

Impala Bidco Limited

Company number: 10878303

Annual Report and Consolidated Financial statements

For the year ended 31 December 2023

Impala Bidco Limited

Company Information

Directors

J C L Bennet

G B Kamieniecky

P Kagan (appointed 6 June 2024)

Registered number

10878303

Registered Office

Seventh Floor

East West

Tollhouse Hill

Nottingham

NG1 5FS

Independent auditor

Forvis Mazars LLP

Chartered Accountant & Statutory Auditor

Park View House

58 The Ropewalk

Nottingham

NG1 5DW

Impala Bidco Limited

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Impala Bidco Limited

Group Strategic Report For the year ended 31 December 2023

Introduction

The Directors present their Group Strategic Report and consolidated financial statements of Impala Bidco Limited ("the Company") and of its subsidiaries (collectively "the Group" or "Impero") for the year ended 31 December 2023.

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.

2023 showed significant headwinds in terms of sales growth. This was largely due to the delayed signing and ramp-up of a large contract and the delayed rollout of DACH Classroom and ContentKeeper Mac products. Overall growth has been hindered by churn on one of our legacy products, the cloud version of Education Pro. Combined (Cloud and On-Prem), Education Pro accounted for the largest portion of total churn, with the overwhelming majority of that coming from the Cloud version.

With the new leadership team in 2024, we are significantly ramping resources to accelerate new product development across all product lines. We have also started to change our GTM, and through these changes we will be significantly more persuasive and visible in the market going forward. We will also make it much easier for our channel partners, resellers and distributors to do business with us.

We are currently dissecting every aspect of the business and will be much better equipped than ever before to deliver on the value proposition that we all believe in.

Because we have grand plans, we have implemented a PMO (project management office) to efficiently manage all our initiatives and to focus on relentless performance-based execution.

The employees have responded very well to this new chapter. We feel very bullish that we will be able to deliver and begin to deliver on Impero's promise.

Financial performance at the reporting date

Reported revenue has decreased to £21,019k (2022: £22,489k), a decrease of £1,470k (6.5%) in the year. Loss before tax increased to £15,379k (2022: £12,158k) an increase of £3,221k (26.5%) in the year.

Financial position at the reporting date

As at the date of the Consolidated Statement of Financial Position, the Group had net current liabilities of £46,552k (2022: £5,038k) and net assets of £38,969k (2022: £54,024k).

Management team

In 2023 the Group management team remained consistent from FY22, but in late March 2024 Impero replaced its former management team with an experienced new team across all functions including the appointments of Tobi Hartman as CEO and Adrian Muniz as CFO. Tobi and Adrian are both seasoned industry executives with outstanding histories in leading private equity backed technology businesses to very successful exits. Prior to joining Impero, they also collaborated very effectively as Operating Partners with Investcorp Technology Partners, the majority shareholder of Impero.

Impala Bidco Limited

Group Strategic Report For the year ended 31 December 2023 (continued)

Product

In 2023, Impero focused on enhancing and stabilizing its product suite, which includes Backdrop (Classroom), Connect (Remote Control), and ContentKeeper (Filtering). This year was marked by significant releases and advancements aimed at improving the user experience, security, and scalability across our products.

1. **Backdrop (Classroom Product):** The Backdrop product saw substantial improvements in overall stability and technical debt reduction. Key enhancements included the integration of machine learning for the Wellbeing module, improvements to AzureAD for ease of use, and the introduction of IP fencing and monitoring notifications. Additionally, Backdrop benefitted from a redesign of Google Workspace integration and a bulk user management feature for district-level dashboards. The year also saw successful migrations such as GroupCall and the preparation for migrating Backdrop to CKCloud, laying the groundwork for future cost savings and performance enhancements.
2. **Connect (Remote Control Product):** Connect continued to advance in 2023, particularly with the introduction of the OnPremise Portal and the AMT (Active Management Technology) Open AMT Cloud Toolkit. These enhancements strengthened Connect's capability to securely manage a wide range of devices in industrial settings, from desktop computers to manufacturing robots. These updates reflect Impero's commitment to providing cutting-edge remote management solutions.
3. **ContentKeeper (Filtering Product):** ContentKeeper maintained its position as a leading filtering solution for educational institutions with several key updates in 2023. The product saw multiple releases, including new macOS, ChromeOS, Windows, and iOS clients, all of which support DNS v3 and enhanced YouTube filtering capabilities. The introduction of features like the CK-Express Bypass/Hardware Lite and Microsoft tenant restrictions further expanded ContentKeeper's versatility and security. Additionally, significant progress was made on migrating existing systems to AlmaLinux8, a project expected to bring compliance and efficiency benefits in the near future.

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 meet customers' objectives, continually reviewing and updating its products to ensure they are in line with market demand.

Public policy

Changes in macro-economic conditions, political administration or policy, may result in changing priorities for the funding available to education institutions. The Group focuses on the provision of mission critical solutions to reduce such risks. In addition, the Group monitors the education policy environment, incorporating policy developments as product enhancements where possible.

Education practice

Education practices and priorities may change and, as a result, the Group's products and services may no longer align with requirements. The Group Product team engages with education practitioners to identify such changes, and where necessary propose product enhancements that are prioritised on the roadmap.

Impala Bidco Limited

Group Strategic Report For the year ended 31 December 2023 (continued)

Principal risks and uncertainties (continued)

People

As a technology developer and provider, the Group has a dependency on highly skilled employees. The Group seeks to be an attractive employer, regularly engaging with employees to continually improve retention. The Group also leverages the expanded geographic locations to offer greater flexibility and target regions where specific skill sets are most prevalent. Succession planning is reviewed and updated annually to mitigate the risk of any key personnel leaving the business.

Cyber security

The Group's products handle sensitive student data and therefore any security breach or cyber-attack poses a serious risk to the business. The Group mitigates against this with annual penetration testing and regular product security reviews. Compliant with ISO27001, the Group has a robust framework in place in which security is monitored and enhanced as part of all business processes.

Technological dependencies

The Group's core product set is cross-platform and must maintain performance across all major operating systems. While an important market differentiator, this dependency means the Group's Product and Development team must be responsive to changes across a vast range of technology. This is done by developing under an Agile methodology and forging close relationships with technology partners.

Key customers

The Group targets a range of Education customers including large US school districts and notable key customers within this firmographic make up a significant portion of the Group's ARR. Key Account Managers are in place to maintain customer engagement across this customer segment, with regular communication and needs analysis, informing the product roadmap to ensure current and future requirements are met and customer satisfaction is high.

Interest rate risk

In 2021, Impala Bondco Plc, a wholly owned subsidiary within the Group, issued a senior secured bond loan of SEK 375,000k on the Swedish bond market. The bonds carry a floating interest rate of STIBOR 3m + 9 per cent per annum. This is the principal source of the Group's exposure to interest rate risk and is monitored carefully.

Currency / foreign exchange risks

Due to the increased global presence, there is increased risk associated with foreign exchange rates. The Group receives most income in US Dollars, while operating costs are spread across several currencies and the bond interest payments are in Swedish Krona. The Group operates a weekly cash forecasting process to identify liquidity requirements over both short- and long-term periods across different currencies. Based on this forecasting the Group utilises forward contracts to manage exposure.

Inflation risk

The Group is also exposed to inflation across its cost-base. Significant increases in costs impacts financial performance and cash flows unless these are fully offset by increases in the price of sales contracts. Costs are regularly reviewed and managed through negotiation with suppliers and pricing decisions.

Impala Bidco Limited

Group Strategic Report For the year ended 31 December 2023 (continued)

Key performance indicators

Management use a range of performance measures to monitor and manage the business. The performance measures are split into financial and non-financial key performance indicators as set out below.

Financial key performance indicators

The Board view trading revenue, adjusted EBITDA and cash as the key metrics to assess operational performance.

	FY23	FY22	Variance	Variance
	£'000	£'000	£'000	%
Trading Revenue (see note 8) *	22,096	24,590	(2,494)	(10%)
Adjusted EBITDA (see note 9) **	786	1,958	(1,172)	(60%)
Cash	1,693	6,127	(4,434)	(72%)

**Trading revenue is calculated as reported revenue excluding the impact of deferred revenue haircut. This reflects the revenue that would be recognised in accordance with accounting standards had the acquired entity always been a part of the Group and is the reflective continuing revenue of the combined Group on a normalised basis (see note 8)*

The deferred revenue haircut is the fair value adjustment required to be recognised when accounting for business combinations under IFRS 3, to discount the book value of deferred revenue acquired to remove the profit element relating to sales and marketing effort performed prior to the business combination, leaving an amount reflecting the fair valuation of the delivery element only.

***Adjusted EBITDA is calculated as Earnings before net finance cost, tax, depreciation and amortisation, impairment, loss on disposal of assets, foreign exchange gain or loss, exceptional items and deferred revenue haircut (see note 9)*

Trading Revenue

Trading revenue has decreased by 10% from £24,590k in FY22 to £22,096k in FY23, primarily as a result lower than expected sales and a move from perpetual license revenue to SaaS Subscriptions. Trading revenue differs from reported revenue due to reported revenue including a deferred revenue haircut reduction of ~£1.1m relating to acquisition accounting, which is required to be accounted for under IFRS. Under US GAAP this haircut would be removed.

Adjusted EBITDA

Adjusted EBITDA decreased by £1,172k to £786k or 60%. This is due to a decrease in top line growth.

Cash

The decreased cash position of £1,693k (2022: £6,127k) primarily is due to a decrease in top line growth.

Non-financial key performance indicators

The Directors do not consider that there are any non-financial key performance indicators that require disclosure within these financial statements.

Impala Bidco Limited

Group Strategic Report For the year ended 31 December 2023 (continued)

Future Developments

The EdTech, Cybersecurity and Remote Control markets we play in all have very healthy growth rates and we know the demand for our mission critical utilities and applications is unquestionably high. To address the headwinds we saw throughout 2023, we have put in place remediation including significantly ramping resources to accelerate new product development across all product lines and our go-to-market. Through these changes we will be significantly more persuasive and visible in the market going forward. We will also make it much easier for our channel partners, resellers and distributors to do business with us.

M&A activity remains an ongoing consideration where growth plans can be accelerated through the right acquisition more effectively than in-house development.

This report was approved by the Board and signed on its behalf.



[Gilbert Kamieniecky \(Sep 27, 2024 16:48 GMT+2\)](#)

G B Kamieniecky

Director

Date: Sep 27, 2024

Impala Bidco Limited

Directors' Report For the year ended 31 December 2023

Introduction

The Directors present their Directors' Report and the audited financial statements for the year ended 31 December 2023.

Principal activity

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 year, after taxation, amounted to £14,518k (2022: £11,200k).

No ordinary dividends were paid. The Directors do not recommend the payment of any dividends.

Directors

The Directors who served during the year and up until the date of signing, unless otherwise stated, were:

G B Kamieniecky
J C L Bennet
P Kagan (appointed 6 June 2024)

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 listed bond. The purpose of the bond was to finance, together with additional equity investment, the acquisition of ContentKeeper Technologies Pty Ltd.

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 £46,552k (2022: £5,038k) primarily due to Bond liabilities of £29,772k, which was amended in 2024 to move the maturity date of the loan to October 2027. Additionally, £11,944k of the liability balance is contract liabilities to be settled not in cash but in services provided.

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

Financial risk management is further considered in note 31.

Impala Bidco Limited

Directors' Report For the year ended 31 December 2023 (continued)

Matters covered in the Group Strategic Report

The Company has chosen, in accordance with section 41C(11) of the Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 to set out in Group's Strategic Report certain information required by schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008.

These matters relate to the Review of the business, Financial position at the reporting date, Principal risks and uncertainties, and Key performance indicators.

Future developments

Details of future developments can be found in the Group Strategic Report and form part of this report by cross reference.

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 is primarily financed through a SEK 375m bond raised in 2021 which was to mature in October 2024. In February 2024 the Group renegotiated the terms of the Bond including changing the maturity date to October 2027 (see note 37).

In 2023, a working capital facility agreement totalling USD 2.5m was put in place, and accrues interest at SOFR + 2.65%.

In 2023 a further USD 2.5m was advanced in the form of a shareholder loan from the immediate parent entity Impala Holdings Limited. This loan is subordinated to the existing SEK bonds, and is only redeemable after the SEK bonds are fully discharged. The loan accrues interest at 15% per annum, with this interest accruing towards the ending debt balance (PIK interest).

On 29 February 2024 the Company entered into £5,000,000 19% unsecured redeemable loan notes and payment in kind notes with Impala Holdings Limited.

On 26 June 2024 the Company amended and restated the 19% unsecured redeemable loan notes and payment in kind notes with Impala Holdings Limited to fund the Company an additional £2,358k.

The Directors have performed detailed, monthly cashflow forecasts for the Group, covering the period to December 2025. This includes a reasonable worst-case scenario, which factors in potential downside exposure to the level of customer bookings. The forecast shows the Group will be able to meet its obligations as they fall due throughout the forecast period. Additionally, cost saving initiatives have been identified that could be implemented to mitigate any further downside in forecast assumptions.

Based upon the current level of liquidity and the forecast performance in this scenario 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 a period of at least 12 months from the date these financial statements have been signed. Accordingly, the going concern basis of preparation has been adopted in these financial statements.

Impala Bidco Limited

Directors' Report For the year ended 31 December 2023 (continued)

Directors' responsibilities statement

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with International Accounting Standards (IASs) in conformity with the requirements of the Companies Act 2006. 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 these financial statements, the Directors are required to:

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- provide additional disclosures when compliance with specific requirements in IASs is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Parent Company 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 to 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 auditor

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

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

Development costs

The Group continues to invest heavily in development to ensure it is at the forefront of its market in software development. During the year the Group capitalised development costs of £2.1m in Intangible Assets (2022: £2.1m).

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Directors' Report For the year ended 31 December 2023 (continued)

Subsequent events following the reporting date

On 29 February 2024 the Group successfully completed an amendment agreement in relation to the Group's SEK senior secured bonds, up to SEK 500,000,000 (£47,473k). This amendment moves the maturity date of the loan to 30 October 2027. The interest due 22 January 2024 which was cancelled pursuant to the press release issued by the Issuer on 19 January 2024 and any other accrued but unpaid interest up to (but excluding) the Amendment Effective Date, under the Terms and Conditions in force prior to the Amendment Effective Date, shall instead be paid in kind on the next following Interest Payment Date after the Amendment Effective Date. The liquidity covenant requires a minimum cash balance of £750,000 to be maintained at the end of each month.

On 29 February 2024 the Company entered into a £5,000,000 19% unsecured redeemable loan notes and payment in kind notes with Impala Holdings Limited.


On 26 June 2024 the Company amended and restated the 19% unsecured redeemable loan notes and payment in kind notes with Impala Holdings Limited to fund the Company an additional £2,358k.

In late March 2024 Impero replaced its former management team with an experienced new team across all functions including the appointments of Tobi Hartman as CEO and Adrian Muniz as CFO. Tobi and Adrian are both seasoned industry executives with outstanding histories in leading private equity backed technology businesses to very successful exits. Prior to joining Impero, they also collaborated very effectively as Operating Partners with Investcorp Technology Partners, the majority shareholder of Impero.

Independent auditor

The auditor, Forvis Mazars LLP, has informed management of their intention to resign as the Group's auditor following sign off of these financial statements. Management are currently in the process of appointing a successor.

This report was approved by the Board and signed on its behalf.


Gilbert Kamieniecky (Sep 27, 2024 16:48 GMT+2)

G B Kamieniecky
Director

Date: Sep 27, 2024

Independent Auditor's Report to the Members of Impala Bidco Limited

Disclaimer of opinion

We were engaged to audit the financial statements of Impala Bidco Limited ("the Company") and its subsidiaries ("the 'Group'") for the year ended 31 December 2023 which comprise the Consolidated statement of Comprehensive income, the Consolidated and Company Statements of Financial Position, the Consolidated and Company statements of Changes in Equity, the Consolidated Statement of Cash Flows and Notes to the financial statements, including material accounting policy information.

The financial reporting framework that has been applied in their preparation is applicable law and UK-adopted international accounting standards and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

We do not express an opinion on the financial statements of the Group or the Company. Because of the significance of the matter described in the "Basis for disclaimer of opinion" section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Basis for disclaimer of opinion

We have been unable to obtain sufficient and appropriate audit evidence to conclude on the Group or Parent Company's financial statements. The reasons for not obtaining such evidence are due to limitations of scope on our work related to an inability to access certain financial information which as disclosed in the Group strategic report, has been a result of an overhaul of the management and finance team, resulting in the new finance team not having full access to adequate books and records. Additionally, the accounting records produced by the previous finance function were not adequately maintained which resulted in the existing management team posting various correcting entries, several of which included significant judgements for which sufficient appropriate audit evidence was not available.

As a result of these matters, we were unable to determine whether adjustments might have been found necessary in respect of revenue or deferred revenue, cost of sales, amounts owed by group undertakings, amounts owed to group undertakings, other comprehensive income for the year and the elements making up the Consolidated Statement of Comprehensive Income, the Consolidated and Company Statements of Financial Position, the Consolidated and Company Statement of Changes in Equity and the Consolidated Statement of Cash Flows and have therefore concluded that such limitation is pervasive in nature to both the Group and the Parent Company's financial statements.

Independent Auditor's Report to the Members of Impala Bidco Limited (continued)

Opinions on other matters prescribed by the Companies Act 2006

Because of the significance of the matter described in the "Basis for disclaimer of opinion" section of our report, we have been unable to form an opinion, whether based on the work undertaken in the course of the audit:

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

Matters on which we are required to report by exception

Notwithstanding our disclaimer of opinion on the financial statements, in light of the knowledge and understanding of the Group and Parent Company and its environment obtained in the course of the audit performed subject to the pervasive limitation described above, we have not identified material misstatements in the Strategic Report or the Directors' Report.

Arising from the limitation of our work referred to above:

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit; and
- we were unable to determine whether adequate accounting records have been kept.

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

- returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made.

Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement set out on page 11, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Group's 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 to cease operations, or have no realistic alternative but to do so.

Independent Auditor's Report to the Members of Impala Bidco Limited (continued)

Auditor's responsibilities for the audit of the financial statements


Our responsibility is to conduct an audit of the Group's financial statements in accordance with International Standards on Auditing (UK) and to issue an auditor's report.

However, because of the matter described in the "Basis for disclaimer of opinion" section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

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

Use of the Audit Report

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


Mitesh Thakrar (Sep 27, 2024 15:50 GMT+1)

Mitesh Thakrar (Senior Statutory Auditor)

for and on behalf of Forvis Mazars LLP

Chartered Accountants and Statutory Auditor
Park View House
58 The Ropewalk
Nottingham
NG1 5DW

Date: Sep 27, 2024

Impala Bidco Limited

Consolidated Statement of Comprehensive Income For the year ended 31 December 2023

		Year ended 31 December 2023	Year ended 31 December 2022
	Note	£'000	£'000
Revenue *	8	21,019	22,489
Cost of sales		(4,922)	(5,121)
Gross profit		16,097	17,368
Administrative expenses		(25,175)	(21,511)
Exceptional costs	10	(2,045)	(4,754)
Other operating income	11	100	234
Operating loss	9	(11,023)	(8,663)
Finance and similar costs	15	(4,356)	(3,503)
Finance and similar income		-	8
Loss before tax		(15,379)	(12,158)
Tax expense	16	861	958
Loss for the year		(14,518)	(11,200)
Other comprehensive (expense)/income for the year			
Currency translation differences		(537)	429
Total comprehensive loss for the year		(15,055)	(10,771)

All results were derived from continuing activities.

The notes on pages 24 to 71 form part of these financial statements.

** Comprises reported revenue after deduction of deferred revenue haircut. Trading revenue, excluding the haircut, is £22,096k. See note 8 for further disclosure.*


**Consolidated Statement of Financial Position
As at 31 December 2023**

		Year Ended 31 December 2023	Year Ended 31 December 2022
	Note	£'000	£'000
Non-current assets			
Intangible assets	17	101,969	108,700
Tangible assets	18	1,829	1,917
Right-of-use assets	19	757	1,220
Total non-current assets		<u>104,555</u>	<u>111,837</u>
Current assets			
Inventories	22	1,782	898
Trade and other receivables	23	5,377	8,229
Cash and cash equivalents	24	1,693	6,127
Total current assets		<u>8,852</u>	<u>15,254</u>
Total assets		<u>113,407</u>	<u>127,091</u>
Current liabilities			
Trade and other payables	25	7,280	7,738
Contract liabilities	25	11,944	11,747
Borrowings	26	35,832	416
Lease liabilities	20	348	391
Total current liabilities		<u>55,404</u>	<u>20,292</u>
Non-current liabilities			
Contract liabilities	25	7,064	7,856
Borrowings	26	252	30,979
Lease liabilities	20	664	1,012
Deferred tax liabilities	27	11,054	12,928
Total non-current liabilities		<u>19,034</u>	<u>52,775</u>
Total liabilities		<u>74,438</u>	<u>73,067</u>
Net assets		<u>38,969</u>	<u>54,024</u>

**Consolidated Statement of Financial Position
As at 31 December 2023 (continued)**

		31 December 2023	31 December 2022
	Note	£'000	£'000
Capital and reserves			
Called up share capital	28	2,235	2,235
Share premium	29	41,919	41,919
Share based payment reserve	29	100	100
Retained earnings	29	(4,215)	10,840
Merger reserve	29	(1,070)	(1,070)
Total equity		38,969	54,024

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


Gilbert Kamieniecky (Sep 27, 2024 16:48 GMT+2)

G B Kamieniecky

Director

Date: Sep 27, 2024

The notes on pages 24 to 71 form part of these financial statements.


**Company Statement of Financial Position
As at 31 December 2023**

		31 December 2023	31 December 2022
	Note	£'000	£'000
Non-current assets			
Investments	21	51,581	51,581
Total non-current assets		<u>51,581</u>	<u>51,581</u>
Current assets			
Trade and other receivables	23	38,330	35,633
Cash and cash equivalents	24	3	9
Total current assets		<u>38,333</u>	<u>35,642</u>
Total assets		<u>89,914</u>	<u>87,223</u>
Current liabilities			
Trade and other payables	25	-	1,238
Borrowings	26	4,194	-
Total current liabilities		<u>4,194</u>	<u>1,238</u>
Total liabilities		<u>4,194</u>	<u>1,238</u>
Net assets		<u>85,720</u>	<u>85,985</u>
Capital and reserves			
Called up share capital	28	2,235	2,235
Share premium	29	41,919	41,919
Share cancellation reserve	29	45,693	45,693
Share based payment reserve	29	100	100
Retained earnings	29	(4,227)	(3,962)
Total equity		<u>85,720</u>	<u>85,985</u>

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 loss after tax of the Company for the period was £265k.

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


Gilbert Kamieniecky (Sep 27, 2024 16:48 GMT+2)

G B Kamieniecky
Director

Date: Sep 27, 2024

The notes on pages 24 to 71 form part of these financial statements.

Impala Bidco Limited

Consolidated Statement of Changes in Equity For the year ended 31 December 2023

	Called up share capital	Share premium	Share based payment reserve	Merger reserve	Retained earnings	Total equity
	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 January 2023	2,235	41,919	100	(1,070)	10,840	54,024
Comprehensive loss for the year						
Loss for the year	-		-	-	(14,518)	(14,518)
Currency translation differences	-		-	-	(537)	(537)
Total Comprehensive loss for the year			-	-	(15,055)	(15,055)
Balance at 31 December 2023	2,235	41,919	100	(1,070)	(4,215)	38,969

Consolidated Statement of Changes in Equity For the year ended 31 December 2022

	Called up share capital	Share premium	Share based payment reserve	Merger reserve	Retained earnings	Total equity
	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 January 2022	1,041	13,617	100	-	21,611	36,369
Comprehensive loss for the year						
Loss for the year	-	-	-	-	(11,200)	(11,200)
Currency translation differences	-	-	-	-	429	429
Total Comprehensive loss for the year	-	-	-	-	(10,771)	(10,771)
Transactions with owners						
Shares issued in the year	1,194	28,302	-	-	-	29,496
Merger reserve	-	-	-	(1,070)	-	(1,070)
Total transactions with owner	1,194	28,302	-	(1,070)	-	28,426
Balance at 31 December 2022	2,235	41,919	100	(1,070)	10,840	54,024

The notes on pages 24 to 71 form part of these financial statements.

Impala Bidco Limited

Company Statement of Changes in Equity For the year ended 31 December 2023

	Called up share capital	Share Premium	Share based payment reserve	Retained earnings	Total equity
	£'000	£'000	£'000	£'000	£'000
Balance at 1 January 2023	2,235	41,919	100	41,731	85,985
Comprehensive loss for the year					
Loss for the year	-	-	-	(265)	(265)
Total comprehensive loss for the year	-	-	-	(265)	(265)
Balance at 31 December 2023	2,235	41,919	100	41,466	85,720

Company Statement of Changes in Equity For the year ended 31 December 2022

	Called up share capital	Share Premium	Share based payment reserve	Retained earnings	Total equity
	£'000	£'000	£'000	£'000	£'000
Balance at 1 January 2022	-	-	-	-	-
Comprehensive loss for the year					
Loss for the year	-	-	-	(2,185)	(2,185)
Total comprehensive loss for the year	-	-	-	(2,185)	(2,185)
Transactions with owners					
Shares issued during the year	1,194	28,302	-	-	29,496
Shares cancelled during the year	-	-	-	-	-
Total transactions with owners	1,194	28,302	-	-	29,496
Balance at 31 December 2022	2,235	41,919	100	41,731	85,985

The notes on pages 24 to 71 form part of these financial statements.

Impala Bidco Limited

Consolidated Statement of Cash Flows For the year ended 31 December 2023

		Year ended 31 December 2023	Year ended 31 December 2022
	Note	£'000	£'000
Cash flows from operating activities			
Loss for the year		(14,518)	(11,200)
Adjustments in respect of:			
Depreciation	18,19	1,144	1,117
Amortisation	17	6,767	7,157
Foreign exchange movement	9	956	(4,508)
Finance and similar costs	15	4,132	3,276
Amortisation of debt fees	15	224	227
Finance and similar income		-	(8)
Taxation expense	16	(861)	(958)
Net cash flows used in operating activities		(2,156)	(4,897)
Movements in working capital:			
Decrease in inventories	22	(884)	1,820
Increase in trade and other receivables	23	2,852	(1,213)
Increase in trade and other payables	25	(2,232)	4,451
Net movement in working capital		(264)	5,058
Cash generated (used in)/generated from operating activities before tax		(2,420)	161
Tax paid/(received)		692	(515)
Net cash flows used in operating activities		(1,728)	(354)
Cash flows from investing activities			
Purchase of tangible assets	18	(691)	(1,170)
Purchase of intangible assets	17	(2,146)	(2,127)
Acquisition of subsidiary, net of cash acquired		-	(38,379)
Net cash flows used in investing activities		(2,837)	(41,676)

Impala Bidco Limited

Consolidated Statement of Cash Flows For the year ended 31 December 2023 (continued)

		Year ended 31 December 2023	Year ended 31 December 2022
	Note	£'000	£'000
Cash flows from financing activities			
Finance and similar costs	15	(4,356)	(2,836)
Cash on merger		-	46,609
Cash received on share issues	28	-	2,589
Repayment of leases	20	(391)	(534)
Loan repayments	26	(3,887)	(1,070)
Proceeds of new loans	26	8,576	-
Net cash flows (used in)/generated from financing activities		(58)	44,758
Net (decrease)/increase in cash and cash equivalents		(4,623)	2,728
Cash and cash equivalents as at 1 January		6,127	3,408
Foreign exchange differences		189	(9)
Cash and cash equivalents as at 31 December	24	1,693	6,127

A Consolidated Analysis of Changes in Net Debt is presented on page 70.

The notes on pages 24 to 71 form part of these financial statements.

Impala Bidco Limited

Notes to the Financial statements For the year ended 31 December 2023

1. General information

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

The principal activity of the Company is disclosed on page 9.

The address of the Company's registered office is given on the Company information page.

The financial statements present the financial results of both the Company and of its subsidiaries, collectively "the Group".

These financial statements have been presented in Pounds Sterling (£), this being the functional currency of the Company and currency of the primary economic environment in which the Company operates and is rounded to the nearest thousand.

Monetary amounts included in these financial statements are rounded to the nearest thousand (£000's).

2. Basis of preparation

The Company and Group financial statements have been prepared in accordance with International Accounting Standards (IASs) in conformity with the requirements of the Companies Act 2006 and were authorised for issue by the Company's Board of Directors on page 18 and 19.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

The areas where judgements and estimates have been made in preparing the Company and Group financial statements and their effects are disclosed in note 7.

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

3. Basis of measurement

The Company and Group's financial statements have been prepared under the historical cost convention unless otherwise specified within the accounting policies and in accordance with International Accounting Standards and the Companies Act 2006.

Impala Bidco Limited

Notes to the Financial statements For the year ended 31 December 2023 (continued)

4. Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries (“the Group”) as if they were for a single entity. Intercompany transactions and balances between Group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Consolidated Statement of Financial Position, the acquiree’s identifiable assets, liabilities and contingent liabilities are initially recognised at their fair value at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

The merger accounting method has been used to incorporate the results of Impala Bondco Plc. With the merger accounting method, carrying values of the assets and liabilities of the parties to the combination are not required to be adjusted to fair value, although appropriate adjustments are made to achieve uniformity of accounting policies in the combining the entities. The combining entities Statement of Financial Position, and Statement of Cash Flows are combined from the beginning of the financial period in which the combination occurred and accordingly adjusted to achieve uniformity. The difference, if any, between the nominal value of the shares issued plus the fair value of any other considerations given, and the nominal value of the shares received in exchange is shown as a movement in the merger reserve in the consolidated financial statements.

5. Changes to accounting policies

At the date of authorisation of these financial statements, several new, but not yet effective, Standards and amendments to existing Standards, and Interpretations have been published by the IASB. None of these Standards or amendments to existing Standards have been adopted early by the Company nor are any of the below amendments or new Standards expected to have a significant impact on the Group or Company’s financial statements.

Amendments to IFRS 16: *Leases* (Amendment): Lease Liability in a Sale and Leaseback

Effective for reporting periods beginning on or after 1 January 2024. The amendments to IFRS 16 are not expected to have a significant impact on the Group or Company’s financial statements.

Amendments to IAS 1: *Presentation of Financial statements*: Classification of Liabilities as Current or Non-current and Classification of Non-current Liabilities with Covenants

Effective for reporting periods beginning on or after 1 January 2024. The amendments to IAS 1 are not expected to have a significant impact on the Group or Company’s financial statements.

Amendments to IAS 7: *Statement of Cash Flows* and IFRS 7 *Financial Instruments Disclosures* (Amendment): Supplier Finance Arrangements

Effective for reporting periods beginning on or after 1 January 2024. The amendments to IAS 7 are not expected to have a significant impact on the Group or Company’s financial statements.

Impala Bidco Limited

Notes to the Financial statements For the year ended 31 December 2023 (continued)

6. Accounting policies

6.1. 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 is primarily financed through a SEK 375m bond raised in 2021 which was to mature in October 2024. In February 2024 the Group renegotiated the terms of the Bond including changing the maturity date to October 2027 (see note 37).

In 2023, a working capital facility agreement totalling USD 2.5m was put in place, and accrues interest at SOFR + 2.65%.

In 2023 a further USD 2.5m was advanced in the form of a shareholder loan from the immediate parent entity Impala Holdings Limited. This loan is subordinated to the existing SEK bonds, and is only redeemable after the SEK bonds are fully discharged. The loan accrues interest at 15% per annum, with this interest accruing towards the ending debt balance (PIK interest).

On 29 February 2024 the Company entered into £5,000,000 19% unsecured redeemable loan notes and payment in kind notes with Impala Holdings Limited.

On 26 June 2024 the Company amended and restated the 19% unsecured redeemable loan notes and payment in kind notes with Impala Holdings Limited to fund the Company an additional £2,358k.

The Directors have performed detailed, monthly cashflow forecasts for the Group, covering the period to December 2025. This includes a reasonable worst-case scenario, which factors in potential downside exposure to the level of customer bookings. The forecast shows the Group will be able to meet its obligations as they fall due throughout the forecast period. Additionally, cost saving initiatives have been identified that could be implemented to mitigate any further downside in forecast assumptions.

Based upon the current level of liquidity and the forecast performance in this scenario 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 a period of at least 12 months from the date these financial statements have been signed. Accordingly, 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 2023 (continued)

6. Accounting policies (continued)

6.2. Revenue

The Group follows the principle-based five-step model of IFRS 15 and recognises revenue on transfer of control of promised goods or services to customer when or as the performance obligation is satisfied.

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods supplied, stated net of discounts, returns and value added taxes. The Group recognises revenue when performance obligations have been satisfied and for the Group this is when the products (perpetual licenses) or services (subscription, maintenance, professional services and warranties) have transferred to the customer and the customer has control of these.

Some contracts include multiple deliverables, such as the sale of licenses, maintenance and professional services. Where the contracts include multiple performance obligations, the transaction price will be allocated to each performance obligation based on the stand-alone selling prices.

Perpetual license fee revenue is the sale of right to use software and is recognised at the point of invoicing as this is the point in time when the software is made available to the customer (i.e. when control of the asset is transferred and the performance obligation is satisfied).

Where contracts include hardware, this is a separate performance obligation and revenue is recognised upfront upon transfer of control.

Subscription license fees are recognised on a straight-line basis over the term of the relevant contract. In subscription arrangements, customers access the functionality of hosted software over the contract period without taking possession of the software, and performance obligations are satisfied over the contract term.

Maintenance fee revenue is recognised on a straight-line basis over the term of the contract, which in most cases is one year. Fees for extended warranties are recognised on a straight-line basis over the warranty period. For time and material-based professional services contracts, the Group recognises revenue as services are rendered.

6.3. Contract related costs

The Group capitalises the costs of obtaining a customer contract when they are incremental and, if expected to be recovered, they are amortised over the customer life or pattern of revenue for the related contract. Amortisation of the capitalised costs of obtaining customer contracts is classified as cost of sales. Capitalised costs from customer contracts are classified as non-financial assets in the Statement of Financial Position.

6.4. Finance and similar income

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

Impala Bidco Limited

Notes to the Financial statements

For the year ended 31 December 2023 (continued)

6. Accounting policies (continued)

6.5. Finance and similar costs

Interest expense is charged to 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.

6.6. Borrowing costs

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

6.7. Currency translation

Functional and presentation currency

The Group and Company's functional and presentational currency is Pounds Sterling (£).

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Consolidated Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'administrative expenses'.

On consolidation, the results of overseas operations are translated into Pounds Sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

Impala Bidco Limited

Notes to the Financial statements For the year ended 31 December 2023 (continued)

6. Accounting policies (continued)

6.8. Current and deferred tax

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Consolidated Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the Statement of the Financial Position date in the countries where the Company operates and generates income.

Research and development grant income is accrued where there is reasonable certainty that the amount will be recoverable and the amount can be measured reliably.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Consolidated Statement of Financial Position date, except that:

The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;

Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Impala Bidco Limited

Notes to the Financial statements For the year ended 31 December 2023 (continued)

6. Accounting policies (continued)

6.9. 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 the following criteria are met:

- it is technically feasible to complete the software product so that it will be available for use;
- management intends to complete the software product and use or sell it;
- there is an ability to use or sell the software product;
- it can be demonstrated how the software product will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- the expenditure attributable to the software product during its development 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.

6.10. Exceptional Items

Exceptional items are transactions that fall within the ordinary activities of the Group but are presented separately due to their size or incidental nature.

6.11. Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated impairment losses. Goodwill is not amortised.

For the purposes of impairment testing, the Group is considered to be a single cash generating unit ("CGU") and as such is tested for impairment annually, or more frequently if there is an indication that the unit may be impaired.

Any impairment loss for goodwill is recognised directly in the Consolidated Statement of Comprehensive Income and not reversed in subsequent periods.

Impala Bidco Limited

Notes to the Financial statements For the year ended 31 December 2023 (continued)

6. Accounting policies (continued)

6.11. Intangible assets (continued)

Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less accumulated amortization and any accumulated impairment losses.

The useful lives of intangible assets are assessed as either finite or indefinite, as below:

Intellectual property	–	20% on a straight line basis
Development costs	–	20% - 33% on a straight line basis
Customer relationships	–	5% - 10% on a straight line basis
Brand	–	5% - 33% on a straight line basis
Software	–	6% - 20% on a straight line basis

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired.

Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

For the purposes of assessing impairment, assets are Grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or Groups of assets (CGU's). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

The amortisation expense is charged to administrative expenses in the Consolidated Statement of Comprehensive Income.

6.12. Tangible assets

Tangible assets are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, as set out below:

Leasehold improvements	- 10% on a reducing balance basis
Fixture and fittings	- 25% on a reducing balance basis
Computer equipment	- 33% on a reducing balance basis

Assets under construction are not depreciated until completion of the asset. Upon completion the asset in question is then transferred out of assets under construction and to another tangible asset category.

Impala Bidco Limited

Notes to the Financial statements For the year ended 31 December 2023 (continued)

6. Accounting policies (continued)

6.12. Tangible assets (continued)

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized in the Consolidated Statement of Comprehensive Income.

The depreciation expense is charged to the administrative expenditure within the Consolidated Statement of Comprehensive Income.

6.13. Valuation & Investments

Investments in subsidiaries and associates are measured at cost less accumulated impairment.

6.14. Leases

The Group leases various offices and data centres. Assets and liabilities from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments less any lease incentives receivable, including reasonably certain extension options;
- variable lease payments that are based on an index or rate, initially measured using the index or rate at the commencement date;
- amounts expected to be payable by the Group under residual value guarantees;
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

The Group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset. Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following: the amount of the initial measurement of lease liability; any lease payments made at or before the commencement date less any lease incentives received; any initial direct costs; and restoration costs.

Right-of-use assets are generally depreciated over the lease term on a straight-line basis.

Impala Bidco Limited

Notes to the Financial statements

For the year ended 31 December 2023 (continued)

6.14. Leases (continued)

Payments associated with short-term leases and all leases of low-value assets are recognised on a straight-line basis as an expense in the Consolidated Statement of Comprehensive Income. Short-term leases are leases with a lease term of 12 months or less.

6.15. Pension

Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in the Consolidated Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Group in independently administered funds.

6.16. Inventories

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are determined on a first-in-first-out basis and comprise purchase cost, cost of direct material and labour and a proportion of manufacturing overheads based on normal operating capacity but excluding borrowing costs.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

6.17. Trade and other receivables

Trade receivables are amounts due from customers for goods sold rendered in the ordinary course of business. They are recognised initially at transaction price and are subsequently stated at amortised cost, using the effective interest rate method, less allowance for expected credit losses.

The Group measures the loss allowance for its trade receivables at an amount equal to the lifetime expected credit losses. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to its recognised amount is recognised the Consolidated Statement of Comprehensive Income, as an impairment loss or a reversal of an impairment loss.

Prepayments and other receivables are stated at their nominal values.

Impala Bidco Limited

Notes to the Financial statements For the year ended 31 December 2023 (continued)

6. Accounting policies (continued)

6.18. Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits. Short term deposits are defined as deposits with an initial maturity of three months or less.

6.19. Provisions

Provisions are recognised when the Group has a present obligation that arises as a consequence of a past event, it is probable that an outflow of resources will be required to settle that obligation and the obligation can be reliably estimated. The provisions are measured as the estimated expenditure that will be required to settle such obligations as at the date of the Statement of Financial Position. Discounting to present value is employed in the estimation process when the effect of the time value of money is material.

6.20. Trade and other payables

Trade and other payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

6.21. Loans and borrowings

Loans and borrowings are initially measured at cost (which is equal to fair value at inception) and are subsequently measured at amortised cost using the effective interest method. Any difference between the proceeds, net of transaction costs, and the settlement or redemption of borrowings is recognised in the Consolidated Statement of Comprehensive Income over the term of the borrowings.

6.22. Called up share capital

Ordinary shares are classified as equity. Shares are recorded at their nominal value with any surplus received on their issue taken to share premium. Incremental costs directly attributable to the issue are shown in equity as a deduction from proceeds.

6.23. Financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through the Consolidated Statement of Comprehensive Income) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the Consolidated Statement of Comprehensive Income.

Impala Bidco Limited

Notes to the Financial statements For the year ended 31 December 2023 (continued)

6. Accounting policies (continued)

6.23. Financial instruments (continued)

Financial assets

All financial assets are measured at either amortised cost or fair value, depending on the classification of the financial assets.

The financial assets included within these financial statements include:

- Cash and cash equivalents (note 24)
- Trade and other receivables (note 23)
- Contract assets (note 23)

Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial liabilities and equity instruments

Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

The financial liabilities included within these financial statements include:

- Trade payables (note 25)
- Accrued liabilities (note 25)
- Borrowings (note 26)
- Lease liabilities (note 20)

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

The Group is not party to any equity instruments as at the year end (2022: £Nil).

Impala Bidco Limited

Notes to the Financial statements For the year ended 31 December 2023 (continued)

6.23. Financial instruments (continued)

Financial liabilities

All financial liabilities are subsequently measured at amortised cost.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred, or liabilities assumed, is recognised in profit or loss.

7. Critical accounting estimates and judgements

In applying the Group's accounting policies, the Directors are required to make judgements, estimates and assumptions in determining the carrying amounts of assets and liabilities. These estimates and assumptions are based on the best and most reliable evidence available at the time when the decisions are made, and are based on historical experience and other factors that are considered to be applicable.

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

Critical judgements in applying the Company's accounting policies

The critical judgements that the Directors have made in the process of applying the Group's accounting policies that have the most significant effect on the amounts recognised in the statutory financial statements are discussed below.

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 risk 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 license and support elements of combined sales. The value of contract liabilities at the period end included with current liabilities is £11,944k and non-current liabilities £7,064k (2022: current liabilities is £11,747k and non-current liabilities £7,856k) (see note 25).

Capitalised 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 development costs at the year end is £3,878k (2022: £4,105k) (see note 17).

Impala Bidco Limited

Notes to the Financial statements

For the year ended 31 December 2023 (continued)

7. Critical accounting estimates and judgements (continued)

IFRS 16 – Leases

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

Under certain terms of its leases, the Group has a renewal and termination option to lease assets for an additional term. The Group applies judgement in evaluating whether it is reasonably certain to exercise the option to renew or terminate the lease. The Group considers all relevant factors that create an economic incentive for it to either exercise the renewal or termination option.

After the commencement date, the Group reassesses the lease term to determine if there is a significant event or change in circumstances, within the Group's control, which affect the Group's ability to exercise (or not to exercise) the option to renew or terminate the lease.

The Group has applied an incremental borrowing rate for the purpose of computing lease liabilities based on its incremental borrowing rate. The incremental borrowing rate is the rate of interest that the Group would have to pay to borrow over a similar term.

Upon the Group's adoption of IFRS 16, the Group applied a weighted average incremental borrowing rate of 12% to all leases existing as at the date of initial application.

During the year, interest was recognised in respect of lease liabilities of £148k (2022: £191k) (see note 15).

As at the year end, within the Consolidated Statement of Financial Position, right-of-use assets with a net book value of £757k (2022: £1,220k) were recognised within right-of-assets (as reflected in note 19). A current liability of £348k (2022: £391k) and a non-current liability of £664k (2022: £1,012k) were also recognised on the Consolidated Statement of Financial Position in respect of the right-of-use assets (as reflected in note 20).

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Business combinations

Accounting for business combinations requires significant estimation with regards to recognising and measuring the identifiable assets and liabilities of the acquired entity, which are required to be measured at fair value in accordance with IFRS 3. The Group uses external valuations experts to assist with this.

Impala Bidco Limited

Notes to the Financial statements

For the year ended 31 December 2023 (continued)

7. Critical accounting estimates and judgements (continued)

Bad Debt Provisioning and Expected Credit Losses

The credit quality of financial assets that are neither past due nor impaired is assessed based on historical information, particularly counterparty default rates. Receivables from related parties continue to exhibit excellent quality, with minimal historical defaults.

As part of the company's financial risk management, the Group has made an allowance of £334k (2022: £350k) for expected credit losses, reflecting the prudent review of trade receivables' financial conditions, historical credit loss records, and the aging of past due amounts.

The bad debt provisioning model primarily hinges on the aging of receivables to ensure a cautious and prudent approach to financial reporting. The provisioning is based on the following criteria:

- Invoices overdue by 365 days or more are provisioned at 100%.
- Invoices overdue between six months and one year are provisioned at 50%.
- Invoices in the current to six month category are assessed individually, and provisioning is applied case-by-case, with particular attention to doubtful accounts.

While this approach may seem conservative, it reflects the commitment to maintaining prudence. Historically, default rates have been low, with only £16k from the bad debt provision being utilized in 2023, affirming the companies cautious approach.

Forward-Looking Considerations

In alignment with IFRS 9, the provisioning model integrates forward-looking information, balancing historical data with potential future uncertainties. Key considerations include:

- **Macroeconomic Conditions:** We consider broader economic trends, such as industry-specific health and GDP forecasts, when assessing our customers' ability to pay. Despite these uncertainties, we anticipate some recoveries from overdue invoices, and thus, our provision percentages reflect a balance between historical trends and the potential impact of macroeconomic factors.
- **Customer-Specific Risks:** We regularly evaluate the financial health of individual customers and adjust provisions accordingly, even for receivables not yet past due.

The provisioning methodology is designed to account for expected lifetime losses while incorporating specific customer risks and macroeconomic conditions. Although conservative, we believe the approach aligns with the forward-looking requirements of IFRS 9 and represents a balanced, reasonable stance on credit risk management.

Impala Bidco Limited

Notes to the Financial statements

For the year ended 31 December 2023 (continued)

7. Critical accounting estimates and judgements (continued)

Impairment of goodwill

The Group tests goodwill for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired. The recoverable amounts of cash-generating units (CGUs) have been determined based on value-in-use calculations. These calculations require the use of estimates, including projected future cash flows, discount rates, and long-term growth rates. Actual outcomes may differ from these estimates, which could result in future adjustments to goodwill impairment.

The key assumptions used in determining the recoverable amount of the CGUs include:

- **Future Cash Flows:** These are based on management's most recent forecasts, which reflect past performance, current market conditions, and expectations of future developments.
- **Discount Rates:** The discount rates applied reflect the specific risks relating to the CGU and are based on the Group's cost of capital or market conditions.
- **Growth Rates:** Long-term growth rates used to extrapolate cash flows beyond the forecast period are based on management's expectations of future industry trends.

Any significant adverse changes in these assumptions could lead to an impairment charge.

Impairment of investments

The Group reviews the carrying value of its investments at each reporting date to determine whether there is any indication of impairment. When such indicators exist, the recoverable amount of the investment is estimated. The assessment of impairment involves a high degree of judgment, particularly in determining the value in use or fair value less costs to sell.

The key estimates used in assessing impairment include:

- **Future Cash Flows:** These are based on management's most recent forecasts, which reflect past performance, current market conditions, and expectations of future developments.
- **Discount Rates:** The discount rates applied reflect the specific risks relating to the CGU and are based on the Group's cost of capital or market conditions.
- **Growth Rates:** Long-term growth rates used to extrapolate cash flows beyond the forecast period are based on management's expectations of future industry trends.
- **Market Multiples and Valuation Models:** Where applicable, market multiples and other valuation techniques are used to estimate the fair value of investments.

Any significant changes in the assumptions or performance of the investee could result in an impairment charge to the consolidated financial statements.

Assessing indicators of impairment

In assessing whether there have been any indicators of impairment to assets, the Directors have considered both external and internal sources of information, such as market conditions, counter party credit ratings, and experience of recoverability and where applicable, the ability of the asset to operate as planned.

Impala Bidco Limited

Notes to the Financial statements For the year ended 31 December 2023 (continued)

7. Critical accounting estimates and judgements (continued)

Determining residual values and economic lives of tangible assets

Tangible assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annual and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessment considers issues such as future market conditions, the remaining life of the asset and projected disposal values.

8. Revenue

Group	Year ended 31 December 2023 £'000	Year ended 31 December 2022 £'000
Software and support services	21,019	22,489

Analysis of revenue by country of destination:

Group	Year ended 31 December 2023 £'000	Year ended 31 December 2022 £'000
United Kingdom	3,362	3,180
Europe	1,551	2,228
Rest of World	16,106	17,081
	21,019	22,489

Impala Bidco Limited

Notes to the Financial statements For the year ended 31 December 2023 (continued)

8. Revenue (continued)

Reconciliation of Reported revenue and Trading revenue

Trading revenue is calculated as reported revenue excluding the impact of deferred revenue haircut. This reflects the revenue that would be recognised in accordance with accounting standards had the acquired entity always been a part of the Group and is reflective of the continuing revenue of the combined Group on a normalised basis.

Deferred revenue haircut is the fair value adjustment required to be recognised when accounting for business combinations under IFRS 3, to discount the book value of deferred revenue acquired to remove the profit element relating to sales and marketing effort performed prior to the business combination, leaving an amount reflecting the fair valuation of the delivery element only.

Group reconciliation of Reported and Trading revenue:

	Year ended 31 December 2023	Year ended 31 December 2022
	£'000	£'000
Reported revenue (as above)	21,019	22,489
Unwinding of deferred revenue haircut	1,077	2,101
Trading revenue	<u>22,096</u>	<u>24,590</u>

Impala Bidco Limited

Notes to the Financial statements

For the year ended 31 December 2023 (continued)

9. Operating loss

Group	Year ended 31 December 2023	Year ended 31 December 2022
	£'000	£'000
The operating loss is stated after charging/(crediting):		
Loss on disposal of tangible assets	-	25
Depreciation of fixed assets (note 18)	681	635
Depreciation of right-of-use assets (note 19)	463	482
Amortisation of intangible assets (note 17)	6,767	7,157
Foreign exchange losses/(gains)	956	(4,508)

Reconciliation of operating loss to EBITDA and Adjusted EBITDA

EBITDA is defined as earnings before net finance costs, tax, depreciation and amortisation. The Group presents EBITDA because it is widely used by securities analysts, investors and other interested parties to evaluate the profitability of companies.

Adjusted EBITDA is calculated as earnings before net finance cost, tax, depreciation and amortisation, impairment, loss on disposal of assets, foreign exchange gain or loss, exceptional items and deferred revenue haircut.

Group reconciliation of operating loss to EBITDA and Adjusted EBITDA

	Year ended 31 December 2023	Year ended 31 December 2022
	£'000	£'000
Operating loss	(11,203)	(8,663)
Depreciation (note 18 and 19)	1,144	1,117
Amortisation (note 17)	6,767	7,157
EBITDA	(3,292)	(389)
Foreign exchange (gain)/ loss	956	(4,508)
Exceptional costs (note 10)	2,045	4,754
Deferred revenue haircut (note 8)	1,077	2,101
Adjusted EBITDA	786	1,958

Impala Bidco Limited

Notes to the Financial statements For the year ended 31 December 2023 (continued)

10. Exceptional Costs

	Year ended 31 December 2023	Year ended 31 December 2022
	£'000	£'000
M&A costs	29	2,827
Bond implementation costs	195	1,088
Finance projects	1,671	497
Restructuring costs	116	195
Other costs	34	147
	<u>2,045</u>	<u>4,754</u>

M&A costs primarily relate to costs incurred for the acquisition of ContentKeeper Technologies Pty Ltd and its wholly owned subsidiary in the prior year.

Bond implementation costs relate to costs incurred for the issue of the Swedish Bond (see note 26).

Finance project costs relate to improvements to reporting and existing systems following acquisitions.

Restructuring costs relate to costs of restructuring the Senior Management team.

Other costs comprise ad-hoc costs, for example, those arising as a result of integrating acquisitions, which are considered to be exceptional but do not fall into the categories above.

11. Other operating income

	Year ended 31 December 2023	Year ended 31 December 2022
	£'000	£'000
Research and development expenditure credit	<u>100</u>	<u>234</u>

Impala Bidco Limited

Notes to the Financial statements For the year ended 31 December 2023 (continued)

12. Auditors remuneration

The fees payable to the Company's auditors in respect of the audit of the Group and subsidiary Company's financial statements:

	Year ended 31 December 2023	Year ended 31 December 2022
	£'000	£'000
The audit of the Group's annual financial statements	115	145
Non-audit services	22	31
	<u>137</u>	<u>176</u>

13. Wages and salaries

Group	Year ended 31 December 2023	Year ended 31 December 2022
	£'000	£'000
Wages and salaries	11,363	10,792
Social security costs	1,444	679
Other pension costs	512	730
Capitalised as intangible assets	(947)	(1,509)
	<u>12,372</u>	<u>10,692</u>

The average monthly number of employees during the period (including Directors) was made up as follows:

Group	Year ended 31 December 2023	Year ended 31 December 2022
	No.	No.
By activity:		
Sales and marketing	35	44
Technical	97	98
Finance and admin	25	19
	<u>157</u>	<u>161</u>

Impala Bidco Limited

Notes to the Financial statements For the year ended 31 December 2023 (continued)

14. Directors' emoluments

The Directors received no remuneration in respect of their services to the Group in the current or prior year.

The Group considers its Key Management Personnel (KMP's) to be its senior management staff who received the following remuneration:

Group	Year ended 31 December 2023	Year ended 31 December 2022
	£'000	£'000
Wages and salaries	708	658
Social security costs	87	67
Other pension costs	34	25
	<u>829</u>	<u>750</u>

15. Finance costs and similar expense

Group	Year ended 31 December 2023	Year ended 31 December 2022
	£'000	£'000
Bond interest payable	3,610	2,933
Loan note interest payable	355	152
Amortisation of debt fee capitalised	224	227
Finance lease liability interest (note 20)	148	191
Bank interest payable	19	-
	<u>4,356</u>	<u>3,503</u>

Impala Bidco Limited

Notes to the Financial statements For the year ended 31 December 2023 (continued)

16. Tax expense

Group	Year ended 31 December 2023 £'000	Year ended 31 December 2022 £'000
Corporation tax		
Corporation tax charge	-	4
Adjustments in respect of prior periods	37	(570)
Foreign tax	450	613
Total corporation tax charge	487	47
Deferred tax		
Origination and reversal of timing difference	(1,336)	(1,460)
Adjustments in respect of prior periods	(12)	455
Total deferred tax credit	(1,348)	(1,005)
Taxation on profit on ordinary activities	(861)	(958)

Impala Bidco Limited

Notes to the Financial statements

For the year ended 31 December 2023 (continued)

16. Tax expense (continued)

The tax assessed for the year is higher than the standard rate of corporation tax in the UK of 23.5% (2022: 19.00%). The 23.5% rate used in these financial statements is a hybrid rate due to the main rate of Corporation Tax having increased from 19% to 25% from 1 April 2023. The differences are explained below:

Reconciliation of income tax charge to accounting profit	Year ended 31 December 2023	Year ended 31 December 2022
	£'000	£'000
Loss before taxation	(15,379)	(12,158)
Loss before income tax multiplied by the effective rate of taxation in the UK of 23.5% (2022: 19%)	(3,614)	(2,310)
Research and development tax credit	(24)	(44)
Expenses not deductible for tax purposes	241	282
Adjustments in respect of prior periods – corporation tax	36	(570)
Adjustments in respect of prior periods – deferred tax	-	455
Remeasurement of deferred tax for changes in tax rates	(67)	(724)
Deferred tax not recognised	2,783	1,963
Difference in overseas tax rates	(276)	(12)
Depreciation of assets not qualifying for tax allowances	60	2
Total tax expense	(861)	(958)

Factors that may affect future tax charges

The Company's profits for the accounting period to 31 December 2023 were taxed at the UK statutory rate of 23.5% (2022: 19%).

Impala Bidco Limited

Notes to the Financial statements (continued)

For the year ended 31 December 2023 (continued)

17. Intangible Assets

Group	Intellectual Property £'000	Development Costs £'000	Customer relationships £'000	Software £'000	Brand £'000	Goodwill £'000	Total £'000
Cost							
At 1 January 2023	2	8,801	27,392	27,530	1,074	67,200	131,999
Additions	-	2,091	-	55	-	-	2,146
FX movements	-	(265)	(1,186)	(990)	(53)	(24)	(2,518)
At 31 December 2023	2	10,627	26,206	26,595	1,021	67,176	131,627
Accumulated amortisation							
At 1 January 2023	1	4,696	3,485	8,362	77	6,677	23,298
Charge for the year	-	2,233	2,245	2,215	74	-	6,767
FX movements	-	(180)	(110)	(112)	(5)	-	(407)
At 31 December 2023	1	6,749	5,620	10,465	146	6,677	29,658
Net book value							
At 31 December 2023	1	3,878	20,586	16,130	875	60,499	101,969
At 31 December 2022	1	4,105	23,907	19,168	997	60,524	108,700

Impala Bidco Limited

Notes to the Financial statements

For the year ended 31 December 2023 (continued)

17. Intangible assets (continued)

The goodwill and intangibles arising on the 2022 acquisition of ContentKeeper Technologies PTY LTD are held in a subsidiary with a USD functional currency giving rise to the majority of the foreign exchange variance shown above which arises on translation to the Group's presentation currency.

18. Tangible assets

Group

	Leasehold improvements £'000	Fixtures and fittings £'000	Computer equipment £'000	Assets under construction £'000	Total £'000
Cost					
At 1 January 2023	276	1,332	656	889	3,153
Additions	-	-	-	691	691
Transfers between classes	-	-	387	(387)	-
Disposals	(165)	-	-	-	(165)
FX Movement	(3)	(100)	(14)	(45)	(162)
At 31 December 2023	108	1,232	1,029	1,148	3,517
Accumulated depreciation					
At 1 January 2023	190	532	514	-	1,236
Charge for the year	10	451	220	-	681
Disposals	(165)	-	-	-	(165)
FX Movements	(2)	(51)	(11)	-	(64)
At 31 December 2023	33	932	723	-	1,688
Net book value					
At 31 December 2023	75	300	306	1,148	1,829
At 31 December 2022	86	800	142	889	1,917

Impala Bidco Limited

Notes to the Financial statements For the year ended 31 December 2023 (continued)

19. Right-of-use assets

Group	Office buildings £'000
Cost	
At 1 January 2023	1,970
Additions	-
At 31 December 2023	<u>1,970</u>
Accumulated depreciation	
At 1 January 2023	750
Charge for the year	463
At 31 December 2023	<u>1,213</u>
Net book value	
At 31 December 2023	<u>757</u>
At 31 December 2022	<u>1,220</u>

Impala Bidco Limited

Notes to the Financial statements For the year ended 31 December 2023 (continued)

20. Lease liabilities

Nature of leases

The Group has leases in respect of office buildings. With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected in the Consolidated Statement of Financial Position as a right-of-use asset and a lease liability. Variable lease payments which do not depend on an index or a rate (such as lease payments based on a percentage of Company sales) are excluded from the initial measurement of the lease liability and asset. The Company classifies its right-of-use assets in a consistent manner to tangible assets (see note 19).

Each lease generally imposes a restriction that, unless there is a contractual right for the Company to sublet the asset to another party, the right-of-use asset can only be used by the Company. Leases are either non-cancellable or may only be cancelled by incurring a substantive termination fee.

Some leases contain an option to purchase the underlying leased asset outright at the end of the lease, or to extend the lease for a further term. The Company is prohibited from selling or pledging the underlying leased assets as security. For leases over office buildings and warehouse premises the Company must keep those properties in a good state of repair and return the properties in their original condition at the end of the lease. Further, the Company must insure right-of-use assets and incur maintenance fees on such items in accordance with the lease contracts.

The table below describes the nature of the Company's leasing activities by type of right-of-use asset recognised in the Consolidated Statement of Financial Position:

Category of right-of-use asset	No. of right-of-use assets leased	Range of remaining term	Average remaining lease term	No. of leases with extension options	No. of leases with options to purchase	No. of leases with variable payments linked to an index	No. of leases with termination options
Office buildings	7	0 – 8 years	23 months	6	-	1	1

Lease liabilities included in the Consolidated Statement of Financial Position:

Group	Year ended 31 December 2023	Year ended 31 December 2022
	£'000	£'000
Non-current	664	1,012
Current	348	391
	<u>1,012</u>	<u>1,403</u>

Impala Bidco Limited

Notes to the Financial statements For the year ended 31 December 2023 (continued)

20. Lease liabilities (continued)

Maturity analysis of lease liabilities:

Group	Year ended 31 December 2023	Year ended 31 December 2022
	£'000	£'000
Within one year	348	391
Between two to five years	423	727
Over five years	241	285
	<u>1,012</u>	<u>1,403</u>

The Group does not face significant liquidity risk with regard to its lease liabilities.

Amounts recognised in the Consolidated Statement of Comprehensive Income in respect of lease liabilities:

Group	Year ended 31 December 2023	Year ended 31 December 2022
	£'000	£'000
Depreciation charge on right-of-use assets (note 19)	463	482
Interest expense charge on lease liabilities (note 15)	148	191
	<u>611</u>	<u>673</u>

Amounts recognised in the Consolidated Statement of Cash flows in respect of lease liabilities:

Group	Year ended 31 December 2023	Year ended 31 December 2022
	£'000	£'000
Cash payment for the principal portion of the lease liabilities	391	343
Cash payment for the interest portion of the leases	148	191
	<u>539</u>	<u>534</u>

Impala Bidco Limited

Notes to the Financial statements For the year ended 31 December 2023 (continued)

20. Lease liabilities (continued)

Future cash flows for leases that have not yet commenced:

At 31 December 2023 the Group had not committed to any leases which had not yet commenced at the date of the Statement of Financial Position.

21. Investments

Company	Investments in subsidiaries
	£'000
Cost	
At 1 January 2023	51,581
At 31 December 2023	51,581
Accumulated impairment	
At 1 January 2023	-
At 31 December 2023	-
Net book value	
At 31 December 2023	51,581
At 1 January 2022	51,581

Impala Bidco Limited

Notes to the Financial statements For the year ended 31 December 2023 (continued)

21. Investments (continued)

The following companies are subsidiaries of the Company:

Name of subsidiary	Country of incorporation	Registered office	Principal activity	Share Holding	
Impero Holdings Limited	United Kingdom	1	Holding company	100%	Indirect Holding
Impero Developments Limited	United Kingdom	1	Holding company	100%	Indirect Holding
Impero Solutions Limited	United Kingdom	1	Provision of software design and support	100%	Indirect Holding
Impero International Limited	United Kingdom	1	Non-trading	100%	Indirect Holding
Impero Trustee Limited	United Kingdom	1	Non-trading	100%	Indirect Holding
Impero Solutions Inc	United States of America	2	Provision of software design and support	100%	Indirect Holding
Safeguarding Monitor Limited	United Kingdom	1	Provision of software design and support	100%	Indirect Holding
Impero Holding Denmark ApS	Denmark	3	Holding company	100%	Indirect Holding
Netop Solutions A/S	Denmark	4	Holding company	100%	Indirect Holding
Netop Business Solutions A/S	Denmark	4	Provision of software design and support	100%	Indirect Holding
Netop Tech Inc	United States of America	5	Provision of software design and support	100%	Indirect Holding
Netop Tech Development Center SRL	Romania	6	Provision of software design and support	100%	Indirect Holding
Netop Tech SRL	Romania	6	Provision of software design and support	100%	Indirect Holding
Content Keeper Technologies PTY Ltd	Australia	7	Provision of software design and support	100%	Indirect Holding
Content Keeper Technologies LLC	United States of America	8	Provision of software design and support	100%	Indirect Holding
Impero Holdings Australia PTY Ltd	Australia	7	Holding company	100%	Indirect Holding
Impala Bondco Plc	United Kingdom	1	Holding company and financing	100%	Direct Holding

Impala Bidco Limited

Notes to the Financial statements

For the year ended 31 December 2023 (continued)

21. Investments (continued)

- 1) Seventh Floor, East West, Tollhouse Hill, Nottingham, England, NG1 5FS
- 2) c/o National Registered Agents, Inc, Wilmington, New Castle, DE 19801 USA 3)
- 3) c/o Nivaro Law, Gustav Adolfs Gade 52100, Copenhagen, Denmark
- 4) Bregnerødvej 139, 3460 Birkerød, Denmark
- 5) c/o Corporation Service Company, 251 Little Falls Drive, Wilmington, New Castle, DE 19808 USA
- 6) Str. Principatele Unite 46 48, Sector 4, Bucharest, Romania
- 7) 218 Northbourne Avenue, Canberra ACT 2612, Australia
- 8) c/o Aradel Inc., 3825 Lancaster Pike Ste. 3, Wilmington, New Castle, DE 19805 USA

Exemption from audit by parent guarantee

Under section 479A of the Companies Act 2006, exemptions from an audit of the financial statements for the financial year ended 31 December 2022 have been taken by the following companies:

Name of subsidiary undertaking	Company registered number
Safeguarding Monitor Limited	10861064
Impero Developments Limited	08939129
Impero International Limited	07092318
Impero Solutions Limited	06106013
Impero Holdings Limited	08807382

Impala Bidco Limited has issued a guarantee under section 479C of the Companies Act 2006, which guarantees all the outstanding liabilities to which the subsidiary companies listed above are subject in respect of the year ended 31 December 2023, until they are satisfied in full.

22. Inventories

Group	Year ended 31 December 2023 £'000	Year ended 31 December 2022 £'000
Hardware consumables	1,782	898

Inventories of £1,117k (2022: £1,891k) were recognised as an expense in the year within cost of sales.

Impala Bidco Limited

Notes to the Financial statements For the year ended 31 December 2023 (continued)

23. Trade and other receivables

Group	Year ended 31 December 2023	Year ended 31 December 2022
	£'000	£'000
Current		
Trade receivables, gross	2,845	4,731
Allowance for credit losses	(334)	(350)
Trade receivables, net	2,511	4,381
Other receivables	656	915
Prepayments	1,003	2,257
Contract assets	1,207	676
	<u>5,377</u>	<u>8,229</u>

During the year, the Group reduced its expected credit losses allowance by £16k (2022: £Nil). The Company adopts the simplified model of expected credit losses under IFRS 9. In the current and prior year, the Company does not consider that is materially exposed to credit risk given the Company's review of each trade receivable's financial condition and historical records of actual credit loss and amounts past due.

The other classes within trade and other receivables do not contain impaired assets. The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable mentioned above. The Company does not hold any collateral as security. There is no difference between the fair values of trade and other receivables and their carrying values as stated above due to their relatively short maturity date.

Company

	Year ended 31 December 2023	Year ended 31 December 2022
	£'000	£'000
Other Debtors	112	108
Amounts owed by group undertakings	38,218	35,525
	<u>38,330</u>	<u>35,633</u>

Amounts owed by group undertakings are interest free, unsecured and repayable within one year.

Impala Bidco Limited

Notes to the Financial statements For the year ended 31 December 2023 (continued)

24. Cash and cash equivalents

Group	Year ended 31 December 2023	Year ended 31 December 2022
	£'000	£'000
Cash at bank	<u>1,693</u>	<u>6,127</u>

Company	Year ended 31 December 2023	Year ended 31 December 2022
	£'000	£'000
Cash at bank	<u>3</u>	<u>9</u>

25. Trade and other payables

Group	Year ended 31 December 2023	Year ended 31 December 2022
Current:	£'000	£'000
Trade payables	1,742	2,510
Other taxation and social security	-	127
Corporation tax	1,489	310
Accrued liabilities	1,962	2,607
Other payables	2,087	2,184
	<u>7,280</u>	<u>7,738</u>
Contract liabilities	<u>11,944</u>	<u>11,747</u>
	<u>19,224</u>	<u>19,485</u>

Impala Bidco Limited

Notes to the Financial statements For the year ended 31 December 2023 (continued)

25. Trade and other payables (continued)

Group	Year ended 31 December 2023	Year ended 31 December 2022
	£'000	£'000
Non-current:		
Contract liabilities	7,064	7,856

Contract liabilities comprise revenue invoiced in the year which will be recognised in future period and primarily comprises subscription license fees and maintenance fees which are recognised on a straight-line basis over the contract term.

Company	Year ended 31 December 2023	Year ended 31 December 2022
	£'000	£'000
Current:		
Amounts owed to group and related undertakings	-	1,238

Amounts owed to group and related undertakings are interest free, unsecured and repayable on demand within one year.

Impala Bidco Limited

Notes to the Financial statements For the year ended 31 December 2023 (continued)

26. Interest bearing loans and borrowings

Group

	Year ended 31 December 2023	Year ended 31 December 2022
	£'000	£'000
Non-current:		
SEK Bond and loan arrangement fees	-	29,497
Other Loans	252	1,482
	252	30,979
Lease liabilities (note 20)	664	1,012
	916	31,991

Group

	Year ended 31 December 2023	Year ended 31 December 2022
	£'000	£'000
Current:		
SEK Bond interest and loan arrangement fees	29,772	416
Other loans	6,060	-
	35,832	416
Lease liabilities (note 20)	348	391
	36,180	807

Company

	Year ended 31 December 2023	Year ended 31 December 2022
	£'000	£'000
Current:		
Other loans	4,194	-
	4,194	-

Impala Bidco Limited

Notes to the Financial statements For the year ended 31 December 2023 (continued)

26. Interest bearing loans and borrowings (continued)

Lease liabilities are secured against the assets to which the lease liabilities relate.

Floating charges are held against the assets of the material Group entities in respect of the SEK Bond.

Included within Group Other loans is a vendor loan note on which an annual interest rate is charged on a daily basis. The loan is repayable in full on 29 February 2024.

Included within Group Other loans is a 'Promise to Pay Loan' on which an annual interest rate of 1% is charged. The loan is repayable in full on 9 July 2025.

Included within Company Other Loans are two loans of an equal principal value, on which interest of SOFR +2.5% and 15% are charged. Both loans are repayable on maturity, on 16 April 2024 and 21 October 2024.

Included within SEK Bond is a bond on which interest is charged quarterly, at 9% plus STIBOR. Repayments are made on a quarterly basis and the Bond is repayable in full by 20 October 2024.

27. Deferred tax liabilities

Group	Year ended 31 December 2023	Year ended 31 December 2022
	£'000	£'000
At 1 January 2023	12,928	703
On acquisition of subsidiary undertakings	-	11,834
Credited to the Statement of Comprehensive Income (note 16)	(1,326)	(1,460)
Adjustments in respect of prior years	-	455
Foreign exchange	(548)	1,396
At 31 December 2023	11,054	12,928
Deferred taxation provided in the financial statements comprises:		
Fair value adjustments of intangible assets at acquisition	11,054	12,928

Deferred tax liabilities are recognised to the extent that the related tax benefit through future taxable profits is probable based on projections and budgets. The Group has unrecognised deferred tax assets relating to brought forward losses of £8,194k (2022: £7,091k).

Impala Bidco Limited

Notes to the Financial statements For the year ended 31 December 2023 (continued)

28. Called up share capital

	Year ended 31 December 2023	Year ended 31 December 2022
	£'000	£'000
46,218,130 (2022: 46,218,130) ordinary shares of £0.01 each	462	462
17,727,347 (2022: 17,727,347) ordinary shares of £0.10 each	1,773	1,773
	<u>2,235</u>	<u>2,235</u>

Each ordinary share carries with it one equal voting right and no rights to any fixed income.

29. Reserves

Retained earnings

Retained earnings represents the aggregate results for the Group and Company, after the payment of dividends.

Share premium

The share premium represents the amount above the nominal value received for issued share capital, less transaction costs.

Share based payment reserve

The share based payment reserve represents the fair value of options granted to employees.

Merger reserve

During 2022, the Company acquired 100% of the trade and assets of Impala Bondco Plc. The transaction is considered to be a group reconstruction. Impala Bidco Ltd has applied merger accounting to the transaction and the consolidated financial statements include the assets and liabilities of the Impala Bondco Plc group at their pre-combination values without any fair-value uplift. No new goodwill is recorded and the difference between the cost and carrying value of net assets acquired is recorded in equity in the merger reserve.

Impala Bidco Limited

Notes to the Financial statements For the year ended 31 December 2023 (continued)

30. Financial instruments

(a) By category

The accounting policies for financial instruments have been applied to the line items below:

Group 31 December 2023 Financial Assets at amortised cost:	Cash and cash equivalents	Loans and receivables	Total
	£'000	£'000	£'000
Trade receivables	-	2,511	2,511
Other receivables	-	656	656
Contract assets	-	1,207	1,207
Cash and cash equivalents	1,693	-	1,693
	<u>1,693</u>	<u>4,374</u>	<u>6,067</u>

Group 31 December 2023 Financial Liabilities at amortised cost:	Other financial liabilities £'000	Total
	£'000	£'000
Trade payables	1,742	1,742
Accrued liabilities	1,962	1,963
Lease liabilities	1,012	1,012
Borrowings	36,084	36,084
Other payables (<i>excluding corporation tax</i>)	2,087	2,087
	<u>42,887</u>	<u>42,888</u>

Group 31 December 2022 Financial Assets at amortised cost:	Cash and cash equivalents	Loans and receivables	Total
	£'000	£'000	£'000
Trade and other receivables	-	4,381	4,381
Other receivables	-	915	915
Contract assets	-	676	676
Cash and cash equivalents	6,127	-	6,127
	<u>6,127</u>	<u>5,972</u>	<u>12,099</u>

Impala Bidco Limited

Notes to the Financial statements For the year ended 31 December 2023 (continued)

30. Financial instruments (continued)

(a) By category (continued)

Group 31 December 2022	Other financial liabilities £'000	Total £'000
Financial Liabilities at amortised cost:		
Trade payables	2,510	2,510
Accrued liabilities	2,607	2,607
Lease liabilities	1,403	1,403
Borrowings	31,395	31,395
Other payables (<i>excluding corporation tax</i>)	2,184	2,184
	<u>40,099</u>	<u>40,099</u>

Company 31 December 2023	Cash and cash equivalents £'000	Loans and receivables £'000	Total £'000
Financial Assets at amortised cost:			
Amounts due from group undertakings	-	38,218	38,218
Other Receivables	-	112	112
Cash at bank	3	-	3
	<u>3</u>	<u>38,330</u>	<u>38,333</u>

Company 31 December 2023	Other financial liabilities £'000	Total £'000
Financial Liabilities at amortised cost:		
Borrowings	4,194	4,194
	<u>4,194</u>	<u>4,194</u>

Impala Bidco Limited

Notes to the Financial statements For the year ended 31 December 2023 (continued)

30. Financial instruments (continued)

(a) By category (continued)

Company 31 December 2022	Cash and cash equivalents	Loans and receivables	Total
Financial Assets at amortised cost:			
	£'000	£'000	£'000
Amounts due from group undertakings	-	35,525	35,525
Other Receivables	-	108	108
Cash at bank	9	-	9
	<u>9</u>	<u>35,633</u>	<u>35,642</u>
Company 31 December 2022		Other financial liabilities	Total
Financial Liabilities at amortised cost:		£'000	£'000
Amounts due to group undertakings		1,238	1,238

(b) Credit quality of financial instruments

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to historical information about counterparty default rates. Receivables from related parties are of excellent quality with minimal defaults in the past.

The Group has made an allowance of £334k (2022: £350k) for expected credit losses, based on the Group's review of each trade receivable's financial condition and historical records of actual credit loss and amounts past due.

Cash and cash equivalents are deposits with major global clearing banks and are considered of good credit quality.

Impala Bidco Limited

Notes to the Financial statements

For the year ended 31 December 2023 (continued)

31. Financial instruments - Financial risk management

The Group's principal financial assets include trade and other receivables, contract assets and cash and cash equivalents. The Group's principal financial liabilities include trade and other payables, borrowings, and lease liabilities.

The Group's activities expose it to a variety of financial risks: credit risk and liquidity risk. The Group has no material exposure to market risk. The overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. Risk management is carried out by Group finance team. They identify, evaluate and hedge financial risks where appropriate.

a) Credit risk

Credit risk is managed on a corporate-wide basis. Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions, as well as credit risk exposures to customers, including outstanding receivables and committed transactions. For banks and financial institutions, generally only parties with a minimum rating of "A" are accepted. For customers with a large order volume an individual risk assessment to the credit quality of the customer is performed considering independent financial ratings, financial position past experience and other factors. The maximum credit risk is restricted to the reported amount of financial claims. For more details on the credit risk of trade receivables refer to note 23.

b) Liquidity risk

Prudent liquidity risk management includes maintaining sufficient cash, the availability of funding from an adequate amount of committed credit facilities and the ability to close out market positions. Management monitors forecast figures of the Company's liquidity reserve on the basis of expected cash flow. Net cash flows used in operations was £1,706k (2022: £354k).

The table on the following page analyses the Group's financial liabilities that will be settled on a net basis into relevant maturity groupings based on the remaining period at the Statement of Financial Position to the contractual date. The amounts disclosed in the table below are the contractual undiscounted cash flows calculated with the year-end closing rates. Borrowings include the principal amount as well as interest payments.

Impala Bidco Limited

Notes to the Financial statements

For the year ended 31 December 2023 (continued)

31. Financial instruments - Financial risk management (continued)

b) Liquidity risk (continued)

Group

	2023				
£'000s	<1 year	1-2 yrs	2-5 yrs	> 5 yrs	Total
Amounts falling due	£'000	£'000	£'000	£'000	£'000
Trade and other payables (<i>excluding corporation tax</i>)	5,791	-	-	-	5,791
Borrowings	35,832	-	252	-	36,084
Lease liabilities	348	339	84	241	1,012
	41,971	339	336	241	42,887

	2022				
£'000s	<1 year	1-2 yrs	2-5 yrs	> 5 yrs	Total
Amounts falling due	£'000	£'000	£'000	£'000	£'000
Trade and other payables	7,301	-	-	-	7,301
Borrowings	416	30,392	256	-	31,064
Lease liabilities	391	348	379	285	1,403
	8,108	30,740	635	285	39,768

Company

	2023				
£'000s	<1 year	1-2 yrs	2-5 yrs	> 5 yrs	Total
Amounts falling due	£'000	£'000	£'000	£'000	£'000
Borrowings	4,194	-	-	-	4,194

	2022				
£'000s	<1 year	1-2 yrs	2-5 yrs	> 5 yrs	Total
Amounts falling due	£'000	£'000	£'000	£'000	£'000
Trade and other payables	1,238	-	-	-	1,238

Impala Bidco Limited

Notes to the Financial statements

For the year ended 31 December 2023 (continued)

31. Financial instruments - Financial risk management (continued)

c) Foreign currency risk

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates. For trading transactions monitoring of cash flows acts as an internal hedge whereby intercompany cash movements are timed to minimise adverse variances in exchange movements. The Group undertakes external hedging activities occasionally, when appropriate for the circumstances.

Foreign currency denominated financial assets and liabilities which expose the Group to currency risk are disclosed below. The amounts shown are translated into Pounds Sterling at the closing rate:

31 December 2023	Short term exposure						
	USD £'000	AUD £'000	DKK £'000	RON £'000	SEK £'000	EUR £'000	CHF £'000
Financial assets	3,175	3,291	549	31	-	-	-
Financial liabilities	(11,027)	(2,147)	(1,871)	(50)	(29,772)	-	-
Total exposure	(7,852)	1,144	(1,322)	(19)	(29,772)	-	-
31 December 2022	Short term exposure						
	USD £'000	AUD £'000	DKK £'000	RON £'000	SEK £'000	EUR £'000	CHF £'000
Financial assets	2,731	255	37	8	-	616	8
Financial liabilities	(1,688)	(267)	(9)	(13)	(55)	(10)	-
Total exposure	1,043	(12)	28	(5)	(55)	606	8
31 December 2023	Long term exposure						
	USD £'000	AUD £'000	DKK £'000	RON £'000	SEK £'000	EUR £'000	CHF £'000
Financial assets	-	-	-	-	-	-	-
Financial liabilities	(7,513)	(589)	(48)	-	-	-	-
Total exposure	(7,513)	(589)	(48)	-	-	-	-

Impala Bidco Limited

Notes to the Financial statements For the year ended 31 December 2023 (continued)

31. Financial instruments - Financial risk management (continued)

c) Foreign currency risk (continued)

31 December 2022	Long term exposure						
	USD £'000	AUD £'000	DKK £'000	RON £'000	SEK £'000	EUR £'000	CHF £'000
Financial assets	-	-	-	-	-	-	-
Financial liabilities	(220)	(485)	(1,219)	-	(30,376)	-	-
Total exposure	(220)	(485)	(1,219)	-	(30,376)	-	-

The following table illustrates the sensitivity of profit and equity in relating to the Group's financial assets and financial liabilities and the exchange rate of AUD, USD, DKK, RON, SEK and EUR, 'all other things being equal', against Pound Sterling. It assumes a +/- 10% change of the respective exchange rate for the year ended at 31 December 2023 (2022: 10%).

Both of these percentages have been determined based on the average market volatility in exchange rates in the previous twelve months.

The sensitivity analysis is based on the Group's foreign currency financial instruments held at each reporting date.

If Pound Sterling had weakened or strengthened against either AUD, USD, DKK, RON, SEK and EUR or CHF, then the following would have been the impact on profit for the year and on equity.

31 December 2023	Weakened		Strengthened	
	Profit for the year £'000	Equity £'000	Profit for the year £'000	Equity £'000
AUD	56	56	(50)	(50)
USD	(1,536)	(1,536)	1,383	1,383
DKK	(137)	(137)	123	123
RON	8	8	(7)	(7)
SEK	(2,977)	(2,977)	2,679	2,679
EUR	-	-	-	-
CHF	-	-	-	-
	(4,586)	(4,586)	4,128	4,128

Impala Bidco Limited

Notes to the Financial statements

For the year ended 31 December 2023 (continued)

31. Financial instruments - Financial risk management (continued)

c) Foreign currency risk (continued)

31 December 2022	Weakened		Strengthened	
	Profit for the year	Equity	Profit for the year	Equity
	£'000	£'000	£'000	£'000
AUD	(50)	(50)	45	45
USD	82	82	(75)	(75)
DKK	(119)	(119)	108	108
RON	-	-	-	-
SEK	(3,043)	(3,043)	2,766	2,766
EUR	61	61	(55)	(55)
CHF	1	1	(1)	(1)
	<u>(3,068)</u>	<u>(3,068)</u>	<u>2,788</u>	<u>2,788</u>

32. Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for their stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Group does not have significant externally imposed capital requirements. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. Consistent with others in the same industry the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as total financial debt divided by total equity (debt to equity ratio). The equity capital, as shown in the Statement of Financial Position, corresponds to the managed equity capital. The gearing ratio as at 31 December 2023 was 92.6% (2022 as restated: 58.1%).

Impala Bidco Limited

Notes to the Financial statements For the year ended 31 December 2023 (continued)

33. Fair value estimation

Financial assets and financial liabilities measured at fair value in the Statement of Financial Position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets and liabilities;

Level 2 - Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices), or indirectly (that is, derived from prices); and

Level 3 – Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Within the financial statements, for the period ended 31 December 2023 financial assets and financial liabilities which are measured at fair value are measured using level 1 inputs. No financial assets or financial liabilities were measured using level 2 or level 3 inputs for the period ended 31 December 2023.

34. Pension commitments

The Group operates a defined contribution pension scheme for UK based employees. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension charge represents contributions payable by the Group to the fund and amounted to £512k (2022: £730k).

At 31 December 2023, contributions totalling £31k (2023: £50k) were payable to the fund and are recognised on the Statement of Financial Position within other payables (note 25).

35. Consolidated Analysis of changes in net debt

	At 1 January 2023	Cashflows	Non-cash changes	At 31 December 2023
	£'000	£'000	£'000	£'000
Cash at bank and in hand	6,127	(4,601)	167	1,693
Debt due after 1 year	(30,979)	(8,576)	39,303	(252)
Debt due within 1 year	(416)	3,887	(39,303)	(35,832)
Lease liabilities after 1 year	(1,012)	391	(43)	(664)
Lease liabilities within 1 year	(391)	-	43	(348)
	(26,671)	(8,899)	167	(35,403)

Impala Bidco Limited

Notes to the Financial statements

For the year ended 31 December 2023 (continued)

36. Related party transactions

During the year, the Group received services totalling £1,513k (2022: £1,498k) from Calligo (UK) Limited, a related company through common ownership. At 31 December 2023, £108k (2022: £277k) was owed to Calligo (UK) Limited. The invoices have 21 - 23 day payment terms and no interest has been charged.

Key management compensation

The Group considers its key management personnel to be its executive Directors (note 14).

Compensation paid to the Group's key management personnel is disclosed in note 14.

The Group does not consider that there are any other related party transactions that require disclosure within these financial statements.

37. Subsequent events following the reporting date

On 29 February 2024 the Group successfully completed an amendment and restatement agreement in relation to the Group's up to SEK 500,000,000 (£42,473k) senior secured bonds. This amendment moves the maturity date of the loan to 30 October 2027. The interest due 22 January 2024 which was cancelled pursuant to the press release issued by the Issuer on 19 January 2024 and any other accrued but unpaid interest up to (but excluding) the Amendment Effective Date, under the Terms and Conditions in force prior to the Amendment Effective Date, shall instead be paid in kind on the next following Interest Payment Date after the Amendment Effective Date. The liquidity covenant requires a minimum cash balance of £750,000 to be maintained at the end of each month.

On 29 February 2024 the Company entered into a £5,000,000 19% unsecured redeemable loan notes and payment in kind notes with Impala Holdings Limited.

On 26 June 2024 the Company amended and restated the 19% unsecured redeemable loan notes and payment in kind notes with Impala Holdings Limited to fund the Company an additional £2,358k.

In late March 2024 Impero replaced its former management team with an experienced new team across all functions including the appointments of Tobi Hartman as CEO and Adrian Muniz as CFO. Tobi and Adrian are both seasoned industry executives with outstanding histories in leading private equity backed technology businesses to very successful exits. Prior to joining Impero, they also collaborated very effectively as Operating Partners with Investcorp Technology Partners, the majority shareholder of Impero.

38. Ultimate parent undertaking and controlling party

Impala Holdings Limited, an entity registered and incorporated in the Cayman Islands is the immediate controlling party.

Investcorp Technology Partners IV L.P., an entity registered and incorporated in the Cayman Islands is the largest company for which consolidated financial statements are prepared and include the results of Impala Bidco Limited. The consolidated financial statements of Investcorp Technology Partners IV L.P. are not publicly available.