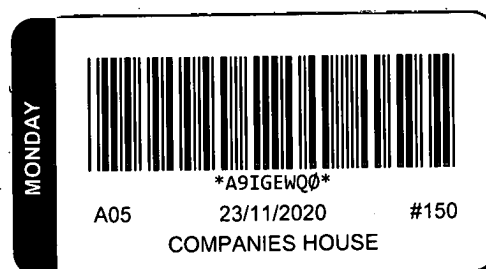


Registered number: 10878303

IMPALA BIDCO LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019



IMPALA BIDCO LIMITED

CONTENTS

	Page(s)
Company Information	1
Strategic Report	2 - 5
Directors' Report	6 - 9
Independent Auditors' Report to the Members of Impala Bidco Limited	10 - 12
Consolidated Statement of Comprehensive Income	13
Consolidated Statement of Financial Position	14
Company Statement of Financial Position	15
Consolidated Statement of Changes in Equity	16 - 17
Company Statement of Changes in Equity	18
Consolidated Statement of Cash Flows	19
Notes to the Financial Statements	20 - 44

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
Herald Way
East Midlands
DE74 2UZ

IMPALA BIDCO LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

The directors present the Strategic Report of Impala Bidco Limited (the "Company") together with its subsidiaries (the "Group") for the year ended 31 December 2019.

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 commenced the transition from a perpetual licence model to a recurring SaaS licence model in 2019, the goal being to align revenue recognition with the provision of hosted solutions, in addition to improving the quality of earnings and predictability of revenue and cash flows, building a platform for growth.

In making this transition it was recognised and anticipated that overall revenue would be impacted in the short term, thus, though the reported results show a revenue reduction of circa. £1.2 million (£6.3 million in 2019 and £7.5 million in 2018), recurring revenue has increased by £0.5 million, accounting for 85% of total revenues (65% in FY18). The continuation of this transition is projected to result in recurring revenue accounting for 95% of overall revenue in FY20. The increased level of recurring revenue has provided a level of security as the business manages through the impact of COVID19, providing a stable revenue stream.

In addition to the transition of the revenue model and with the support of £4.5 million equity cash injection, the business invested in several new initiatives, including: bolstering the management team; the development of a new suite of products associated with the "Impero back:drop" platform; and 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), resulting in a reported EBITDA loss of £1.3 million for the year. The investments are to deliver improved product capabilities, increased new business growth and higher customer retention rates, increasing shareholder value.

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 investment in the new suite of products included significant changes within the existing development team. 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 platform, along with the Impero class:room, Impero well:being and Impero web:check modules were released globally in 2020, and to date have been very well received, further modules and data driven insights are included on the roadmap for release in 2021.

The development of this platform 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 current COVID 19 pandemic as they 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 2019

Business systems and processes

The investment into Business systems and processes has focused on improvements in data and productivity, with a CRM reimplementation due to go-live in early 2021 and an ERP migration being scoped with a similar timeframe in mind. These investments, along with continual process improvements will provide the data and stability for the businesses aspirations to be realised.

Outlook

Looking forward there are three key strategic goals. First and foremost is to better support our customers as they 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.

Finally, our key strategic goals are to both expand our existing relationships and develop new relationships which extend our global reach. Our focus for 2020 remains the UK and US markets, although plans are in place to extend our reach via channel and strategic relationships with the potential for inorganic growth should appropriate opportunities arise.

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 2019**

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 2019**

Revenue

The business is currently undergoing a strategic transition from a perpetual licence model to a SAAS licence model, as a result the business experienced a decline in revenues between FY18 and FY19. Due to this transition the recurring revenue generated by the business has increased from £4.8 million in FY18 to £5.3 million in FY19 an increase of 10%, with recurring revenue increasing from 65% of revenue in FY18 to 85% in FY19, as the transition continues recurring revenues is forecast to represent approximately 95% of total revenue in FY20.

	31 December 2019	31 December 2018
	£'000	£'000
Revenue	<u>6,284</u>	<u>7,476</u>

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:

	31 December 2019	31 December 2018
	£'000	£'000
EBITDA	<u>(1,301)</u>	<u>897</u>

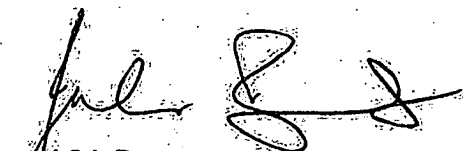
Cash at bank and in hand

The Group cash position:

	31 December 2019	December 2018
	£'000	£'000
Cash	<u>350</u>	<u>3,025</u>

During 2020 further cash has been injected into the Group circa £3m.

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


J C L Bennet
Director

Date: 28 October 2020

IMPALA BIDCO LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

The directors present their 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 2019.

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 £5,386,000 (2018: £3,958,000). 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.

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 £1,438,000 (2018: £1,215,000) primarily due to deferred income of £3,053,000 (2018: £3,766,000) 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.

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.

IMPALA BIDCO LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

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 £4.0m of debt facilities at 31 December 2019, which mature in May 2022. This debt has financial covenants attached, which if breached could result in a demand for immediate repayment being made. During the 2019 financial year it was decided to adopt a recurring revenue recognition model in line with the provision of hosted services, this was a strategic long term decision which led to a change in the profile of revenue and EBITDA when compared to the projections on which the covenants had originally been set. As a direct result these covenants were breached due to the lower than projected EBITDA of the Group. The breach was remedied prior to 31 December 2019 and new covenants were agreed. The new covenants relate to a minimum cash balance of £150,000 at the end of each month and a quarterly trailing twelve month revenue target. In addition to the reset of the financial covenants a further equity cash injection of circa £4.5m was made during 2020 which was used to provide further liquidity (of £3.3m) into the Group to expand the global presence of Impero and accelerate investment into the development of the cloud native family of products Impero back:drop whilst maintaining forecasted headroom over the minimum cash requirement, and to reduce debt to circa £2.8m (as at 30 September 2020). The Group launched the back:drop platform across the UK and US in April 2020 and September 2020 respectively, with the web:check and class:room modules launching in June 2020 and August 2020 respectively. The next module to be released is well:being, which is scheduled for release in November 2020, with further modules on the roadmap for release in 2021.

The directors have performed detailed cash flow projections for the Group, on a monthly basis, covering the period from July 2020 to December 2021. These projections have included sensitivities relating to customers extended payment terms from contractual terms (which have generally been adhered to historically) and reductions in the level of new customer wins compared to forecasts driven by the impact of COVID 19, along with appropriate mitigating actions. These projections show that there is sufficient 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 has been in line with the historical average rate (which is included in the baseline forecasts). 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 in the year. In addition, as with all education solutions the key sales periods are March/April and September/October, therefore two relatively short windows to maximise sales.

The directors have sought assurances from the ultimate parent undertaking that further financial support would be made available, as and when required, in order to enable the Group to continue to operate as a going concern. This financial support specifically relates to alternative sources of funds being made available should the debt provider issue a demand for immediate and full repayment. A letter has been received, which whilst not legally binding, provides such assurances to the directors. Based upon discussions with management of the ultimate parent undertaking and the prior cash injections made during 2019 and 2020 the Directors have no reason to believe that this commitment will not be honoured.

Therefore, based upon the above commitment and the detailed cash flow projections, taken together, the director's 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 2019

Directors' responsibilities statement

The directors are responsible for preparing the Annual Report and the consolidated 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 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 the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group 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 will continue in business.

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

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

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

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

IMPALA BIDCO LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019**

Post balance sheet events

During March 2020 the UK government announced that severe restrictions were being put in place, regarding the movement of people around the UK, as a result of the Coronavirus pandemic ("COVID 19"), which was impacting many countries in Asia and Europe at that time. This quickly grew into a global pandemic causing a severe decline in many economies. Whilst these restrictions were slowly being lifted in mid-summer 2020 there is an increasing upward trend on reported cases in Europe and the United States of America ("US") during September 2020. Therefore there continues to be uncertainty around the medium to long term impact of this global pandemic, including whether there could be further waves of infections and the impact that these could have on the economy of many countries.

The Company and Group has adapted its working practices to enable staff to stay safe whilst ensuring delivery of our software and service to our valued customers is maintained. Whilst the move towards social distancing and remote teaching solutions within the UK and US education sector has increased the opportunities for new business, the level of general economic uncertainty and the impact of COVID 19 on the planning of the IT/management/finance departments within the education sector provides further difficulties in predicting which future opportunities will convert into new business.

As the above was not known, or could have been, at the Balance Sheet date it is treated as a non-adjusting post balance sheet event. To date, no material bad debts have been noted and no material change in level of customer renewals or new business wins compared to expectation has been noted. The directors continue to monitor the impact on the business as a whole and will reflect on any potential impairments when and more certainty is known regarding the future cash flows and profits impact that COVID 19 has and continues to have on the Company in the 2020 financial year.

On 25 June 2020, 4,455,326 ordinary shares with a nominal value of 10p were issued for £1 each, generating cash of £4,455,326 for the Company.

These funds were invested in the subsidiary companies with £1,187,500 being utilised to pay bank loans.

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.

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



J C L Bennet
Director

Date: 28 October 2020

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 2019 and of the Group's loss and 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 for the year ended 31 December 2019 (the "Annual Report"), which comprise: the Consolidated Statement of Financial Position as at 31 December 2019, the Company Statement of Financial Position as at 31 December 2019; the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Cash Flows, the Consolidated Statement of Changes in Equity, and the Company Statement of Changes in Equity 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

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group and Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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

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 the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require 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 2019 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.

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 received 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
28 October 2020

IMPALA BIDCO LIMITED

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Note	2019 £000	2018 £000
Turnover	4	6,284	7,476
Cost of sales		(367)	-
Gross profit		5,917	7,476
Administrative expenses		(11,703)	(10,467)
Exceptional costs	12	(121)	(546)
Other operating income	5	208	-
Operating loss	6	(5,699)	(3,537)
Interest payable and similar expenses	10	(334)	(188)
Loss before taxation		(6,033)	(3,725)
Tax on loss	11	647	(233)
Loss for the financial year		(5,386)	(3,958)
Other comprehensive income for the financial year:			
Currency translation differences		10	17
Other comprehensive income for the financial year		10	17
Total comprehensive expense for the financial year		(5,376)	(3,941)
Loss for the financial year attributable to:			
Owners of the parent Company		(5,386)	(3,958)

The notes on pages 20 to 44 form part of these financial statements.

IMPALA BIDCO LIMITED
REGISTERED NUMBER: 10878303

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

	Note	2019 £000	2018 £000
Fixed assets			
Intangible assets	13	22,733	26,568
Tangible assets	14	216	164
		<u>22,949</u>	<u>26,732</u>
Current assets			
Debtors	16	2,761	1,140
Cash at bank and in hand	17	350	3,025
		<u>3,111</u>	<u>4,165</u>
Creditors: amounts falling due within one year	18	(4,549)	(5,380)
Net current liabilities		<u>(1,438)</u>	<u>(1,215)</u>
Total assets less current liabilities		<u>21,511</u>	<u>25,517</u>
Creditors: amounts falling due after more than one year	19	(7,787)	(6,009)
Provisions for liabilities			
Deferred taxation	22	(1,165)	(1,573)
Net assets		<u>12,559</u>	<u>17,935</u>
Capital and reserves			
Called up share capital	23	2,284	2,284
Share premium account	24	20,561	20,561
Share based payment reserve	24	100	100
Profit and loss account	24	(10,386)	(5,010)
Total shareholders' funds		<u>12,559</u>	<u>17,935</u>

The financial statements on pages 13 to 44 were approved and authorised for issue by the board and were signed on its behalf by:


J C L Bennet
 Director

Date: 28 October 2020

The notes on 20 to 44 form part of these financial statements

IMPALA BIDCO LIMITED
REGISTERED NUMBER: 10878303

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

	Note	2019 £000	2018 £000
Fixed assets			
Investments	15	25,639	25,639
Current assets			
Debtors	16	3,003	2,946
Creditors: amounts falling due within one year	18	(3,335)	(2,572)
Net current (liabilities)/assets		(332)	374
Total assets less current liabilities		25,307	26,013
Creditors: amounts falling due after more than one year	19	(3,340)	(3,693)
Net assets		21,967	22,320
Capital and reserves			
Called up share capital	23	2,284	2,284
Share premium account	24	20,561	20,561
Share based payment reserve	24	100	100
Profit and loss account brought forward		(625)	(24)
Loss for the financial year		(353)	(601)
Profit and loss account carried forward		(978)	(625)
Total shareholders' funds		21,967	22,320

The financial statements 13 to 44 were approved and authorised for issue by the board and were signed on its behalf by:


J.C.L. Bennet
 Director

Date: 28 October 2020

The notes on 20 to 44 form part of these financial statements

IMPALA BIDCO LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019

	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 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	2,284	20,561	100	(10,386)	12,559

The notes on pages 20 to 44 form part of these financial statements.

IMPALA BIDCO LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018

	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 2018	2,271	20,439	-	(1,069)	21,641
Comprehensive expense for the financial year					
Loss for the financial year	-	-	-	(3,958)	(3,958)
Currency translation differences	-	-	-	17	17
Total comprehensive expense for the financial year				(3,941)	(3,941)
Contributions by and distributions to owners					
Shares issued during the year	13	122	-	-	135
Share options issued	-	-	100	-	100
Total transactions with owners	13	122	100		235
At 31 December 2018	2,284	20,561	100	(5,010)	17,935

The notes on pages 20 to 44 form part of these financial statements.

IMPALA BIDCO LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Called up share capital £000	Share premium account £000	Share based payment reserve £000	Profit and loss account £000	Total shareholders' funds £000
At 1 January 2018	2,271	20,439	-	(24)	22,686
Comprehensive expense for the financial year					
Loss for the financial year	-	-	-	(601)	(601)
Total comprehensive expense for the financial year	-	-	-	(601)	(601)
Contributions by and distributions to owners					
Shares issued during the year	13	122	-	-	135
Share options issued	-	-	100	-	100
Total transactions with owners	13	122	100	-	235
At 31 December 2018 and 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	2,284	20,561	100	(978)	21,967

The notes on pages 20 to 44 form part of these financial statements.

IMPALA BIDCO LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2019**

	2019 £000	2018 £000
Cash flows from operating activities		
Loss for the financial year	(5,386)	(3,958)
Adjustments for:		
Amortisation and impairment of intangible assets	4,349	4,380
Depreciation and impairment of tangible assets	49	49
Loss on disposal of tangible assets	-	11
Finance costs	191	188
Taxation	(647)	233
Increase in debtors	(1,621)	(75)
Increase/(decrease) in creditors	1,402	(336)
Corporation tax received	79	-
Amortisation of debt fees	143	-
Effect of foreign exchange gains and losses	-	17
Net cash (utilised in)/generated from operating activities	(1,441)	509
Cash flows from investing activities		
Purchase of intangible assets	(505)	(615)
Purchase of tangible assets	(101)	(37)
Net cash used in investing activities	(606)	(652)
Cash flows from financing activities		
Proceeds from issue of shares	-	135
Repayment of bank loans	(437)	(455)
Interest paid	(191)	(123)
Net cash used in financing activities	(628)	(443)
Net decrease in cash and cash equivalents	(2,675)	(586)
Cash and cash equivalents at beginning of financial year	3,025	3,611
Cash and cash equivalents at the end of financial year	350	3,025
Cash and cash equivalents at the end of financial year comprise:		
Cash at bank and in hand	350	3,025
	350	3,025

IMPALA BIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

1. General information

Impala Bidco Limited (the "Company") is a private company limited by shares and is registered and incorporated in England and Wales. 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 2018. 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

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 £4.0m of debt facilities at 31 December 2019, which mature in May 2022. This debt has financial covenants attached, which if breached could result in a demand for immediate repayment being made. During the 2019 financial year it was decided to adopt a recurring revenue recognition model in line with the provision of hosted services, this was a strategic long term decision which led to a change in the profile of revenue and EBITDA when compared to the projections on which the covenants had originally been set. As a direct result these covenants were breached due to the lower than projected EBITDA of the Group. The breach was remedied prior to 31 December 2019 and new covenants were agreed. The new covenants relate to a minimum cash balance of £150,000 at the end of each month and a quarterly trailing twelve month revenue target. In addition to the reset of the financial covenants a further equity cash injection of circa £4.5m was made during 2020 which was used to provide further liquidity (£3.3m) into the Group to expand the global presence of Impero and accelerate investment into the development of the cloud native family of products Impero back:drop whilst maintaining forecasted headroom over the minimum cash requirement, and to reduce debt to c £2.8m (as at 30 September 2020). The Group launched the back:drop platform across the UK and US in April 2020 and September 2020 respectively, with the web:check and class:room modules launching in June 2020 and August 2020 respectively. The next module to be released is well:being, which is scheduled for release in November 2020, with further modules on the roadmap for release in 2021.

The directors have performed detailed cash flow projections for the Group, on a monthly basis, covering the period from July 2020 to December 2021. These projections have included sensitivities relating to customers extended payment terms from contractual terms (which have generally been adhered to historically) and reductions in the level of new customer wins compared to forecasts driven by the impact of COVID 19, along with appropriate mitigating actions. These projections show that there is sufficient 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 has been in line with the historical average rate (which is included in the baseline forecasts). 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 in the year. In addition, as with all education solutions the key sales periods are March/April and September/October, therefore two relatively short windows to maximise sales.

The directors have sought assurances from the ultimate parent undertaking that further financial support would be made available, as and when required, in order to enable the Group to continue to operate as a going concern. This financial support specifically relates to alternative sources of funds being made available should the debt provider issue a demand for immediate and full repayment. A letter has been received, which whilst not legally binding, provides such assurances to the directors. Based upon discussions with management of the ultimate parent undertaking and the prior cash injections made during 2019 and 2020 the Directors have no reason to believe that this commitment will not be honoured.

Therefore, based upon the above commitment and the detailed cash flow projections, taken together, 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 2019

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 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

2. Accounting policies (continued)

2.18 Investments

In the separate accounts 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 2019**

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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

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 2019**

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 £7,448,756 (2018: £6,081,632).

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 period end is £1,413,000 (2018: £1,437,000) (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 period end is £22,734,000 (£26,568,000) (see note 13).

IMPALA BIDCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

4. Turnover

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

	2019 £000	2018 £000
Software and support services	6,284	7,476

Analysis of turnover by country of destination:

	2019 £000	2018 £000
United Kingdom	2,926	4,414
Rest of Europe	667	420
Rest of the World	2,691	2,642

5. Other operating income

	2019 £000	2018 £000
RDEC Grant income	208	-

6. Operating loss

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

	2019 £000	2018 £000
Exchange losses/(gains)	72	(161)
Depreciation of tangible assets	49	54
Amortisation of intangible assets	4,349	4,380
Operating lease charges	188	126

IMPALA BIDCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

7. Auditors' remuneration

	2019	2018
	£000	£000
Group		
Fees payable to the Group's auditors for the audit of the Group's annual financial statements	<u>37</u>	<u>37</u>

Non-audit fees of £13,000 (2018: £170,000) are included within the exceptional costs relating to corporate finance services on an acquisition which did not complete.

The audit fees of £5,000 (2018: £5,000) for the Company financial statements was paid for by a subsidiary company and not recharged.

8. Employees

Staff costs, including directors' remuneration, were as follows:

	Group	Group
	2019	2018
	£000	£000
Wages and salaries	4,014	2,938
Social security costs	447	362
Other pension costs	97	76
Capitalised as intangible asset	(479)	(481)
	<u>4,079</u>	<u>2,895</u>

The Company had no employee costs.

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

	2019	2018
	Number	Number
Sales and marketing	47	53
Technical	48	34
Finance and admin	13	13
	<u>108</u>	<u>100</u>

The average number of employees for the Company was 2 (2018: 2)

9. Directors' remuneration

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

IMPALA BIDCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

10. Interest payable and similar expenses

	2019	2018
	£000	£000
Interest on bank overdrafts and loans	191	188
Amortisation of debt fees capitalised	143	-
	334	188

The amortisation of debt fees of £143,000 includes £81,000 in relation to 2018 and prior which was not made but on the grounds of materiality not reflected as a prior year error.

11. Tax on loss

	2019	2018
	£000	£000
Corporation tax		
Current tax on losses for the year	18	161
Adjustment in respect of prior years	(257)	-
Total current tax	(239)	161
Deferred tax		
Origination and reversal of timing differences	(432)	(375)
Adjustment in respect of prior years	24	447
Total deferred tax	(408)	72
Total tax	(647)	233

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

11. Tax on loss (continued)

Factors affecting tax (credit)/charge for the year

The tax assessed for the year is higher than (2018: higher than) the standard rate of corporation tax in the UK of 19.00% (2018: 19.00%). The differences are explained below:

	2019	2018
	£000	£000
Loss before taxation	(6,033)	(3,725)
Loss before taxation multiplied by standard rate of corporation tax in the UK of 19.00% (2018: 19.00%)	(1,146)	(708)
Effects of:		
Tax effect of expenses that are not deductible in determining taxable profit	686	285
Depreciation on assets not qualifying for tax allowances	-	2
Amortisation on assets not qualifying for tax allowances	-	(295)
Deferred tax not recognised	46	502
Adjustment in respect of prior periods	(233)	447
Total tax (credit)/charge for the year	(647)	233

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 £0.6m (2018: £0.5m) 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 2019**

12. Exceptional costs

	2019	2018
	£000	£000
Professional fees in relation to aborted deals and review of business	-	546
Exceptional management costs	121	-
	121	546

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

The exceptional costs in 2018 relate to expenses incurred relating to professional fees for an acquisition which did not complete and a review of the business performance.

IMPALA BIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

13. Intangible assets

Group

	Intellectual property £000	Development costs £000	Customer relationships £000	Software £000	Goodwill £000	Total £000
Cost						
At 1 January 2019	2	2,193	3,495	7,644	19,437	32,771
Additions	-	459	-	46	-	505
Translations	-	20	-	36	(47)	9
At 31 December 2019	2	2,672	3,495	7,726	19,390	33,285
Accumulated amortisation						
At 1 January 2019	-	756	495	2,188	2,764	6,203
Charge for the year	1	503	349	1,523	1,973	4,349
At 31 December 2019	1	1,259	844	3,711	4,737	10,552
Net book value						
At 31 December 2019	1	1,413	2,651	4,015	14,653	22,733
At 31 December 2018	2	1,437	3,000	5,456	16,673	26,568

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

13. Intangible assets (continued)

The Company had no intangible fixed assets at 31 December 2019.

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

Software represents the amounts attributed to the Group's core software product developed for sale. The carrying amount of £4,015,000 which has a remaining amortisation period of 2.6 years is considered to be individually material to the Group.

Development costs represent internal additions to the software product. The carrying amount of £1,413,000 which has a remaining amortisation period of 2.6 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 £2,651,000 which has a remaining amortisation period of 7.6 years considered to be individually material to the Group.

14. Tangible assets

Group

	Leasehold improvements £000	Fixtures and fittings £000	Computers £000	Total £000
Cost				
At 1 January 2019	125	107	284	516
Additions	9	8	84	101
At 31 December 2019	<u>134</u>	<u>115</u>	<u>368</u>	<u>617</u>
Accumulated depreciation				
At 1 January 2019	39	82	231	352
Charge for the year	8	9	32	49
At 31 December 2019	<u>47</u>	<u>91</u>	<u>263</u>	<u>401</u>
Net book value				
At 31 December 2019	<u>87</u>	<u>24</u>	<u>105</u>	<u>216</u>
At 31 December 2018	<u>86</u>	<u>25</u>	<u>53</u>	<u>164</u>

The Company had no tangible fixed assets at 31 December 2019.

IMPALA BIDCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

15. Investments

Company

	Investments in subsidiary companies £000
Cost	
At 1 January 2019	25,639
At 31 December 2019	<u>25,639</u>

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%

IMPALA BIDCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

15. Investments (continued)

Subsidiary undertakings (continued)

Name	Registered office	Principal activity	Class of shares	Holding
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%

16. Debtors

	Group 2019 £000	Group 2018 £000	Company 2019 £000	Company 2018 £000
Trade debtors	2,091	774	-	-
Amounts owed by group undertakings	-	-	3,003	2,945
Other debtors	311	138	-	1
Prepayments and accrued income	359	228	-	-
	2,761	1,140	3,003	2,946

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

Included within trade debtors are amounts of £135,690 due in greater than 1 year.

17. Cash at bank and in hand

	Group 2019 £000	Group 2018 £000	Company 2019 £000	Company 2018 £000
Cash at bank and in hand	350	3,025	-	-

IMPALA BIDCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

18. Creditors: amounts falling due within one year

	Group 2019 £000	Group 2018 £000	Company 2019 £000	Company 2018 £000
Bank loans and overdrafts	497	438	497	438
Trade creditors	383	417	-	-
Amounts owed to group undertakings	-	-	2,835	2,130
Corporation tax	-	161	-	-
Other taxation and social security	143	185	-	-
Other creditors	53	131	-	-
Accruals and deferred income	3,473	4,048	3	4
	4,549	5,380	3,335	2,572

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

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

	Group 2019 £000	Group 2018 £000	Company 2019 £000	Company 2018 £000
Bank loans and overdrafts	3,340	3,693	3,340	3,693
Accruals and deferred income	4,447	2,316	-	-
	7,787	6,009	3,340	3,693

Bank loans are stated net of debt fees capitalised of £163,298 of which £143,457 has been amortised in the period (2018:£Nil). Debt fees due within one year of £65,319 and debt fees due after more than one year £97,979.

IMPALA BIDCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

20. Borrowings

	Group 2019 £000	Group 2018 £000	Company 2019 £000	Company 2018 £000
Amounts falling due within one year				
Bank loans	497	438	497	438
Amounts falling due 1-2 years				
Bank loans	3,340	3,693	3,340	3,693
	<u>3,837</u>	<u>4,131</u>	<u>3,837</u>	<u>4,131</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 £163,298 of which £143,457 has been amortised in the period (2018: £Nil). Debt fees due within one year of £65,319 and debt fees due after more than one year £97,979.

As noted in note 30, £1,187,500 of the above was repaid post year end.

21. Financial instruments

	Group 2019 £000	Group 2018 £000	Company 2019 £000	Company 2018 £000
Financial assets				
Financial assets that are debt instruments measured at amortised cost	2,402	912	3,003	2,946
Financial liabilities				
Financial liabilities measured at amortised cost	(4,743)	(5,146)	(6,576)	(6,265)

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.

IMPALA BIDCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

22. Deferred taxation

Group

	2019 £000
At beginning of year	(1,573)
Charged to profit or loss	408
At end of year	(1,165)

	Group 2019 £000	Group 2018 £000
Accelerated capital allowances	-	(147)
Fair value adjustment of intangibles at acquisition	(1,165)	(1,426)
	(1,165)	(1,573)

The Company has no deferred tax assets or liabilities.

23. Called up share capital

	2019 £000	2018 £000
Allotted, called up and fully paid		
22,844,844 (2018: 22,844,844) Ordinary shares of £0.10 (2018: £0.10) each	2,284	2,284

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.

IMPALA BIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

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 £97,000 (2018: £76,000). Contributions totaling £17,488 (2018: £22,445) were payable to the fund at the reporting date and are included in creditors.

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 2019 £000	Group 2018 £000
Not later than 1 year	206	191
Later than 1 year and not later than 5 years	861	732
Later than 5 years	-	130
	1,067	1,053

IMPALA BIDCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

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:

	2019 £000	2018 £000
Aggregate compensation	<u>676</u>	<u>741</u>

28. Acquisitions

During the prior year the Group acquired the remaining 15% of the share capital of Safeguarding Monitor Limited.

29. 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 accounts including Impala Bidco Limited are prepared.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

30. Post balance sheet events

During March 2020 the UK government announced that severe restrictions were being put in place, regarding the movement of people around the UK, as a result of the Coronavirus pandemic ("COVID 19"), which was impacting many countries in Asia and Europe at that time. This quickly grew into a global pandemic causing a severe decline in many economies. Whilst these restrictions were slowly being lifted in mid-summer 2020 there is an increasing upward trend on reported cases in Europe and the United States of America ("US") during September 2020. Therefore there continues to be uncertainty around the medium to long term impact of this global pandemic, including whether there could be further waves of infections and the impact that these could have on the economy of many countries.

The Company and Group has adapted its working practices to enable staff to stay safe whilst ensuring delivery of our software and service to our valued customers is maintained. Whilst the move towards social distancing and remote teaching solutions within the UK and US education sector has increased the opportunities for new business, the level of general economic uncertainty and the impact of COVID 19 on the planning of the IT/management/finance departments within the education sector provides further difficulties in predicting which future opportunities will convert into new business.

As the above was not known, or could have been, at the Balance Sheet date it is treated as a non-adjusting post balance sheet event. To date, no material bad debts have been noted and no material change in level of customer renewals or new business wins compared to expectation has been noted. The directors continue to monitor the impact on the business as a whole and will reflect on any potential impairments when more certainty is known regarding the future cash flows and profits impact that COVID 19 has and continues to have on the Company in the 2020 financial year.

On 25 June 2020, 4,455,326 ordinary shares with a nominal value of 10p were issued for £1 each, generating cash of £4,455,326 for the Company.

These funds were invested in the subsidiary companies with £1,187,500 being utilised to pay bank loans.