to deliver professional services to our customers, and if these implementation partners fail to deliver these professional services effectively, This risk is mitigated by offering incentives our partners to service our customers timely and efficiently, and actively monitoring the progress of the implementation projects.

##### *Risks related to reliance on our employees*

The Group would be negatively impacted by the failure to retain key employees and recruit qualified technical and sales personnel, our business could be harmed. The Group manages this risk by regularly monitoring and assessing performance of employees and by offering rewards programmes inked to agreed personal and Groups objectives.

##### *Financial risk management and policies*

We have operations both within the United Kingdom and internationally, and we are exposed to market risks in the ordinary course of our business. These risks primarily include foreign exchange and inflation risks and risks relating to changes in the general economic conditions in the countries where we conduct business. To reduce certain of these risks, we monitor the financial condition of our large customers and limit credit exposure by principally collecting in advance and setting credit limits as we deem appropriate.

The Group is exposed to the effect of fluctuations of the currency exchange rates as result of selling in multiple currencies and operating in foreign countries where the functional currency is the local currency. In addition fluctuations are caused by uncertainties in the economic environment of the Group subsidiaries. Due to our legal structure and the currencies in which the group operates, any fluctuations in the exchange rates of the British pound and Euro may be particularly significant.

We have foreign currency risks related to our revenue and operating expenses denominated in British Pounds, the Euro and United States dollars. Increases and decreases in our foreign denominated revenue from movements in foreign exchange rates are often partially offset by the corresponding decreases or increases in our foreign-denominated operating expenses. As our international operations grow, our risks associated with fluctuation in currency rates will become greater, and we will continue to reassess our approach to managing this risk.

**CORNERSTONE ONDEMAND UK HOLDINGS LIMITED****STRATEGIC REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2021**

The business' principal financial instruments comprise of bank balances, trade receivables, trade payables and amounts owed and due to group undertakings. The main purpose of these instruments is to finance the business' operations. Trade receivables are managed in respect of credit and cash flow risk by the regular monitoring of amounts outstanding. The amounts presented in the statement of financial position are net of allowances for doubtful debts. Related party balances are payable on demand; the Group have received confirmation of financial support from Cornerstone OnDemand Inc for the next 12 months to meet its financial obligations.

**Key performance indicators**

The results over the last two years can be summarised as follows:

	2021	2020
	\$	\$
Turnover	253,442,204	212,217,261
Gross profit	226,304,077	184,948,733
Gross profit margin	90%	87%
(Loss)/ profit before tax	(5,135,447)	24,080,177
Net assets	244,798,161	261,371,521

The Directors consider the Group's performance against these KPIs to be satisfactory.

As detailed in the business review the increase in Turnover is the result of the acquisition of Libra and the attraction of new customers. The gross profit margin remained stable year on year as the cost of good sold was kept stable.

The loss in 2021 is driven by charges made by related parties in relation to development costs and the reorganisation of the global IP.

**Statement of the Directors in performance of their statutory duties in accordance with S172 (1) Companies Act 2006**

The Directors of the Group note that they have a duty to promote the success of the Group for the benefit of the Group's shareholders, having regard to a number of broader matters including the likely long term consequences of decisions, and the Group's wider relationships. In this regard, the board:

- considers on an annual basis the key business activities and the likely long term consequences of any key decisions including marketing strategies, human capital management, and uses of cash;
- ensures employees are regularly engaged through annual reviews to discuss employee performance as well as periodic pulse surveys on specific engagement topics throughout the year. To promote an open feedback culture, we use our own product, Check-ins, collect feedback about our leaders through round tables with the Executive leadership;
- ensures that the Group maintains strong business relationships with suppliers, customers and others—primarily through ongoing discussion with department leaders including purchasing, revenue, and others;
- ensures the Group's operations do not have a negative impact on the community and environment (as outlined in the Streamlined energy and carbon reporting section of our Directors' report); and
- ensures, through the Group's ongoing monitoring and updating of policies and procedures, that the desired high standards of business conduct prevail across all functions.

**CORNERSTONE ONDEMAND UK HOLDINGS LIMITED**

**STRATEGIC REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**Stakeholder engagement report**

The Directors continually review all key stakeholder interactions, particular focus is given to maintaining stable customer and third-party relationships. Our business is underpinned by long-term, mutually beneficial customer relationships. The majority of our sales contracts are multi-year arrangements which we aim to renew in future periods. Additionally, our growth depends in part on the success of our strategic relationships with third parties including indirect sales channels, technology and content providers, and implementation consultants. Further detail on the Company's engagement with its stakeholders can be found in the Section 172 statement.

**Employee engagement**

*The Group values the contribution of its employees at all levels.*

The Group regularly monitors employee engagement through quarterly employee pulse survey and midyear full-length employee engagement survey. Through these engagement surveys, the Group assess the employee commitment to Cornerstone goals and Employee satisfaction. The Group uses the results from these surveys to assess how to create an environment that keeps teams engaged.

The Group supports internally created resource groups that help the Group identify gaps in its workforce Diversity, Inclusion, Equitable Practices, and Education/ Awareness practices.

The Group is committed to continuous employee learning and development. Through the Group's technology and learning content, employees have access to learning programmes in a wide variety of subjects, as well as Employee Assistance programmes that support employee wellbeing.

The Group has trained its employees to recognize unconscious bias, foster belonging, and speak up to inspire change.

Every quarter, a development day is hosted across the Group, where a full day is designated to employee professional and personal development. This offers employees the chance to participate in learning sessions on a wide variety of subjects.

The Group provides regular and up-to-date information abouts its products and services, its operations and business plans in a variety of ways including, regional and global meeting hosted by leadership to inform employees about quarterly results and Group updates.

To measure growth and success, all permanent employees receive structured performance reviews through Quarterly Conversations with their managers that focus on both performance evaluations and strategies for ongoing development. In addition, managers are encouraged to schedule check-ins with employees.

Applications for employment by disabled persons are always fully considered, bearing in mind the abilities of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the Group continues and that appropriate training is arranged. It is the policy of the Group that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees. The Group is fully compliant with its obligations in this area, as in all aspects of diversity and inclusion.

On behalf of the Board:

*Shanna Laughton*

.....848CC6FC54D549D.....

Ms S. J. H. Laughton  
Director

April 28, 2023

Date: .....

Fotokopians överensstämmelse  
med originalet intygas:

*Magdalena Jensen*

**CORNERSTONE ONDEMAND UK HOLDINGS LIMITED****DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2021**

The Directors present their Annual Report and audited consolidated financial statements for the year ended 31 December 2021.

**Principal activities**

The principal activity of the Group is that of a leading global provider of learning and human capital management software delivered as Software-as-a-Service ("SaaS"). The Group helps organisations around the globe recruit, train and manage their employees. It is one of the world's largest cloud computing businesses. Our human capital management platform combines the world's leading unified talent management solutions with state-of-the-art analytics and HR administration solutions to enable organisations to manage the entire employee lifecycle. Our focus on continuous learning and development helps organisations to empower employees to realize their potential and drive success.

We generate most of our revenue from the sale of our products pursuant to multi-year customer agreements. Customer agreements for our human capital management platform typically have terms of three years. Our sales processes are typically competitive, and sales cycles generally vary in duration from two to nine months depending on the size of the potential customer. We generally price our human capital management platform based on the number of products purchased and the permitted number of users with access to each product.

**Results and dividends**

The loss for the financial year was \$3.4 million (2020: \$20.7 million profit).

The Directors do not recommend the payment of a dividend for the year ended 31 December 2021 (2020: \$nil).

**Directors**

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

Mr R. C. Courson	(Appointed 8 July 2022)
Ms S. J. H Laughton	(Appointed 2 March 2022)
Mr J. D. Springer	(Appointed 2 March 2022 and resigned 1 August 2022)
Mr B. D. Ulrich	(Resigned 22 April 2022)
Mr A. J. Weiss	(Resigned 5 February 2022)

**Qualifying third party indemnity provisions**

The Group has made qualifying third-party indemnity provisions for the benefit of its Directors during the year. These provisions remain in force at the reporting date.

**Future developments**

The Group is committed to its principal products, maintains a dedicated development team, and continues to invest in the development of its product offerings to ensure product competitiveness in line with the wider Cornerstone Group strategy.

**Research and development**

On 1 January 2021, a subsidiary of the Group, Cornerstone OnDemand Limited (CSOD Limited), entered several research and development ("R&D") agreements with other companies within the Group to further develop and enhance CSOD Limited Intellectual Property ('IP'). Under these agreements CSOD Limited is the Principal (owner of all rights, title, and interest in and to the IP), while other companies within the Group are the contractors that have the necessary expertise and facilities to undertake the R&D work. In return CSOD Limited reimburses the costs incurred by each contractor providing R&D services plus mark-up. During the reporting year the Group capitalized \$9.1 million (2020: \$nil).

The Group is committed to its principal products, maintains a dedicated development team and continues to invest in the development of its product offerings to ensure product competitiveness in line with the wider Cornerstone Group strategy. The responsibilities of the research and development organization include product management, product development, quality assurance, IT security, and technology operations.

## CORNERSTONE ONDEMAND UK HOLDINGS LIMITED

### DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

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#### Post reporting date events

On 16 May 2022, Cornerstone OnDemand Inc, the Company's parent undertaking, announced the completion of its EdCast acquisition. The acquisition is not expected to have material changes to the organisation as a whole. The acquisition is expected to create an open platform for people development, growth and mobility which will re-shape the market with, and add power and scale to Cornerstone's mission.

On 16 August 2022, Cornerstone OnDemand Inc, the Company's parent undertaking, announced the completion of its SumTotal acquisition, a provider of learning and human capital management software-as-a service ("SaaS"). The acquisition of SumTotal continues to underscore the fundamental growth thesis for Cornerstone, as a leading talent management SaaS platform provider.

#### Auditor

RSM UK Audit LLP has indicated its willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditors in the absence of an Annual General Meeting.

#### Statement of disclosure to auditor

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

#### Branches outside the UK

The Group has unincorporated branches in Hong Kong and the Netherlands.

#### Disclosure of information in the strategic report

In accordance with Companies Act 2006, s. 414C(11) the Group has chosen to set out in the Group's Strategic Report certain information required to be contained in the Directors' Report by the Large and Medium sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7. It has done so in respect of financial risk management objectives and policies and stakeholder engagement.

#### Streamlined energy and carbon reporting

In line with The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 ("the 2018 Regulations"), large unquoted companies and large LLPs are required to adhere to the mandatory Streamlined Energy and Carbon Reporting regulation introduced by the UK Government. To comply with these regulations, the Group must report its UK energy use and associated greenhouse gas ('GHG') emissions in its Directors' Report within annual reports effective from 1 April 2019.

#### Reporting period

1 January - 31 December, which is in line with our tax reporting period.

#### Approach

The Directors have followed the Government's Guidance and adapted for SECR reporting, a widely recognised Greenhouse Gas Reporting Protocol-Corporate Standard methodology.

#### Organisational and operational boundaries of the Group

Cornerstone's structural and operational boundaries are the same. Cornerstone operates from one site in the UK:

- 4 Coleman Street, London, United Kingdom, EC2R 5AR

## CORNERSTONE ONDEMAND UK HOLDINGS LIMITED

DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2021

*Statement of carbon emissions in compliance with Streamlined Energy and Carbon Reporting (SECR)*  
We are covering the UK energy use (classified within Scope 1, Scope 2 and the mandatory element of Scope 3) and associated greenhouse gas, intensity ratios and information relating to energy efficiency actions.

Energy Type:		Energy Use (kWh)		% Split kWh		Emissions (tCO <sub>2</sub> e/yr.)		% Split kWh	
		2021	2020	2021	2020	2021	2020	2021	2020
Combustion of Gas	(Scope 1)	0	0	0.0%	0.0%	0.0	0.0	0.0%	0.0%
Electricity	(Scope 2)	145,714	145,714	86.3%	80.4%	31.0	34.0	84.4%	79.5
Transport	(Scope 3)	23,150	35,442	13.7%	19.6%	5.7	8.8	15.6%	20.5
<b>Total</b>	<b>(Scope 1, 2 and 3)</b>	<b>168,864</b>	<b>181,156</b>	<b>100.0%</b>	<b>100%</b>	<b>36.7</b>	<b>42.8</b>	<b>100.0%</b>	<b>100.0%</b>

**Intensity Ratio - Energy consumption and associated GHG emissions per the number of Full Time Employees**

Intensity ratios compare emissions data with an appropriate business metric or financial indicator. This allows a comparison of energy efficiency performance over time, and with other similar types of organisations. Cornerstone has chosen to compare overall energy consumption and associated GHG emissions with annual turnover, the total occupied office floor area, and the number of full-time employees for the reporting period.

tCO<sub>2</sub>e per full time employee 0.276 (2020: 0.339)

tCO<sub>2</sub>e per \$100,000 turnover 0.064 (2020: 0.090)

tCO<sub>2</sub>e per floor area 0.052 (2020: 0.060)

*Energy efficiency actions*

Since 2019, The Group has integrated more green practices in our day-to-day business, to promote eco-friendly environments & workplaces, and to make the ways in which we work more sustainable. The Directors became more conscious of the ways in which we travelled, opting for trains instead of planes and only travelling for essential client meetings, as well as cycling or using public transport instead of driving to work. Subsidiaries in the UK have partnered with Green Commute Initiative, offering employees a cycle to work scheme to promote a greener planet and a healthier workforce. The Group has reduced single use plastic in its offices and home offices globally. With office equipment, we recycle, upcycle, reinvent, and find new purposes for the old where we can, including donating to charity. The Group corporate events are considered green, as well as our employee team-building events which include activities such as tree planting. All employees globally work to a flexible first model, allowing for remote work and less travel. Office spaces and facilities are used where operationally required, and employees are aware of energy efficient office habits e.g. turn of lights not in use, computers & other office appliances, use e-tickets, e-signatures, print double-sided by default, embrace paperless meetings.

*Methodology*

The London office is not using gas for space heating as the building is all-electric. The UK subsidiaries do not have any company vehicles and therefore Cornerstone's Scope 1 energy consumption is zero. The methodology used for determining energy and carbon emissions comes from the following sources of GHG emissions:

- Electricity used for lighting, heating, ventilation and air conditioning (HVAC), and the operation of office equipment (Scope 2).
- The use of vehicles for business travel (Scope 3).

Electricity consumption at the London office is included in the service charge. The only visible element is small power usage within the office floor. This excludes all energy used for heating, ventilation and air conditioning purposes. It also excludes our share of energy used for air-conditioning the common

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**CORNERSTONE ONDEMAND UK HOLDINGS LIMITED**

**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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areas. Based on the above, the energy consumption has therefore been calculated from floor area based on the Building Energy Efficiency Survey report for electrically heated offices published by the Department for Business Energy and Industrial Strategy.

Cornerstone does not operate any company cars and is therefore not reporting on any Scope 1 transport energy use. All business travel that is required to be reported (Scope 3 emissions) is undertaken by utilising privately owned vehicles (grey fleet). Data on the number of miles travelled was obtained through Cornerstone's expense claim system based on a standard reimbursement rate. Calculations are based on an annual average price for petrol and diesel for 2021 to calculate the number of litres used.

GHG emissions have been calculated using the UK Government approved and published conversion factors for company reporting, 2021.

On behalf of the Board:

DocuSigned by:  
*Shanna Laughton*  
848CC6FC54D549D  
Ms S. J. H. Laughton  
Director  
April 28, 2023  
Date: .....

Fotokopians överensstämmelse  
med originalet intygas:

*Magdalena Jener*

## CORNERSTONE ONDEMAND UK HOLDINGS LIMITED

### DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2021

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

Company law requires the Directors to prepare group and company financial statements for each financial year. The Directors have elected under company law to prepare the Group financial statements in accordance with UK-adopted international accounting standards (IAS) in conformity with the requirements of the Companies Act 2006 and applicable law and have elected to prepare the parent company financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101: Reduced Disclosure Framework.

The financial statements are required by company law and international accounting standards in conformity with the requirements of the Companies Act 2006 to present fairly the financial position and the financial performance of the Group and Company. The Companies Act 2006 provides, in relation to such financial statements, that references in the relevant part of that Act to financial statements giving a *true and fair view* are references to their achieving a fair presentation.

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 Group and the Company and of their profit or loss for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- for the Group financial statements, state whether they have been prepared in accordance with UK-adopted International Accounting Standards;
- for the parent company financial statements, state whether applicable UK Accounting Standards, including FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Group and parent 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 Group's transactions and disclose with reasonable accuracy at any time the financial position of the Group 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 misstatements, whether due to fraud or error, and general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and company and to prevent and detect fraud and other irregularities.

**CORNERSTONE ONDEMAND UK HOLDINGS LIMITED****INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CORNERSTONE ONDEMAND UK HOLDINGS LIMITED**

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**Opinion**

We have audited the financial statements of Cornerstone OnDemand UK Holdings Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2021 which comprise the Consolidated statement of comprehensive income, Consolidated and Company statement of financial position, Consolidated and Company statement of changes in equity, Consolidated statement of cash flows and notes to the financial statements, including significant accounting policies.

The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and UK-adopted International Accounting Standards. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards including FRS 101 "Reduced Disclosure Framework" United Kingdom Generally Accepted Accounting Practice.

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2021 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with UK-adopted International Accounting Standards;
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 'Reduced Disclosure Framework', and applicable law); and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

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

**Conclusions relating to going concern**

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

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

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

**Other information**

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

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**CORNERSTONE ONDEMAND UK HOLDINGS LIMITED**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CORNERSTONE ONDEMAND UK HOLDINGS LIMITED**

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We have nothing to report in this regard.

**Opinion on other matters prescribed by the Companies Act 2006**

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

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

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

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the Directors' report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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

**Responsibilities of Directors**

As explained more fully in the Directors' responsibilities 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, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

**The extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

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## CORNERSTONE ONDEMAND UK HOLDINGS LIMITED

### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CORNERSTONE ONDEMAND UK HOLDINGS LIMITED

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In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the group audit engagement team and component auditors:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory frameworks that the group and parent company operate in and how the group and parent company are complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are UK-adopted IAS, the Companies Act 2006 and tax compliance regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures and the calculation of tax provisions.

The audit engagement team identified the risk of management override of controls and revenue recognition under IFRS 15 as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to:

- Evaluating whether the business rationale (or the lack thereof) of any significant, unusual transactions and transactions outside the normal course of business suggested that they may have been entered into to engage in fraudulent financial reporting or to conceal misappropriation of assets;
- Testing the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements;
- Reviewing accounting estimates for biases and evaluate whether the circumstances producing the bias, if any, represent a risk of material misstatement;
- Reviewing the allocation of transaction price to multiple contractual performance obligations.

All relevant laws and regulations identified at a Group level and areas susceptible to fraud that could have a material effect on the consolidated financial statements were communicated to component auditors. Any instances of non-compliance with laws and regulations identified and communicated by a component auditor were considered in our group audit approach.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

#### Use of our report

This report is made solely to the parent 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 parent 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 parent company and the parent company's members as a body, for our audit work, for this report, or for the opinions we have formed.

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CORNERSTONE ONDEMAND UK HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CORNERSTONE  
ONDEMAND UK HOLDINGS LIMITED

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*David Olsson*

David Olsson (Senior Statutory Auditor)  
For and on behalf of RSM UK Audit LLP, Statutory Auditor  
Chartered Accountants  
The Pinnacle  
170 Midsummer Boulevard  
Milton Keynes  
MK9 1BP  
28 April 2023

Date: 28/04/23

Fotokopians överensstämmelse  
med originalet intygas:

*Magdalena Jener*

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## CORNERSTONE ONDEMAND UK HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 \$	2020 \$
Revenue	3	265,901,344	225,239,440
Cost of sales		(27,138,127)	(27,268,528)
<b>Gross profit</b>		<u>238,763,217</u>	<u>197,970,912</u>
Administrative expenses	4	(243,767,388)	(173,538,666)
<b>Operating (loss)/profit</b>	4	<u>(5,004,171)</u>	<u>24,432,246</u>
Finance income	8	45,594	3,468
Finance costs	9	(176,870)	(355,537)
<b>(Loss)/profit before income tax</b>		<u>(5,135,447)</u>	<u>24,080,177</u>
Income tax credit/(expense)	10	1,700,721	(3,367,377)
<b>(Loss)/profit for the financial year</b>		<u>(3,434,726)</u>	<u>20,712,800</u>
<b>Other comprehensive income:</b>			
Currency translation differences		(13,496,748)	16,296,088
<b>Total comprehensive (loss)/income for the year</b>		<u>(16,931,474)</u>	<u>37,008,888</u>

Total comprehensive income for the year is all attributable to the owners of the parent company.

The notes on pages 22 to 60 form an integral part of these financial statements.

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## CORNERSTONE ONDEMAND UK HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2021

		2021	2020	2019
	Notes	\$	\$	\$
<b>ASSETS</b>				
<b>Non-current assets</b>				
Intangible assets	11	28,912,153	28,198,043	111,342
Intangible assets – goodwill	11	209,090,081	218,689,967	-
Property, plant and equipment	12	4,873,273	9,252,363	6,394,758
Other receivables	17	12,021,384	13,159,941	9,528,416
<b>Total non-current assets</b>		<b>254,896,891</b>	<b>269,300,314</b>	<b>16,034,516</b>
<b>Current assets</b>				
Trade and other receivables	16	191,339,271	171,881,210	100,498,714
Cash and cash equivalents	18	63,659,186	31,148,308	14,133,939
Corporate tax recoverable		2,940,435	-	-
<b>Total current assets</b>		<b>257,938,892</b>	<b>203,029,518</b>	<b>114,632,653</b>
<b>Total assets</b>		<b>512,835,783</b>	<b>472,329,832</b>	<b>130,667,169</b>
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
Deferred income	20	1,076,719	1,034,671	2,188,911
Lease liabilities	21	2,389,474	4,343,031	987,311
Deferred tax liabilities	22	142,320	220,646	-
Provisions	23	137,488	2,069,153	-
<b>Total non-current liabilities</b>		<b>3,746,001</b>	<b>7,667,501</b>	<b>3,176,222</b>
<b>Current liabilities</b>				
Trade and other payables	19	138,259,115	77,505,880	66,187,373
Deferred income	20	124,321,102	121,820,917	106,124,082
Lease liabilities	21	1,711,404	2,374,411	1,685,951
Corporation tax payable		-	1,589,602	68,520
<b>Total current liabilities</b>		<b>264,291,621</b>	<b>203,290,810</b>	<b>174,065,926</b>
<b>Total liabilities</b>		<b>268,037,622</b>	<b>210,958,311</b>	<b>177,242,148</b>
<b>Net assets/(liabilities)</b>		<b>244,798,161</b>	<b>261,371,521</b>	<b>(46,574,979)</b>
<b>Capital and reserves</b>				
Share capital	26	3	3	1
Share premium	27	304,076,578	304,076,578	34,000,000
Accumulated losses	27	(64,932,833)	(61,856,221)	(83,430,053)
Currency translation reserve	27	5,654,413	19,151,161	2,855,073
<b>Total equity attributable to the owners of the Company</b>		<b>244,798,161</b>	<b>261,371,521</b>	<b>(46,574,979)</b>

The financial statements on pages 16 to 60 were approved by the Board of Directors on April 28, 2023 and are signed on its behalf by:

DocuSigned by:

*Shanna Laughton*

Ms S. J. H. Laughton  
Director

Fotokopians överensstämmelse  
med originalet intygas:

*Magdalena Jensen*

The notes on pages 22 to 60 form an integral part of these financial statements.

## CORNERSTONE ONDEMAND UK HOLDINGS LIMITED

COMPANY STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2021

	Notes	2021 \$	2020 \$
<b>ASSETS</b>			
<b>Non-current assets</b>			
Investments	13	304,076,583	304,076,583
		<u>304,076,583</u>	<u>304,076,583</u>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	19	1	1
<b>Net assets</b>		<u><u>304,076,582</u></u>	<u><u>304,076,582</u></u>
<b>Equity</b>			
Share capital	26	3	3
Share premium	27	304,076,579	304,076,579
<b>Total equity attributable to the owners of the Company</b>		<u><u>304,076,582</u></u>	<u><u>304,076,582</u></u>

Cornerstone OnDemand UK Holdings Limited has elected to take the exemption under Section 408 of the Companies Act 2006 to not present a Company Statement of Comprehensive Income and related notes as it prepares group accounts. The Company's profit for the year was \$nil (2020: \$nil).

The financial statements on pages 16 to 60 were approved by the Board of Directors on April 28, 2023 and are signed on its behalf by:

DocuSigned by:

*Shanna Laughton*

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Ms S. J. H. Laughton  
Director

Fotokopians överensstämmelse  
med originalet intygas:

*Magdalena Jener*

The notes on pages 22 to 60 form an integral part of these financial statements.

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## CORNERSTONE ONDEMAND UK HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	Share capital	Share premium	Accumulated losses	Currency translation reserves	Total equity
		\$	\$	\$	\$	\$
<b>Balance at 1 January 2020</b>		1	34,000,000	(83,430,053)	2,855,073	(46,574,979)
<b>Year ended 31 December 2020:</b>						
Profit for the year		-	-	20,712,800	-	20,712,800
<b>Other comprehensive income:</b>						
Currency translation differences		-	-	-	16,296,088	16,296,088
<b>Total comprehensive income for the year</b>		-	-	20,712,800	16,296,088	37,008,888
<b>Transactions with owners:</b>						
Shares issued	26	2	270,076,578	-	-	270,076,580
Share-based payments	7	-	-	861,032	-	861,032
<b>Balance at 31 December 2020</b>		3	304,076,578	(61,856,221)	19,151,161	261,371,521
<b>Year ended 31 December 2021:</b>						
Loss for the year		-	-	(3,434,726)	-	(3,434,726)
<b>Other comprehensive loss:</b>						
Currency translation differences		-	-	-	(13,496,748)	(13,496,748)
<b>Total comprehensive expense for the year</b>		-	-	(3,434,726)	(13,496,748)	(16,931,474)
<b>Transactions with owners:</b>						
Share-based payments	7	-	-	358,114	-	358,114
<b>Balance at 31 December 2021</b>		3	304,076,578	(64,932,833)	5,654,413	244,798,161

The notes on pages 22 to 60 form an integral part of these financial statements.

## CORNERSTONE ONDEMAND UK HOLDINGS LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	Share capital \$	Share premium \$	Total equity \$
Balance at 1 January 2020		1	34,000,000	34,000,001
<b>Year ended 31 December 2020:</b>				
Profit and total comprehensive income for the year		-	-	-
Transactions with owners				
Shares issued	26	2	270,076,579	270,076,581
<b>Balance at 31 December 2020</b>		<u>3</u>	<u>304,076,579</u>	<u>304,076,582</u>
<b>Year ended 31 December 2021:</b>				
Profit and total comprehensive income for the year		-	-	-
<b>Balance at 31 December 2021</b>		<u>3</u>	<u>304,076,579</u>	<u>304,076,582</u>

The notes on pages 22 to 60 form an integral part of these financial statements.

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## CORNERSTONE ONDEMAND UK HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 \$	2020 \$
<b>Cash flows from operating activities:</b>			
(Loss)/profit for the financial year		(3,434,726)	20,712,800
Depreciation of property, plant and equipment	12	4,887,453	5,291,679
Amortisation of intangible assets	11	8,239,286	4,833,365
Share based payment expense	7	4,181,143	5,558,662
Finance income	8	(45,594)	(3,468)
Finance costs	9	176,870	355,537
Loss on disposal of intangible assets		624	-
Loss on disposal of property, plant and equipment		337	-
Income tax		(1,700,721)	3,367,377
<b>Operating cash flows before movements in operating assets and liabilities</b>		<b>12,304,672</b>	<b>40,115,952</b>
Increase in trade and other receivables		(18,319,504)	(28,693,702)
Increase/(decrease) in trade and other payables		56,930,206	(20,505,964)
Increase/(decrease) in deferred revenue		8,647,978	(5,254,724)
(Decrease)/increase in provisions		(1,889,839)	2,078,390
<b>Cash generated from/ (used in) operations</b>		<b>57,673,513</b>	<b>(12,260,048)</b>
Income tax paid		(2,907,642)	(1,131,961)
<b>Net cash inflow/(outflow) from operating activities</b>		<b>54,765,871</b>	<b>(13,392,009)</b>
<b>Cash flows from investing activities:</b>			
Purchase of property, plant and equipment	12	(113,933)	(820,505)
Disposal of property, plant and equipment	12	19,995	218,868
Purchase of intangible assets	11	(9,142,116)	(1,198)
Net cash paid on acquisition of subsidiaries		-	(236,610,311)
Interest received		45,594	3,468
Interest paid		(176,870)	(355,537)
<b>Net cash outflow from investing activities</b>		<b>(9,367,330)</b>	<b>(237,565,215)</b>
<b>Cash flows from financing activities:</b>			
Issue of share capital	26	-	270,076,580
Repayment of lease liabilities	21	(2,693,618)	(2,020,923)
<b>Net cash (outflow)/inflow from financing activities</b>		<b>(2,693,618)</b>	<b>268,055,657</b>
<b>Net increase in cash and cash equivalents</b>		<b>42,704,923</b>	<b>17,098,433</b>
Cash and cash equivalents at the beginning of the year		31,148,308	14,133,939
Effect of foreign exchange rates		(10,194,045)	(84,064)
<b>Cash and cash equivalents at end of year</b>		<b>63,659,186</b>	<b>31,148,308</b>

The notes on pages 22 to 60 form an integral part of these financial statements.

**CORNERSTONE ONDEMAND UK HOLDINGS LIMITED****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021****1. Accounting policies****General information**

Cornerstone OnDemand UK Holdings Limited ('the company') is a private company limited by shares and is incorporated and domiciled in England and Wales. The registered office is 4 Coleman Street, London, EC2R 5AR.

The Company's and the Group's principal activities and nature of their operations are disclosed in the Strategic and Directors' Report.

**Basis of preparation**

These financial statements have been prepared in accordance with UK-adopted International Accounting Standards ('IAS') in conformity with the requirements of the Companies Act 2006. These are the first set of consolidated financial statements presented by the Group, and in accordance with the requirements of IFRS 1- First-time Adoption of International Financial Reporting Standards ('IFRS 1'), a third Group balance sheet (and related notes) has been presented at the opening date of the comparative period (1 January 2020).

The financial statements are presented in US dollars (\$) which is the functional currency of the Company, and all values are rounded to the nearest \$1, except when otherwise indicated.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the date of the financial statements. If in the future such estimates and assumptions, which are based on management's best judgement at the date of the financial statements, deviate from the actual circumstances, the original estimates and assumptions will be modified as appropriate in the year in which circumstances change. The areas involving judgement or areas where assumptions and estimates are significant to the financial statements are disclosed in note 2.

**Individual Company financial statements- Reduced disclosures**

The Company is a qualifying entity for the purposes of FRS 101: Reduced Disclosure Framework ("FRS 101") and has therefore taken advantage of the following disclosure exemptions from the requirements of IFRS, for the parent company information presented within these consolidated financial statements:

- Presentation of a cash flow statement and related notes;
- Disclosure of the objectives, policies and processes for managing capital;
- Inclusion of an explicit and unreserved statement of compliance with IFRS;
- Disclosure of key management compensation;
- Disclosure of the categories of financial instruments and nature and extent of risks arising on these financial instruments;
- Disclosure of the effect of financial instruments on the statement of comprehensive income;
- Comparative period reconciliations for share capital and investments;
- Related party disclosures for transactions with the parent or wholly owned members of the group; and
- Disclosure of the future impact of new International Financial Reporting Standards in issue but not yet effective at the reporting date.

Where required, equivalent disclosures are given in these Group financial statements.

**Basis of consolidation**

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries, together, the 'Group') made up to 31 December 2021. The consolidated financial statements of the Group have been prepared under the accounting principles of IFRS 10- 'Consolidated Financial Statements'.

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**CORNERSTONE ONDEMAND UK HOLDINGS LIMITED****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021****1. Accounting policies (continued)**

Subsidiaries are entities over which the Group has control. Control is defined as the power to direct the entity's relevant activities, exposure to variable returns from involvement with the entity and the ability to use this power to affect the amount of the returns. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains and losses on transactions between Group companies are eliminated. Accounting policies of subsidiaries are amended where necessary to ensure consistency with the policies adopted by the Group.

**Business combinations**

Acquisitions of businesses are accounted for using the purchase method. The cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued, and liabilities incurred or assumed. The excess of the cost of a business combination over the fair value of the identifiable assets and liabilities acquired is recognised as goodwill. Costs directly attributable to the business combination are expensed to profit or loss as incurred.

At the acquisition date, the identifiable assets acquired, and the liabilities assumed are recognised at their fair value, except that deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with IAS 12- 'Income Taxes', and IAS 19- 'Employee Benefits'.

**Adoption of new and revised standards**

There has been no impact on the Group from the application of any new standards in the reporting period commencing from 1 January 2021.

**New and revised standards in issue but not yet effective**

The following standards, amendments and interpretations to existing standards have been published but are not effective and have not been early adopted by the Group:

- Amendments to IFRS 3 Business Combinations (issued 14 May 2020, effective 1 January 2022);
- Amendments to IAS 16 Property, Plant and Equipment (issued 14 May 2020, effective 1 January 2022);
- Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets (issued 14 May 2020, effective 1 January 2022);
- Annual Improvements 2018-2020 (issued 14 May 2020, effective 1 January 2022);
- Amendments to IAS 8 Accounting policies, Changes in accounting estimates, and Errors (issued 12 February 2021, effective 1 January 2023); and
- Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting Policies (issued 12 February 2021, effective 1 January 2023).

It is not anticipated that the adoption of the above standards, amendments and interpretations of existing standards will have a material impact on the Group financial statements in the period of initial application.

**Going concern**

The net assets at the reporting date are in line with the expectations of the Directors and are in accordance with the long-term business plans of the immediate parent undertaking. The Directors note that the business is managed on a group basis and that the group headed by the Company's parent undertaking, Cornerstone OnDemand, Inc, has net assets and considerable cash and liquid investment balances. Cornerstone OnDemand, Inc has undertaken to provide such financial support as required to enable the Company and Group to continue trading as a going concern, and to discharge its debts as they fall due for a period of at least 12 months from the date the accounts are approved.

Based on the long-term business plans and parental support as supported by the group's robust financial position, the Directors have continued to adopt the going concern basis of accounting in preparing the financial statements.

## CORNERSTONE ONDEMAND UK HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021

## 1. Accounting policies (continued)

**Foreign currency**

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

Monetary assets and liabilities denominated in foreign currencies are initially recognised at the rate of exchange at the date of the transaction, and subsequently re-translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are initially recognised at the rate of exchange at the date of the transaction and are not subsequently re-translated. These foreign exchange gains and losses are recognised in the income statement.

Assets and liabilities of overseas subsidiaries are translated into the Group's presentation currency (\$) at the rate ruling at the reporting date. Income and expenses of overseas subsidiaries are translated at the average rate for the year as the Directors consider this to be a reasonable approximation to the rate at the date of the transaction. Translation differences are recognised in other comprehensive income and accumulated in a separate reserve in equity.

**Turnover**

Turnover comprises revenue generated from customers. The Group derives its revenue from the following sources:

*Subscriptions to the Group's products and other offerings on a recurring basis*

Customers pay subscription fees for access to the Group's enterprise human capital management platform, other products and support on a recurring basis. Fees are based on a number of factors, including the number of products purchased, which may include e-learning content, and the number of users having access to a product. The Group generally recognises revenue from subscriptions rateably over the term of the agreements beginning on the date the subscription service is made available to the customer. Subscription agreements are typically three years, billed annually in advance, and non-cancellable.

*Professional services and other*

The Group offers its customers and implementation partners assistance in implementing its products and optimising their use. Professional services include application configuration, system integration, business process re-engineering, change management and training services. Services are generally billed up-front on a fixed fee basis. These services are generally purchased as part of a subscription arrangement and are typically performed within the first several months of the arrangement. Customers may also purchase professional services at any other time. The Group generally recognises revenue from fixed fee professional services contracts as services are performed based on the proportion performed to date relative to the total expected services to be performed. Revenue associated with time-and-material contracts are recorded as such time-and-materials are incurred. Out-of pocket travel costs related to the delivery of professional services are typically reimbursed by the customer and are accounted for as revenue in the period in which the cost is incurred.

*Royalty revenue from related parties*

The Group earns royalties from licensing various intellectual property to the wider group. In accordance with the requirements of IFRS 15, the Group has considered whether the nature of its promises in granting licenses is to provide; a right to access the Group's intellectual property as it exists throughout the license period, or; a right to use the Group's intellectual property as it exists at the point at which the license is granted.

The licenses are cancellable by either party; the Group and the licensee, every 90 days. Under the requirements of IFRS 15, the Group has concluded that the arrangement has a 90-day contractual period, which renews every 90 days once the license fee for each 90-day period has been paid. As a result, the Group recognises the license fee for each 90-day period as revenue at the beginning of that period, once the license fee for that period becomes payable and the rights under the license for that period have been granted.

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## CORNERSTONE ONDEMAND UK HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021

## 1. Accounting policies (continued)

The Group recognises revenue from contracts with customers based on the following five steps:

- 1) Identification of the contract, or contracts, with a customer
- 2) Identification of all performance obligations in the contract
- 3) Determination of the transaction price
- 4) Allocation of the transaction price to the performance obligations in the contract
- 5) Recognition of revenue as we satisfy a performance obligation

The Group identifies enforceable contracts with a customer when the agreement is signed. The Group accounts for individual performance obligations separately if they are distinct. The transaction price is generally based on fixed fees stated in the contract. The Group excludes from the transaction price any amounts relating to taxes from product sales which are collected from customers and remitted to governmental authorities. If the contract contains a single performance obligation, the entire transaction price is allocated to the single performance obligation. Contracts that contain multiple performance obligations require an allocation of the transaction price to each performance obligation based on a relative standalone selling price basis.

The Group is not able to directly observe a standalone selling price for its performance obligations, as the performance obligations are sold separately and within a sufficiently narrow price range only infrequently, and because management has determined that there are no third-party offerings reasonably comparable to the Group's products. Accordingly, total contract values are allocated to subscriptions to the products and professional services based on management's best estimate of the standalone selling price. This determination requires the Group to make certain estimates and judgments. The Group considers numerous factors, including the nature and complexity of the performance obligations themselves; the geography, market conditions and competitive landscape for the sale; internal costs; and pricing and discounting practices. The Group updates its estimates of standalone selling price on an ongoing basis through internal periodic reviews and as events or circumstances may require.

Revenue is recognised at the time the related performance obligation is satisfied by transferring a promised service to a customer. The Group satisfies performance obligations over time.

For arrangements in which the Group re-sells third-party e-learning training content to customers, revenue is recognized at the gross amount invoiced to customers as (i) the Group is primarily responsible for hosting the content on the Group's solutions for the term of the agreement, and (ii) the Group typically has discretion to establish the price charged.

**Deferred revenue**

The Group records amounts that have been invoiced to its customers in trade receivables and in either deferred income or turnover depending on whether the revenue recognition criteria described above have been met. Deferred income that will be recognised during the succeeding twelve-month period from the respective reporting end date is recorded as current deferred income and the remaining portion is recorded as non-current.

**Commission Payments**

The Group defers commissions paid to its sales force and related payroll taxes as these amounts are incremental costs of obtaining a contract with a customer and are recoverable from future revenue due to the non-cancellable customer agreements that gave rise to the commissions. Commissions for initial contracts are deferred on the statement of financial position and amortised on a straight-line basis over a period of benefit that has been determined to be six years. The Group took into consideration technology and other factors in estimating the benefit period. Sales commissions for renewal contracts are deferred and amortised on a straight-line basis over the related contract renewal period.

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**CORNERSTONE ONDEMAND UK HOLDINGS LIMITED****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021****1. Accounting policies (continued)****Cost of sales**

Cost of sales consists primarily of costs related to hosting the Group's products and delivery of professional services, and includes the following:

- personnel and related expenses, including stock-based compensation;
- expenses for network-related infrastructure and IT support;
- delivery of contracted professional services and ongoing customer support and customer success initiatives;
- payments to external service providers contracted to perform implementation services;
- depreciation of data centres, and amortisation of: capitalised software costs, developed technology software license rights, and technology-related intangible assets from acquisitions; and
- content and licensing fees, and referral fees.

In addition, the Group allocates a portion of its overheads, such as rent, IT costs, depreciation and amortisation, and employee benefits costs, to cost of sales based on headcount and total costs. The costs associated with providing professional services are recognised as incurred when the services are performed. Out-of-pocket travel costs related to the delivery of professional services are typically reimbursed by the customer and are accounted for as cost of sales in the period in which the cost is incurred.

**Current and non-current classification**

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

**Property, plant and equipment**

Property, plant and equipment is stated at historical cost less accumulated depreciation and accumulated impairment losses.

Depreciation is charged to write off the cost of assets, less their residual values, to profit or loss on a straight-line basis over the estimated useful lives, as follows:

Leasehold improvements	over the length of the lease
Equipment	over 3 or 5 years

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

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset and is recognised in profit and loss.

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## CORNERSTONE ONDEMAND UK HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021

## 1. Accounting policies (continued)

**Right-of-use assets**

Right-of-use assets are recognised at the commencement date of the lease and initially measured at the amount of the lease liability, plus any incremental costs of obtaining the lease and any lease payments made at or before the leased asset is available for use by the Group.

Right-of-use assets are subsequently measured at cost less accumulated depreciation and any accumulated impairment losses. The depreciation methods applied are as follows:

Leasehold property	over the remaining lease term of between 1-3 years
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Right-of-use assets are adjusted for any re-measurement of the lease liability and lease modifications, as set out in the lease accounting policy.

**Intangible assets*****Goodwill***

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business. Goodwill is not amortised, but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired and is carried at cost less accumulated impairment losses.

***Intangible assets other than goodwill***

Intangible assets that are acquired separately are initially measured at cost. Intangible assets acquired in a business combination are initially measured at cost, as determined based on fair value at the date of acquisition. Intangible assets are subsequently carried at cost less any accumulated amortisation and accumulated impairment losses.

Amortisation is provided to write off the cost of assets, less their residual values, to profit or loss on a straight-line basis over the estimated useful lives, as follows:

Purchased computer software	3 years
Customer contracts	2 years
Trade and domain names	3 years
Customer relationships	11 years
Developed technology	4 years
Migration	3 years

Amortisation periods and methods are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

***Internally generated intangible assets – research and development costs***

Research and development expenses consist primarily of personnel and related expenses for the Group's research and development staff, including salaries, benefits, bonuses, and stock-based compensation; the cost of certain third-party service providers; and allocated overheads. Research expenditure is recognised as an expense as incurred.

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**CORNERSTONE ONDEMAND UK HOLDINGS LIMITED****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021****1. Accounting policies (continued)**

Development expenditure incurred on internally generated intangible assets is recognised as an intangible asset if all the following criteria are met:

- It is probable that the asset created will generate future economic benefits;
- The development cost of the asset can be measured reliably;
- Technical feasibility of completing the intangible asset can be demonstrated;
- There is the ability to use or sell the asset;
- Adequate technical, financial and other resources to complete the development and to use or sell the asset are available; and
- There is intention to complete, use or sell the intangible asset.

Capitalised development costs are initially measured at cost and subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete, and the asset is available for use. The asset is amortised over the period of expected future benefit.

Amortisation is provided to write off the cost of the asset over its useful life on the following basis:

Software development asset	3 years
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**Impairment of non-financial assets**

At each reporting end date, the Group reviews the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. An intangible asset with an indefinite useful life is tested for impairment at least annually and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value-in-use. 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 (or cash-generating unit) for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss. Impairment losses on goodwill are never reversed.

**Non-current investments**

Investments in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting end date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

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## CORNERSTONE ONDEMAND UK HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021

## 1. Accounting policies (continued)

**Financial instruments**

Financial assets and financial liabilities are recognised in the statement of financial position when the Group becomes party to the contractual provisions of the instrument.

**Financial assets***Cash and cash equivalents*

Cash and cash equivalents comprise cash in hand, demand deposits held on call with banks, and other short-term highly liquid investments with original maturities of three months or less that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

*Trade and other receivables*

Trade receivables are initially measured at their transaction price. Amounts owed by group undertakings and other receivables are initially measured at fair value, which is normally equivalent to transaction price, plus transaction costs. Trade and other receivables are held to collect the contractual cash flows which are solely payments of principal and interest and are subsequently measured at amortised cost, being the amount initially recognised less amounts settled and any impairment losses.

*Derecognition of financial assets*

A financial asset (or part thereof) is derecognised when the contractual rights to cash flows expire or are settled, or when the contractual rights to receive the cash flows of the financial asset and substantially all the risks and rewards of ownership are transferred to another party. When there is no reasonable expectation of recovering a financial asset, it is derecognised ('written off'). The gain or loss on derecognition of financial assets measured at amortised cost is recognised in profit or loss.

*Impairment of financial assets*

An impairment loss is recognised for the expected credit losses on financial assets when there is an increased probability that the counterparty will be unable to settle an instrument's contractual cash flows on the contractual due dates, a reduction in the amounts expected to be recovered, or both.

The probability of default and expected amounts recoverable are assessed using reasonable and supportable past and forward-looking information that is available without undue cost or effort. The expected credit loss is a probability-weighted amount determined from a range of outcomes and takes into account the time value of money.

The measurement of impairment losses depends on whether the financial asset is 'performing', 'underperforming' or 'non-performing' based on the Group's assessment of increases in the credit risk of the financial asset since its initial recognition and any events that have occurred before the year-end which have a detrimental impact on cash flows. The financial asset moves from 'performing' to 'underperforming' when the increase in credit risk since initial recognition becomes significant.

In assessing whether credit risk has increased significantly, the Group compares the risk of default at the year-end with the risk of a default when the financial asset was originally recognised using reasonable and supportable past and forward-looking information that is available without undue cost. The risk of a default occurring takes into consideration default events that are possible within 12 months of the year-end ("the 12-month expected credit losses") for 'performing' financial assets, and all possible default events over the expected life of those debtors ("the lifetime expected credit losses") for 'underperforming' financial assets.

Impairment losses and any subsequent reversals of impairment losses are adjusted against the carrying amount of the financial asset and are recognised in profit or loss.

*Impairment of trade receivables*

For trade receivables, expected credit losses are measured by applying an expected loss rate to the gross carrying amount. The expected loss rate comprises the risk of a default occurring and the expected cash flows on default based on the aging of the receivable. The risk of a default occurring always takes into consideration all possible default events over the expected life of those receivables ("the lifetime expected credit losses"). Different provision rates and periods are used based on groupings of historical credit loss experience by product type, customer type and location.

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## CORNERSTONE ONDEMAND UK HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021

## 1. Accounting policies (continued)

**Financial liabilities***Financial liabilities*

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

*Trade payables and other payables*

Trade payables, amounts owed to group undertakings, accruals and other payables are initially measured at fair value, which is normally equivalent to transaction price, less transaction costs, and are subsequently measured at amortised cost, being the amount initially recognised less amounts settled.

*Derecognition of financial liabilities*

A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires. Any difference between the carrying amount of a financial liability (or part thereof) that is derecognised and the consideration paid is recognised in profit or loss.

*Equity*

Equity instruments issued are recorded at fair value on initial recognition net of transaction costs.

**Finance costs and finance income**

These are determined using the effective interest rate method, which is a method of calculating the amortised cost of a financial asset or financial liability (or group of financial assets or liabilities) and of allocating the interest income or interest expense over the expected life of the asset or liability. The effective interest rate is the rate that exactly discounts estimated future cash flows to the instrument's initial carrying amount.

**Provisions**

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

*Leasehold property provisions*

Leasehold property provisions arise where the Group incurs an obligation to restore a leased property to the condition that existed at the commencement date of the lease.

*Restructuring provisions*

Redundancy and restructuring provisions are only recognised when a detailed formal plan for the restructuring exists and it has been communicated to those affected by it.

**Income tax**

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

*Current tax*

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Current tax assets and liabilities are offset when the Group has a legally enforceable right to setoff and when they the Group intends to settle on a net basis.

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**CORNERSTONE ONDEMAND UK HOLDINGS LIMITED****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021****1. Accounting policies (continued)***Deferred tax*

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the reporting end date. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited in other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow based on the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset, when the Group has a legally enforceable right to set-off current tax assets against current tax liabilities, and when they relate to income taxes levied by the same tax authority and the Group intends to settle its current tax assets and liabilities on a net basis.

**Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are revenue contract related.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

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

**Retirement benefit obligations***Defined contribution pension obligation*

The Group operates a defined contribution scheme for the benefit of its employees. Contributions are charged to profit or loss in the year they are payable. The assets of the scheme are held separately from those of the Group in an independently administered fund.

**Leases**

On commencement of a contract (or part of a contract) which gives the Group the right to use an asset for a period of time in exchange for consideration, the Group recognises a right-of-use asset and a lease liability, unless the lease qualifies as a 'short-term' lease or a 'low-value' lease.

*Short-term leases*

Where the lease term is twelve months or less and the lease does not contain an option to purchase the leased asset, lease payments are recognised as an expense on a straight-line basis over the lease term.

*Leases of low-value assets*

For leases where the underlying asset is low-value, lease payments are recognised as an expense on a straight-line basis over the lease term.

## CORNERSTONE ONDEMAND UK HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021

## 1. Accounting policies (continued)

*Initial measurement of the lease liability*

The lease liability is initially measured at the present value of the lease payments during the lease term discounted using the interest rate implicit in the lease, or the incremental borrowing rate if the interest rate implicit in the lease cannot be readily determined.

The lease term is the non-cancellable period of the lease plus extension periods that the Group is reasonably certain to exercise and termination periods that the Group is reasonably certain not to exercise.

Lease payments include fixed payments, less any lease incentives receivable, variable lease payments dependant on an index or a rate (such as those linked to LIBOR) and any residual value guarantees. Variable lease payments are initially measured using the index or rate when the leased asset is available for use.

*Subsequent measurement of the lease liability*

The lease liability is subsequently increased for a constant periodic rate of interest on the remaining balance of the lease liability and reduced for lease payments. Interest on the lease liability is recognised in profit or loss.

*Remeasurement of the lease liability*

The lease liability is adjusted for changes arising from the original terms and conditions of the lease that change the lease term, the Group's assessment of its option to purchase the leased asset, the amount expected to be payable under a residual value guarantee and/or changes in lease payments due to a change in an index or rate. The adjustment to the lease liability is recognised when the change takes effect and is adjusted against the right-of-use asset, unless the carrying amount of the right-of-use asset is reduced to nil, when any further adjustment is recognised in profit or loss.

Adjustments to the lease payments arising from a change in the lease term or assessment of options to purchase the leased asset are discounted using a revised discount rate. The revised discount rate is calculated as the interest rate implicit in the lease for the remainder of the lease term, or if that rate cannot be readily determined, the incremental borrowing rate at the date of reassessment.

*Lease modifications*

A lease modification is a change that was not part of the original terms and conditions of the lease and is accounted for as a separate lease if it increases the scope of the lease by adding the right to use one or more additional assets with a commensurate adjustment to the payments under the lease.

For a lease modification not accounted for as a separate lease, the lease liability is adjusted for the revised lease payments, discounted using a revised discount rate. The revised discount rate used is the interest rate implicit in the lease for the remainder of the lease term, or if that rate cannot be readily determined, the incremental borrowing rate at the date of the modification.

Where the lease modification decreases the scope of the lease, the carrying amount of the right-of-use asset is reduced to reflect the partial or full termination of the lease. Any difference between the adjustment to the lease liability and the adjustment to the right-of-use asset is recognised in profit or loss. For all other lease modifications, the adjustment to the lease liability is recognised as an adjustment to the right-of-use asset.

**Share-based payments**

The Group has issued share options and restricted stock units to certain directors and employees. Effective 1 July 2015, the Group entered into a recharge agreement with its parent, whereby all companies within the Group agreed that the total cost incurred by the parent over the life of the awards relating to the grant of awards to employees should be borne by the Group. Any excess share-based payment charge in any given period, over and above the amount re-charged by the parent for that period is recognised as a credit to equity.

**CORNERSTONE ONDEMAND UK HOLDINGS LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**1. Accounting policies (continued)**

The total cost incurred prior to this effective date was accounted for by the Group as a credit to equity. The fair value of the awards are calculated using the Black-Scholes method. The fair value is charged as an expense in profit or loss over the vesting period. The charge is adjusted each year to reflect the expected and the actual level of vesting.

During the year, all share-based payment arrangements were cancelled in October 2021, when Cornerstone OnDemand Inc, the Company's parent, which was publicly traded in the United States, was acquired by Clearlake Capital Group, L.P. and became a privately held company. The share-based payment arrangements were replaced with cash awards on the same vesting profile, and the relevant employing company in the Group took over the obligation to settle the awards. At the date of the modification a liability was recognised for the cash award, to the extent vested in accordance with IAS 19, and the liability due to the parent under the re-charge agreement, for unvested awards was extinguished. The net difference, between the liability initially recognised for the cash award, and the liability due to the parent which was extinguished, has been recognised directly in equity.

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**CORNERSTONE ONDEMAND UK HOLDINGS LIMITED****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**2. Critical accounting judgements, estimates and assumptions**

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The judgements, estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows:

**Recognition of deferred tax assets**

A deferred tax asset has not been recognised in these accounts as it is unclear whether the Group will make sufficient taxable profits in the foreseeable future to utilise available losses. The amount of the unrecognised deferred tax asset at the reporting date is disclosed in note 10.

**Revenue recognition**

Total contract values are allocated to subscriptions to the Group's products and professional services based on management's best estimate of the standalone selling price. This determination requires the Group to make certain estimates and judgements. The Group considers numerous factors, including the nature and complexity of the performance obligations themselves; the geography, market conditions and competitive landscape for the sale; internal costs; and pricing and discounting practices. The Group updates its estimates of standalone selling price on an ongoing basis through internal periodic reviews and as events or circumstances may require. Note 3 provides further detail on the revenue, costs and balances arising from the application of IFRS 15 to the Group's contracts with customers.

Royalty revenue from related parties is recognised when the license is granted at the beginning of each 90-day non-cancellable period of the license agreement (refer to accounting policy). The billing profile is therefore in line with the way the revenue is recognised and, as a result, the only balances recognised under IFRS 15 are amounts due from group undertakings. The receivables outstanding at the reporting date in respect of this revenue arrangement, are included in 'Amounts owned by group undertakings' (refer to note 16).

**Internally generated intangible assets**

The Group incurs a significant amount of expenditure on development activities related to software. Under IAS 38- 'Intangible assets', development costs incurred on internally generated intangible assets are required to be capitalised if certain criteria are met (refer to accounting policies). The Directors have exercised a critical judgement in determining that the criteria have been met in the current year. As a result, costs that are directly attributable to the Group's software development activities have been capitalised in the current year. Note 11 provides further detail on the amount of development costs capitalised in the year.

**Assets and liabilities acquired in a business combination**

The Group initially measures the assets and liabilities acquired in a business combination, including separable intangible assets, at their fair value at the date of acquisition. Management judgement is required in deriving a number of assumptions, which are used in assessing fair value of the acquired assets and liabilities, including the timing and amount of future incremental cash flows expected to be generated by the separable intangible assets and in calculating an appropriate cost of capital. Note 15 provides further detail on the assets and liabilities recognised in a business combination in the prior year.

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## CORNERSTONE ONDEMAND UK HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021

## 3. Revenue

	2021 \$	2020 \$
<i>Revenue from contracts with customers</i>		
Subscription revenue	214,551,198	180,090,893
Professional consulting services revenue	9,213,588	11,906,777
Day 1 post acquisition deferred income adjustment (see note 15)	-	(9,083,678)
Royalty revenue from related parties	42,136,558	42,325,448
	<u>265,901,344</u>	<u>225,239,440</u>
<i>Disaggregation of revenue by geographical region:</i>		
United Kingdom	66,265,539	38,869,165
Europe	161,367,586	135,777,137
United States of America and Canada	13,570,651	34,110,618
Rest of the world	24,697,568	16,482,520
	<u>265,901,344</u>	<u>225,239,440</u>
<i>Timing of revenue recognition</i>		
Over time	<u>265,901,344</u>	<u>225,239,440</u>

Subscription revenue is recognised over the term of the agreement and billed annually in advance. Professional consulting services revenue from fixed fee contracts is recognised as services are performed based on the proportion performed to date relative to the total expected services to be performed, and for time-and-materials contracts as such time-and materials are incurred. The billing profile for professional consulting services revenue is broadly in line with the manner in which revenue is recognised. As a result, billing is generally in advance of revenue recognition for subscription revenue and the Group recognises deferred income for amounts billed in advance of the satisfaction of performance obligations.

At the reporting date the Group had approximately \$410,052,851 (2020: \$414,959,582) of revenue expected to be recognised from remaining performance obligations. This is substantially comprised of subscription revenue, with less than 10% attributed to professional services and other revenue. The Group expects to recognise revenue of approximately one half (2020: one half) on these remaining performance obligations within one year of the reporting date, with the balance recognised thereafter. The estimated revenues from the remaining performance obligations do not include uncommitted contract amounts, such as (i) amounts which are cancellable by the customer without any significant penalty; and (ii) amounts associated with optional renewal periods. Turnover for the year includes \$119,408,728 (2020: \$114,636,790) released from the deferred income balance carried forward at the beginning of the year.

The Group recognised a loss in respect of impairment adjustments on its trade receivables of \$599,739 (2020: \$130,262 impairment reversal) in the year. The Group recognised \$8,753,185 (2020: \$8,435,376) in profit and loss in the year in respect of amortised deferred commission costs relating to its contacts with customers.

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## CORNERSTONE ONDEMAND UK HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021

## 4. Breakdown of expenses by nature

	2021	2020
	\$	\$
Direct cost	11,865,617	14,372,662
Employee benefits expenses (note 6)	47,031,253	47,392,216
Commissions	8,753,185	8,435,376
Depreciation and amortisation		
- owned assets (notes 11 and 12)	10,607,717	7,877,427
- right-of-use-asset (note 12)	2,519,022	2,247,617
Lease expense for 'low value' assets	12,407	90,372
Foreign exchange losses	(245,218)	(13,573,928)
Consulting and legal fees	3,701,778	3,167,995
Sales and marketing costs	2,728,656	3,898,866
Provision/(reversal) for bad debt	599,739	(130,262)
Travel costs	372,790	662,324
Telecommunications and hosting	2,248,109	1,588,684
Transfer price arrangement	184,763,747	122,262,489
Capitalised development costs	(9,142,116)	-
Other operating expenses	5,088,829	2,515,356
	<u>270,905,515</u>	<u>200,807,194</u>

Included in transfer price arrangement in the current year is \$2.4m of non-recurring charges relating to the true up and close out of certain intercompany transactions, subsequent to a wider group restructuring project.

## 5. Auditor's remuneration

	2021	2020
	\$	\$
Fees payable to the Company's auditor:		
Audit of the Company's financial statements	131,823	3,375
Audit of the subsidiaries' financial statements	-	76,652
	<u>131,823</u>	<u>80,027</u>
For other services:		
Fees payable to the Company's auditor:		
Accounts preparation services	66,400	40,391
Other services	38,259	-
	<u>104,659</u>	<u>40,391</u>

The Company's subsidiaries, which were audited by the Company's auditor in the prior year, were audit exempt in the current year (refer to note 14). As a result there were no audit fees for these subsidiaries in the current year.

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## CORNERSTONE ONDEMAND UK HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021

## 6. Employees and directors

	Group		Company	
	2021	2020	2021	2020
	\$	\$	\$	\$
Wages and salaries	23,992,618	24,274,334	-	-
Social Security	5,115,801	4,386,712	-	-
Pension	1,158,952	1,489,044	-	-
	30,267,371	30,150,090	-	-
Share based payment expense	4,181,143	5,558,662	-	-
Bonus and commissions	11,430,702	10,532,566	-	-
Other employee cost	1,152,037	1,150,898	-	-
	47,031,253	47,392,216	-	-

The average monthly number of persons employed during the year, analysed by category was as follows:

	Group		Company	
	2021	2020	2021	2020
	No	No	No	No
Admin	55	55	-	-
R&D	127	161	-	-
Sales and Marketing	117	126	-	-
Service	89	85	-	-
	388	427	-	-

**Directors' remuneration**

The Directors did not receive any remuneration from the Company, or any other entity in the Group, in the year (2020: \$nil). The Directors are remunerated by a fellow group undertaking. The Group is unable to separately identify the proportion of the remuneration receivable from the fellow group undertaking that is attributable to their services performed in the Group.

During the year, \$3,014,031 (2020: \$4,474,670) of the share-based payment expense included above was recharged by the ultimate parent company (see note 7 for further details).

## 7. Share-based payment transactions

**Equity-settled share-based payments**

The parent previously operated an equity-settled share option scheme in which a number of the Group's employees are members. Effective 1 July 2015, the Group entered into a recharge agreement with the parent where the parent and the Group agreed that the total cost incurred by the parent over the life of the awards relating to the grant of awards to employees should be borne by the Group. Any excess share-based payment charge in any given period, over and above the amount re-charged by the parent for that period has been recognised as a credit to equity. The total share-based payment charge for the year was \$4,181,143 (2020: \$5,558,662) and the amount re-charged by the ultimate parent was \$3,014,031 (2020: \$4,474,670).

During the year, all share-based payment arrangements were cancelled in October 2021, when Cornerstone OnDemand Inc, the Company's parent, which was publicly traded in the United States, was acquired by Clearlake Capital Group, L.P. and became a privately held company. The share-based payment arrangements were replaced with cash awards on the same vesting profile, and the relevant employing company in the Group took over the obligation to settle the awards. At the date of the modification a liability was recognised, to the extent vested in accordance with IAS 19, and the liability due to the parent under the re-charge agreement, for unvested awards was extinguished. The net difference of \$834,890, between the liability initially recognised for the cash award, and the liability due to the parent, which was extinguished, has been recognised directly in equity.

Up until October 2021, the Group had the following share-based payment plans.

**CORNERSTONE ONDEMAND UK HOLDINGS LIMITED****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021****7. Share-based payment transactions (continued)****2010 Plan**

In March 2011, upon the completion of the parent's initial public offering, the parent adopted the 2010 Plan and the parent will no longer grant any additional awards under the 1999 Plan and the 2009 Plan. However, the 1999 Plan and the 2009 Plan will continue to govern the terms and conditions of the outstanding awards previously granted under each respective plan. Upon the adoption of the 2010 Plan, the maximum aggregate number of shares issuable thereunder was 3,680,480 shares, plus (i) any shares subject to stock options or similar awards granted under the 1999 Plan or 2009 Plan prior to March 16, 2011 that expire or otherwise terminate without having been exercised in full and (ii) shares issued pursuant to awards granted under the 1999 Plan and 2009 Plan that are forfeited to or repurchased by the parent after March 16, 2011, with the maximum number of shares to be added to the 2010 Plan from the 1999 Plan and 2009 Plan equal to 5,614,369 shares of common stock.

In addition, the number of shares available for issuance under the 2010 Plan will be annually increased on the first day of each fiscal year beginning with 2012, by an amount equal to the lesser of 5,500,000 shares, 4.5% of the outstanding shares of the parent's common stock as of the last day of the immediately preceding fiscal year, or such other amount as the parent's Board of Directors determines.

Shares issued pursuant to awards under the 2010 Plan that are repurchased by the parent or that expire or are forfeited, as well as shares used to pay the exercise price of an award or to satisfy the minimum tax withholding obligations related to an award, will become available for future grant or sale under the 2010 Plan. In addition, to the extent that an award is paid out in cash rather than shares, such cash payment will not reduce the number of shares available for issuance under the 2010 Plan.

The 2010 Plan permits the grant of incentive stock options to employees and the grant of non-statutory stock options, restricted stock, restricted stock units, stock appreciation rights, performance units and performance shares to the group's employees, directors and consultants.

**Stock Options**

The exercise price of stock options granted under the 2010 Plan must equal at least the fair market value of the parent's common stock on the date of grant. The term of an incentive stock option may not exceed ten years; provided, however, that an incentive stock option held by a participant who owns more than 10% of the total combined voting power of all classes of the parent's stock, may not have a term in excess of five years and must have an exercise price of at least 110% of the fair market value of the parent's common stock on the grant date.

**Restricted Stock Units**

The parent may also grant restricted stock units under the 2010 Plan. The fair value of each restricted stock unit granted is equal to the grant date fair market value of the parent's common stock. The payment of restricted stock units may be in the form of cash, shares, or in a combination thereof, as determined by the parent's Board of Directors.

**Performance Units/Performance Shares**

The parent may also grant performance units and performance shares under the 2010 Plan. Performance units and performance shares are awards that will result in a payment to a participant only if performance goals for a predetermined performance period, established by the parent's Board of Directors, are achieved or the awards otherwise vest. The fair value of each performance unit and performance share awarded is equal to the grant date fair market value of the parent's common stock when the performance goals are defined solely by reference to the parent's operations. The fair value of each performance unit and performance award that contain performance goals tied to performance of the parent's common stock is estimated using a Monte-Carlo simulation. The payment of performance units and performance shares may be in the form of cash, shares, or a combination thereof, as determined by the parent's Board of Directors.

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## CORNERSTONE ONDEMAND UK HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021

## 7. Share-based payment transactions (continued)

**Employee Stock Purchase Plan**

Under the parent's 2010 Employee Stock Purchase Plan ("ESPP") eligible employees are granted the right to purchase shares at the lower of 85% of the fair market value of the parent's common stock at the time of grant or 85% of the fair market value at the time of exercise. The right to purchase shares is granted twice yearly for six month offering periods in June and December and exercisable on or about the succeeding December and June, respectively, on each year. The parent commenced its first offering period in December 2014 and the first purchase period occurred in June 2015. Under the ESPP, nil shares remained available for issuance at 31 December 2021 (2020: 4,176,406 shares).

A reconciliation of the share-based payment schemes is presented below:

Group	Outstanding at the start of the year	Granted	Exercised	Forfeited	Cancelled*	Outstanding at the end of the year
2021						
Restricted Stock Units (RSUs)	252,474	114,312	(113,282)	(43,913)	(209,591)	-
Weighted average exercise price (\$)	Nil	Nil	Nil	Nil	Nil	-
Stock Options	93,693	-	(57,700)	(1,500)	(34,493)	-
Weighted average exercise price (\$)	37.63	-	(53)	(56.05)	(11.12)	-
Performance Units/Performance Shares	24,044	-	-	(24,044)	-	-
Weighted average exercise price (\$)	Nil	-	-	Nil	-	-
Employee Stock Purchase Plan	-	11,953	(11,953)	-	-	-
Weighted average exercise price (\$)	-	33.57	(33.57)	-	-	-

\*During the year, all share-based payment arrangements were cancelled in October 2021, when Cornerstone OnDemand Inc, the Company's parent, which was publicly traded in the United States, was acquired by Clearlake Capital Group, L.P. and became a privately held company. The share-based payment arrangements were replaced with cash awards on the same vesting profile, and the relevant employing company in the Group took over the obligation to settle the awards.

## CORNERSTONE ONDEMAND UK HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021

## 7. Share-based payment transactions (continued)

2020	Outstanding at the start of the year	Granted	Exercised	Forfeited	Outstanding at the end of the year	Exercisable at the end of the year
Restricted Stock Units (RSUs)	236,298	137,344	(99,910)	(21,258)	252,474	232,241
Weighted average exercise price (\$)	Nil	Nil	Nil	Nil	Nil	Nil
Stock Options	99,133	-	(5,440)	-	93,693	93,693
Weighted average exercise price (\$)	36.27	-	(44.13)	-	37.63	37.63
Performance Units/Performance Shares	9,942	14,102	-	-	24,044	-
Weighted average exercise price (\$)	Nil	Nil	-	-	Nil	-
Employee Stock Purchase Plan	11,669	-	(11,669)	-	-	-
Weighted average exercise price (\$)	39.16	-	(39.16)	-	-	-

The outstanding RSUs at 31 December 2020 had a remaining average contractual life of 8.5 years. The outstanding Stock Options at 31 December 2020 had a remaining average contractual life of 2.5 years, with exercise prices ranging from \$12.50 to \$56. The outstanding Performance Units/ Performance Shares at 31 December 2020 had a remaining average contractual life of 1.85 years.

## CORNERSTONE ONDEMAND UK HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021

## 7. Share-based payment transactions (continued)

The fair value for share-based payment awards granted during the year covered by the financial statements, and the assumptions used in the calculation were as follows:

Employee Stock Purchase Plan

The estimate of the grant date fair value of each option was calculated using the Black Scholes model, using the following inputs:

	2021	2020
Share price at grant date (\$)	10.17-13.34	N/A
Weighted average exercise price (\$)	33.57	N/A
Expected option life (years)	0.5	N/A
Expected volatility (%)	29.4 -40.0	N/A
Expected dividends (%)	nil	N/A
Discount rate (%)	0 to 0.1	N/A

Expected volatility was determined by calculating the historical volatility of similar companies' share prices over the previous years based on the expected life of the option. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations.

Restricted Stock Units (RSUs)

The weighted average fair value of RSUs granted during the year was \$44.86 (2020: \$32.75), which was calculated based on the share price of the US parent at the date of grant.

Performance Units/ Performance Shares

The weighted average fair value of Performance Units/ Performance Shares granted during the prior year was \$31.59, which was calculated based on the share price of the US parent at the date of grant.

## 8. Finance income

	2021	2020
	\$	\$
Interest on bank deposits	45,594	3,468

## 9. Finance costs

	2021	2020
	\$	\$
Interest on lease liabilities	165,819	201,971
Other interest	11,051	153,566
	<u>176,870</u>	<u>355,537</u>

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## CORNERSTONE ONDEMAND UK HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021

## 10. Taxation

	2021 \$	2020 \$
<b>Current taxation</b>		
UK corporation tax	(1,582,465)	1,686,980
Foreign tax	875,170	746,598
	<u>(707,295)</u>	<u>2,433,578</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(993,426)	933,799
Changes in tax rates	-	-
	<u>(993,426)</u>	<u>933,799</u>
Total tax (credit)/expense in the income statement	<u>(1,700,721)</u>	<u>3,367,377</u>

**Factors affecting tax charge for the year**

The tax charge for the year can be reconciled to the result per the statement of comprehensive income as follows:

	2021 \$	2020 \$
(Loss)/profit before income tax	(5,135,447)	24,080,177
(Loss)/profit before income tax multiplied by the standard rate of corporation tax of 19% (2020:19%)	(975,735)	4,575,234
Effects of:		
Foreign tax rate differential	142,937	(5,484)
Expenses not deductible for tax purposes	268,754	641,062
Utilisation of tax losses not previously recognised as a deferred tax asset	(488,588)	(2,066,920)
Withholding tax	(62,575)	314,032
Group relief	-	(53,829)
Other	(585,514)	(36,718)
Total tax (credit)/charge	<u>(1,700,721)</u>	<u>3,367,377</u>

The Group has estimated trading losses of \$223,053,080 (2020: \$263,387,862) available to carry forward against future taxable profits. Deferred tax in respect of these losses has only been recognised to the extent that there is a corresponding deferred tax liability. The amount of unprovided deferred tax arising on these tax losses is \$27,940,460 (2020: \$51,946,384). No deferred tax asset has been recognised on these losses due to uncertainty over whether the Group will make future profits that can be offset by the losses. Accumulated tax losses of \$217,056,161 (2020: \$256,346,844) can be carried forward indefinitely. The remaining accumulated tax losses begin to expire in 2022.

The 19% corporation tax rate in the UK increased to 25% from April 2023. The increase was substantively enacted in May 2021. Deferred tax relevant to UK operations has been measured based on the tax rates substantively enacted at the year-end, which will apply when the deferred tax un-winds.

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## CORNERSTONE ONDEMAND UK HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021

11. Intangible assets Group	Goodwill	Computer software	Software development	Customer Contracts	Trade and domain names	Customer relationships	Developed technology	Total
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Cost</b>								
At 31 December 2019	-	168,088	-	-	-	-	-	168,088
Business combinations	198,097,928	296,300	-	2,000,000	300,000	10,400,000	16,900,000	227,994,228
Additions	-	1,198	-	-	-	-	-	1,198
Disposal	-	(70,950)	-	-	-	-	-	(70,950)
Exchange adjustments	20,592,039	34,195	-	217,224	32,584	1,129,563	1,835,539	23,841,144
At 31 December 2020	218,689,967	428,831	-	2,217,224	332,584	11,529,563	18,735,539	251,933,708
Additions	-	-	9,142,116	-	-	-	-	9,142,116
Disposal	-	(7,185)	-	-	-	-	-	(7,185)
Exchange adjustments	(9,599,886)	(4,858)	-	(26,233)	(3,935)	(136,413)	(221,671)	(9,992,996)
At 31 December 2021	209,090,081	416,788	9,142,116	2,190,991	328,649	11,393,150	18,513,868	251,075,643
<b>Accumulated amortisation</b>								
At 31 December 2019	-	56,746	-	-	-	-	-	56,746
Charge for the year	-	218,611	-	730,130	73,013	690,305	3,121,306	4,833,365
Disposal	-	(70,950)	-	-	-	-	-	(70,950)
Exchange adjustments	-	14,296	-	33,580	3,358	31,748	143,555	226,537
At 31 December 2020	-	218,703	-	763,710	76,371	722,053	3,264,861	5,045,698
Charge for the year	-	147,474	1,030,912	1,117,151	111,715	1,056,215	4,775,819	8,239,286
Disposal	-	(6,561)	-	-	-	-	-	(6,561)
Exchange adjustments	-	(2,345)	(7,489)	(30,881)	(3,088)	(29,196)	(132,015)	(205,014)
At 31 December 2021	-	357,271	1,023,423	1,849,980	184,998	1,749,072	7,908,665	13,073,409
<b>Net book value</b>								
At 31 December 2021	209,090,081	59,517	8,118,693	341,011	143,651	9,644,078	10,605,203	238,002,234
At 31 December 2020	218,689,967	210,128	-	1,453,514	256,213	10,807,510	15,470,678	246,888,010

**CORNERSTONE ONDEMAND UK HOLDINGS LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**11. Intangible assets (continued)**

The amortisation charge for the year of \$5,806,730 and \$2,432,556 (2020: \$3,121,306 and \$1,712,059) is recognised within cost of sales and administrative expenses respectively.

There are no contractual commitments to acquire intangible assets at the reporting date (2020: \$nil).

Goodwill acquired in a business combination is allocated to cash generating units (CGUs) and is tested for impairment on an annual basis by comparing the carrying amount against the discounted cash flow projections of the CGU.

For the purpose of impairment testing, the Group is considered to be one CGU.

The recoverable amount of the Group has been determined based on value in use calculations, using approved budgets and forecasts for the next financial year, followed by an extrapolation of expected cash flows for the periods thereafter. The key assumptions in the value in use calculation were as follows:

- Forecasted future revenues
- Discount rates, which reflect the current market assessment of the risks specific to the business. The discount rate was estimated based on market-based inputs. The discount rate for the individual Intangible Assets was adjusted based on the riskiness of the Intangible Assets relative to the Parent (Cornerstone Inc.) WACC.

As a result of the impairment review, and calculation of the recoverable amount of the Group, there was no impairment charge in the current or prior year.

The Company had no intangible assets at 31 December 2021, or at 31 December 2020.

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## CORNERSTONE ONDEMAND UK HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021

## 12. Property, plant and equipment

Group	Leasehold improvements \$	Equipment \$	Right-of-use assets property \$	Total \$
<b>Cost</b>				
At 31 December 2019	878,754	8,165,180	3,151,091	12,195,025
Business combinations	461,965	1,084,673	3,330,703	4,877,341
Additions	36,591	783,914	2,279,923	3,100,428
Disposals	(76,747)	(1,038,821)	(359,316)	(1,474,884)
Exchange adjustments	37,548	421,161	255,265	713,974
At 31 December 2020	1,338,111	9,416,107	8,657,666	19,411,884
Additions	14,657	99,276	384,429	498,362
Disposals	(405,602)	(29,581)	(2,073,281)	(2,508,464)
Exchange adjustments	(12,587)	(160,302)	(146,625)	(319,514)
At 31 December 2021	934,579	9,325,500	6,822,189	17,082,268
<b>Accumulated depreciation</b>				
At 31 December 2019	878,754	4,003,084	918,429	5,800,267
Charge for the year	205,537	2,838,525	2,247,617	5,291,679
Disposals	(76,465)	(909,499)	(270,052)	(1,256,016)
Exchange adjustments	33,815	304,628	(14,852)	323,591
At 31 December 2020	1,041,641	6,236,738	2,881,142	10,159,521
Charge for the year	288,624	2,079,807	2,519,022	4,887,453
Disposals	(405,602)	(28,230)	(2,054,300)	(2,488,132)
Exchange adjustments	(27,557)	(126,295)	(195,995)	(349,847)
At 31 December 2021	897,106	8,162,020	3,149,869	12,208,995
<b>Net book value</b>				
At 31 December 2021	37,473	1,163,480	3,672,320	4,873,273
At 31 December 2020	296,470	3,179,369	5,776,524	9,252,363

The depreciation charge is recognised within administrative expenses.

The Company had no property, plant and equipment at 31 December 2021, or at 31 December 2020.

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## CORNERSTONE ONDEMAND UK HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021

## 13. Investments

Company	Subsidiary undertakings \$
<b>Cost:</b>	
At 1 January 2021 and 31 December 2021	304,076,583
<b>Impairment:</b>	
At 1 January 2021 and 31 December 2021	-
<b>Carrying amount:</b>	
At 31 December 2021 and 31 December 2020	304,076,583

During the prior year, the Company acquired Libra Acquireco Limited and its subsidiary undertakings, a provider of talent experience solutions. \$132,504,174 was paid to the previous owners and in addition, as part of the acquisition, the Company settled \$120,528,644 of the acquiree's debt at the date of the acquisition.

During the prior year, the Company subscribed for one newly issued share in one of its subsidiary undertakings, Cornerstone OnDemand Europe Limited, for \$17,043,763.

## 14. Subsidiaries

Details of the Company's subsidiaries at 31 December 2021 are as follows:

Name of undertaking	Registered office	Direct ownership interest (%)	Indirect ownership interest (%)	Nature of business
Cornerstone OnDemand Limited*	a)	100		a)
Cornerstone OnDemand Europe Limited*	a)	100		a)
Cornerstone OnDemand International Limited*	a)	100		a)
Cornerstone OnDemand Singapore Pte. Ltd.	b)		100	a)
Cornerstone OnDemand Netherlands BV	c)		100	a)
Lumesse Austria GmbH	d)		100	a)
Cornerstone OnDemand Belgium BV (Formerly Lumesse BVBA)	e)		100	a)
Cornerstone OnDemand Shanghai Limited (formerly Lumesse Solutions (Shanghai) Limited)	f)		100	a)
Lumesse A/S	g)		100	a)
Lumesse Holdings SAS	h)		100	b)
Cornerstone OnDemand France SARL (formerly Lumesse SARL)	h)		100	a)
Lumesse Holdings GmbH	i)		100	b)
Lumesse GmbH	i)		100	a)
Cornerstone OnDemand Hong Kong Limited (formerly Lumesse Hong Kong Limited)	j)		100	a)

## CORNERSTONE ONDEMAND UK HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021

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## 14. Subsidiaries (continued)

Name of undertaking	Registered office	Direct ownership interest (%)	Indirect ownership interest (%)	Nature of business
Lumesse Italy Srl	k)		100	a)
Lumesse Talent Management Malaysia Sdn Bnd	l)		100	a)
Lumesse Holdings BV	m)		100	b)
Lumesse BV	n)		100	a)
Lumesse AS	o)		100	a)
Saba Software Sp.z.o.o. (formerly Lumesse Sp.z.o.o)	p)		100	a)
Lumesse Singapore Pte Ltd	q)		100	a)
Lumesse Holdings AB	r)		100	a)
Lumesse AB	r)		100	a)
Lumesse Holdings AG	s)		100	b)
Lumesse Rights AG	s)		100	a)
Lumesse Switzerland AG	s)		100	a)
Libra AcquireCo Ltd*	t)		100	a)
TalentObjects Holdings Limited*	t)		100	c)
TalentObjects Limited*	t)		100	c)
Lumesse Holdings Limited*	t)		100	b)
Lumesse Corporate Limited*	t)		100	a)
Lumesse Holdings UK Limited*	t)		100	b)
Lumesse (UK) Limited*	t)		100	b)
Lumesse Limited*	t)		100	a)
Skyhook Newco LLC	x)	100		b)
TalentObjects Inc	u)		100	c)
Lumesse Inc	v)		100	a)
Lumesse Holdings AS	w)		100	b)

\*These entities were entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies and the members have not required these subsidiaries to obtain an audit of its financial statements for the year in accordance with section 476. In accordance with section 479A, the Company has provided a guarantee of all outstanding liabilities to which each of these subsidiaries is subject to at the end of the financial year to which the guarantee relates, under section 479C.

**Nature of business**

a) Sale of learning and human capital management software

b) Holding company

c) Dormant

**CORNERSTONE ONDEMAND UK HOLDINGS LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**14. Subsidiaries (continued)**

**Registered office**

- a) 4 Coleman St., London, United Kingdom, EC2R 5AR
- b) 137 Telok Ayer Street #08-01 Singapore 068602
- c) Barbara Strozzi 101-201, 1083 HN Amsterdam, The Netherlands
- d) c/o Lehner & Partner, Himmelpfortgasse 20/2, 1010 Wien
- e) 4 Rue de la Presse, 1000 Bruxelles
- f) Room 1005b Finance Square, No.333 Jiujiang Road, Huangpu District, Shanghai
- g) c/o Lundgrens Law Firm P/S, Tuborg Boulevard 12, 2900 Hellerup
- h) 40-42 rue la Boetie, 6th floor, 75008 Paris, France
- i) Lumesse GmbH, Flughafenstr. 103, 40474 Dusseldorf
- j) Suite 705, 7th Floor, 625 King's Road, North Point, Hong Kong
- k) Via Giovanni Gioacchino Winckelmann 1, Milano - 20146
- l) c/o Luther Corporate Services Sdn Bhd, Unite 17-2, Level 17, Wisma UOA II, No.21, Jalan Pinang, 50450 Kuala Lumpur
- m) Basisweg 10, 1043 AP Amsterdam
- n) Barbara Strozzi 101-201, 1083 HN Amsterdam
- o) c/o Advokatfirmaet Schjodt AS, Ruselokkveien 14, 0251 Oslo
- p) ul. Pawia 23, 31-154 Krakow
- q) c/o Luther Corporate Services Pte Ltd, 4 Battery Road, #25-01, Bank of China Building, Singapore 049908
- r) c/o Törngren Magnell & Partners, Jakobs torg 3, 111 52 Stockholm, Sweden
- s) c/o BDO AG Biberiststrabe 16, 4501 Solothurn
- t) 4 Coleman St., London, United Kingdom, EC2R 5AR
- u) The Corporation Trust Company 9000010, Corporation Trust Center, 1209 Orange Street, Wilmington DE 19801
- v) Registered Agent Solutions, Inc., 155 Office Plaza Drive, Suite A, Tallahassee Florida 32301
- w) c/o Advokatfirmaet Schjodt AS, Ruselokkveien 14, 0251 Oslo
- x) 251 Little Falls Drive, Wilmington, Delaware 19808

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## CORNERSTONE ONDEMAND UK HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021

## 15. Business combinations

## Summary of acquisition

In the prior year, on 22 April 2020 the Company acquired 100 percent of the issued share capital of Libra Acquireco Limited and its subsidiary undertakings, a provider of talent experience solutions. \$132,504,174 was paid to the previous owners and in addition, as part of the acquisition, the Company settled \$120,528,644 of the acquiree's debt at the date of the acquisition.

## Net liabilities acquired

	Book Value \$	Adjustment \$	Fair Value \$
Property, plant and equipment	4,877,341	-	4,877,341
Intangible assets	14,695,077	15,201,223	29,896,300
Other assets	1,064,820	-	1,064,820
Cash and cash equivalents	16,422,507	-	16,422,507
Trade and other receivables	45,337,284	(81,785)	45,255,499
Deferred tax assets	20,288,582	(19,285,154)	1,003,428
Trade and other payables	(27,126,841)	-	(27,126,841)
Loans	(120,528,644)	-	(120,528,644)
Deferred income	(21,701,399)	9,083,678	(12,617,721)
Lease liabilities	(3,330,703)	-	(3,330,703)
Deferred tax liabilities	(2,046,717)	1,536,977	(509,740)
	<u>(72,048,693)</u>	<u>6,454,939</u>	<u>(65,593,754)</u>

Goodwill 198,097,928

Total consideration 132,504,174

The consideration was satisfied by:

	Fair Value \$
Cash	<u>132,504,174</u>

In accordance with generally accepted accounting practice under IFRS, deferred income of the acquiree was recognised at fair value at the acquisition date, in accordance with IFRS 3- 'Business Combinations'. The fair value was lower than carrying value, thereby reducing goodwill.

In accordance with generally accepted practice under IFRS, on day 1 post acquisition, the deferred income was subsequently reverted to the basis required under IFRS 15- 'Revenue from Contracts with Customers'.

Goodwill represents the value in the assembled workforce of the acquired business, expected synergies from combining the operations of the acquired business with the operations of the Group, and other intangible assets that do not qualify for separate recognition as an intangible asset. No acquisition related costs were recognised in administrative expenses in the income statement in the prior year as such costs were borne by the parent undertaking.

During the year ended 31 December 2020, the acquired business contributed the following to the Group's consolidated statement of comprehensive income:

	\$
Turnover	25,307,908

## CORNERSTONE ONDEMAND UK HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
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## 16. Trade and other receivables

Group	2021 \$	2020 \$	2019 \$
Trade receivables	63,540,407	66,644,276	49,177,760
Accrued income	1,162,348	2,472,333	621,234
Amounts owed by group undertakings	116,605,774	95,292,381	43,790,565
Prepayments	1,870,404	2,549,053	2,898,688
Deferred commissions asset	8,086,833	4,898,556	3,952,228
Other receivables	73,505	24,611	58,239
	<u>191,339,271</u>	<u>171,881,210</u>	<u>100,498,714</u>

Trade receivables are stated net of an expected credit loss provision of \$987k (2020: \$1,113k).

Amounts owed by group undertakings are unsecured, interest free and have no fixed date of repayment. These amounts are repayable on demand.

## 17. Other receivables – non-current

Group	2021 \$	2020 \$	2019 \$
Deferred commissions asset	11,765,399	12,513,789	9,528,416
Other receivables	255,985	646,152	-
	<u>12,021,384</u>	<u>13,159,941</u>	<u>9,528,416</u>

## 18. Cash and cash equivalents

## Group

Cash and cash equivalents consist of cash on hand and balances with banks.

	2021 \$	2020 \$	2019 \$
Cash on hand and balances with banks	63,659,186	31,148,308	14,133,939
	<u>63,659,186</u>	<u>31,148,308</u>	<u>14,133,939</u>

## 19. Trade and other payables

	2021 \$	Group 2020 \$	2019 \$	Company 2021 \$	2020 \$
Trade payables	2,009,566	1,169,678	327,824	-	-
Accruals	16,319,976	9,385,481	5,297,617	-	-
Other tax and social security	3,736,117	3,271,706	2,240,684	-	-
Amounts owed to group undertakings	116,034,776	63,236,928	57,675,801	1	1
Other payables	158,680	442,087	645,447	-	-
	<u>138,259,115</u>	<u>77,505,880</u>	<u>66,187,373</u>	<u>1</u>	<u>1</u>

Amounts owed to group undertakings are unsecured, interest free and have no fixed date of repayment. These amounts are repayable on demand.

Included in accruals is a £5,378,244 (2020: £nil) accrual in respect of the cash-award scheme which replaced the Group's share-based payment arrangements in the year (refer to note 7 for further details).

## CORNERSTONE ONDEMAND UK HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021

## 20. Deferred Income

Group	2021 \$	2020 \$	2019 \$
Deferred income	125,397,821	122,855,588	108,312,993
	<u>125,397,821</u>	<u>122,855,588</u>	<u>108,312,993</u>

	2021 \$	2020 \$	2019 \$
Current	124,321,102	121,820,917	106,124,082
Non-current	1,076,719	1,034,671	2,188,911
	<u>125,397,821</u>	<u>122,855,588</u>	<u>108,312,993</u>

	2021 \$	2020 \$
At 1 January	122,855,588	108,312,993
Business combinations	-	12,617,721
Payments received in advance	252,427,667	218,645,221
Transfer to revenue	(243,779,689)	(223,899,945)
Exchange adjustments	(6,105,745)	7,179,598
	<u>125,397,821</u>	<u>122,855,588</u>

## 21. Lease liabilities

Group	2021 \$	2020 \$
At 1 January	6,717,442	2,673,262
Business combinations	-	3,330,703
Interest expense	165,819	201,971
Additions	384,429	2,279,923
Lease payments	(2,859,437)	(2,222,894)
Exchange adjustments	(307,375)	454,477
	<u>4,100,878</u>	<u>6,717,442</u>

	2021 \$	2020 \$	2019 \$
Current	1,711,404	2,374,411	1,685,951
Non-current	2,389,474	4,343,031	987,311
	<u>4,100,878</u>	<u>6,717,442</u>	<u>2,673,262</u>

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## CORNERSTONE ONDEMAND UK HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
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## 21. Lease liabilities (continued)

*Maturity analysis of lease liabilities*

The maturity of the gross contractual undiscounted cash flows due on the Group's lease liabilities is set out below based on the period between the reporting date and the end of the lease term as determined for IFRS 16.

	2021	2020
	\$	\$
Due in 1 year or less	1,835,987	2,654,538
Due after 1 year but not more than 5 years	2,482,523	4,647,080
Due after 5 years	-	-
Total undiscounted liabilities	4,318,510	7,301,618

*Leasing arrangements*

During the year, the Group had several property leases, at the location of the subsidiaries, including locations in the UK in London, Slough and Luton.

During the year 2021 the lease on these locations was terminated; Slough, Luton and France.

There are no lease liabilities or right of use assets recognised at the reporting date in respect of these leases.

The incremental borrowing rate applied in calculating the lease liabilities is 3.66%.

*Short term lease commitments*

At the reporting date the Group had no outstanding commitments for future minimum lease payments under non-cancellable operating leases.

## 22. Deferred tax

**Group**

The following is an analysis of deferred tax assets/(liabilities) presented in the statement of financial position:

	2021	2020	2019
	\$	\$	\$
Tax losses	4,762,965	4,789,774	-
Intangible assets recognised on business combination	(4,730,005)	(4,634,603)	-
Other deferred tax assets	273,549	-	-
Other deferred tax liabilities	(448,829)	(375,817)	-
Net deferred tax liability	(142,320)	(220,646)	-

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## CORNERSTONE ONDEMAND UK HOLDINGS LIMITED

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## 22. Deferred tax (continued)

Movement in deferred tax

	2021	2020
	\$	\$
At 1 January	(220,646)	-
Business combinations	-	493,687
Deferred tax charge credited to profit and loss in the period	993,426	(933,799)
Exchange adjustments	(915,100)	219,466
Net deferred tax liability	<u>(142,320)</u>	<u>(220,646)</u>

The Company has no deferred tax assets or liabilities.

## 23. Provisions

Group

	2021	2020	2019
	\$	\$	\$
Restructuring provisions (a)	-	1,875,762	-
Leasehold property provisions (b)	137,488	193,391	-
	<u>137,488</u>	<u>2,069,153</u>	<u>-</u>

Movements in each class of provision during the financial year are set out below:

	Restructuring provisions	Leasehold property provisions
	\$	\$
At 1 January 2021	1,875,762	193,391
Additions	1,113,426	16,987
Utilised/paid during the year	(2,949,057)	-
Released	(7,542)	(63,653)
Exchange adjustments	(32,589)	(9,237)
At 31 December 2021	<u>-</u>	<u>137,488</u>

- a) Restructuring provisions – a result of the acquisition of Libra group, a restructuring programme was communicated across the group and fully executed during 2021.
- b) Leasehold property provisions – relate to potential costs in respect of leasehold premises in Germany and APAC. The provision is expected to be utilised in the next five years.

## CORNERSTONE ONDEMAND UK HOLDINGS LIMITED

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## 24. Employee benefit obligations

## Group

## Retirement benefits - Defined contribution pension scheme

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

	2021	2020
	\$	\$
Contributions payable by the Group for the year	1,158,952	1,489,044

At the year-end \$157,214 (2020: \$46,200) was outstanding and is included within accruals.

## 25. Financial instruments and financial risk management

## Group

## Financial instruments

The Group's financial instruments mainly comprise cash and bank balances, and various items arising directly from its operations, such as trade and other receivables and trade and other payables. The main purpose of these financial instruments is to provide working capital for the Group. The Group's policy is to obtain the highest rate of return on its cash and bank balances, subject to having sufficient resources to manage the business on a day- to- day basis and not exposing the Group to unnecessary risk of default.

The totals for each category of financial instrument, measured in accordance with IFRS 9 as detailed in the accounting policies, are as follows:

## Financial assets measured at amortised cost

	2021	2020	2019
	\$	\$	\$
Trade receivables	63,540,407	66,644,276	49,177,760
Accrued income	1,162,348	2,472,333	621,234
Amounts owed by group undertakings	116,605,774	95,292,381	43,790,565
Other receivables	73,505	24,611	58,239
Cash and cash equivalents	63,659,186	31,148,308	14,133,939
Other receivables – non current	255,985	646,152	-
	245,297,205	196,228,061	107,781,737

## Financial liabilities measured at amortised cost

	2021	2020	2019
	\$	\$	\$
Trade payables	2,009,566	1,169,678	327,824
Accruals	16,319,976	9,385,481	5,297,617
Amounts owed to group undertakings	116,034,776	63,236,928	57,675,801
Other payables	158,680	442,087	645,447
	134,522,998	74,234,174	63,946,689

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
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## 25. Financial instruments and financial risk management (continued)

The carrying value of all financial instruments is not materially different from their fair value. It is the Group's policy that no trading in financial instruments shall be undertaken. Cash and bank balances attract floating interest rates. Accordingly, their carrying amounts are considered to approximate to fair value.

**Financial risk management**

The Group provides treasury services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyse exposures by degree and magnitude of risks. The Directors monitor the Group's financial risks and management policies. The Directors' overall risk management strategy seeks to assist the Group in meeting its financial targets whilst minimising potential adverse effects on financial performance.

The Group is exposed to the following financial risks:

- Foreign currency risk
- Credit risk
- Liquidity risk
- Interest rate risk

*Foreign currency risk:*

Foreign currency risk comes from the movement of the EUR to the USD, 86% of the assets in the Group are denominated in EUR and USD. A significant amount of business is done with customers in various European countries with approximately 58% of total invoicing done in Euro. This Euro client base gives rise to short term debtors and cash balances in Euro. Consequently, the movements in the Euro/USD exchange rates affect the Group statement of financial position, as well as the Group statement of comprehensive income.

The Group seeks to manage this risk in the first instance by looking to a natural hedge. In addition, the Group has the following financing and financial position exposures:

- (i) The retranslation of the UK, EUR, Nordic, Polish, Swiss and Asian Pacific overseas subsidiaries net assets into USD for consolidation purposes.
- (ii) Intercompany loan and trading relationships held in non-functional currency. In the case of the latter, this can have an impact on net profitability where the intercompany relationships are not treated for accounting purposes as equity loans.

The statement of comprehensive income is also affected by movements in the Euro/USD exchange rates when Euro sales to customers are converted to USD's at the date of the sales transaction, as this will vary from month to month. This is partially offset by the effect of retranslating Euro denominated costs into USD from month to month.

The following table demonstrates the sensitivity to a 5 percent change in the /USD exchange rate.

Profit before tax		
	2021	2020
	\$	\$
+5%	(1,089,000)	793,896
-5%	1,089,000	(793,896)
Net assets		
	2021	2020
	\$	\$
+5%	(1,210,301)	(2,528,237)
-5%	1,210,301	2,528,237

## CORNERSTONE ONDEMAND UK HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021

## 25. Financial instruments and financial risk management (continued)

*Credit risk*

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial asset fails to meet its contractual obligations. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the Statement of Financial Position.

Before accepting any new customer, the Group uses an external credit scoring system to assess the potential customer's credit quality and defines credit limits by customer. Limits and scoring attributed to customers are reviewed twice a year.

Trade receivables

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The expected loss rates are based on the payment profiles of sales and the corresponding historical credit losses experienced. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The expected credit losses at the reporting date were as follows on the basis of the ageing and current recoverability expected:

Group	Not due	1 - 60 days	61 - 90 days	91 – 120 days	Total
<b>2021</b>					
Expected credit loss rate (%)	0%	5.20%	13.18%	58.05%	
Gross carrying amount (\$)	55,211,845	7,620,231	876,434	818,676	64,527,186
Expected credit loss (\$)	-	395,982	115,520	475,277	986,779
	Not due	1 - 60 days	61 - 90 days	91 – 120 days	Total
<b>2020</b>					
Expected credit loss rate (%)	0%	6.31%	2.49%	94.04%	
Gross carrying amount (\$)	57,366,270	7,864,961	1,921,476	605,010	67,757,717
Expected credit loss (\$)	-	496,615	47,855	568,970	1,113,440

*Liquidity risk*

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements.

The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

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## CORNERSTONE ONDEMAND UK HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
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## 25. Financial instruments and financial risk management (continued)

The contractual maturities of financial liabilities, including estimated interest payments are as follows:

	2021			
	Carrying amount \$	Contractual cash flow \$	1 year or less \$	1 to 5 years \$
<b>Non-derivative financial liabilities:</b>				
Trade and other payables	134,522,998	134,522,998	134,522,998	-
Total	<u>134,522,998</u>	<u>134,522,998</u>	<u>134,522,998</u>	<u>-</u>
	2020			
	Carrying amount \$	Contractual cash flow \$	1 year or less \$	1 to 5 years \$
<b>Non-derivative financial liabilities:</b>				
Trade and other payables	74,234,174	74,234,174	74,234,174	-
Total	<u>74,234,174</u>	<u>74,234,174</u>	<u>74,234,174</u>	<u>-</u>

*Interest rate risk*

Interest rate risk is the risk that the future cash flows associated with a financial instrument will fluctuate because of changes in market interest rates. The interest rates on cash and bank balances are low, such that interest rate risk is minimal.

The cash flows associated with leases are as set out in the lease agreements, and no interest rate risk arises (refer to note 21 for details of lease liabilities).

The Group does not have any other interest-bearing financial instruments.

*Capital management*

The Group's capital comprises share capital, reserves and retained earnings. The Group's objectives when managing capital are to safeguard the Group's ability to continue to operate as a going concern, to maintain optimal capital structure commensurate with risk and return and to reduce the cost of capital.

## 26. Share capital

Ordinary share capital	2021 \$	2020 \$
303 (2020: 303) Ordinary shares of 1p each	3	3
Total	<u>3</u>	<u>3</u>

In the prior year, the Company issued 200 1p ordinary shares for cash consideration of £206,170,307, translated to \$253,032,818 at the exchange rate on the date of issue, and one 1p ordinary share for cash consideration of €15,700,000, translated to \$17,043,763 at the exchange rate on the date of issue.

The Company's ordinary shares, which carry no right to fixed income, each carry the right to one vote at general meetings of the Company.

## CORNERSTONE ONDEMAND UK HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
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## 27. Reserves

The Group and Company's reserves are as follows:

**Share premium**

Consideration received for shares issued above their nominal value, net of transaction costs.

**Retained earnings**

Cumulative profits or losses net of dividends paid and other adjustments.

**Currency translation reserve**

Foreign exchange gains and losses on the re-translation of the results and net assets of the foreign operations of the Group.

## 28. Analysis of movements in net debt

## Group

	1 January 2021 \$	Cash flows \$	Exchange rate movements \$	Other movements \$	31 December 2021 \$
Cash at bank and in hand	31,148,308	42,704,923	(10,194,045)	-	63,659,186
Lease liabilities obligation	(6,717,442)	2,693,618	307,375	(384,429)	(4,100,878)
	<u>24,430,866</u>	<u>45,398,541</u>	<u>(9,886,670)</u>	<u>(384,429)</u>	<u>59,558,308</u>
	1 January 2020 \$	Cash flows \$	Exchange rate movements \$	Other movements \$	31 December 2020 \$
Cash at bank and in hand	14,133,939	17,089,196	(74,827)	-	31,148,308
Lease liabilities obligation	(2,673,262)	2,020,923	(454,477)	(5,610,626)	(6,717,442)
	<u>11,460,677</u>	<u>19,110,119</u>	<u>(529,304)</u>	<u>(5,610,626)</u>	<u>24,430,866</u>

Other movements relate to the right-of-use assets acquired in the year. In the prior year, other movements relate to the right-of-use assets acquired in the year and during the business combination.

## 29. Financial commitments

The Group has financial commitments of \$9,009,435 (2020: \$nil), in respect of professional services to be delivered on won contracts and reseller fees, committed to at the year-end but not recognised in the financial statements.

## 30. Contingent liabilities

There are no contingent liabilities at the reporting date.

**CORNERSTONE ONDEMAND UK HOLDINGS LIMITED****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
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**31. Related party transactions**

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and have not been included in this note.

At the reporting date, the Group had outstanding amounts with other members of the wider group related to transfer pricing and other intragroup business arrangements. Note 3 includes the total royalty revenue earned from the wider group in the period and note 4 includes the total transfer pricing charges from the wider group in the period. The amounts owed by group undertakings and amounts owed to group undertakings at the reporting date are shown in note 16 and 19 respectively.

All amounts are unsecured, interest free and have no fixed repayment terms.

*Key management personal*

In accordance with IAS 24- Related Party Disclosure ('IAS 24'), the Group is required to disclose key management personnel compensation in total for each of the following categories: short-term employee benefits, post-employment benefits, other long-term benefits, termination benefits, and share-based payment. Key management personnel are defined in IAS 24 as those persons having authority and responsibility for planning, directing, and controlling the activities of an entity, directly or indirectly, including any director (whether executive or otherwise) of that entity.

As set out in note 6, the directors of the Company are remunerated by a fellow group undertaking, and the Group is unable to separately identify the proportion of their remuneration receivable from the fellow group undertaking that is attributable to their services performed in the Group. Further, the directors consider that all key personnel of the Group, meeting the definition of key management personnel in IAS 24, are remunerated by fellow group undertakings, and that it is not possible to separately identify the proportion of their remuneration that is attributable to their role as key management personnel for the Group.

**32. Events after the reporting date**

On 16 May 2022, Cornerstone OnDemand Inc, the Company's parent, announced the completion of its EdCast acquisition. The acquisition is not expected to have material changes to the organisation as a whole. The acquisition is expected to create an open platform for people development, growth and mobility which will re-shape the market with and add power and scale to Cornerstone's mission.

On 16 August 2022, Cornerstone OnDemand Inc, the Company's parent, announced the completion of its SumTotal acquisition, a provider of learning and human capital management software-as-a service ("SaaS"). The acquisition of SumTotal continues to underscore the fundamental growth thesis for Cornerstone, as a leading talent management SaaS platform provider.

**33. Controlling party**

At the reporting date, the immediate parent company was Cornerstone OnDemand, Inc a company registered in the United States of America (USA).

The ultimate parent undertaking of the Group is CCG Global LLC, a limited liability company incorporated in the state of Delaware, United States of America, registration number: 7178411; registered address, 251 Little Falls Drive, Wilmington, New Castle, DE 19808, United States of America.

**34. Transition**

These are the first set of consolidated financial statements covering the Group, presented by the Company. The Company previously prepared individual financial statements in accordance with the recognition and measurement principles of International Accounting Standards ('IAS'), under the FRS 101: Reduced Disclosure Framework ('FRS 101'). These consolidated financial statements of the Group are prepared in accordance with UK-adopted IAS.

In accordance with the requirements of IFRS 1- First-time Adoption of International Financial Reporting Standards ('IFRS 1'), the Group is required to present a reconciliation of equity at the date of transition

## CORNERSTONE ONDEMAND UK HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
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## 34. Transition (continued)

(1 January 2020) and at the comparative reporting date (31 December 2020), and of its statement of comprehensive income for the comparative reporting period (31 December 2020). In accordance with IFRS 1, the required starting point for these reconciliations are the amounts reported previously in the individual financial statements of the Company.

Since the Company previously presented individual financial statements in accordance with the recognition and measurement principals of IAS, the only adjustments arise from consolidating the Company's subsidiaries.

## Reconciliation of equity

	1 January 2020 \$	31 December 2020 \$
As presented in the Company's individual financial statements	34,000,001	304,076,581
Effect of consolidating subsidiaries	(80,574,980)	(42,705,060)
	<u>                    </u>	<u>                    </u>
Consolidated equity of the Group	(46,574,979)	261,371,521
	<u>                    </u>	<u>                    </u>

## Reconciliation of statement of comprehensive income

	31 December 2020 \$
As presented in the Company's individual financial statements	-
Profit for the financial year- effect of consolidating subsidiaries	20,712,800
Other comprehensive income- effect of consolidating subsidiaries	16,296,088
	<u>                    </u>
Profit as presented in the consolidated accounts	37,008,888
	<u>                    </u>

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