
KIMBLE APPLICATIONS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

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KIMBLE APPLICATIONS LIMITED

COMPANY INFORMATION

Directors	Maurice A Hernandez Sean C Hoban Stephen P Kelly (resigned 10 March 2021) Mark Robinson (resigned 10 March 2021) David J Scott (resigned 17 December 2021) Barnaby B L Terry (resigned 10 March 2021) Gregory H Williams (resigned 10 March 2021) Adam Malinowski (appointed 10 March 2021) Steve Sharp (appointed 10 March 2021) Michael Speranza (appointed 6 December 2021)
Registered number	07445594
Registered office	100 Union Street London SE1 0NL
Independent auditor	Grant Thornton UK LLP Chartered Accountants & Senior Statutory Auditor One Valpy Valpy Street Reading Berkshire RG1 1AR

KIMBLE APPLICATIONS LIMITED

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KIMBLE APPLICATIONS LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

Introduction

The objectives of this report are to provide shareholders and other users of these statements:

- with the appropriate level of background context for these financial statements;
- with an analysis of the Group's past performance; and
- an insight into the Group's main objectives and strategies, and the principal risks and uncertainties it faces and how they might affect future prospects.

The Group's objectives and strategy

The Board sees the main business objective as delivering controlled, responsible and rapid growth in order to deliver:

- Innovative Software as a Service (SaaS) solutions which enable ambitious services organizations to grow and achieve outstanding success;
- Excellent levels of service to our customers through our Customer Success, Customer Adoption and Support functions;
- A global community of like-minded users where Kimble are seen as the domain experts as well as a Software provider;
- Strong growth in shareholder value through maximising organic Subscription revenue growth, whilst maintaining a positive cash and EBITDA position; and
- Challenging yet rewarding careers for the Group's employees.

In order to meet its business objectives, the Group's strategy is to:

- Continue to release two new versions of the Kimble Software as a Service product each year, which are automatically pushed to existing customers to leverage new functionality developed;
- Continue to develop an efficient sales and marketing function that identifies and nurtures prospects within a core set of industries and geographies, where service automation solutions address a growing need;
- Maintain proactive customer engagement through the Customer Success teams to ensure high levels of customer adoption and satisfaction and maintain a strong understanding of future customer needs, including an Enterprise Advisory Board, where Kimble's larger customers are able to input into the product roadmap and key enhancement areas;
- Continue to make appropriate investment in the Group's employees through recruiting the right individuals and developing staff through clear communication, coaching, mentoring and other training initiatives;
- Increase investment in the Group's business infrastructure, tools, and other resources to ensure efficient delivery of our products and services;
- Develop additional training and delivery services to further support our customers in their understanding of the Kimble product and best practice application within their business; and
- Deepen the strategic relationships with key suppliers and go-to-market partners.

KIMBLE APPLICATIONS LIMITED

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

Business review*Business focus*

Our Group's business focus is the design, build and supply of Software as a Service solutions for our customers and prospects in order to automate and improve our customers' efficiency in operating their key processes:

- Scoping and modelling proposals
- Resourcing engagements and bid teams
- Project delivery and governance
- Time and expense capture
- Invoicing and revenue recognition
- Management reporting and analytics
- Customer Collaboration through community/portal access

This is achieved through continual research and development into the common business challenges and trends in our core markets (and potential new industry segments with similar challenges), and the development of innovative and appropriate solutions utilising the extensive application frameworks that have been developed by Kimble.

In order to ensure the Kimble PSA (Professional Services Automation) Software as a Service product is efficiently enabled for Kimble's customers, our additional focus is on ensuring that our sales, implementation and supporting services are the best possible, and enable our customers to gain maximum business benefit from the Kimble solution.

As the Covid-19 global pandemic unfolded, the Kimble Management team, with the support of the board, took action to ensure the business became profitable, and strengthened the balance sheet wherever possible. Some of the actions taken to ensure long term viability included:

- Ensuring Kimble employees were fully utilised on implementation work, rather than outsourcing to partners, and able to operate in a fully remote model.
- Initiating a temporary and voluntary salary sacrifice for Q2 across all employees.
- Freezing of any recruitment activity
- Reduction to discretionary spend in marketing
- Ensuring cash collections and invoicing were operated efficiently
- Eliminated all future travel budgets
- Eliminated all Marketing events/trade shows from budget
- In order to further strengthen the balance sheet in 2020, a debt facility with Silicon Valley Bank (SVB) was secured in April. This was there purely as a buffer and was not planned to be used for operational expenses. In April, we drew down the maximum amount of our revolver credit facility in case cash liquidity was an issue, but the revolver was fully repaid a few months later, when it became apparent that liquidity was not an issue
- Utilising all VAT and employee income tax deferrals permitted by the relevant countries

After the second quarter, we started to see business activity return, with customer activity increasing, and by the beginning of the 4th quarter, we saw sales prospect activity start to return.

Summary of financial performance

Despite the pandemic, we are delighted to report another strong performance for the Group in the financial year ended 31 December 2020.

KIMBLE APPLICATIONS LIMITED

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

In the financial year under review the Group generated:

- Turnover of £21.4m (2019: £17.6m); and
- Operating profit before depreciation, goodwill and intangibles amortisation ("EBITDA") of £0.93m (2019: Loss of £5.4m).

Turnover has primarily increased as a result 12 months recurring revenue from customer contracts entered into in 2019 along with new contracts for 2020.

EBITDA has improved as a result of the increased turnover and the actions taken in response to Covid-19 noted above to control cost.

Business outlook

Since the end of 2020, confidence has returned to our core market and the business maintains a positive outlook. Its exposure to a core market with significant demand in a continually maturing category, alongside a broader set of applicable industries and a wider geographic market, represents significant market opportunity for new customers to be acquired.

With the highly business critical nature of the Software as a Service provided by the Group, it provides the ability to achieve long term contracts and high renewal performance from its existing customers.

The directors continually monitor the social, political and economic climates in the principal jurisdictions in which the group operates in order to identify business risks and opportunities early in order to mitigate and exploit them as or before they arise.

For 2021, we have been conservative with our forecasts, recognising that confidence is returning to the market, but with a cautious growth target, and also able to balance the costs and investments with the new business performance, therefore able to easily adjust to maintain a profitable position if growth is slower than forecast.

Organic sales growth continues to be strong and has been achieved from both new and existing customers; all keen to take advantage of the operational benefits provided by the increasing depth in the Group's software solutions and supporting services.

The Group continued to invest significantly in the development of its core software; now spending £3.1m, or 14% of revenue, on development activities in the year 2020 (2019: £1.7m or 10%).

As the Group grows, investment levels are maintained in systems, people and process to ensure that customers benefit from continued high levels of customer service delivered using modern, stable and scalable processes and systems. Delivering value to our customers in all aspects of what we do remains a primary driver of business development and that requires continuous investment in our people.

Our investment in R&D has increased significantly in absolute terms and in proportion to revenues, and we continue to provide customers with 2 new releases per year, in line with previous years.

KIMBLE APPLICATIONS LIMITED

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

Principal risks and uncertainties

The Board considers the principal risks and uncertainties facing the business to be those associated with the future general economic climate following Covid-19. As Kimble is a SaaS solution hosted in the cloud, and all of our internal business systems are cloud based, we continue to operate business as usual with largely remote working and, being fully operational with remote working from the 19 March 2020.

We believe that any risks are comfortably mitigated through our operating model and ability to adjust costs/investments in line with any growth/decline. We continue to monitor the impact of Brexit, however given the global diversified client base, and UK customers with a diversified customer base, we believe that there will be no ongoing significant Brexit impact.

Going Concern

The Directors have prepared the financial statements on a going concern basis. Having prepared cash flow forecasts taking into account the impact of the current general economic climate during and following Covid 19, the Directors believe that the Group and Company will have sufficient cash levels to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements.

The directors have prepared detailed profit and loss and cash flow forecasts for the period to 31 December 2022 taking into account reasonably foreseeable assumptions around trading circumstances. At the time of approving these financial statements there remains uncertainty in market conditions driven by the outbreak of COVID-19, including imposing and releasing restrictions in countries and regions in which the Group and Company operates and wider market conditions which increase the uncertainty of delivering the company's forecasts. However, even including the severe uncertainties within the forecasts, the company is forecasting that there are sufficient cash flows and resources available to the Group and Company in order to meet its liabilities as they fall due. A number of actions were taken to reduce discretionary spend as well as other overheads in 2020. The impact of this can be seen in the financial performance of the group for the year ended 31 December 2020 and, at the time of signing of these financial statements, continued to perform at least at the same level again in 2021.

On the 10 March 2021, Kimble Applications Limited was acquired by Villa Bidco Limited an entity put in place as part of a group reorganisation to facilitate further investment in the entity by Accel-KKR. Accel-KKR is now the overall ultimate controlling party through its majority interest in Villa Topco Limited which owns 100% of the equity in Villa Bidco Limited. Kimble Applications Limited and Kimble Applications Inc became guarantors on a new loan taken out by Villa Bidco Limited at the time amounting to £20m, and a new revolving credit facility of £3m, the latter remaining unused in 2021. In October 2021, Kimble and Accel-KKR entered into a definitive agreement to merge with Mavenlink Inc. The transaction completed on 6 December 2021. Further details are noted in the post balance sheet event note 24. This transaction, has Accel-KKR investing further funds into Villa Topco Limited to enable the acquisition of Mavenlink, by Villa Topco Limited, to be achieved. The transaction also resulted in an injection of cash in to the wider group headed by Villa Topco Limited which the directors believe is sufficient to support ongoing operations and debt service whilst the new group is reorganised. Alongside the cash injection, the enlarged group has secured a \$25m Revolving Credit Facility which is not anticipated to be utilised.

As a result of the combination of existing cash balances, the cash flow forecasts of the Group headed by Kimble Applications Limited, the cash injection and new secured facilities following the December 2021 transaction, the directors believe it is appropriate to prepare the financial statements on a going concern basis.

KIMBLE APPLICATIONS LIMITED

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

Financial risk management objectives and policies

In addition to the SVB debt facility the Group uses a variety of financial instruments including cash, trade debtors and trade creditors, which arise directly from its operations to provide working capital for the Group's operations.

Given the size of the Group, the directors have not delegated the responsibility of monitoring financial risk management to a sub committee of the Board. The policies set by the board of directors are implemented by the Group's finance department. The directors are of the view that the main risks arising from the Group's financial instruments are foreign exchange rate risk, interest rate risk, liquidity risk and credit risk.

The directors set and review policies for managing each of these risks and they are summarised below.

Foreign exchange rate risk

Exchange rate fluctuation represents a risk because some sales are priced in currencies other than sterling. In addition, the Group's overseas operations continue to grow. The directors do not consider that the potential downside associated with this risk at this stage in the Group's development is of sufficient size to require hedging however due consideration will be given if the risks are sufficiently higher enough to warrant a hedge.

Liquidity risk

The Group seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. The funding for significant new ventures is secured before commitments are made. The cash position is reviewed regularly and cash flows are monitored weekly.

Credit risk

The Group's principal financial assets are cash and trade debtors. The credit risk associated with cash is limited as the counterparties have high credit ratings assigned by international credit rating agencies. The principal credit risk arises therefore from its trade debtors.

In order to manage credit risk the directors set a policy of monitoring exposure with customers based on a combination of payment history and third party credit references. Exposure levels are reviewed by senior management on a regular basis in conjunction with debt ageing and collection history.

Financial key performance indicators

KPI	Year ended 31 December 2020	Year ended 31 December 2019
Recurring turnover	£17.1m	£12.6m
Total turnover	£21.4m	£17.6m
EBITDA	£0.93m	(£5.4m) loss
Cash balance at end of year	£6.2m	£2.3m
Net cashflow from operations	£4.0m	(£3.9m)

Both turnover and EBITDA were in line with the Board's expectations.

This report was approved by the board on 10/1/2022 and signed on its behalf.



Steve Sharp
Director

KIMBLE APPLICATIONS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

The directors present their report and the financial statements for the year ended 31 December 2020.

Principal activity

Formed in 2010, Kimble Applications Ltd ("Kimble" or the "Company") is one of the world's leading providers of cloud-based Professional Services Automation software ("PSA") which automates the processes critical to running professional services organisations and enables these companies to manage their operations in "real time". The Company delivers its product over the Internet as a subscription service using the Software as a Service ("SaaS") model. Kimble Applications Limited is both a trading company and a holding company for Kimble Applications Inc.

Results and dividends

The profit for the year, after taxation, amounted to £789,443 (2019 - loss £5,107,141).

The directors do not recommend a dividend for the year (2019: £Nil).

Directors

The directors who served during the year were:

Maurice A Hernandez
Sean C Hoban
Stephen P Kelly (resigned 10 March 2021)
Mark Robinson (resigned 10 March 2021)
David J Scott (resigned 17 December 2021)
Barnaby B L Terry (resigned 10 March 2021)
Gregory H Williams (resigned 10 March 2021)

Future developments

Future developments have been discussed in the 'Business Outlook' section of the Group Strategic Report.

Recruitment and employee relations

Recruitment policies are designed to ensure equal opportunity of employment regardless of age, race or sex. Appropriate consideration is given to disabled applicants in offering employment. Good communications and relations with employees are maintained, mainly by practices within each operating unit appropriate for its own particular circumstances. Senior management in each entity are kept informed of Group developments in certain financial, commercial, strategic and personnel matters as needed and are thereby enabled to inform and discuss with employees as appropriate at the individual units.

Qualifying third party indemnity provisions

Qualifying third party indemnity provisions are in place for the directors.

KIMBLE APPLICATIONS LIMITED

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

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

Post balance sheet events

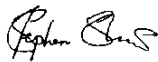
On the 10th March 2021, Kimble Applications Limited was acquired by Villa Bidco Limited an entity put in place as part of a group reorganisation to facilitate further investment in the entity by Accel-KKR. Villa Bidco Limited became the immediate parent undertaking and Villa Topco Limited became the ultimate parent undertaking. Accel-KKR is now the overall ultimate controlling party through its interest in Villa Topco Limited. At this time, in March 2021 Kimble Applications Limited and Kimble Applications Inc became guarantors on a new loan taken out by Villa Bidco Limited amounting to £20m, and a new revolving credit facility of £3m, the latter remaining unused in 2021.

In October 2021, Kimble and Accel-KKR entered into a definitive agreement to merge with Mavenlink Inc. The transaction was subject to an Anti-Trust HSR review by the US Department of Justice, and completed on 6 December 2021. This transaction, has Accel-KKR investing further funds into Villa Topco, and the current £20m loan being replaced with a new loan of \$225m to enable the acquisition of Mavenlink, by Villa Topco Limited, to be achieved. Kimble Applications Limited will be a guarantor on the new debt facility.

Auditor

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

This report was approved by the board on 10/1/2022 and signed on its behalf.



Steve Sharp
Director

KIMBLE APPLICATIONS LIMITED

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2020**

The directors are responsible for preparing the Group strategic report, the Directors' report and the consolidated 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'). 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 and then apply them consistently;*
- *make judgements and accounting estimates that are reasonable and prudent;*
- *state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;*
- *prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.*

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

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Group's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements and other information included in Directors' reports may differ from legislation in other jurisdictions.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KIMBLE APPLICATIONS LIMITED

Opinion

We have audited the financial statements of Kimble Applications Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2020, which comprise the Consolidated Income statement, the Consolidated Statement of comprehensive income, the Consolidated and Company Statements of financial position, the Consolidated Statement of cash flows, the Consolidated and Company Statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 December 2020 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and of the parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Group and the parent Company to cease to continue as a going concern.

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the Group's and of the parent Company's business model including effects arising from macro-economic uncertainties such as Brexit and Covid-19, we assessed and challenged the reasonableness of estimates made by the directors and the related disclosures and analysed how those risks might affect the Group's and of the parent Company's financial resources or ability to continue operations over the going concern period.

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



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KIMBLE APPLICATIONS LIMITED
(CONTINUED)**

statements are authorised for issue.

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

The responsibilities of the directors with respect to going concern are described in the 'Responsibilities of directors for the financial statements' section of this report.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Group 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 Group strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KIMBLE APPLICATIONS LIMITED
(CONTINUED)**

Matter on which we are required to report under the Companies Act 2006

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

Matters on which we are required to report by exception

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:

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

Responsibilities of directors for the financial statements

As explained more fully in the Directors' responsibilities statement on page 8, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KIMBLE APPLICATIONS LIMITED
(CONTINUED)**

Auditor's responsibilities for the audit of the financial statements

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

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

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks applicable to the group and industry in which it operates through our commercial and sector experience, discussions with management, those charged with governance, inspection of the company's legal correspondence and board minutes. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or whether they had any knowledge of actual, suspected or alleged fraud;
- Through the understanding that we obtained, we determined that the most significant legal and regulatory frameworks which are directly relevant to specific assertions in the financial statements are those related to the reporting frameworks (FRS102 and the Companies Act 2006) and the relevant taxation legislation;
- We communicated relevant laws and regulations and potential fraud risks to all engagement team members, including internal specialists, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur, by evaluating management's incentives and opportunities for manipulation of the financial statements. This included the evaluation of the risk of management override of controls. We determined that the principal risks were in relation to:
 - potential management bias in determining accounting estimates,
 - the accuracy and occurrence of revenues in particular around period end; and
 - journal entries that increased revenues or that reclassified costs from the income statement to the balance sheet.
- Our audit procedures involved:
 - evaluation of the design effectiveness of controls that management has in place to prevent and detect fraud;



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KIMBLE APPLICATIONS LIMITED
(CONTINUED)**

- *challenging assumptions and judgements made by management in its significant accounting estimates;*
 - *identifying and testing journal entries, with a focus on material manual journals and in particular any journal entries posted with unusual account combinations, that increased revenues or that reclassified costs from the income statement to the balance sheet and those posted directly to cash, debtors and creditors control accounts;*
 - *vouching the occurrence and accuracy of revenue to supporting evidence;*
 - *testing the completeness of the company's related party transactions through information obtained and testing that these transactions had a valid business purpose; and assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the related financial statement item.*
-
- *These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.*

 - *We completed audit procedures to conclude on the compliance of disclosures in the annual report and accounts with applicable financial reporting requirements.*

 - *We did not identify any matters relating to non-compliance with laws and regulation or relating to fraud.*

 - *Our assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:*
 - *understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation; and*
 - *knowledge of the industry in which the client operates*
 - *understanding of the legal and regulatory requirements specific to the group.*



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KIMBLE APPLICATIONS LIMITED
(CONTINUED)**

Use of our report

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



Amrish Shah BSc FCA
Senior statutory auditor
for and on behalf of Grant Thornton UK LLP
Senior Statutory Auditor, Chartered Accountants
Reading
Date: 10/1/2022

KIMBLE APPLICATIONS LIMITED

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

	Note	2020 £	2019 £
Turnover	4	21,351,375	17,599,977
Cost of sales		(9,600,132)	(8,837,863)
Gross profit		11,751,243	8,762,114
Distribution costs		(5,083,466)	(5,973,551)
Administrative expenses		(5,795,987)	(8,369,130)
Operating profit/(loss)	5	871,790	(5,580,567)
Interest receivable and similar income	9	3,017	50,567
Interest payable and similar expenses	10	(85,364)	(5,869)
Profit/(loss) before tax		789,443	(5,535,869)
Tax on profit/(loss)	11	-	428,728
Profit/(loss) for the financial year		789,443	(5,107,141)
Profit/(loss) for the year attributable to:			
Owners of the parent		789,443	(5,107,141)
		789,443	(5,107,141)

The notes on pages 25 to 45 form part of these financial statements.

KIMBLE APPLICATIONS LIMITED

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

	2020	2019
	£	£
Profit/(loss) for the financial year	789,443	(5,107,141)
Other comprehensive income		
Currency translation differences	72,375	(16,363)
Equity Settled Share Scheme expense	305,073	239,520
Total comprehensive income for the year	1,166,891	(4,883,984)

The notes on pages 25 to 45 form part of these financial statements.

KIMBLE APPLICATIONS LIMITED
REGISTERED NUMBER:07445594

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	12	156,549	191,172
		<u>156,549</u>	<u>191,172</u>
Current assets			
Debtors: amounts falling due within one year	14	6,553,538	4,016,599
Cash at bank and in hand	15	6,225,671	2,291,989
		<u>12,779,209</u>	<u>6,308,588</u>
Creditors: amounts falling due within one year	16	(14,952,140)	(9,708,503)
Net current liabilities		<u>(2,172,931)</u>	<u>(3,399,915)</u>
Total assets less current liabilities		<u>(2,016,382)</u>	<u>(3,208,743)</u>
Net liabilities		<u>(2,016,382)</u>	<u>(3,208,743)</u>
Capital and reserves			
Called up share capital	18	206	205
Share premium account	19	14,146,398	14,120,929
Profit and loss account	19	(16,162,986)	(17,329,877)
		<u>(2,016,382)</u>	<u>(3,208,743)</u>

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



Steve Sharp
Director

Date: 10/1/2022

The notes on pages 25 to 45 form part of these financial statements.

KIMBLE APPLICATIONS LIMITED
REGISTERED NUMBER:07445594

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	12	120,771	140,674
Investments	13	32	32
		<u>120,803</u>	<u>140,706</u>
Current assets			
Debtors: amounts falling due within one year	14	4,057,935	2,414,724
Cash at bank and in hand	15	3,422,167	1,622,839
		<u>7,480,102</u>	<u>4,037,563</u>
Creditors: amounts falling due within one year	16	(9,122,291)	(6,320,818)
Net current liabilities		<u>(1,642,189)</u>	<u>(2,283,255)</u>
Total assets less current liabilities		<u>(1,521,386)</u>	<u>(2,142,549)</u>
Net liabilities		<u><u>(1,521,386)</u></u>	<u><u>(2,142,549)</u></u>

KIMBLE APPLICATIONS LIMITED
REGISTERED NUMBER:07445594

COMPANY STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2020

	Note	31 December 2020 £	31 December 2019 £
Capital and reserves			
Called up share capital	18	206	205
Share premium account	19	14,146,398	14,120,929
Profit and loss account brought forward		(16,263,683)	(14,282,517)
Profit/(loss) for the year		270,943	(2,220,686)
Other changes in the profit and loss account		324,750	239,520
Profit and loss account carried forward		(15,667,990)	(16,263,683)
		<u>(1,521,386)</u>	<u>(2,142,549)</u>

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



Steve Sharp
Director

Date: 10/1/2022

The notes on pages 25 to 45 form part of these financial statements.

KIMBLE APPLICATIONS LIMITED

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

	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
At 1 January 2019	205	14,120,929	(12,445,893)	1,675,241
Loss for the year	-	-	(5,107,141)	(5,107,141)
Currency translation differences on overseas subsidiaries	-	-	(16,363)	(16,363)
Equity Settled Share Schemes expense	-	-	239,520	239,520
Total comprehensive income for the year	-	-	(4,883,984)	(4,883,984)
At 1 January 2020	205	14,120,929	(17,329,877)	(3,208,743)
Comprehensive income for the year				
Profit for the year	-	-	789,443	789,443
Currency translation differences on overseas subsidiaries	-	-	72,375	72,375
Equity Settled Share Schemes expense	-	-	305,073	305,073
Total comprehensive income for the year	-	-	1,166,891	1,166,891
Shares issued during the year	1	25,469	-	25,470
At 31 December 2020	206	14,146,398	(16,162,986)	(2,016,382)

The notes on pages 25 to 45 form part of these financial statements.

KIMBLE APPLICATIONS LIMITED

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

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2019	205	14,120,929	(14,282,517)	(161,383)
Loss for the year	-	-	(2,220,686)	(2,220,686)
Equity Settled Share Schemes expense	-	-	239,520	239,520
	-	-	(1,981,166)	(1,981,166)
Total comprehensive income for the year	-	-	(1,981,166)	(1,981,166)
At 1 January 2020	205	14,120,929	(16,263,683)	(2,142,549)
Profit for the year	-	-	270,943	270,943
Currency translation differences	-	-	19,677	19,677
Equity Settled Share Schemes expense	-	-	305,073	305,073
	-	-	595,693	595,693
Total comprehensive income for the year	-	-	595,693	595,693
Shares issued during the year	1	25,469	-	25,470
At 31 December 2020	206	14,146,398	(15,667,990)	(1,521,386)

The notes on pages 25 to 45 form part of these financial statements.

KIMBLE APPLICATIONS LIMITED

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

	2020 £	2019 £
Cash flows from operating activities		
Profit/(loss) for the financial year	789,443	(5,107,141)
Adjustments for:		
Depreciation of tangible assets	61,312	153,297
Interest paid	85,364	5,869
Interest received	(3,017)	(50,567)
Taxation charge	-	(428,728)
(Increase) in debtors	(2,965,668)	(941,747)
Increase in creditors	5,317,560	1,940,987
Corporation tax received	428,728	348,220
Foreign exchange differences	72,375	(16,363)
Loss on disposal of fixed assets	-	(2,365)
Equity Settled Scheme expense	305,073	239,520
Net cash generated from operating activities	4,091,170	(3,859,018)
Cash flows from investing activities		
Purchase of tangible fixed assets	(26,688)	(62,970)
Interest received	3,017	50,567
HP interest paid	-	(5,869)
Net cash from investing activities	(23,671)	(18,272)

KIMBLE APPLICATIONS LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

	2020 £	2019 £
Cash flows from financing activities		
Issue of ordinary shares	25,470	-
New secured loans	3,000,000	-
Repayment of loans	(3,000,000)	-
Repayment of/new finance leases	(73,923)	(71,395)
Interest paid	(85,364)	-
Net cash used in financing activities	(133,817)	(71,395)
Net increase/(decrease) in cash and cash equivalents	3,933,682	(3,948,685)
Cash and cash equivalents at beginning of year	2,291,989	6,240,674
Cash and cash equivalents at the end of year	6,225,671	2,291,989
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	6,225,671	2,291,989
	6,225,671	2,291,989

The notes on pages 25 to 45 form part of these financial statements.

KIMBLE APPLICATIONS LIMITED

**CONSOLIDATED ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 31 DECEMBER 2020**

	At 1 January 2020 £	Cash flows £	At 31 December 2020 £
Cash at bank and in hand	2,291,989	3,933,682	6,225,671
	<u>2,291,989</u>	<u>3,933,682</u>	<u>6,225,671</u>

The notes on pages 25 to 45 form part of these financial statements.

KIMBLE APPLICATIONS LIMITED

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

1. General information

Kimble Applications Limited (Company no. 07445594) is a private company limited by shares and incorporated in England and Wales. The registered office is 100 Union Street, London, SE1 0NL.

The Group consists of Kimble Applications Limited and all its subsidiaries.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

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

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

2.2 Basis of consolidation

In the parent Company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

KIMBLE APPLICATIONS LIMITED

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

2. Accounting policies (continued)**2.3 Going concern**

The Directors have prepared the financial statements on a going concern basis. Having prepared cashflow forecasts taking into account the impact of the current general economic climate during and following Covid 19, the Directors believe that the Group and Company will have sufficient cash levels to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements.

The directors have prepared detailed profit and loss and cash flow forecasts for the period to 31 December 2022 taking into account reasonably foreseeable assumptions around trading circumstances. At the time of approving these financial statements there remains uncertainty in market conditions driven by the outbreak of COVID-19, including imposing and releasing restrictions in countries and regions in which the Group and Company operates and wider market conditions which increase the uncertainty of delivering the company's forecasts. However, even including the severe uncertainties within the forecasts, the company is forecasting that there are sufficient cash flows and resources available to the Group and Company in order to meet its liabilities as they fall due. As detailed further in the Strategic Report, a number of actions were taken to reduce discretionary spend as well as other overheads in 2020. The impact of this can be seen in the financial performance of the group for the year ended 31 December 2020 and, at the time of signing of these financial statements, continued to perform at least at the same level again in 2021.

On the 10 March 2021, Kimble Applications Limited was acquired by Villa Bidco Limited an entity put in place as part of a group reorganisation to facilitate further investment in the entity by Accel-KKR. Accel-KKR is now the overall ultimate controlling party through its majority interest in Villa Topco Limited which owns 100% of the equity in Villa Bidco Limited. Kimble Applications Limited and Kimble Applications Inc became guarantors on a new loan taken out by Villa Bidco Limited at the time amounting to £20m, and a new revolving credit facility of £3m, the latter remaining unused in 2021. In October 2021, Kimble and Accel-KKR entered into a definitive agreement to merge with Mavenlink Inc. The transaction completed on 6 December 2021. Further details are noted in the post balance sheet event note 24. This transaction, has Accel-KKR investing further funds into Villa Topco Limited to enable the acquisition of Mavenlink, by Villa Topco Limited, to be achieved. The transaction also resulted in an injection of cash in to the wider group headed by Villa Topco Limited which the directors believe is sufficient to support ongoing operations and debt service whilst the new group is reorganised. Alongside the cash injection, the enlarged group has secured a \$25m Revolving Credit Facility which is not anticipated to be utilised.

As a result of the combination of existing cash balances, the cashflow forecasts of the Group headed by Kimble Applications Limited, the cash injection and new secured facilities following the December 2021 transaction, the directors believe it is appropriate to prepare the financial statements on a going concern basis.

KIMBLE APPLICATIONS LIMITED

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

2. Accounting policies (continued)

2.4 Foreign currency translation

Functional and presentation currency

The Company's and Group's functional and presentational currency is GBP.

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 income statement within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

On consolidation, the results of overseas operations are translated into 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.

2.5 Turnover

Turnover represents the amounts (excluding value added tax) derived from the provision of software (Software as a Service) and services to customers. Income from support, maintenance and consultancy contracts is recognised over the period of the associated contract or as the service is provided on a time and materials basis as applicable.

Income from Software as a Service is recognised over the period of the contract. Revenue from a contract to provide Software as a Service is recognised in the period in which the services are provided when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

KIMBLE APPLICATIONS LIMITED

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

2. Accounting policies (continued)**2.6 Operating leases: the Group as lessee**

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.7 Leased assets: the Group as lessee

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to profit or loss so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

2.8 Research and development

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

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

2.9 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.10 Finance costs

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

2.11 Employee benefits

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

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

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

KIMBLE APPLICATIONS LIMITED

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

2. Accounting policies (continued)

2.12 Pensions

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 profit or loss 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.

2.13 Share based payments

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to profit or loss over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each Statement of financial position date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

The fair value of the award also takes into account non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties (such as the Group keeping the scheme open or the employee maintaining any contributions required by the scheme).

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to profit or loss over the remaining vesting period.

Where equity instruments are granted to persons other than employees, profit or loss is charged with fair value of goods and services received.

The other side of the accounting entry in respect of share options awarded is taken to reserves.

KIMBLE APPLICATIONS LIMITED

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

2. Accounting policies (continued)**2.14 Taxation**

Tax is recognised in profit or loss 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 reporting date in the countries where the Company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the 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; and
- 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.

2.15 Tangible fixed assets

Tangible fixed assets under the cost model 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, using the straight-line method.

Depreciation is provided on the following basis:

Leasehold improvements	- 33% straight line
Fixtures, fittings & equipment	- 20% straight line
Computer equipment	- 50% straight line

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 recognised in profit or loss.

KIMBLE APPLICATIONS LIMITED

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

2. Accounting policies (continued)

2.16 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

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

2.17 Debtors

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

2.18 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Consolidated statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

2.19 Creditors

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

2.20 Financial instruments

The group only has basic financial instruments measured at amortised cost, with no financial instruments classified as other or basic instruments measured at fair value.

2.21 Equity instruments

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

KIMBLE APPLICATIONS LIMITED

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

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

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Estimates are based on historical experience and other assumptions that are considered reasonable in the circumstances. The actual amount or values may vary in certain instances from the assumptions and estimates made. Changes will be recorded, with corresponding effect in the Statement of Comprehensive Income, when, and if, better information is obtained.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in material adjustment within the next financial year are included below.

Whilst the directors have considered its judgements on key assumptions to be prudent, they have concluded that reasonable possible changes in key assumptions would cause the recoverable amount to be less than the carrying value.

Critical judgements and sources of estimation uncertainty that management have made in the process of applying accounting policies disclosed herein and that have a significant effect on the amounts recognised in the financial statements relates to the following:

Trade Debtors

Management applies judgement in evaluating the recoverability of debtors. To the extent that the directors believe debtors to be irrecoverable, they have been provided for the financial statements.

Useful life of fixed assets

The useful life of fixed assets are estimated by directors.

Going concern

The directors judgements in relation to going concern have been discussed in note 2.3.

Share based payments

The Group is unable to directly measure the fair value of employee services received. Instead the fair value of the share options granted during the year is determined using the Black-Scholes model which is subject to the consideration and estimation of a number of variables. The directors judgements in relation to share based payments have been outlined in note 20.

Amounts owed by Group companies

The Group tests, when there are indicators of impairment, whether amounts owed by Group companies have suffered any impairment, in accordance with its accounting policies. The recoverable amounts of cash generating units have been determined based on value in use calculations where assumptions have been made over the growth rate of turnover, operating margin and the discount rate applied.

Preference shares

The parent Company has in issue a number of preference shares as noted in note 18. The rights attaching to those shares are included in the stated note. Those preference shares could place a liability on the company to make payments to the holders if the 'threshold amount' is not obtained on an exit. The directors have considered the probability of any liability on the company and concluded at the reporting date that no significant liability exists. The directors acknowledge that the obligation could change in future periods. The post balance sheet events referenced in note 24 will have an impact on the preference shares in the financial reporting period.

KIMBLE APPLICATIONS LIMITED

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

4. Turnover

Analysis of turnover by country of destination:

	2020 £	2019 £
United Kingdom	9,098,786	6,302,595
Rest of Europe	3,239,122	3,284,459
Rest of the world	9,013,467	8,012,923
	<u>21,351,375</u>	<u>17,599,977</u>

5. Operating profit/(loss)

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

	2020 £	2019 £
Research & development charged as an expense	56,067	20,596
Exchange differences	63,265	(4,225)
Other operating lease rentals	620,769	661,409
	<u>620,769</u>	<u>661,409</u>

6. Auditor's remuneration

	2020 £	2019 £
Fees payable to the company's auditor and associates:		

Audit of the financial statements of the group and company	39,750	32,500
	<u>39,750</u>	<u>32,500</u>

Fees payable to the Group's auditor and its associates in respect of:

Audit-related assurance services	2,500	2,500
Taxation compliance services	4,050	4,050
Other services relating to taxation	56,250	20,955
All other assurance services	1,500	-
	<u>64,300</u>	<u>27,505</u>

KIMBLE APPLICATIONS LIMITED

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

7. Employees

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

	Group 2020 £	<i>Group 2019 £</i>	Company 2020 £	<i>Company 2019 £</i>
Wages and salaries	11,246,369	<i>10,789,553</i>	6,141,986	<i>5,510,273</i>
Social security costs	707,509	<i>980,612</i>	380,929	<i>648,623</i>
Cost of defined contribution scheme	288,192	<i>234,354</i>	144,516	<i>118,407</i>
	<u>12,242,070</u>	<i><u>12,004,519</u></i>	<u>6,667,431</u>	<i><u>6,277,303</u></i>

The 2019 amounts have been updated compared to the prior year financial statements as Wages and Salaries costs included in Cost of Sales had been excluded from the note. There have been no changes required to the primary statements. The following changes have been made, Company 2019 figures have been updated from £3,913,939 to £5,510,273 and the Group 2019 figures have been updated from £7,834,895 to £10,789,553.

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

	2020 No.	<i>2019 No.</i>
Total	<u>123</u>	<i><u>115</u></i>

8. Directors' remuneration

	2020 £	<i>2019 £</i>
Directors' emoluments	705,150	<i>710,303</i>
Company contributions to defined contribution pension schemes	24,651	<i>15,000</i>
	<u>729,801</u>	<i><u>725,303</u></i>

The highest paid director received remuneration of £218,248 (2019 - £221,490).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £10,000 (2019 - £5,000).

During the year NIL directors received shares under the long term incentive schemes (2019 - NIL)

The directors consider that, other than the directors, there are no employees considered to be key management.

KIMBLE APPLICATIONS LIMITED

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

9. Interest receivable

	2020	2019
	£	£
Other interest receivable	3,017	50,567

10. Interest payable and similar expenses

	2020	2019
	£	£
Bank interest payable	85,364	-
Finance leases and hire purchase contracts	-	5,869

11. Taxation

	2020	2019
	£	£
Corporation tax		
Current tax on profits for the year	-	(428,728)
Total current tax	-	(428,728)
Deferred tax		
Total deferred tax	-	-
Taxation on profit/(loss) on ordinary activities	-	(428,728)

KIMBLE APPLICATIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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11. Taxation (continued)**Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2019 - *lower than*) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

	2020 £	2019 £
Profit/(loss) on ordinary activities before tax	789,443	(5,535,869)
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	149,994	(1,051,815)
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	64,407	49,883
Capital allowances for year in excess of depreciation	3,820	14,636
Adjustment in research and development tax credit leading to an increase (decrease) in the tax charge	(133,860)	(359,618)
Losses surrendered for R&D	-	561,782
Tax credits on R&D expenditure	-	(428,728)
Movement in deferred tax not recognised	(84,782)	-
Unrelieved tax losses carried forward	-	783,973
Other differences leading to an increase (decrease) in the tax charge	421	1,159
Total tax charge for the year	-	(428,728)

Factors that may affect future tax charges

The group has a deferred tax asset of £2,018,000 (2019: £2,012,000) in respect of unrecognised losses that can be offset against future profits. The asset has not been recognised as the recognition criteria of FRS 102 has not been met.

On 21 May 2021, the Chancellor announced that corporation tax rates would increase to 25%. When legislated this will impact deferred tax positions which are currently held at a 19% rate.

KIMBLE APPLICATIONS LIMITED

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

12. Tangible fixed assets**Group**

	Leasehold improvements £	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation				
At 1 January 2020	203,280	118,779	98,964	421,023
Additions	-	802	25,886	26,688
Exchange adjustments	-	(1,016)	1,618	602
At 31 December 2020	<u>203,280</u>	<u>118,565</u>	<u>126,468</u>	<u>448,313</u>
Depreciation				
At 1 January 2020	129,357	46,135	54,359	229,851
Charge for the year on owned assets	(7,389)	21,704	47,637	61,952
Exchange adjustments	-	1,110	(1,149)	(39)
At 31 December 2020	<u>121,968</u>	<u>68,949</u>	<u>100,847</u>	<u>291,764</u>
Net book value				
At 31 December 2020	<u>81,312</u>	<u>49,616</u>	<u>25,621</u>	<u>156,549</u>
At 31 December 2019	<u>73,923</u>	<u>72,643</u>	<u>44,606</u>	<u>191,172</u>

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2020 £	2019 £
Leasehold improvements	<u>-</u>	<u>73,923</u>

KIMBLE APPLICATIONS LIMITED

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

12. Tangible fixed assets (continued)

Company

	Leasehold improvements £	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation				
At 1 January 2020	203,280	68,128	67,173	338,581
Additions	-	-	13,074	13,074
At 31 December 2020	<u>203,280</u>	<u>68,128</u>	<u>80,247</u>	<u>351,655</u>
Depreciation				
At 1 January 2020	129,357	30,046	38,503	197,906
Charge for the year on owned assets	(7,389)	12,050	28,317	32,978
At 31 December 2020	<u>121,968</u>	<u>42,096</u>	<u>66,820</u>	<u>230,884</u>
Net book value				
At 31 December 2020	<u>81,312</u>	<u>26,032</u>	<u>13,427</u>	<u>120,771</u>
At 31 December 2019	<u>73,923</u>	<u>38,081</u>	<u>28,670</u>	<u>140,674</u>

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2020 £	2019 £
Leasehold improvements	<u>-</u>	<u>73,923</u>

KIMBLE APPLICATIONS LIMITED

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

13. Fixed asset investments**Company**

	Investments in subsidiary companies £
Cost or valuation	
At 1 January 2020	32
At 31 December 2020	<u>32</u>

Subsidiary undertaking

The following was a subsidiary undertaking of the Company:

Name	Registered office	Principal activity	Class of shares	Holding
Kimble Applications Inc	United States of America	Sales, marketing and implementation of software	Ordinary share	100%

The registered office of Kimble Applications Inc. is One International Place, Suite 1330, Boston, MA 02110, USA.

KIMBLE APPLICATIONS LIMITED

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

14. Debtors

	Group 2020 £	<i>Group 2019 £</i>	Company 2020 £	<i>Company 2019 £</i>
Trade debtors	5,334,703	2,596,661	3,263,377	1,384,238
Other debtors	155,835	178,707	112,011	113,148
Prepayments and accrued income	1,063,000	812,503	682,547	488,610
Tax recoverable	-	428,728	-	428,728
	<u>6,553,538</u>	<u><i>4,016,599</i></u>	<u>4,057,935</u>	<u><i>2,414,724</i></u>

An impairment loss of £Nil (2019: £Nil) was recognised against trade debtors.

15. Cash and cash equivalents

	Group 2020 £	<i>Group 2019 £</i>	Company 2020 £	<i>Company 2019 £</i>
Cash at bank and in hand	<u>6,225,671</u>	<u><i>2,291,989</i></u>	<u>3,422,167</u>	<u><i>1,622,839</i></u>

16. Creditors: Amounts falling due within one year

	Group 2020 £	<i>Group 2019 £</i>	Company 2020 £	<i>Company 2019 £</i>
Trade creditors	1,573,337	1,220,163	1,512,297	1,008,131
Corporation tax	91,959	-	-	-
Other taxation and social security	653,822	306,801	651,988	307,873
Obligations under finance lease and hire purchase contracts	-	73,923	-	73,923
Accruals and deferred income	12,633,022	8,107,616	6,958,006	4,930,891
	<u>14,952,140</u>	<u><i>9,708,503</i></u>	<u>9,122,291</u>	<u><i>6,320,818</i></u>

KIMBLE APPLICATIONS LIMITED

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

17. Financial instruments

	Group 2020 £	<i>Group 2019 £</i>	Company 2020 £	<i>Company 2019 £</i>
Financial assets				
Financial assets measured at fair value through profit or loss	6,225,671	2,291,989	3,422,167	1,622,839
Financial assets that are debt instruments measured at amortised cost	5,490,539	2,775,368	3,375,391	1,497,386
	<u>11,716,210</u>	<u>5,067,357</u>	<u>6,797,558</u>	<u>3,120,225</u>
Financial liabilities				
Financial liabilities measured at amortised cost	<u>(2,628,139)</u>	<u>(2,657,307)</u>	<u>(2,158,718)</u>	<u>(1,735,962)</u>

Financial assets measured at fair value through profit or loss comprise cash and cash equivalents.

Financial assets that are debt instruments measured at amortised cost comprise trade debtors and other debtors.

Financial liabilities measured at amortised cost comprise trade creditors, amounts due on finance leases, accruals and other creditors

18. Share capital

	2020 £	<i>2019 £</i>
Allotted, called up and fully paid		
15,804,000 (2019 - 15,708) ordinary shares of £0.00001-(2019 - £0.01) each	158	157
1,397,000 (2019 - 1,400) A preference shares of £0.00001-(2019 - £0.01) each	14	14
2,488,000 (2019 - 2,488) B1 preference shares of £0.00001-(2019 - £0.01) each	25	25
859,000 (2019 - 859) B3 preference shares of £0.00001-(2019 - £0.01) each	9	9
	<u>206</u>	<u>205</u>

In 2020, the company issued 96 ordinary shares of 1p each for a total consideration of £265 per share.

In May 2020, the company sub-divided all share classes. Each share in issue became 1,000.

KIMBLE APPLICATIONS LIMITED

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

18. Share capital (continued)

Except as otherwise provided for the Company's Articles of Association, the series A shares, the series B shares and the Ordinary shares shall rank *pari passu* in all respects but shall constitute separate classes of shares. All shares have equal voting rights.

B series shares

The B series shares attract an 8% cumulative preferential dividend owed by the company to the holders of shares. The preference shares become payable when it is lawfully permissible to do so however are only payable by the company if, on an exit, a premium over and above issued share price, "the threshold amount", is not achieved.

The holders of the B shares are entitled to redeem some or all of the B series shares upon written notice being given after 5 years from the date of adoption of the Articles of Association (6 March 2018).

B series shares automatically convert to Ordinary shares immediately prior to an exit or return of capital event.

On a winding up of the company, the holders are entitled to receive any accrued dividends, plus an amount equal to the issue price of the shares as is available from the liquidated assets of the company in priority over the other classes of shares.

A series shares

A series shares automatically convert to Ordinary shares immediately prior to an exit or return of capital event or by written notice by the shareholders holding more than 50% of the A series shares.

Full details of the rights attaching to the shares can be found in the Company's Articles of Association.

19. Reserves

Share premium account

Includes and premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.

Profit and loss account

Includes all current and prior period retained profits and losses.

KIMBLE APPLICATIONS LIMITED

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

20. Share based payments

Share options have been granted to employees of the company under the Kimble Applications Limited Employee Benefit Trust Scheme (2011). The options are exercisable at the discretion of the employee between the third and tenth anniversary of their grant. The options are not subject to any performance conditions.

Further share options have been granted to non employees and employees of Kimble Applications Inc. The options are exercisable at the discretion of the employee between the third and tenth anniversary of the grant. The options are not subject to any performance conditions.

The directors have determined that any profit and loss account charge in relation to the above options granted is immaterial.

On 21 September 2018 the Company introduced a new Enterprise Management Incentive Plan for the benefit of certain employees. The options are all equity-settled share-based payment arrangements.

On 18 September 2020 the Company introduced a new Enterprise Management Incentive Plan for the benefit of certain employees. The options are all equity-settled share-based payment arrangements.

The company is unable to directly measure the fair value of employee services received. Instead the fair value of the share options granted during the year is determined using the Black-Scholes model. The model is internationally recognised as being appropriate to value employee share schemes similar to the schemes used by the company.

The following ordinary share options were held under EMI scheme as at 31 December 2020.

	Weighted average exercise price (pence) 2020	Number 2020	<i>Weighted average exercise price (pence) 2019</i>	<i>Number 2019</i>
Outstanding at the beginning of the year	120	669,000	199,566	669
Granted during the year	120	414,397		-
Forfeited during the year	-120	(260,000)		-
Exercised during the year		-		-
Expired during the year		-		-
Outstanding at the end of the year	120	823,397	<i>119,566</i>	<i>669</i>

	2020 Black- Scholes	<i>2019 Black- Scholes</i>
Option pricing model used		
Weighted average share price (pence)	408	298,770
Exercise price (pence)	120	119,566
Weighted average contractual life (days)	1,095	1,095
Expected volatility	50%	50%

KIMBLE APPLICATIONS LIMITED

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

20. Share based payments (continued)

Expected dividend growth rate	-	-
Risk-free interest rate	1%	1%
	<u> </u>	<u> </u>
	2020	2019
	£	£
Equity-settled schemes	305,073	239,520
	<u> </u>	<u> </u>

All shares were divided by 1,000 in the year therefore the 669 options in 2019 became 669,000 in 2020 although the total value of these options remained the same.

Post year end all options have vested.

21. Pension commitments

The Group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £288,192 (2019: £234,354). Contributions totaling £Nil (2019: £Nil) were payable to the fund at the balance sheet date and are included in creditors.

22. Commitments under operating leases

At 31 December 2020 the Group and the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group	<i>Group</i>	Company	<i>Company</i>
	2020	<i>2019</i>	2020	<i>2019</i>
	£	<i>£</i>	£	<i>£</i>
Not later than 1 year	235,015	<i>499,496</i>	230,376	<i>240,846</i>
Later than 1 year and not later than 5 years	230,376	<i>619,923</i>	230,376	<i>460,752</i>
	<u>465,391</u>	<u><i>1,119,419</i></u>	<u>460,752</u>	<u><i>701,598</i></u>

23. Related party transactions

In accordance with Financial Reporting Standard 102 'section 33', the Company has taken advantage of the exemption for subsidiary undertakings, where all of the voting rights are controlled within a Group, not to disclose related party transactions within that Group.

No other related party transactions or balances have been identified for disclosure.

KIMBLE APPLICATIONS LIMITED

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

24. Post balance sheet events

On the 10th March 2021, Kimble Applications Limited was acquired by Villa Bidco Limited an entity put in place as part of a group reorganisation to facilitate further investment in the entity by Accel-KKR. Villa Bidco Limited became the immediate parent undertaking and Villa Topco Limited became the ultimate parent undertaking. Accel-KKR is now the overall ultimate controlling party through its interest in Villa Topco Limited. At this time, in March 2021 Kimble Applications Limited and Kimble Applications Inc became guarantors on a new loan taken out by Villa Bidco Limited amounting to £20m, and a new revolving credit facility of £3m, the latter remaining unused in 2021.

In October 2021, Kimble and Accel-KKR entered into a definitive agreement to merge with Mavenlink Inc. The transaction was subject to an Anti-Trust HSR review by the US Department of Justice, and completed on 6 December 2021. This transaction, has Accel-KKR investing further funds into Villa Topco, and the current £20m loan being replaced with a new loan of \$225m to enable the acquisition of Mavenlink, by Villa Topco Limited, to be achieved. Kimble Applications Limited will be a guarantor on the new debt facility.

25. Controlling party

As at 31 December 2020 the Directors consider there to be no overall controlling party, however, at signing of these Financial Statements the Directors consider Accel-KKR to be the controlling party by virtue of their increased shareholding and majority representation on the Board of directors. See note 24 for further details.

At signing of these financial statements the immediate parent undertaking is Villa Bidco Limited and ultimate parent undertaking is Villa Topco Limited.