

Registered number: 10878303

IMPALA BIDCO LIMITED

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**



IMPALA BIDCO LIMITED

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IMPALA BIDCO LIMITED

COMPANY INFORMATION

Directors

G B Kamieniecky
J C L Bennet

Registered number

10878303

Registered office

Oak House
Mere Way Ruddington Fields Business Park
Ruddington
Nottingham
NG11 6JS

Independent auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Pegasus Business Park
Castle Donington
East Midlands
DE74 2UZ

IMPALA BIDCO LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

The directors present the Strategic Report of Impala Bidco Limited (the "Company") together with its subsidiaries (the "Group") for the year ended 31 December 2020.

Fair review of the business

Impero's strategy is to increase shareholder value through building a predictable, profitable and cash generative organisation that excels in the development and sale of software.

With this strategy in mind, the business continued the transition during the year from a perpetual licence model to a recurring SaaS licence model, with the goal being to align revenue recognition with the provision of both cloud hosted and cloud native solutions. This would allow the Company to improve the quality of earnings and predictability of revenue and cash flows, thus building a solid platform for growth.

Making this transition has allowed the business greater security in providing a stable revenue stream, whilst navigating through the disruptive impact of COVID19. The reported results show total revenue has remained flat at circa. £6.3 million (£6.3 million in 2019), however, it must be noted that recurring revenue has increased by circa. £0.7 million (13%), and now accounts for over 95% of total revenues (85% in FY19).

With the support of a £4.5 million equity cash injection, the business invested in several new initiatives, including the development of a new family of products associated with Impero back:drop; and an improvement in overall business systems, processes and infrastructure. The combined impact is such that operating expenses exceeded revenue for the year (not uncommon for a SaaS business investing in new products and business infrastructure). The investments will deliver improved product capabilities, increased new business growth and higher customer retention rates, thus increasing shareholder value in the near term.

Management Team

The investment in the management team included the appointment of a new CEO, Justin Reilly in July 2019, a new CFO, Fraser Crawford in October 2019 and the expansion of Nikki Annison's role from CMO to COO in September 2019.

Justin Reilly is a former educator with significant experience in the Education and EdTech sectors having acted as Managing Director for Fronter International and UK (acquired by Pearson Plc) and most recently CEO of Mwabu.

Fraser Crawford has spent the last ten years working within Private Equity backed technology businesses. The mandate in each instance being to professionalise the business to prepare for growth both domestically and internationally. This resulted in investments in systems and processes to allow the business to place greater reliability on management information for decision making.

Product

The changes in structure, focus and additional investment have yielded results in both the core product EducationPro and the new cloud native Impero back:drop family of products.

The Impero back:drop family, along with the Impero class:room, Impero well:being and Impero web:check modules were released globally in 2020, and have already been incredibly well received. Further modules and data driven insights are included on the roadmap for release in 2021.

The development of this family of products was undertaken to provide a scalable cloud solution to service the expanding customer base. The relevance of the new family of products cannot be understated during the continuing impact of the COVID.19 pandemic as agnostic approach to both location and operating systems allow for flexibility in the delivery of learning, especially within a remote environment.

IMPALA BIDCO LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

Business systems and processes

Given the high growth rates envisaged in the strategy, management has focussed on building a strong platform, with efficient processes and a focus on the significant volume of data that will be captured by our proposition. In this regard, and following the acquisition of Netop in Q1 2021 (see below), an enhanced version of the CRM system is due for implementation in Q2 2021, followed by an ERP migration shortly thereafter. These investments, along with continual process improvements will provide the data and stability for the businesses aspirations to be realised.

Future developments

Looking forward there are two primary strategic goals. First and foremost is to better support our customers as they continue to manage through a complex time. We have recently created an Academy function to broaden our relationship with our customers to ensure they leverage our solutions as best possible.

From a development perspective, efforts continue on our cloud native family of products with integrations and the expansion of functionality as key areas of focus, allowing us to address the varying needs across our global customer base.

Strategic M&A

With the specific focus on expanding global reach and opening new verticals, on February 5th 2021 the business acquired 100% of the share capital of Netop Solutions A/S, a Denmark based technology business with products serving both commercial and educational markets, and operations in Denmark, Romania and the USA. This strategic acquisition provides us with a broader reach in the US market, while also providing access to the DACH and APAC regions.

The impact of this acquisition is an increase in combined revenue to circa. £13.1 million on an annualised basis, a combined EBITDA loss of £1.4 million (pre synergies) and net asset position of circa. £26.3 million. This acquisition was financed via an equity raise of circa. £19 million, this sum both funding the acquisition and providing additional operating cash for the combined business.

As a result of this acquisition covenants relating to the existing debt have been reassessed, this has resulted in the liquidity test remaining at the original level of £150k and restated trailing twelve-month revenue tests in light of the increased revenue from the combined business. The revenue covenant has been set with 35% headroom, which management is very comfortable with.

Principal risks and uncertainties

The Group seeks to maintain knowledge of the current education practice and priorities by maintaining close relationships with customers and policy developments. The Group monitors the education policy environment regularly, incorporating developments in policy wherever possible to the enhancement of its products. The Group's strategy is to focus on areas of education which are important to meet customers objectives. The Group continually reviews and updates its product lines to ensure they are in line with market demand.

IMPALA BIDCO LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

Risk	Description	Risk Management
Public policy	<p>Changes in political administration or policy, may result in changing priorities for the funding available for education.</p> <p>Macro - economic conditions may affect fiscal policy for national and state governments which in turn may have an impact on funds available for education.</p>	<p>The Group monitors the education policy environment regularly, incorporating developments in policy wherever possible to the enhancement of its products.</p> <p>The Group's strategy is to focus on areas of education which are important to meet customers objectives.</p> <p>Should a particular product line be in decline, Management would seek to ensure that the cost base is adjusted accordingly.</p>
Education practice	<p>Education practices and priorities may change and, as a result, Impero's products and services may no longer meet customer requirements.</p>	<p>The Group seeks to maintain knowledge of the current education practice and priorities by maintaining close relationships with customers and policy developments.</p>
People	<p>Impero's business depends on highly skilled employees.</p>	<p>The Group seeks to be an attractive employer and regularly engages its employees.</p>
Innovation	<p>The Group is developing innovative technology products for an IT market which is often subject to rapid, and often unpredictable, change.</p> <p>The Group's continued success depends on its ability to continue to innovate and deliver effective products for the education market.</p>	<p>Through close relationships with customers and monitoring of proposed public policy changes the Group positions itself to react to new developments and changes.</p>

IMPALA BIDCO LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

Revenue

The business has undergone a strategic transition from a perpetual licence model to a SAAS licence model. As a result, the business experienced an increase in revenues between FY19 and FY20. Due to this transition the recurring revenue generated by the business has increased from £5.3 million in FY19 to £6.0 million in FY20, an increase of 88% with recurring revenue increasing from 85% of revenue in FY19 to 95% in FY20.

	2020	2019
Total Revenue (£ million)	6,317	6,284
Recurring Revenue generated (£ million)	6	5.3
% Deferred Revenue of Total Revenue	95%	85%

EBITDA (Earnings before interest, tax, depreciation, amortisation and exceptional items)

The directors believe that EBITDA is a more accurate reflection of the trading profitability of the Group, as it specifically removes substantial non-cash and non-recurring items:

	2020	2019
	£'000	£'000
EBITDA	(2,229)	(1,301)

Revenue during the year increased from £6,284k to £6,317k. During the year the strategic focus on subscription revenue continued, resulting in an increase in recurring revenue of 13%. EBITDA reduced from £(1,301)k to £(2,229)k as a result of the increase in infrastructure costs due to the continued successful transition to subscription products, the focus on development of the back:drop platform and the professionalisation of the business to allow for sustained organic and inorganic growth.

Cash at bank and in hand

The Group cash position:

	31 December 2020	December 2019
	£'000	£'000
Cash	701	350

During 2021 the Group received additional funds with the cash balances as at 31 March 2021 being £5 million.

This report was approved by the board and signed on its behalf by:


J C L Bennet
Director

Date: 30/4/21

IMPALA BIDCO LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

The directors present their annual report and the audited consolidated financial statements of Impala Bidco Limited (the "Company") together with its subsidiaries (the "Group") for the year ended 31 December 2020.

Principal activities

The principal activity of the Company is that of a holding company.

The principal activity of the Group is that of the provision of education software design and support services.

Results and dividends

The loss for the financial year amounted to £6,762,000 (2019: £5,386,000). This movement has been primarily driven by the strategic decisions to invest in the Group infrastructure, specifically to build a platform for growth, while at the same time migrating revenue recognition to a SaaS model.

No ordinary dividends were paid. The directors do not recommend payment of a further dividend.

With the support of a £4.5 million equity cash injection, the business invested in several new initiatives, including the development of a new family of products associated with Impero back:drop; and an improvement in business systems, processes and infrastructure. The structure of this equity injection flows through the Group, the initial investment being a share issue of 4,455,325 shares within Impala Bidco Ltd, with subsequent subsidiary investments in Impero Holdings Ltd, Impero Developments Ltd and Impero Solutions Ltd, each investment being for the same volume of shares. The combined impact of these investments is such that operating expenses exceeded revenue for the year (not uncommon for a SaaS business investing in new products and business infrastructure). The investments will deliver improved product capabilities, increased new business growth and higher customer retention rates, thus increasing shareholder value in the near term.

See note 23 for further details.

Directors

The directors who served during the year and up to the date of signing the financial statements were:

G B Kamieniecky
J C L Bennet

Financial risk management and objectives

The directors constantly monitor the risks and uncertainties facing the Group with particular reference to the exposure to liquidity risk and foreign currency risk, in order to mitigate against these risks where appropriate and feasible.

The Group's principal financial instruments comprise cash and a bank loan. The main purpose of the bank loan has been to finance the acquisition of Impero Holdings Limited.

The Group has various other financial assets and liabilities such as trade debtors and trade creditors, which arise directly from its operations.

The Group has sufficient liquid assets to be able to meet its day-to-day working capital requirements through the normal course of trade.

The Group has net current liabilities of £1,909,000 (2019: £1,438,000) primarily due to deferred income of £2,789,000 (2019: £3,053,000) which is settled not in cash but in services provided.

The bank loan is a committed facility and the Group has the ability to make any scheduled repayments.

The directors are therefore confident that the Group will continue to pay its debts as they fall due for the foreseeable future.

IMPALA BIDCO LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

Strategic Report

The Group has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the Group's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report. It has done so in respect of a review of its business including KPIs, a review of its principal risks, future developments and research and development.

Going concern

The ability of the Company to operate as a going concern is inextricably linked with the ability of the Company and its subsidiaries (together the "Group") to continue to operate as a going concern. The Group had circa £2.8m of debt facilities at 31 December 2020, which mature in May 2022. This debt has financial covenants attached, which if breached could result in a demand for immediate repayment being made. Following the successful acquisition of Netop Solutions A/S the covenants attached to this debt facility have been adjusted to reflect the material increase in revenues of the combined group, which continue to be tested on a quarterly TTM basis. The liquidity covenant remains at the same level requiring a minimum cash balance of £150,000 to be maintained at the end of each month. The acquisition of Netop Solutions A/S was funded through an equity raise of circa. £19m. Approximately £5m of the money raised was intended, and is being used, to support the ongoing operating cashflows and to continue the expansion of Impero's global presence and the development of the cloud native family of products Impero back:drop. The back:drop family of products were successfully launched globally in H2 of 2020, and have already gained significant traction in the market with very encouraging customer feedback.

The directors have performed detailed, monthly cash flow projections for the Group, covering the period from February 2021 to December 2022. These projections have included sensitivities relating to customers' extended payment terms from contractual terms (which have generally been adhered to historically) and continued impact on the level of new customer wins experienced during the initial impact of COVID 19, along with appropriate mitigating actions, despite new bookings being circa. 25% ahead of the January to March period of FY20. These projections show that there is extensive headroom regarding the monthly cash covenant. However, as would be expected there is a need for new customer wins in order to achieve these projections. The level of customer renewals continued to climb through FY20 with revenue retention increasing by circa. 10% year on year. The new customer wins are more difficult to predict due to the market sensitivity in relation to COVID 19 and Impero back:drop being new to the market, however at the point of writing the pipeline for Q2 FY21 was in excess of £1m for this family of products alone, excluding binary opportunities.

During 2021 the Group received additional funds through an equity injection which has resulted in a cash position of £5m as at 31 March 2021. This additional investment, based upon the latest projections, will be sufficient to repay the external debt as and when it falls due. Therefore, if there were to be a breach of covenants and the debt were to be recalled, the Group has sufficient cash reserves to settle this debt.

Therefore, based upon the current level of liquidity and strength of forecasts for the enlarged Group the directors believe that there is sufficient evidence that the Group, and each company within the Group, will be able to meet its obligations, as and when they fall due, for the foreseeable future and therefore the going concern basis of preparation has been adopted in these financial statements.

IMPALA BIDCO LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

Directors' responsibilities statement

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the Group and the Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law). Under company law, 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 company and of the profit or loss of the Group for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and company will continue in business.

The directors are also responsible for safeguarding the assets of the Group and Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Directors' confirmations

In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the the Group's and company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the the Group's and company's auditors are aware of that information.

Post balance sheet events

With the specific focus on expanding global reach and opening new verticals, on February 5th, 2021 the business acquired 100% of the share capital of Netop Solutions A/S, a Denmark based technology business with products serving both commercial and educational markets, and operations in Denmark, Romania and the USA. This strategic acquisition provides us with a broader reach in the US market, while also providing access to the DACH and APAC regions. Due to the timing of this acquisition, it has been determined to be a non-adjusting event. For further details please refer to the Strategic Report.

Impero Group announced a further investment of £18.9 million in January 2021. With the support of £18.9 million equity cash injection, this funding will be used to accelerate projected growth in local and international markets, and to continue to develop Impero's product suite and improve business systems, processes and infrastructure.

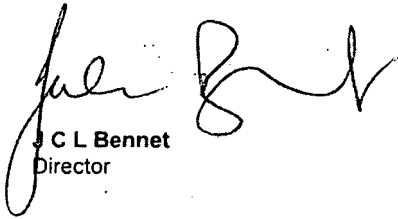
IMPALA BIDCO LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

Independent auditors

Under section 487(2) of the Companies Act 2006, PricewaterhouseCoopers LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the financial statements with the registrar, whichever is earlier.

The financial statements on pages 13 to 43 were approved by the Board of Directors on 30 April 2021 and signed on its behalf by:



J C L Bennet
Director

IMPALA BIDCO LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF IMPALA BIDCO LIMITED

Report on the audit of the financial statements

Opinion

In our opinion, Impala Bidco Limited's Group financial statements and Company financial statements (the "financial statements"):

- give a true and fair view of the state of the Group's and of the Company's affairs as at 31 December 2020 and of the Group's loss and the Group's cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Consolidated Statement of Financial Position, the Company Statement of Financial Position as at 31 December 2020; the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Changes in Equity, the Company Statement of Changes in Equity and the Consolidated Statement of Cashflows for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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 and the 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.

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.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the group's and the Company's ability to continue as a going concern.

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

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

IMPALA BIDCO LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF IMPALA BIDCO LIMITED (CONTINUED)

In connection with our audit of the financial statements, 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 audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. 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. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 December 2020 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the Group and company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' 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 auditors' 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the group and industry, we identified that the principal risks of non-compliance with laws and regulations related to UK tax legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to overstatement of revenues (through inappropriate journal entries or manipulation of the deferred income balance), misreporting of significant / unusual transactions during the year or inappropriate estimates/judgements being made in relation to the critical accounting estimates and judgements. Audit procedures performed included:

- discussions with management, to ascertain their own risk assessment, any known instances of fraud / non-compliance with laws and regulations and the controls and processes adopted by the group to detect fraud;
- testing of journal entries made throughout the year, with a specific focus on unusual entries made to revenue;
- testing, on a sampling basis for the appropriateness of revenues recorded during the year and over the completeness and accuracy of the closing deferred revenue liability;

IMPALA BIDCO LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF IMPALA BIDCO LIMITED (CONTINUED)

- testing of material unusual transactions / events during the year back to supporting documentation and consideration of the appropriateness of the accounting policies adopted by the group in respect of these items; and
- ascertaining management's basis for the critical accounting estimates, assessing this to the relevant accounting requirements and consideration of any bias or contradictory evidence identified in our audit to the position adopted by management.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

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

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

We have no exceptions to report arising from this responsibility.



Andrew Dymond (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
East Midlands
Date: 30 April 2021

IMPALA BIDCO LIMITED

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Note	2020 £000	2019 £000
Turnover	4	6,317	6,284
Cost of sales		(1,351)	(367)
Gross profit		4,966	5,917
Administrative expenses		(11,574)	(11,703)
Exceptional costs	12	(184)	(121)
Other operating income	5	2	208
Operating loss	6	(6,790)	(5,699)
Interest payable and similar expenses	10	(207)	(334)
Loss before taxation		(6,997)	(6,033)
Tax on loss	11	235	647
Loss for the financial year		(6,762)	(5,386)
Other comprehensive income for the financial year:			
Currency translation differences		40	10
Other comprehensive income for the financial year		40	10
Total comprehensive expense for the financial year		(6,722)	(5,376)
Loss for the financial year attributable to:			
Owners of the parent Company		(6,762)	(5,386)

The notes on pages 19 to 43 form part of these financial statements.

IMPALA BIDCO LIMITED
REGISTERED NUMBER: 10878303

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

	Note	2020 £000	2019 £000
Fixed assets			
Intangible assets	13	19,016	22,733
Tangible assets	14	232	216
		<u>19,248</u>	<u>22,949</u>
Current assets			
Debtors	16	1,406	2,761
Cash at bank and in hand	17	701	350
		<u>2,107</u>	<u>3,111</u>
Creditors: amounts falling due within one year	18	(4,016)	(4,549)
Net current liabilities		<u>(1,909)</u>	<u>(1,438)</u>
Total assets less current liabilities		<u>17,339</u>	<u>21,511</u>
Creditors: amounts falling due after more than one year	19	(6,268)	(7,787)
Provisions for liabilities			
Deferred taxation	22	(881)	(1,165)
Net assets		<u>10,190</u>	<u>12,559</u>
Capital and reserves			
Called up share capital	23	2,730	2,284
Share premium account	24	24,570	20,561
Share based payment reserve	24	100	100
Profit and loss account	24	(17,210)	(10,386)
Total shareholders' funds		<u>10,190</u>	<u>12,559</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:


J C L Bennet
 Director

Date: 30/4/21

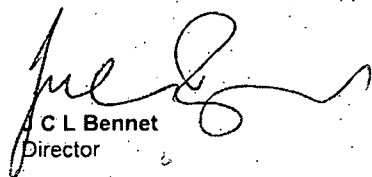
The notes on 19 to 43 form part of these financial statements

IMPALA BIDCO LIMITED
REGISTERED NUMBER: 10878303

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

	Note	2020 £000	2019 £000
Fixed assets			
Investments	15	30,094	25,639
Current assets			
Debtors	16	2,999	3,003
Creditors: amounts falling due within one year	18	(4,327)	(3,335)
Net current liabilities		<u>(1,328)</u>	<u>(332)</u>
Total assets less current liabilities		<u>28,766</u>	<u>25,307</u>
Creditors: amounts falling due after more than one year	19	(2,715)	(3,340)
Net assets		<u><u>26,051</u></u>	<u><u>21,967</u></u>
Capital and reserves			
Called up share capital	23	2,730	2,284
Share premium account	24	24,570	20,561
Share based payment reserve	24	100	100
Profit and loss account brought forward	24	(978)	(625)
Loss for the financial year	24	(371)	(353)
Profit and loss account carried forward	24	(1,349)	(978)
Total shareholders' funds		<u><u>26,051</u></u>	<u><u>21,967</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:


C L Bennet
Director

Date: 30/4/21

The notes on 19 to 43 form part of these financial statements

IMPALA BIDCO LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Called up share capital	Share premium account	Share based payment reserve	Profit and loss account	Total shareholders' funds
	£000	£000	£000	£000	£000
At 1 January 2019	2,284	20,561	100	(5,010)	17,935
Comprehensive (expense)/income for the financial year					
Loss for the financial year	-	-	-	(5,386)	(5,386)
Currency translation differences	-	-	-	10	10
Total comprehensive expense for the financial year	-	-	-	(5,376)	(5,376)
At 31 December 2019 and 1 January 2020	2,284	20,561	100	(10,386)	12,559
Comprehensive (expense)/income for the financial year					
Loss for the financial year	-	-	-	(6,762)	(6,762)
Currency translation differences	-	-	-	40	40
Total comprehensive expense for the financial year	-	-	-	(6,722)	(6,722)
Contributions by and distributions to owners					
Shares issued during the year	446	4,009	-	-	4,455
Prior year translation reserve	-	-	-	(102)	(102)
Total transactions with owners	446	4,009	-	(102)	4,353
At 31 December 2020	2,730	24,570	100	(17,210)	10,190

The notes on pages 19 to 43 form part of these financial statements.

IMPALA BIDCO LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Called up share capital	Share premium account	Share based payment reserve	Profit and loss account	Total shareholders' funds
	£000	£000	£000	£000	£000
At 1 January 2019	2,284	20,561	100	(625)	22,320
Comprehensive expense for the financial year					
Loss for the financial year	-	-	-	(353)	(353)
Total comprehensive expense for the financial year	-	-	-	(353)	(353)
At 31 December 2019 and 1 January 2020	2,284	20,561	100	(978)	21,967
Comprehensive expense for the financial year					
Loss for the financial year	-	-	-	(371)	(371)
Total comprehensive expense for the financial year	-	-	-	(371)	(371)
Contributions by and distributions to owners					
Shares issued during the year	446	4,009	-	-	4,455
Total transactions with owners	446	4,009	-	-	4,455
At 31 December 2020	2,730	24,570	100	(1,349)	26,051

The notes on pages 19 to 43 form part of these financial statements.

IMPALA BIDCO LIMITED**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020**

	2020 £000	2019 £000
Cash flows from operating activities		
Loss for the financial year	(6,762)	(5,386)
Adjustments for:		
Amortisation and impairment of intangible assets	4,499	4,349
Depreciation and impairment of tangible assets	62	49
Finance costs	142	191
Taxation	(235)	(647)
Decrease/(increase) in debtors	1,355	(1,621)
(Decrease)/increase in creditors	(979)	1,402
Corporation tax (paid)/received	(128)	79
Amortisation of debt fees	65	143
Net cash used in operating activities	(1,981)	(1,441)
Cash flows from investing activities		
Purchase of intangible assets	(781)	(505)
Purchase of tangible assets	(78)	(101)
Net cash used in investing activities	(859)	(606)
Cash flows from financing activities		
Issue of ordinary shares	4,455	-
Repayment of bank loans	(1,122)	(437)
Interest paid	(142)	(191)
Net cash generated from/(used in) financing activities	3,191	(628)
Net increase/(decrease) in cash and cash equivalents	351	(2,675)
Cash and cash equivalents at beginning of financial year	350	3,025
Cash and cash equivalents at the end of financial year	701	350
Cash and cash equivalents at the end of financial year comprise:		
Cash at bank and in hand	701	350

The notes on pages 19 to 43 form part of these financial statements.

IMPALA BIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1. General information

Impala Bidco Limited (the "Company") is a private company limited by shares and is registered and incorporated in the United Kingdom. The registered office is Oak House, Mere Way Ruddington Fields Business Park, Ruddington, Nottingham, NG11 6JS.

The Group consists of Impala Bidco Limited and all of its subsidiaries.

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

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared on a going concern basis, under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

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

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Group's accounting policies (see note 3).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

The following principal accounting policies have been applied consistently throughout the year:

2.2 Basis of consolidation

The consolidated financial statements incorporate those of Impala Bidco Limited and all of its subsidiaries (i.e. entities that the Group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

All financial statements are made up to 31 December 2020. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the Group.

All intra-group transactions, balances and unrealised gains on transactions between Group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

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, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill.

The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date.

IMPALA BIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.2 Basis of consolidation (continued)

Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date.

2.3 Going concern

The ability of the Company to operate as a going concern is inextricably linked with the ability of the Company and its subsidiaries (together the "Group") to continue to operate as a going concern. The Group had circa £2.8m of debt facilities at 31 December 2020, which mature in May 2022. This debt has financial covenants attached, which if breached could result in a demand for immediate repayment being made. Following the successful acquisition of Netop Solutions A/S the covenants attached to this debt facility have been adjusted to reflect the material increase in revenues of the combined group, which continue to be tested on a quarterly TTM basis. The liquidity covenant remains at the same level requiring a minimum cash balance of £150,000 to be maintained at the end of each month. The acquisition of Netop Solutions A/S was funded through an equity raise of circa. £19m. Approximately £5m of the money raised was intended, and is being used, to support the ongoing operating cashflows and to continue the expansion of Impero's global presence and the development of the cloud native family of products - Impero back:drop. The back:drop family of products were successfully launched globally in H2 of 2020, and have already gained significant traction in the market with very encouraging customer feedback.

The directors have performed detailed, monthly cash flow projections for the Group, covering the period from February 2021 to December 2022. These projections have included sensitivities relating to customers' extended payment terms from contractual terms (which have generally been adhered to historically) and continued impact on the level of new customer wins experienced during the initial impact of COVID 19, along with appropriate mitigating actions, despite new bookings being circa. 25% ahead of the January to March period of FY20. These projections show that there is extensive headroom regarding the monthly cash covenant. However, as would be expected there is a need for new customer wins in order to achieve these projections. The level of customer renewals continued to climb through FY20 with revenue retention increasing by circa. 10% year on year. The new customer wins are more difficult to predict due to the market sensitivity in relation to COVID 19 and Impero back:drop being new to the market, however at the point of writing the pipeline for Q2 FY21 was in excess of £1m for this family of products alone, excluding binary opportunities.

During 2021 the Group received additional funds through an equity injection which has resulted in a cash position of £5m as at 31 March 2021. This additional investment, based upon the latest projections, will be sufficient to repay the external debt as and when it falls due. Therefore, if there were to be a breach of covenants and the debt were to be recalled, the Group has sufficient cash reserves to settle this debt.

Therefore, based upon the current level of liquidity and strength of forecasts for the enlarged Group the directors believe that there is sufficient evidence that the Group, and each company within the Group, will be able to meet its obligations, as and when they fall due, for the foreseeable future and therefore the going concern basis of preparation has been adopted in these financial statements.

IMPALA BIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.4 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for licence fees and annual support fees to external customers provided in the normal course of business. Turnover is shown net of Value Added Tax.

Turnover is recognised in relation to separately identifiable components of a single transaction when necessary to reflect the substance of the arrangement and in relation to two or more linked transactions when necessary to understand the commercial effect.

Perpetual licence fees are recognised at the point of invoicing when the significant risks and rewards of ownership of the licence have passed to the buyer, the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably, whereas annual licence and support fees are recognised over the term of the relevant contract on a straight line basis.

Where revenue relates to the provision of software under a licence agreement, revenue is recognised on a straight line basis over the period of the licence.

2.5 Exceptional costs

Exceptional items are items of income or expense of significant materiality due to their size and/or nature that they merit separate disclosure in the Statement of Comprehensive Income.

2.6 Research and development expenditure

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

2.7 Foreign exchange

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

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

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

Assets and liabilities of overseas subsidiaries (including goodwill and fair value adjustments in relation to 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 equity.

IMPALA BIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.8 Operating leases

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

2.9 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

2.10 Interest income

Interest income is recognised in the Consolidated Statement of Comprehensive Income using the effective interest method.

2.11 Finance costs

Finance costs are charged to the Consolidated Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.12 Borrowing costs

All borrowing costs are recognised in the Consolidated Statement of Comprehensive Income in the year in which they are incurred.

2.13 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

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

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

2.14 Retirement benefits

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

IMPALA BIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.15 Current and deferred taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination and the amounts that can be deducted or assessed for tax. The deferred tax recognised is adjusted against goodwill.

IMPALA BIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.16 Intangible assets

Goodwill

Goodwill represents the excess of the cost of acquisition of a business over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is not more than 10 years.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

Other intangible assets

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date if the fair value can be measured reliably.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives.

Amortisation is provided on the following bases:

Intellectual property	-	20 % on a straight line basis
Development costs	-	20 % on a straight line basis
Customer relationships	-	10 % on a straight line basis
Software	-	10 % - 33% on a straight line basis

Amortisation is revised prospectively for any significant change in useful life or residual value.

2.17 Tangible assets

Tangible assets are measured at cost, net of depreciation and any impairment losses. Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives.

Leasehold improvements	-	10% on a reducing balance basis
Fixtures and fittings	-	25% on a reducing balance basis
Computers	-	33% on a straight line basis

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

Residual value is calculated on prices prevailing at the reporting date, after estimated costs of disposal, for the asset as if it were at the age and in the condition expected at the end of its useful life.

IMPALA BIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.18 Investments

In the separate financial statements of the Company, interests 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 date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the Group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

2.19 Impairment of fixed assets

At each reporting period end date, the Group reviews the carrying amounts of its tangible and intangible 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 in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

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 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.

2.20 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.21 Cash at bank and in hand

Cash and cash equivalents are basic financial instruments and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

2.22 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. Accounting policies (continued)

2.23 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Consolidated Statement of Comprehensive Income in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

2.24 Financial instruments

The Group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the Group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other debtors, amounts owed by group undertakings and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the Group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

IMPALA BIDCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. Accounting policies (continued)

2.24 Financial instruments (continued)

Classification of financial liabilities

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

Basic financial liabilities

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

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Derecognition of financial liabilities

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

Equity instruments

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

3. Judgements in applying accounting policies and key sources of estimation uncertainty

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

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

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Revenue recognition

Management judgement is required in assessing the point at which revenue should be recognised. Revenue is recognised at the point when the significant risks and rewards of ownership have passed to the buyer, the amount of revenue can be measured reliably, and it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably. The key judgement relates to the unbundling of the perpetual licence and support elements of combined sales. The value of deferred income at the period end and included in creditors is £6,342,504 (2019: £7,448,756).

Intangible development costs

Management judgement is required in assessing whether or not expenditure meets the recognition criteria for capitalisation of internally generated development costs as an intangible asset. The key judgement is assessing the technical feasibility such that the asset will be available for sale. The carrying value of developments costs at the year end is £1,560,000 (2019: £1,413,000) (see note 13).

Key sources of estimation uncertainty

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

Impairment of goodwill and other intangible assets

Determining whether goodwill or other intangible assets are impaired requires an estimation of the value in use of the asset or cash generating units to which they have been allocated or belong. The value in use calculation requires the entity to estimate the future cash flows expected to arise from the asset or cash generating unit and a suitable discount rate in order to calculate present value. The carrying value of goodwill and other intangible assets at the year end is £19,016,000 (2019: £22,733,000) (see note 13).

IMPALA BIDCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

4. Turnover

An analysis of turnover by class of business is as follows:

	2020	2019
	£000	£000
Software and support services	6,317	6,284

Analysis of turnover by country of destination:

	2020	2019
	£000	£000
United Kingdom	3,132	2,926
Rest of Europe	254	667
Rest of the World	2,931	2,691

5. Other operating income

	2020	2019
	£000	£000
RDEC Grant income	2	208

6. Operating loss

The operating loss is stated after (crediting)/charging:

	2020	2019
	£000	£000
Exchange (gains)/losses	(72)	72
Depreciation of tangible assets	62	49
Amortisation of intangible assets	4,499	4,349
Operating lease charges	-	188

IMPALA BIDCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

7. Auditors' remuneration

	2020	2019
	£000	£000
Group		
Fees payable to the Group's auditors for the audit of the Group's annual financial statements	50	37

Non-audit fees of £Nil (2019: £13,000) are included within the exceptional costs relating to corporate finance services on an acquisition which did not complete.

The audit fees of £8,000 (2019: £5,000) for the Company financial statements was paid for by a subsidiary company and not recharged.

Fees of £12,000 (2019: £11,000) were paid in relation to accounts preparation services.

8. Employees

Staff costs were as follows:

	Group	Group
	2020	2019
	£000	£000
Wages and salaries	4,473	4,014
Social security costs	503	447
Other pension costs	11	97
Capitalised as intangible asset	(671)	(479)
	4,316	4,079

The Company had no employee costs (2019: £Nil).

The average monthly number of employees, including the directors, during the year was as follows:

	2020	2019
	Number	Number
Sales and marketing	42	47
Technical	48	48
Finance and admin	16	13
	106	108

The average number of employees for the Company was 2 (2019: 2).

IMPALA BIDCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

9. Directors' remuneration

The directors receive no remuneration in respect of their services to the Company or the Group.

10. Interest payable and similar expenses

	2020	2019
	£000	£000
Interest on bank overdrafts and loans	142	191
Amortisation of debt fees capitalised	65	143
	207	334

11. Tax on loss

	2020	2019
	£000	£000
Corporation tax		
Current tax on losses for the year	6	18
Adjustment in respect of prior years	-	(257)
Current foreign tax charge	43	-
Total current tax	49	(239)
Deferred tax		
Origination and reversal of timing differences	(218)	(432)
Adjustment in respect of prior years	(66)	24
Total deferred tax	(284)	(408)
Total tax	(235)	(647)

IMPALA BIDCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

11. Tax on loss (continued)

Factors affecting tax credit for the year

The tax assessed for the year is higher than (2019: higher than) the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%). The differences are explained below:

	2020 £000	2019 £000
Loss before taxation	(6,997)	(6,033)
Loss before taxation multiplied by standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	(1,329)	(1,146)
Effects of:		
Tax effect of expenses that are not deductible in determining taxable profit	381	686
Adjustments in respect of prior years	(66)	(233)
Remeasurement of deferred tax for changes in tax rates	43	-
Difference in overseas tax rate	4	-
Depreciation on assets not qualifying for tax allowances	2	-
Research and development tax credit	22	-
Deferred tax not recognised	708	46
Total tax credit for the financial year	(235)	(647)

Factors that may affect future tax charges

Changes to the UK Corporation tax rates were substantively enacted on 7 September 2016 to reduce the main rate of Corporation tax to 17% from 1 April 2020 and deferred tax balances at the Statement of Financial Position date have been measured using this rate.

Subsequent to the Statement of Financial Position date, a further change was substantively enacted on 17 March 2020 to maintain the rate at 19%.

A deferred tax asset of £1.47m (2019: £0.6m) has not been recognised in relation to trading losses on the grounds of recoverability.

IMPALA BIDCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

12. Exceptional costs

	2020	2019
	£000	£000
Exceptional management costs	57	121
Exceptional acquisition costs	127	-
	184	121

The exceptional costs in 2020 relate to expenses incurred relating to exceptional managements costs and professional fees relating to the 2021 acquisition.

The exceptional costs in 2019 relate to expenses incurred relating to exceptional management costs.

IMPALA BIDCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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13. Intangible assets

Group

	Intellectual property £000	Development costs £000	Customer relationships £000	Software £000	Goodwill £000	Total £000
Cost						
At 1 January 2020	2	2,672	3,495	7,726	19,390	33,285
Additions	-	671	-	111	-	782
At 31 December 2020	2	3,343	3,495	7,837	19,390	34,067
Accumulated amortisation						
At 1 January 2020	1	1,259	844	3,711	4,737	10,552
Charge for the year	-	524	349	1,686	1,940	4,499
At 31 December 2020	1	1,783	1,193	5,397	6,677	15,051
Net book value						
At 31 December 2020	1	1,560	2,302	2,440	12,713	19,016
At 31 December 2019	1	1,413	2,651	4,015	14,653	22,733

The Company had no intangible fixed assets at 31 December 2020.

The amortisation charge for the year is recognised within administrative expenses.

Software represents the amounts attributed to the Group's core software product developed for sale. The carrying amount of £2,440,000 (2019: £4,015,000) which has a remaining amortisation period of 1.6 years is considered to be individually material to the Group.

Development costs represent internal additions to the software product. The carrying amount of £1,560,000 (2019: £1,413,000) which has a remaining amortisation period of 1.6 years is considered to be individually material to the Group.

The customer relationships represents the amounts attributed to customer related intangibles arising on acquisition. The carrying amount of £2,302,000 (2019: £2,651,000) which has a remaining amortisation period of 6.6 years considered to be individually material to the Group.

IMPALA BIDCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

14. Tangible assets

Group

	Leasehold improvements £000	Fixtures and fittings £000	Computers £000	Total £000
Cost				
At 1 January 2020	134	115	368	617
Additions	30	-	48	78
At 31 December 2020	<u>164</u>	<u>115</u>	<u>416</u>	<u>695</u>
Accumulated depreciation				
At 1 January 2020	47	91	263	401
Charge for the year	11	4	47	62
At 31 December 2020	<u>58</u>	<u>95</u>	<u>310</u>	<u>463</u>
Net book value				
At 31 December 2020	<u>106</u>	<u>20</u>	<u>106</u>	<u>232</u>
At 31 December 2019	<u>87</u>	<u>24</u>	<u>105</u>	<u>216</u>

The Company had no (2019: £Nil) tangible fixed assets at 31 December 2020.

IMPALA BIDCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

15. Investments

Company

	Investments in subsidiary companies £000
Cost and net book value	
At 1 January 2020	25,639
Additions	4,455
At 31 December 2020	<u>30,094</u>

Impero Group announced a further investment of £4.45m in January 2020. With the support of £4.45 million equity cash injection, this funding will be used to accelerate projected growth in local and international markets, and to continue to develop Impero's product suite and improve business systems, processes and infrastructure.

Safeguarding Monitor Limited (company number : 10861064) is exempt from the requirement to have its individual accounts audited, for the year ended 31 December 2020, as a parent company guarantee, in accordance with the Companies Act 2006 s479A has been provided by the Company. No liability is expected to arise from this guarantee.

IMPALA BIDCO LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020****15. Investments (continued)****Subsidiary undertakings**

The following were subsidiary undertakings of the Company:

Name	Registered office	Principal activity	Class of shares	Holding
Impero Holdings Limited	Oak House, Mere Way, Ruddington Fields Business Park, Ruddington, Nottingham, NG11 6JS	Holding company	Ordinary	100%
Impero Developments Limited	Oak House, Mere Way, Ruddington Fields Business Park, Ruddington, Nottingham, NG11 6JS	Holding company	Ordinary	100%
Impero Solutions Limited	Oak House, Mere Way, Ruddington Fields Business Park, Ruddington, Nottingham, NG11 6JS	Provision of software design and support	Ordinary	100%
Impero International Limited	Oak House, Mere Way, Ruddington Fields Business Park, Ruddington, Nottingham, NG11 6JS	Development and awareness of Impero Brand	Ordinary	100%
Impero Trustee Limited	Oak House, Mere Way, Ruddington Fields Business Park, Ruddington, Nottingham, NG11 6JS	Trustee company	Ordinary	100%
Impero Corporate Limited	Oak House, Mere Way, Ruddington Fields Business Park, Ruddington, Nottingham, NG11 6JS	Dormant company	Ordinary	100%
Impero Solutions Inc	823 Congress Avenue, Suite 1410, Austin, TX, 78701	Provision of software design and support	Ordinary	100%
Safeguarding Monitor Limited	Impero, Oak House Mere Way, Ruddington Fields Business Park, Ruddington, Nottingham, England, NG11 6JS	Provision of software design and support	Ordinary	100%

IMPALA BIDCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

16. Debtors

	Group 2020 £000	Group 2019 £000	Company 2020 £000	Company 2019 £000
Trade debtors	1,177	2,091	-	-
Amounts owed by group undertakings	-	-	2,999	3,003
Other debtors	7	311	-	-
Prepayments and accrued income	222	359	-	-
	<u>1,406</u>	<u>2,761</u>	<u>2,999</u>	<u>3,003</u>

Amounts owed by group undertakings are repayable on demand, non-interest bearing and unsecured.

Included within trade debtors are amounts of £354,583 (2019: £135,690) due in greater than 1 year.

17. Cash at bank and in hand

	Group 2020 £000	Group 2019 £000	Company 2020 £000	Company 2019 £000
Cash at bank and in hand	701	350	-	-

18. Creditors: amounts falling due within one year

	Group 2020 £000	Group 2019 £000	Company 2020 £000	Company 2019 £000
Bank loans and overdrafts	-	497	-	497
Trade creditors	383	383	-	-
Amounts owed to group undertakings	-	-	4,294	2,835
Corporation tax	49	-	-	-
Taxation and social security	162	143	-	-
Other creditors	22	53	-	-
Accruals and deferred income	3,400	3,473	33	3
	<u>4,016</u>	<u>4,549</u>	<u>4,327</u>	<u>3,335</u>

Amounts due to group undertakings are repayable on demand, non-interest bearing and unsecured.

IMPALA BIDCO LIMITED

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FOR THE YEAR ENDED 31 DECEMBER 2020**

19. Creditors: amounts falling due after more than one year

	Group 2020 £000	Group 2019 £000	Company 2020 £000	Company 2019 £000
Bank loans and overdrafts	2,715	3,340	2,715	3,340
Accruals and deferred income	3,553	4,447	-	-
	<u>6,268</u>	<u>7,787</u>	<u>2,715</u>	<u>3,340</u>

Bank loans are stated net of debt fees capitalised of £97,979 (2019: £163,298) of which £65,382 has been amortised in the year (2019: £143,457). Debt fees due within one year of £65,319 (2019: £65,319) and debt fees due after more than one year £32,659 (2019: £97,979).

20. Borrowings

	Group 2020 £000	Group 2019 £000	Company 2020 £000	Company 2019 £000
Amounts falling due within one year				
Bank loans	-	497	-	497
Amounts falling due 1-2 years				
Bank loans	2,715	3,340	2,715	3,340
	<u>2,715</u>	<u>3,837</u>	<u>2,715</u>	<u>3,837</u>

The long-term loans are secured by fixed and floating charges over the assets of the Company, and crossparty guarantees provided by the Company's subsidiaries.

The bank loan is repaid in quarterly installments from August 2017, with a final lump sum repayment in June 2022. Interest is charged at LIBOR plus a margin of between 3.25% and 3.75% dependant on the ratio of total debt to adjusted EBITDA.

Bank loans are stated net of debt fees capitalised of £97,979 (2019: £163,298) of which £65,382 has been amortised in the year (2019: £143,457). Debt fees due within one year of £65,319 (2019: £65,319) and debt fees due after more than one year £32,659 (2019: £97,979).

Net debt has decreased to £1,981,000 (2019: £3,487,000). The movements relate to loan repayments of £1.155m and the increase in cash of £351,000.

IMPALA BIDCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

21. Financial instruments

	Group 2020 £000	Group 2019 £000	Company 2020 £000	Company 2019 £000
Financial assets				
Financial assets that are debt instruments measured at amortised cost.	<u>1,406</u>	<u>2,402</u>	<u>2,999</u>	<u>3,003</u>
Financial liabilities				
Financial liabilities measured at amortised cost	<u>(10,073)</u>	<u>(4,743)</u>	<u>(7,042)</u>	<u>(6,576)</u>

Financial assets that are debt instruments measured at amortised cost comprise trade debtors, amount owed by group undertakings and other debtors.

Financial liabilities measured at amortised cost comprise bank loans and overdrafts, trade creditors, amounts owed by group undertakings, other creditors and accruals.

22. Deferred taxation

Group

	2020 £000	2019 £000
At beginning of year	(1,165)	(1,573)
Credited to profit or loss	218	408
Adjustment in respect of prior years	66	-
At end of year	<u>(881)</u>	<u>(1,165)</u>
	Group 2020 £000	Group 2019 £000
Fair value adjustment of intangibles at acquisition	<u>(881)</u>	<u>(1,165)</u>

The Company has no deferred tax assets or liabilities.

IMPALA BIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

23. Called up share capital

	2020 £000	2019 £000
Allotted, called up and fully paid		
27,300,170 (2019: 22,844,844) Ordinary shares of £0.10 (2019: £0.10) each	<u>2,730</u>	<u>2,284</u>

On incorporation on 21 July 2017 the Company issued 1 Ordinary £1 share at par.

On 31 July 2017 the Company sub-divided the 1 Ordinary £1 share into 10 Ordinary £0.10 shares. On the same date the Company issued a further 22,709,834 Ordinary £0.10 shares at £1 each, generating a premium per share of 90p.

On 4 May 2018, the Company issued 135,000 Ordinary £0.10 shares at £1 each, generating a premium per share of 90p.

On 25 June 2020, the Company issued 4,455,326 Ordinary £0.10 shares at £1 each, generating a premium per share of 90p.

24. Reserves

Share premium account

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

Share based payment reserve

This relates to the fair value of options granted to employees.

Profit and loss account

Cumulative profit and loss net of distributions to owners.

25. Pension commitments

The Group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £11,000 (2019: £97,000). Contributions totaling £19,157 (2019: £17,488) were payable to the fund at the reporting date and are included in creditors.

IMPALA BIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

26. Commitments under operating leases

Lessee

The operating lease payments represent rentals payable by the Group. The lease for the property has a term of ten years and rentals are fixed for an average of five years with an option to extend for a further five years at the prevailing market rate.

At 31 December the Group and the Company had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2020 £000	Group 2019 £000
Not later than 1 year	282	206
Later than 1 year and not later than 5 years	1,016	861
	<u>1,298</u>	<u>1,067</u>

27. Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel of the Group, some of whom are also directors of subsidiary companies, is as follows:

	2020 £000	2019 £000
Aggregate compensation	<u>469</u>	<u>676</u>

28. Ultimate parent undertaking and controlling party

The Company is a wholly owned subsidiary undertaking of Impala Holdings Limited, a company registered in the Cayman Islands, the immediate parent company.

Phoenix Group Holdings, a company incorporated in the Cayman Islands and resident in Jersey, indirectly owns Impala Bidco Limited and is the smallest company for which consolidated financial statements including Impala Bidco Limited are prepared.

Investcorp Bank B.S.C., a company registered in Bahrain, is considered to be the ultimate parent undertaking.

Investcorp Technology Partners IV L.P., in the Cayman Islands is the largest company for which consolidated financial statements including Impala Bidco Limited are prepared.

IMPALA BIDCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

29. Post balance sheet events

With the specific focus on expanding global reach and opening new verticals, on February 5th, 2021 the business acquired 100% of the share capital of Netop Solutions A/S, a Denmark based technology business with products serving both commercial and educational markets, and operations in Denmark, Romania and the USA. This strategic acquisition provides us with a broader reach in the US market, while also providing access to the DACH and APAC regions. Due to the timing of this acquisition, it has been determined to be a non-adjusting event. For further details please refer to the Strategic Report.

Impero Group announced a further investment of £18.9 million in January 2021. With the support of £18.9 million equity cash injection, this funding will be used to accelerate projected growth in local and international markets, and to continue to develop Impero's product suite and improve business systems, processes and infrastructure.