GetBusy plc

ANNUAL REPORT AND ACCOUNTS

31 DECEMBER 2017

Building momentum in a year of change

Company number: 10828058

What a year!

A lot happened in 2017. Phew! But we're all excited about the future.

We stood on our own two feet. In July, we de-merged from Aussie-listed Reckon and travelled half way round the world to London, where we completed our IPO on AIM in August. That'll help us to pursue our own independent strategy, develop new products, access capital and have our own personality – it's important to be yourself, you know?

We've been building a team. Great people rock. We're determined to get together the right bunch – passionate, energetic, creative and smart – to make good stuff happen. Our experienced Board, the guys and girls who do everything they can to make our customers happier and more productive, the geniuses developing our new products and enhancing our customers' experience, even the finance mob – they all deserve a big hand.

We've been developing our new product. This is something we're not going to rush. We're going to get it right. We've got great customers and they've got great customers – that's a lot of greatness. We're building something that we hope they'll all love. Something that helps them do more of the things they love and less of the boring stuff.

We've helped a lot more customers with their document chaos. We've got two very cool document management products – Virtual Cabinet and SmartVault. Our sales grew by 20% this year. We've got 6,000 more customers than a year ago – 57,000 in total! 864,000 people now use our products. Our sales teams smashed it – sales in Australia and New Zealand grew by 98% and in the United States we were up 30%.

We grew our recurring revenues. Our customers love paying a periodic amount rather than forking out a tonne of cash up front. And we love recurring revenue: it keeps us closer to our customers because we interact with them so much more. In 2017 our recurring revenues grew by 23% - that's now 86% of the total.

We spent wisely. We didn't let this sales growth go to our head. We value every pound we spend and choose what to do with it very carefully, making sure we understand what the return is. We also want to invest in the future – new products to help our customers more, extending our sales into new regions and getting the right team.

We're set up for the future. We've got £2.8m in the bank. We've got two great products that solve real customer problems, have strong sales growth and that collectively generate cash. We've got a development team that has been sent back from the year 3000 to help us build a third fantastic product. We've got very high standards and we're patient – we're going to make decisions for the long term.

What's all this then

Contents

From our chairman

Hi there shareholders,

I am very pleased to present our inaugural annual report and hope you enjoy reading it.

2017 was a memorable year for GetBusy. In August, we completed the demerger of the document management business from Reckon Limited, the fully underwritten rights issue and the admission to trading on AIM. And amidst this backdrop of considerable change for the business and its employees, we still managed to deliver a very solid maiden set of results.

The fundamental challenges of secure document management and information chaos, which our products help to solve, remain prevalent across a range of vertical markets. The demonstrable cost savings enabled by our products provide a convincing business case for our customers. Legislative changes, such as the General Data Protection Regulations ("GDPR") in the EU, are important catalysts for businesses, professional services firms, academic institutes, retailers and many other organisations to examine their document management practices and select tools that improve efficiency and compliance.

Both of our document management products, Virtual Cabinet and SmartVault, have delivered excellent revenue growth across each of our territories. In particular, we have seen very strong performances in the US and Australia. We have built significant momentum in a year of change.

Our development teams have also been working hard on our new solution, GetBusy, which will help SMEs with productivity and communication. Iterative development is ongoing and we are encouraged by the engagement of early users with the process.

I would like to thank all of our shareholders for their support. The rights issue was fully subscribed. The demerger and admission to AIM allows us to pursue an independent strategy for developing new global offerings that build on our great existing customer base plus enables the creation of our own personality consistent with the innovative nature of the new GetBusy product in development.

We have a Board with an excellent mix of skillsets and experience. Our management team, led by Daniel Rabie, is dynamic and motivated to deliver on our strategy. Each of our people is committed to living the culture and values we're embedding and to help our customers to be more productive.

In the coming year we expect continued growth in high quality subscription revenues from Virtual Cabinet and SmartVault in the UK, US, Australia and New Zealand. We will continue to invest in developing the GetBusy product as well as making improvements to our existing products.

I look forward to meeting you at the AGM in May.

Miles Jakeman

What we do, how we do it.

Our business model

The market opportunity

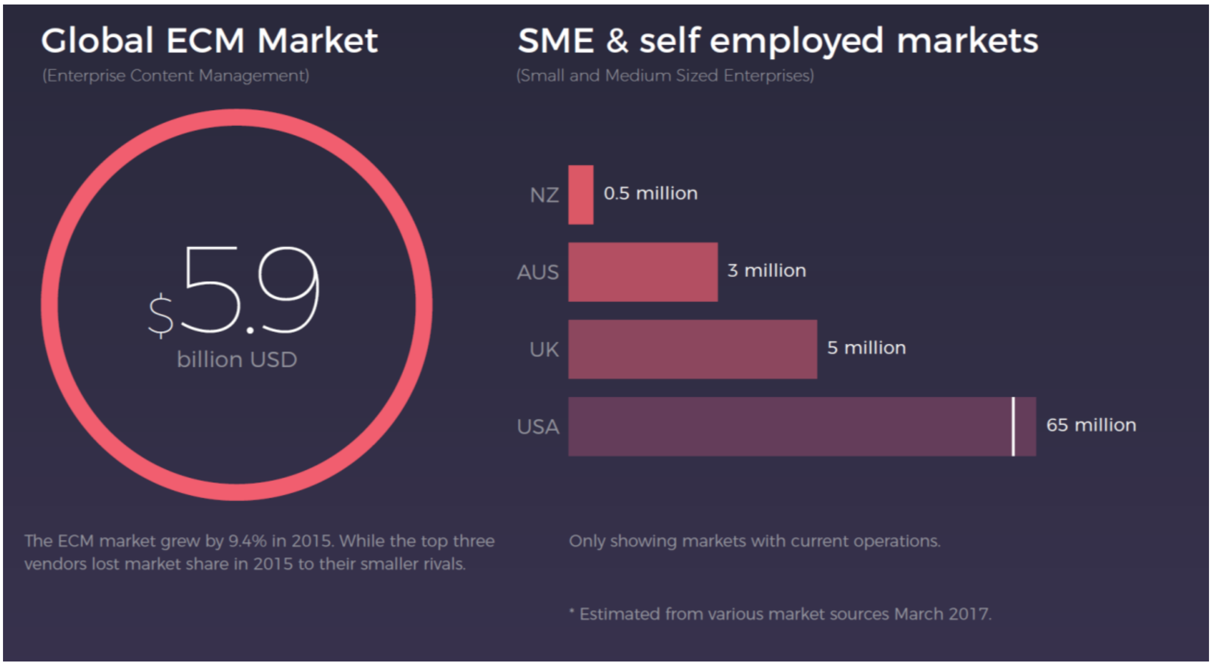
Organisations that handle a lot of documents – hard copy and digital – have a huge challenge. They're often working with cumbersome, slow, insecure systems with very little discipline or consistency around how documents are handled.

Do you file documents by date? If so, what format do you use? What about client names? Draft or final version? How do you track all the changes? Who did you send it to? Was it secure? Where's the signed version?

Sound familiar? We call this "information chaos". It costs organisations nearly $20,000 per information worker per year. This is what our products solve. Our software optimises the capture, management, preservation and delivery for each individual document in our customers' business. People call it Enterprise Content Management ("ECM"). We call it working smarter.

The Total Addressable Market is huge. Ignoring SMEs (which we don't), the total ECM market was estimated to be $5.9 billion in 2015 and it grew by 9.4% that year. The SME market is virtually untapped in terms of professional document management software. The markets in which we currently operate (UK, Australia, New Zealand and the US) have over 73 million SMEs among them.

The Group is positioned to access this international market because its SmartVault and Virtual Cabinet software is suitable for businesses ranging in size from SMEs to large global enterprise organisations. Further, there is strong global demand and little country-specific optimisation needed, as evidenced by Virtual Cabinet's successful international expansion from the UK into the Australian market.

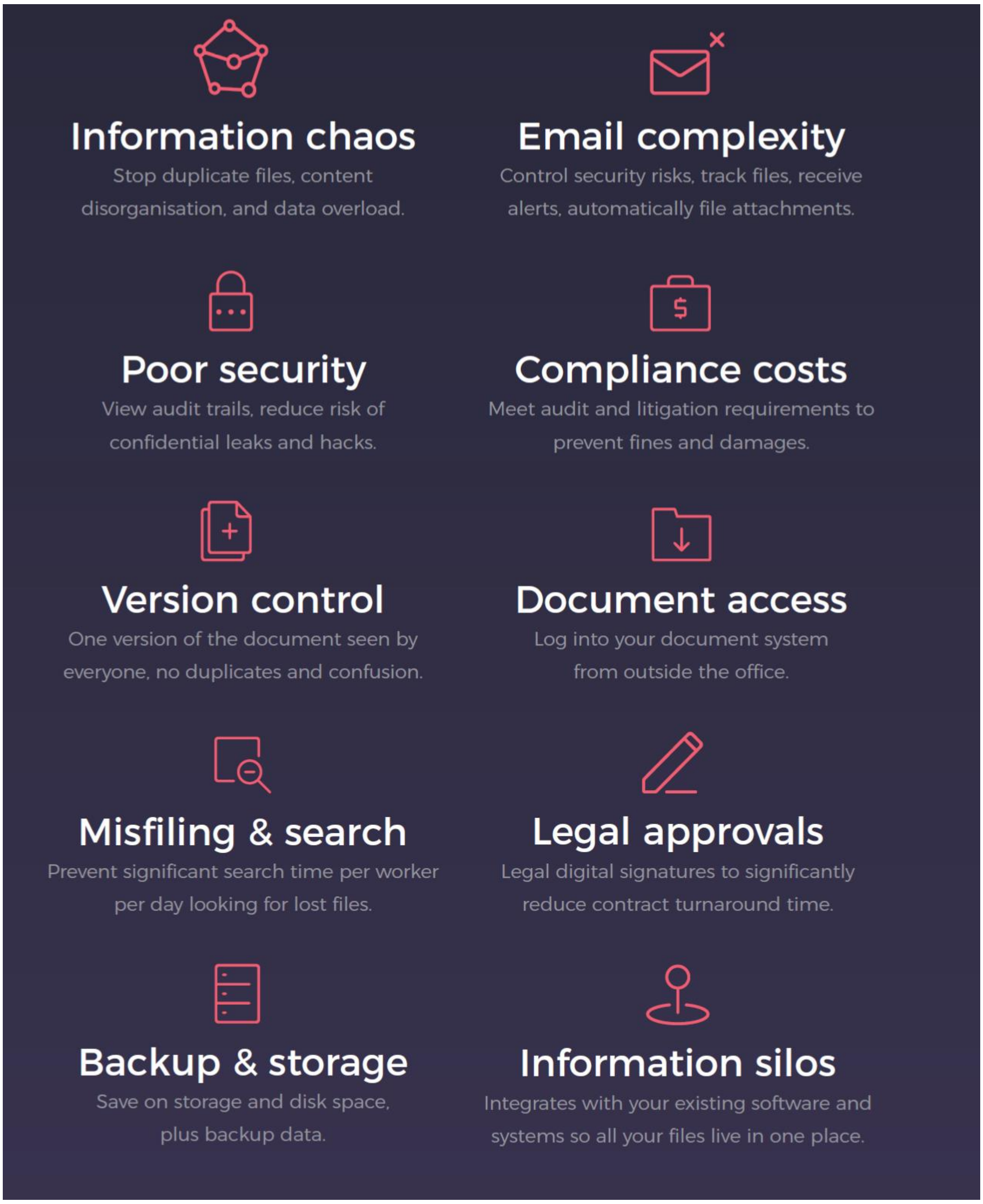


What we do, how we do it.

Our business model (continued)

The market opportunity (continued)

We believe there is a set of strong growth drivers for this market and our products. Not only does it make sense to do things more efficiently in workplaces, but the introduction and future strengthening of legislation such as GDPR should increase those drivers over time, which means we believe our products will continue to see revenue growth and new market expansion for the foreseeable future.

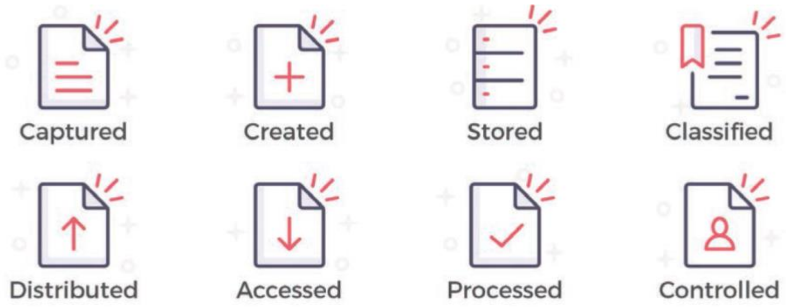


What we do, how we do it.

Our business model (continued)

Our products

The Group's software – Virtual Cabinet and SmartVault - bring information together in a centralised storage place where documents can be:



The products are designed to provide a hybrid solution with on-premises document scanning, searching, storage and retrieval, complemented by secure 24/7 anytime anywhere, cloud document distribution and electronic signature capabilities. In addition to seamless integration with other core business software, content capture facilities such as virtual printing and advanced e-mail capture rules allow automated information assimilation.

The quality of the Group's core products is evidenced by the reliable and rapid customer growth over many years as shown below:

In total SmartVault and Virtual Cabinet had 57,000 customers at 31 December 2017, with 864,000 users registered to share documents on the online portals. In 2017 there was a 56% increase in the number of documents published via the Virtual Cabinet portal, a 54% increase in signed document approvals across both platforms and a 51% increase in the number of people registered to share documents in the Virtual Cabinet portal.

Just as important as this large uptake and sustained growth, customer satisfaction across both products is high with 98% of Virtual Cabinet users rating their experience as either good or excellent and 90% of SmartVault customers satisfied with their experience.

What we do, how we do it.

Our business model (continued)

Our products (continued)

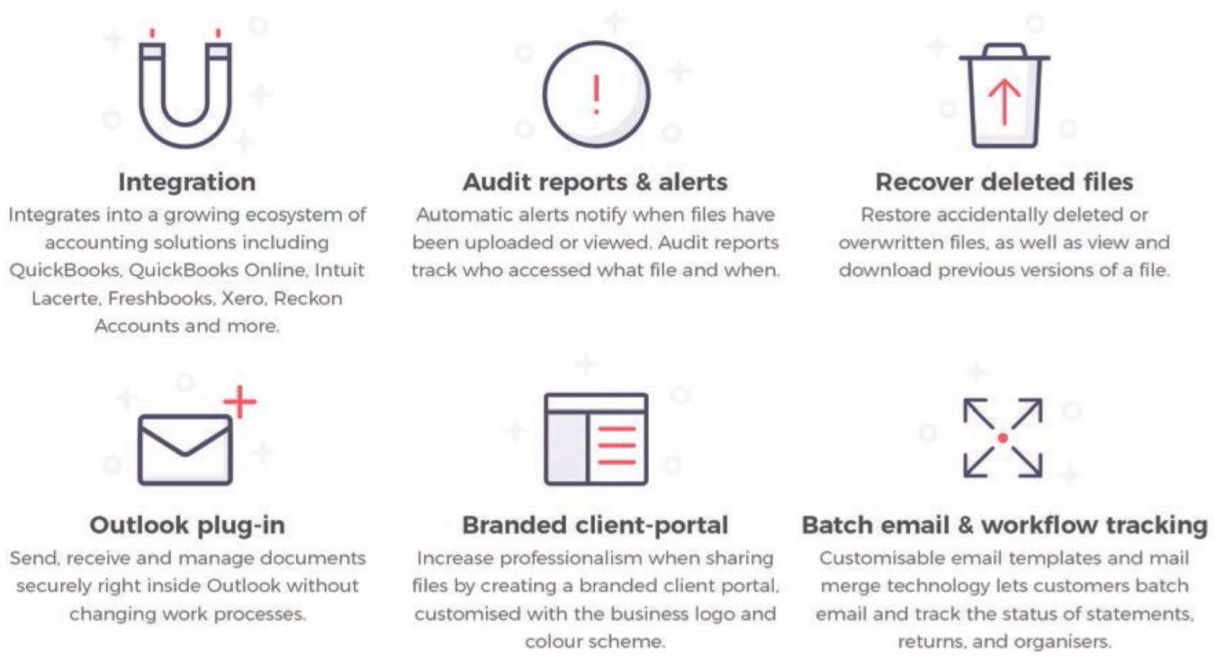
SmartVault

SmartVault is a cloud-based document management system targeting small and medium-sized businesses. It provides an easy to use, intuitive document management program for SMEs that requires limited training or setup. The key advantages that the SmartVault technology and platform present to SMEs are shown in the diagram below.

SmartVault was the system of choice for 17,900 customers in 2017. During 2017, 3,900 new customers were added, representing a 28% customer growth rate. SmartVault experienced an average net Monthly Recurring Revenue ("MRR") churn of 0.6% of revenues per month in 2017, which demonstrates the product's ability to retain a recurring customer base. Customers of SmartVault securely shared documents with over 600,000 registered users in 2017.

The SmartVault product has also achieved efficiencies with its inbound sales and marketing model with a Customer Acquisition Cost ("CAC") of £360 for 2017 and a £2,195 Life Time Value ("LTV") for customers (calculated as an average of LTV per month of 2017 customers), delivering a LTV:CAC ratio of 6:1.

We're really proud SmartVault has earned recognition from Intuit as a QuickBooks Gold Certified Developer, is rated 5 stars on Apps.com, has won a number of awards including multiple Readers' Choice Awards and Technology Innovation Awards from CPA Practice Advisor and has earned both Awesome App and Awesome QuickBooks Add-On awards from The Sleeter Group.



What we do, how we do it.

Our business model (continued)

Our products (continued) – case study

Academy Securities is a growing securities and investment bank owned and operated by former military members with four locations across the United States. Given the company's strong ties to the military, it's no surprise they take security very seriously. According to Sadie Millard, one of the company's administrators, it was the need to comply with the data management and security regulations put in place by the U.S. Securities and Exchange Commission (SEC) and Financial Industry Regulatory Authority, Inc. (FINRA) that locked down the company's decision to use SmartVault.

"Before we started using SmartVault our document management system was not very user-friendly. It was also expensive and, quite frankly, archaic," Millard explained.

Millard wasn't disappointed once she made the call to implement SmartVault. The company was able to get up and running using the system quickly. "**The training and support we received while making the transition was excellent**," said Millard. "**SmartVault did a fantastic job in helping us get off the ground quickly and easily.** We haven't had any issues, which has been wonderful, given that some of our users have limited technological capabilities."

"The flexibility of being able to work anytime anywhere is also key for our team," said Millard. "**Having everything we need in the cloud provides peace of mind in terms of file storage, too. I know that if I lose my computer or it is corrupted, I still have all of my work available thanks to SmartVault**."

"SmartVault is a very robust system, but it's also user-friendly," concluded Millard. "I feel confident that SmartVault will continue to be an ideal partner for our security and document storage needs while also helping us build our collaborative work environment for many years to come."

What we do, how we do it.

Our business model (continued)

Our products (continued)

Virtual Cabinet

Virtual Cabinet is a desktop document management system targeting medium to large scale enterprise businesses. Virtual Cabinet allows businesses to automatically file their emails, search content inside their stored documents, approve documents with legally acceptable digital signatures, track files after they have been sent, generate comprehensive end-to-end audits, optimise processes and workflows in addition to other features. All of these processes are secured using AES-256 encryption in a secure environment accessible only by the recipient.

The key advantages that the Virtual Cabinet technology and portal present to medium to large scale enterprises are shown below. The product can also be customised to individual customer's needs and back-office systems.

Virtual Cabinet is used by 39,500 customers, of which 1,800 customers were added during 2017.

Customers of Virtual Cabinet securely signed documents and shared documents with over 260,000 registered users on the online portal in 2017. Virtual Cabinet has demonstrated a strong ability to retain its recurring customer base historically with a low average MRR churn of 0.7% per month of revenue in 2017.

Virtual Cabinet is accredited to the ISO/IEC 27001:2013 standard, which specifies the requirements for establishing, implementing, maintaining and continually improving information security management systems. Evidencing the product's market perception, Virtual Cabinet was a finalist in the British Accountancy awards three years in a row (2014, 2015 and 2016) for the best practice software product of the year for accountants.

Automatic filing
Email attachments and client-related documents from a customer's practice management system are automatically sorted and stored. No more manual filing.

Powerful searches
Find client files with ease (including searching the content of the actual document), and access all the customer's documents from outside of the office.

Accept digital signatures
Allows a customer's clients to sign documents to significantly reduce document turnaround time and efficiency. No more printing out PDF's.

Track documents after sending
See if a file is viewed, actioned or downloaded in real-time, and set up alerts. Invaluable insights to improve a customer's communication strategy.

Audited document ownership
End-to-end audit process to ensure every document's history is visible, with clear ownership information back to users.

Industry standard security
AES-256 bit encryption and multi-layered security ensures customer data is protected. Documents are held in an environment only the recipient can gain access, so more secure than email.

What we do, how we do it.

Our business model (continued)

Our products (continued) – case study

VirtualCabinet

SEVEN Investment Management

The investment management company, 7IM, manages the funds of over £11 billion for a range of private investors. Their common sense approach to the business sets them apart along with the desire to provide great service, which by their own admission they say is hard to find.

When it came to choosing a replacement document management system the principles the company holds dear such as '**being innovative and seeking common sense straightforward solutions**' played an important part. The priority was to find a system that was fast with a smarter search engine to get around the difficulties of finding documents.

"Our previous system was not very user friendly and we experienced difficulties pulling back all the client documents," comments Susan Allen, Head of Platform Service Team. A review of the market led 7IM to Virtual Cabinet; a system that delivers industry strength document management and is designed to save time and money for professional firms, including Financial Advisors, Accountants and Insurance brokers.

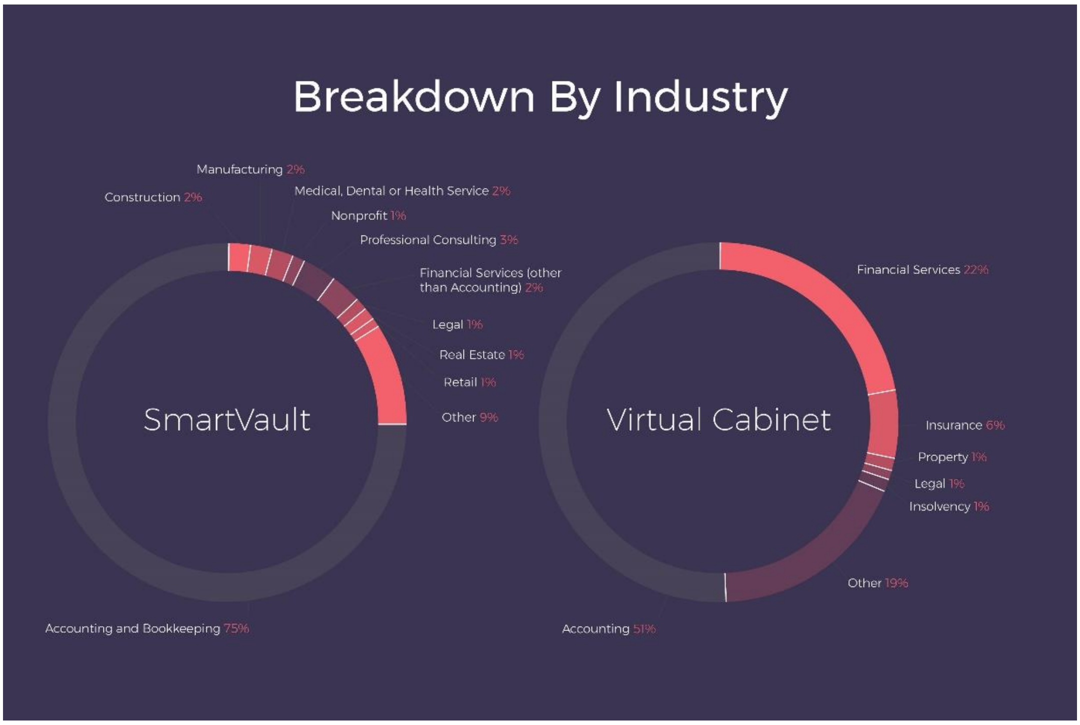
"We felt it would be a good option" Susan continues. **"We particularly like the ability to specify different virtual filing cabinets for different parts of the business and that we can restrict certain documents from everyone's view."** This is an important attribute for a best practice document management system in the financial services industry. "Virtual Cabinet is very easy to use and everyone has taken to it really well," Susan notes. "In terms of the searching option, the consensus is that it is we **can now readily locate all of a client's documents** and this was something that at times proved difficult before Virtual Cabinet was installed."

For companies in the financial services industry looking for a document management system, the 7IM overview is that "it's very easy to use, to navigate and to search for documents. The import function from Word, Excel and email is straightforward and overall, **Virtual Cabinet is very intuitive**."

What we do, how we do it.

Our business model (continued)

Our products (continued)



What we do, how we do it.

Our business model (continued)

Our products (continued)

GetBusy

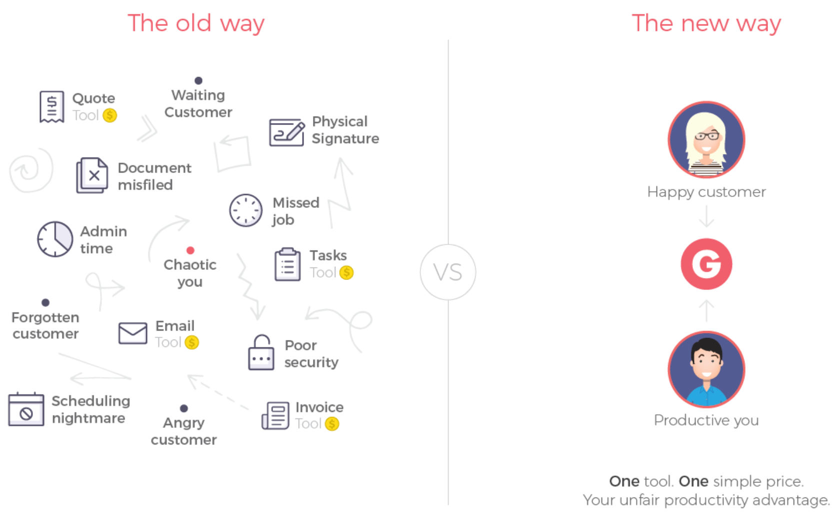
The new GetBusy product will address SMEs. We believe there's a market opportunity to supply a new solution that combines communication, productivity and content with a special focus on digital communication and relationships.

We propose that the GetBusy product will enable stronger and more productive customer relationships by allowing users to collaborate over content using a simple communication tool.

GetBusy will seek to combine document management with key additional communication functionality that businesses require, but which is currently spread across multiple systems, including messaging, quotes, invoices, tasks capture and more.

The development of the GetBusy product has three core objectives, to:

- create stronger customer relationships for users with less effort;
- help users become more organised and productive; and
- reduce administrative burden.



Once developed, the GetBusy product is expected to be able to leverage the Group's existing customer base of over 57,000 customers and the 864,000 users who are currently sharing documents through the SmartVault platform and Virtual Cabinet online portal. This extensive market base, combined with the anticipated strong uptake of this type of product, should allow for the possibility of strong future growth.

The Group's experienced development team is combining industry best practice development techniques, advanced design technology with a strong user experience focus and thousands of man hours of experience to create a foundation for continued future success with GetBusy.

GetBusy will stay in development until the experienced development team, and a small test group of users, decide the product is ready to commence Beta testing. Beta testing will continue until user satisfaction KPIs are met, at which point GetBusy will be publicly released. The entire release schedule will be heavily dependent on customer feedback, and will only proceed to the next step once expected customer validation is achieved.

What we do, how we do it.

Our business model (continued)

Our strategy

- Use data-oriented customer acquisition methods...
- ... to attract high-quality recurring subscription revenue customers...
- ... to our existing document management software products...
- ... helping them to be more productive, efficient and compliant...
- ... so they become promoters of our new products.

Our operating model

		Sales	Marketing	Support / consulting
ENTERPRISE	Virtual Cabinet	Highly skilled sales reps focused on a narrow set of target prospects. Long sales cycles supported by technical consultants who implement the product around customers' needs.	High-end marketing that facilitates brand awareness, education, relationship building and trust, complemented by direct support of the sales team.	High-touch support up to on-site issue resolution complemented by educational tools and training tailored to the specific needs of individual customers.
TRANSACTIONAL	SmartVault & GetBusy	Inside sales reps supported by online content, automation, tools, training, incentives and metrics that enable high efficiency.	Feeds highly qualified leads to the sales team to build pipeline. Removes roadblocks through educational content and automation that drive complexity out of the purchase.	Inside support reps that provide pre and post-sales support and consulting, with tools and training that enable high efficiency, helped by customer self-service tools and educational content.
SELF-SERVICE	GetBusy (in development)	Leverage off existing channels to market and sales team	Revenue generation with low CAC (Customer Acquisition Cost). Create awareness, educational content and automation to drive business through the entire purchase process from awareness to close.	Automation and tools for easy on-boarding, plus templates and educational content that allow customers to largely resolve any issues they encounter on their own.

What we do, how we do it.

The way we operate

Our culture and values

To achieve what we want to achieve, it's critical that we have the right team. That means the right skillsets but more importantly it means the people we work with need to share our values. You can see these below. We won't compromise. Only rockstars work here.

Every customer experience must include a smile ;)	The original and arguably the most important rule. If we can satisfy our customers, and genuinely improve their lives, success will follow. This applies to every single customer. Every time. At every point of interaction no matter how small. No exceptions.
Show grit and make stuff happen	Your mental toughness and perseverance is a better predictor of your success than any other factor. Also, the happiest and most successful people are the ones who persevere - grit is long-term. There will be achievements and failures along the way - embrace the journey. It's hard to beat a person who never gives up, so roll up your sleeves and DO things already!
Keep it simple	We'll keep this one short. If you can't explain it simply, you don't understand it well enough, no matter how smart you are. Always challenge yourself to radically simplify. Every experience must seem delightfully intuitive, familiar and clear, yet new and surprising.
Better together	Stay positive. Positive thinking will allow us to achieve the impossible. No egos. Best idea wins. We've got each other's back. There are introverts, extroverts, creative, emotional and logical thinkers. We need everyone working together to win. A culture of innovation, not fear.
BSU (Blow Stuff Up!)	We're out to change the world. We thus need to break from convention and be a disruptor to win. We're an agile company. That means not being afraid of change. Remember: to improve is to change, to be perfect is to change often.
Data drives decisions	We're a data driven organisation. We must be led by our data, and be agile to it. We need to collect as much data as possible, understand it as simply as possible, then come to the best possible decision. You must determine your own personal success with data. If you don't report on it, it didn't happen.

How we measure success.

Our key performance indicators

Financial and non-financial key performance indicators

Data drives decisions

High quality subscription revenue growth	Recurring revenue proportion 86% (2016: 83%)	Recurring revenue growth 23% 2017 vs 2016	Subscription revenues help to drive predictable earnings and create substantial value over the lifetime of a contract. We have been shifting our business model to focus on recurring revenue growth.
Average MRR Churn	SmartVault 0.7% (2016: 1.1%)	Virtual Cabinet 0.7% (2016: 0.3%)	Average MRR churn is the percentage of Monthly Recurring Revenue that is lost each month due to customer cancellations etc. It is stated before factoring in new customer revenue.
Platform reach	Customer count 57,000 (2016: 51,000)	User count 864,000 (2016: 617,000)	Customers are so important because they back our products and generate revenue. Each customer has a number of users that access our platforms.
Efficiency of operation	SmartVault LTV to CAC ratio 6:1 (2016: 5:1)	SG&A costs as a proportion of revenue 78% (2016: 78%)	LTV to CAC (Life Time Value to Customer Acquisition Cost ratio) is a key measure of the efficiency of our marketing. Sales, general and admin ("SG&A") costs have remained consistent as a proportion of sales despite the additional corporate costs.
Investment in products	Development spend £2.6m (2016: £2.8m)	Development headcount 35 (2016: 40)	We have continued to invest in our development teams, who have worked on both existing and new products. The reduction in headcount is due to a rebalancing towards higher value skillsets as we develop GetBusy.
Key financial	Group revenue £9.3m (2016: £7.8m)	Adjusted EBITDA £(1.2)m (2016: £(1.7)m)	Our key headline financial metrics. Adjusted EBITDA is defined as operating profit / loss less depreciation, amortisation, share option costs, demerger and flotation costs and before the capitalisation of development costs.

How it went.

CEO's review

Building momentum in a year of change

A big thank you to our shareholders: those that came over from Reckon, those that joined us at the IPO and those that have joined us since. I am very grateful for your support and I look forward to working with the Board, the management team and all of our people to deliver sustained shareholder value well into the future.

A solid performance in our maiden year

I am delighted with the performance of the team this year who have all risen to the challenges we have put before them. We successfully completed the demerger from Reckon together with the rights issue and the admission to AIM, but most importantly we have delivered a solid performance in our maiden year, with pleasing growth across the business. Our growing high-quality subscription revenue puts the Company in an excellent position to leverage off its market position and continue our growth plans in 2018.

High quality organic revenue growth from proven products

Revenue grew by 20% across the Group to £9.3m (2016: £7.8m). Pleasingly, our recurring revenue grew by 23% to £8.0m (2016: £6.5m) and now represents 86% of Group revenue (2016: 83%); increasing our proportion of recurring subscription revenues is an important part of our strategy to create a sustainably growing business.

Revenue in Australia and New Zealand grew by 98% to £1.3m (2016: £0.7m) and revenue in the United States grew by 30% to £2.9m (2016: £2.2m). Revenue in the UK, which is a significantly more mature market, grew by 4% to £5.1m (2016: £4.9m). In December 2017, our monthly recurring revenue ("MRR") was £0.7m, equivalent to annualised recurring revenue of £8.8m. MRR growth from December 2016 to December 2017 was 25%.

Our Virtual Cabinet and SmartVault products have continued to acquire new customers and users. During 2017 our paying customer base increased by 11% to 57,000 (2016: 51,000). The number of users accessing our portal products rose by 40% to 864,000. Existing customers and users provide us with an excellent platform, a cost-effective channel and supportive advocates to launch our new GetBusy product.

How it went.

CEO's review (continued)

Our largest market in 2017 continued to be accountants and bookkeepers, to which 51% of Virtual Cabinet revenue and 75% of SmartVault revenue was attributable. We serve 27 of the Top 100 accounting firms in the UK and 11 of the Top 20 in Australia and New Zealand. We have also increased our presence in other high-value vertical markets including law firms, independent financial advisers, insurance, estate agents, retailers, leisure firms and academia.

The need to manage digital data and hard copy documents is a significant challenge for businesses using traditional digital storage and retrieval methods in standard computer operating systems. These systems are typically cumbersome, slow, unsecure and lack a standardised systematic approach to file storage and naming conventions. The Group's software seeks to address the potential information chaos caused by these issues by optimising the capture, management, preservation and delivery for each individual document in the business.

This issue is a very real problem and forms a cost to businesses who are not addressing it. Wasted time dealing with information issues can cost organisations about US$19,732 per information worker per year according to IDC, amounting to a 21.3% loss in an organisation's total productivity.

The Group is positioned to access this international market as its SmartVault and Virtual Cabinet software products are suitable for businesses ranging in size from SMEs to large global enterprise organisations. Furthermore, there is strong global demand and little country-specific optimisation needed, as evidenced by Virtual Cabinet's successful international expansion from the United Kingdom into the Australian and New Zealand markets.

These trends are favourable to the Group and its product suite and are expected to continue to drive new revenue growth and market expansion for the foreseeable future.

Cost control and targeted development investment

2017 has been a year of continued investment in our sales and marketing operations and in the development of new and existing products. It's also been a year in which we have absorbed the additional corporate costs of being a standalone listed group. Notwithstanding these additional costs and investments, our Adjusted EBITDA loss has reduced by 30% to £1.2m (2016: £1.7m).

During the year we spent £2.6m developing our products. We moved the Virtual Cabinet cloud portal to Amazon Web Services, which has resulted in a more reliable and secure service for our customers and is more scalable. We have embedded Multi-Factor Authentication within the SmartVault product to further enhance its security and have improved its digital signature capabilities following our integration with a new partner, DocuSign.

How it went.

CEO's review (continued)

Our next generation product, GetBusy, will seek to combine document management with key additional communication functionality that businesses require, but which is currently spread across multiple systems, including messaging, quotes, invoices, tasks capture and more.

The development of the GetBusy product has three core objectives, to:

- create stronger customer relationships for users with less effort;
- help users become more organised and productive; and
- reduce administrative burden.

Once developed, GetBusy is expected to be able to leverage the Group's existing customer base and global infrastructure in place. GetBusy addresses a real market need and is expected to continue to achieve growth in the Group's core markets of SMEs and large enterprises.

Awesome people

Better together

Our people are at the heart of everything we do. Against a backdrop of significant change, I couldn't be more proud of the team who have delivered robust business performance with significant high-quality revenue growth and exciting progress on developing new products. GetBusy's dynamic customer focused culture enables us to be innovative, agile and continuously moving forward.

I want expressly to say thank you to each and every one of our people. Our success is carried on your shoulders.

Outlook

Our key vertical markets remain strong. International changes to the data regulatory environment increase general awareness of the business case for sophisticated document management systems. In 2018 we expect those strong fundamentals to contribute to continued growth in high quality subscription revenues from our existing products, particularly in the United States and Australia. I am proud of GetBusy's progress towards building a customer-centric application with a scalable and reliable architecture framework.

D. Rabie

Daniel Rabie

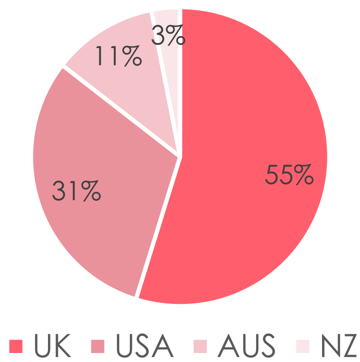
How it went.

Financial review

I was delighted to join GetBusy in November 2017. I was impressed by the passion for building and supporting awesome products that make customers' lives more productive and happier. I'm excited about the potential of the business and the team we have in place to deliver that potential.

Income statement

Group revenue increased by 20% in 2017 to £9.3m (2016: £7.8m). The proportion of our revenue from our four key territories shifted in the year, reflecting the relative maturity of the UK market compared to the faster growing US and Australian markets. The UK now accounts for 55% of revenue (2016: 63%), while the US has grown from 28% to 31% and Australia and New Zealand has leapt from 9% to 14% following continued strong growth after the move into that market in 2015.



2017 revenue by territory

In 2017, we decided to early adopt IFRS15, the new accounting standard for revenue recognition. This standard significantly changes the timing of the recognition of some of our revenue streams and unfortunately leads to an increasing disconnect between the timing of revenue recognition and the time of the associated cashflows. We have provided a complete explanation of these changes and the way in which we recognise revenue under IFRS15 in notes 2 and 5. The revenue impact of early adoption in 2017 was minimal – only £54k – but our deferred revenue increased by £1,019k.

Gross margin in 2017 was 92.9% (2016: 92.2%), with the small increase due principally to product mix.

Development costs of £2.6m comprise staff and related costs, the costs of development tools and software and the specialist consultancy costs. The 6% reduction in development costs in 2017 is attributable to a reduction in headcount in the United States in order to better control costs in that business and to improve the balance of skillsets across the Group.

How it went.

Financial review (continued)

Our preferred internal method of accounting for development costs is to expense 100% of the costs incurred in order to drive our focus on cashflow. Therefore our Adjusted EBITDA metric assumes all development costs are expensed, with the capitalisation and amortisation of certain costs required by IFRS recorded below the Adjusted EBITDA line on our Income Statement. £311k of development costs were capitalised during 2017 and related to various enhancements to our Virtual Cabinet and SmartVault products. We have capitalised no costs related to the GetBusy product because, as discussed in the Principal Risks and Uncertainties section, we cannot demonstrate with sufficient certainty the commercial viability of the product.

Sales, general and admin costs of £7.2m have remained at 78% of revenue. This is despite the additional burden of corporate costs that we now incur as a standalone listed company, including adviser and Board expenses, which totalled £0.9m in 2017 (2016: £0.3m). Overall our Adjusted EBITDA loss of £1.2m is £0.5m lower than 2016 – an improvement of 30%.

£0.9m of non-recurring costs were incurred during 2017, mainly during the demerger and IPO process and the subsequent establishment and reorganisation of the leadership team. Non-cash share option costs of £105k were incurred following the grant of LTIP options to senior management. Our statutory operating loss for the year was £2.1m, £0.2m higher than 2016 which included neither IPO and demerger costs nor share option costs.

The tax charge in the year of £0.2m relates mainly to deferred tax movements in respect of development costs in the UK, rather than current tax. Our loss after tax for the year was £2.3m (2016: £1.7m). This gives rise to basic and diluted loss per share of 4.75p (2016: 3.52p); as the group is currently loss-making the impact of potentially dilutive options is disregarded in the diluted loss per share calculation.

Balance sheet

Intangible assets of £0.3m comprise mainly development costs capitalised in the year together with certain protected intellectual property. Trade and other receivables increased by 41% during the year to £1.6m, due to both an increase in revenue and deposits paid for the rental of new office premises in Sydney. During 2018 we will work with customers to reduce the ageing of trade receivables, as analysed in note 12. The Group finished 2017 with cash of £2.8m.

Trade and other payables increased by 81% during 2017, mainly due to higher levels of accrued expenditure at the corporate level towards the end of the year. Deferred revenue, as recorded under IFRS15, increased by 8% in the year to a total of £4.4m, of which £4.0m is expected to unwind during 2018. Deferred revenue at 31 December 2017 is £1.0m higher than it would have been under the pre-IFRS15 rules.

The biggest change to the shape of the balance sheet during 2017 is within the Equity section. Movements in share capital and share premium reflect the creation of our holding company, GetBusy plc, and the raising of funds on AIM in August 2017. The change to the Demerger Reserve reflects the net contribution of quasi-equity funding from Reckon Limited prior to the demerger.

How it went.

Financial review (continued)

Cashflow

Net cash used in operations of £0.7m was markedly better than the Adjusted EBITDA loss of £(1.2)m due to a combination of trade working capital improvements during the course of the year and increase in accrued expenditure at the corporate level. Capital expenditure related to Property, Plant and Equipment was £0.2m.

Net funding prior to the de-merger was £0.7m and the IPO raised £3.0m of cash.

Cash at 31 December 2017 was £2.8m. While we do not have any committed lines of credit in place, we maintain close relationships with our corporate bankers and other commercial banks.

Paul Haworth

How we do it responsibly.

Our governance arrangements

The Board

In a nutshell, it's the Board's job to ensure we're doing the right things. That's the right things by our shareholders, our customers, our suppliers, our people and, well, society in general. It's also our job to provide leadership; we make sure we know the direction we're heading in, that it's the right direction and that the team has got what it needs to get there.

We've assembled a great Board with a diverse skillset. You can meet them below. The next few pages describes some of the work they do to ensure we do things responsibly. It might be dry but it's super important; we take it really seriously.

Dr Miles Jakeman (Chairman)

Miles is the co-founder and current Deputy Chairman of ASX-listed technology services provider The Citadel Group Limited. Miles has over 28 years' experience advising senior business leaders and government officials in the areas of business strategy, leadership, performance development and risk management.

Miles has a Bachelor of Science (Hons), a Graduate Diploma in Asian Studies, a Doctorate of Philosophy (PhD) in Asian Studies and a PhD in Business Leadership. Miles is currently a visiting Fellow at the Australian National University and a member of the Australian Institute of Company Directors.

Daniel Rabie (Chief Executive Officer)

Daniel has over 10 years' experience of working in and leading technology companies. Daniel is passionate about the potential of technology to change the landscape of business and has a deep understanding of what it takes to build a successful SaaS business. Daniel started his career in corporate advisory before moving to senior positions in a start-up (technology) venture and a cloud technology company.

Daniel became Strategic Director of Reckon in 2010 and in 2015 was appointed as Reckon's Chief Operating Officer leading the strategic direction of Reckon's IT, Development, Marketing and HR shared service divisions across four countries. During this time Daniel was responsible for managing the delivery of innovative online accounting, fintech and document management solutions to hundreds of thousands of customers globally.

Daniel has a Bachelor of Commerce from Sydney University.

How we do it responsibly.

Our governance arrangements (continued)

The Board (continued)

Clive Rabie (Non-executive Director)

Clive is an experienced private and public company director. He has extensive management and operational experience in the IT and retail sectors as both an owner and director of companies.

Clive was Chief Operating Officer of Reckon from 2001 to February 2006 during which time he played a pivotal role in the turnaround and subsequent development of the company. From February 2006 to present Clive has been the Chief Executive Officer of Reckon. Clive has a Bachelor of Commerce from the University of Cape Town.

Greg Wilkinson (Non-executive Director)

Greg has over 30 years' experience in the computer software industry. Greg entered the industry in the early 1980's in London where he managed Caxton Software, which became one of the UK's leading software publishers.

Greg co-founded Reckon in 1987 and was the Chief Executive Officer until February 2006. In that time leading Reckon, Greg established QuickBooks as a leading provider of SME accounting software in Australia and New Zealand and acquired APS the leading practice management system of choice of Australian accountants. Greg became a member of the board of Reckon on 19 July 1999. After he stepped down as Chief Executive Officer, Greg was then appointed to the position of Deputy Chairman in February 2006

Nigel Payne (Non-executive Director)

Nigel has considerable experience as a director of both publicly listed and private companies. He has extensive experience of listing companies and fund raising, notably in his current roles as Non-executive Chairman of AIM traded companies ECSC Group plc, Gateley plc and Stride Gaming plc. Nigel was previously Chief Executive Officer of Sportingbet plc, one of the world's largest internet gambling companies which made a number of acquisitions while listed on the London Stock Exchange, and which was later bought by GVC plc. Nigel holds an executive MBA from the IMD Business School (Lausanne, Switzerland) and a degree in Economics and Accounting from Bristol University.

How we do it responsibly.

Our governance arrangements (continued)

The Board (continued)

Paul Haworth (Chief Financial Officer)

Paul was formerly the EMEA Finance Director at Dialight plc, the leading global industrial LED lighting specialist. There, he co-led the strategic outsourcing of Dialight's UK manufacturing operations and the conversion of their EMEA business to a sales and distribution model. Paul has also held senior financial roles with Consort Medical plc and LPA Group plc and before that he spent 9 years with Deloitte advising a range of listed and private technology and software clients. Paul is a chartered accountant and holds a degree in Astronomy from University College London.

Paul is not a statutory director at the date of this report. His appointment as Director is expected to be confirmed before the AGM.

The Board is responsible for the overall management of the Group. The Board meets at least quarterly and otherwise on a required basis. Matters specifically reserved for the Board include matters relating to management structure and appointments, review of performance, corporate finance and approval of any major capital expenditure and the framework of internal controls. The Board is responsible for establishing and maintaining the Company's system of internal financial controls and importance is placed on maintaining a robust control environment.

The Board recognises, however, that such a system of internal financial control can only provide reasonable, not absolute, assurance against material misstatement or loss. The effectiveness of the system of internal financial control operated by the Company is therefore subject to regular review by the Board in light of the future growth and development of the Company and adjusted accordingly.

The Board has established a Remuneration Committee and an Audit Committee.

Time commitments of Board members

The Group embraces the benefits that are brought by a Board from a range of business backgrounds and who are actively involved in other businesses. The Board also recognises that its constituents must be able to dedicate sufficient time to the Company.

The Board has considered the time commitments of each director and is comfortable that each has sufficient available capacity to carry out the required duties for GetBusy plc.:

- Daniel Rabie is the sole executive director at present and is employed full time by the Group. Any directorships, advisory positions, trusteeships or other business interests outside of the Group are trivial in time commitment and must first be approved by the Board.

How we do it responsibly.

Our governance arrangements (continued)

The Board (continued)

- Miles Jakeman has one other board appointment as deputy chairman of Citadel Group Limited, which averages two to three working days per month.
- Nigel Payne's time commitment from his other directorships average nine to ten working days per month.
- Greg Wilkinson's deputy chairman role at Reckon Limited is not full time.
- Clive Rabie is employed full time as Chief Executive of Reckon Limited but is actively encouraged to participate in external appointments to broaden his experience.

Remuneration Committee

The Board seeks to ensure that the Group adopts remuneration practices which attract and retain high calibre and suitably qualified employees, executives and directors whose interests are aligned with those of Shareholders.

The Company has established a Remuneration Committee which is responsible for providing recommendations to the Board on matters including:

- the Company's remuneration policies and practices;
- the remuneration of the executive Director(s) and Non-executive Directors; and
- the level and structure of remuneration for the senior management.

The Remuneration Committee comprises Greg Wilkinson, who chairs the Committee, Nigel Payne and Miles Jakeman. Whilst Greg Wilkinson is not considered to be independent for the purposes of the UK Corporate Governance Code, the other Directors believe that they are sufficiently independent to fulfil their responsibilities as members of the Remuneration Committee.

The Remuneration Committee has adopted a formal charter. Board performance will be reviewed annually by the committee. The Board has not formalised the procedures for selection and appointment of new Directors or re-election of incumbent Directors. However, the Board regularly reviews its composition to determine whether it has the right mix of skills and experience.

The Remuneration Committee is also responsible for ensuring an appropriate process is followed for the review of the performance of the executive Directors and senior management.

At the beginning of each year, the Remuneration Committee agrees both overall, Company and individual performance objectives for the executive Director(s), in order to ensure the executive Director(s) have appropriate, fair and reasonable incentives.

How we do it responsibly.

Our governance arrangements (continued)

Audit Committee

Overview

The Company has established an Audit Committee which provides advice and assistance to the Board in fulfilling its corporate governance and oversight responsibilities in relation to internal and external audit, risk management systems, financial and market reporting, internal accounting, financial control systems and other items as requested by the Board.

The Board is committed to ensuring that the Company's financial reports present a true and fair view of the Company's financial position and comply with relevant accounting standards. The Audit Committee assists the Board in discharging its responsibilities for ensuring the highest standards of financial reporting and for ensuring that appropriate internal controls are in place.

The Audit Committee comprises Nigel Payne, who chairs the Committee, Miles Jakeman and Clive Rabie. Whilst Clive Rabie is not considered to be independent for the purposes of the UK Corporate Governance Code, the other Directors believe that he is sufficiently independent to fulfil his responsibilities as a member of the Audit Committee.

In fulfilling its obligations, the Audit Committee has direct access to the Company's auditor along with such of the Group's employees, independent experts and advisers as it considers necessary to carry out its duties. The Audit Committee has been structured so that it:

- has a minimum of two members;
- consists only of Non-executive Directors;
- has, where possible, a member of the Remuneration Committee a majority of independent Directors;
- is chaired by an independent chair, who is not the chair of the Board; and
- comprises members with the appropriate financial and business expertise to act effectively as a member of the committee.

Key activities during the period

During this inaugural period, the Committee has focussed on establishing an effective control environment and financial reporting process. Specific areas considered include:

- the appointment of the Group's statutory auditor, RSM UK Audit LLP ("RSM");
- consideration and agreement of the Group's accounting policies;
- oversight of the Group's early adoption of IFRS 15, the revenue recognition standard;
- review of this annual report;
- review of RSM's audit plan and findings report; and
- review of the Group's going concern statement.

The Committee provides oversight of the Group's risk management processes and controls. As a newly listed group, the formalisation of these processes is in development. During the course of 2018, it is intended that the Group will establish a group-wide risk register, identifying the most significant risks to the Group, how they are managed and the extent of any residual risk posed. The Chief Financial Officer will assume executive responsibility for managing risk within the Group, reporting to the Audit Committee.

The Group's principal risks and uncertainties are outlined on page 27.

How we do it responsibly.

Remuneration report

Overview of remuneration arrangements

There are four main elements of the remuneration packages of the executive director(s): basic annual salary and benefits; annual bonus payments; share option incentives; and superannuation arrangements.

The Company's policy is that, to align the executive director(s) with long term shareholder returns, a significant proportion of the remuneration of the executive director(s) should be performance related and in the form of share options. Executive directors may earn annual incentive payments, based on achievement of projections for the financial year and the fulfilment of personal objectives. The Company does not operate any long-term incentive schemes other than the share option schemes noted.

Executive directors are entitled to accept appointments outside the Company providing that the Chairman's permission is sought.

Executive directors' basic salaries are reviewed by the Remuneration Committee annually, usually in December for implementation in January, and are set to reflect the directors' responsibilities, experience and marketability. The Executive directors have agreed to waive any increases in basic salary recommended by the Remuneration Committee for 2018.

Short-term remuneration

The table below shows the short-term remuneration for each director in the 5 month period to 31 December 2017. Paul Haworth is not included in the table as he was not a director in the period.

Period to 31 December 2017	Fees / basic salary £'000	Pension contributions £'000	Benefits in kind £'000	Performance bonus £'000	Total £'000
Executive directors					
Daniel Rabie	**82**	**6**	**-**	**14**	102
Non-executive directors					
Miles Jakeman	**21**	**-**	**-**	**-**	21
Nigel Payne	**18**	**-**	**-**	**-**	18
Clive Rabie*	**-**	**-**	**-**	**-**	-
Greg Wilkinson*	**-**	**-**	**-**	**-**	-
Aggregate emoluments	**121**	**6**	**-**	**14**	141

*Clive Rabie and Greg Wilkinson waived their emoluments for the period.

How we do it responsibly.

Remuneration report (continued)

Long term incentive plan ("LTIP")

The Group operates an LTIP to provide incentives to executive directors and senior management that are aligned to long term value creation. During the 5 month period to 31 December 2017, Daniel Rabie was granted 2,617,878 LTIP options over ordinary shares with an exercise price of £nil. The LTIP options vest over a 3 to 5 year period subject to the performance criteria shown below:

- 916,257 options vest on the 3rd anniversary of grant subject to GetBusy plc's share price increasing by 10% per annum compound over the 3 year period from admission to AIM;
- 305,419 options vest on the 4th anniversary of grant subject to GetBusy plc's share price increasing by 10% per annum compound over the 4 year period from admission to AIM;
- 305,419 options vest on the 5th anniversary of grant subject to GetBusy plc's share price increasing by 10% per annum compound over the 5 year period from admission to AIM;
- 654,470 options vest on the 3rd anniversary of grant subject to certain personal performance criteria being met;
- 436,313 options vest on the 5th anniversary of grant subject to GetBusy plc's share price increasing by 200% over the 5 year period from admission to AIM.

Pension arrangements

The Company paid contributions of £6k into a defined contribution plan for one director, Daniel Rabie, in the 5 month period to 31 December 2017.

Directors' interests

At 31 December 2017, the Directors had the following beneficial interests in the Company's shares:

At 31 December 2017	Number of shares
Executive directors	
Daniel Rabie	1,070,789
Non-executive directors	
Miles Jakeman	-
Nigel Payne	-
Clive Rabie	9,089,247
Greg Wilkinson	3,692,233

How we do it responsibly.

Principal risks and uncertainties

Technological risks

We operate in a technically advanced industry and the wider technological environment is changing rapidly. If we fail to employ outstanding developers, invest adequately in product development or respond quickly to technological change, our products may become less competitive and revenues may decline.

We are dependent on the continued societal prevalence and availability of the internet and broadband internet access, as well as the continued development of the related infrastructure. Changes in the reliability, availability or price of those services may impact the ability or willingness of our customers to adopt our technology.

As a software business, we are reliant on technology. A malfunction or interruption of our systems or those of our partners may diminish confidence in our services and products, which may have an adverse impact on revenues and results. Examples of interruption events include natural disasters, power loss, telecom failures, software failures, malicious hacking, intervention by privacy regulators and sabotage.

Commercial risks

The technology used by the Group includes both software and other code and content that has been developed internally. Failure to effectively restrict the use of software may result in another party copying or obtaining the software for unauthorised use or infringing the Group's intellectual property. Some of the countries in which the Group operates may not have adequate legislative protection for intellectual property. We work with patent consultants to assist with the management of our intellectual property and make contractual provisions to provide additional protection where possible.

The strength of the Group's brand is developed through the provision of high quality products over a sustained period. Any incident that may adversely affect customer loyalty toward the Group will consequentially affect the customer loyalty toward the Group's brand, which may adversely affect revenue and results.

The future performance of the Group is, to some extent, dependent on its ability to recruit and retain certain key people. The Group benchmarks remuneration packages and sets incentives to motivate, retain and align key people with the objectives of the Group.

Document management software is a competitive industry. If we fail to invest in our products they may cease to be as or more attractive than those of competitors.

The Group intends to develop and launch its new GetBusy product. However there can be no guarantee that any new product will be successful in generating revenue.

Financial risks

The Group is currently loss making. The Group may in the future need to raise additional funds to implement its strategy. There can be no guarantee that the required funding will be available at an acceptable price or at all. Failure to raise any required funds may prevent the Group from executing its strategy.

How we do it responsibly.

Directors' report and statement of directors' responsibilities

Directors' report

The Directors' Report should be read in conjunction with the Chairman's Statement, CEO's Review, Financial Review and the related information on pages 1 to 27, which include the following items required by the Companies Act 2006 (CA2006):

- Strategic report;
- Name of the directors during the period;
- Details of any important events since the end of the financial year;
- An indication of likely future developments of the Group; and
- An indication of the research and development activities of the Group.

No political donations were made during the period (2016: £nil).

The Group does not use complex financial instruments.

The Group has maintained cover for its Directors under a directors' liability insurance policy, as permitted by CA2006

Substantial shareholders

In addition to the Directors' interests noted in the Directors' Remuneration Report, the Directors are aware of the following who were interested in 3% or more of the Company's equity at 16 March 2018:

At 16 March 2018	Number of shares
Clive RABIE	9,089,247
Wilson Asset Mgmt (Intl) Pty	6,115,157
Greg WILKINSON	3,692,233
Canaccord Genuity Group Inc.	3,423,247
FMR LLC	2,860,461
State Street Nominees a/c OM02	2,813,616
Herald Investment Management	2,678,433
City Financial Invt. Co. Ltd.	1,750,000

Annual General Meeting (AGM)

The AGM of the Company will be held on 22 May 2018 at 11am at the offices of Grant Thornton UK LLP, 30 Finsbury Square, London, EC2P 2YU. Details are contained in the Notice of the AGM.

Directors' responsibilities statement

The directors are responsible for preparing the 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, and as required by the AIM Rules, the directors have to prepare the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union (IFRSs) and have elected to prepare the Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable laws). 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 and profit or loss of the Company and Group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards / IFRSs have been followed,

How we do it responsibly.

Directors' report and statement of directors' responsibilities (continued)

subject to any material departures disclosed and explained in the financial statements; and

- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the 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 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors confirm that:

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

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

Going concern

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out on pages 1 to 27. The Group is currently loss making. The Board is currently of the opinion that the Group's forecasts and projections, which take account of reasonably possible changes in trading performance, show that the Group is able to meet its liabilities as they fall due for a period of not less than 12 months from the date of this report. For this reason, the going concern basis is considered appropriate for the preparation of these financial statements.

Auditor

A resolution to appoint RSM UK Audit LLP will be put to the AGM. The Directors will also be given the authority to fix the auditor's remuneration.

By order of the Board

D. Rabie

Daniel Rabie

Chief Executive Officer

GetBusy plc
Unit G, South Cambridge Business Park
Babraham Road
Sawston
Cambridge
CB22 3JH

19 March 2018
Registered in England and Wales
No. 10828058

Independent auditor's report

To the members of GetBusy plc

Opinion

We have audited the financial statements of GetBusy Plc (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2017 which comprise the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated and Company Balance Sheets, the Consolidated Statement of Changes in Equity, the Consolidated Cashflow Statement, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards, including 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 2017 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group 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 as applied to SME listed entities 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 related to going concern

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

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or

Independent auditor's report

To the members of GetBusy plc (continued)

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on the overall audit strategy, the allocation of resources in the audit and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue recognition and IFRS 15 transition

(Refer to pages 42-43 regarding the accounting policy in respect of revenue recognition, note 5 in respect of revenue and operating segments and note 19 in respect of reconciliation of revenue to previously reported results).

The risk

Management have adopted IFRS 15 in the group's first set of financial statements. Software contracts are inherently complex. There is a risk that management's accounting policies are not appropriate because the performance obligations within the contracts with customers have not been correctly identified and that for each, revenue has not been recognised when those obligations are satisfied. In addition, there is a risk that revenue is not recognised in line with the accounting policies adopted.

Our response

We reviewed management's impact assessment of IFRS 15 which set out the performance obligations identified in their contracts with customers, and when and how revenue should be recognised for each. Following review of contracts, we challenged judgments with respect to the promises identified within and why they were considered to be distinct or not. We then challenged management's judgements as to whether revenue should be recognised at a point in time or over time and whether their rationale complied with the requirements of IFRS 15

We tested revenue by performing substantive analytical review procedures. In addition, the accuracy of revenue recognised was assessed via the detailed review of specific contracts with customers. We tested for completeness of revenue by reference to the group's internal sales process. Finally we tested the source data that management had used to calculate revenue and deferred income in the current period and the adjustments necessary to align the comparative period results with their IFRS 15 accounting policies.

Independent auditor's report

To the members of GetBusy plc (continued)

Capitalisation of development costs

(Refer to pages 43-44 regarding the accounting policy in respect of development costs, note 10 in respect of intangible assets and note 19 in respect of reconciliation of revenue to previously reported balances)

The risk
There have been research and development projects on-going throughout the year for new and existing software platforms. There is a risk that these costs are inappropriately capitalised or expensed due to the inherent judgement needed in applying the requirements of IAS 38.

Our response

Development costs capitalised in the year were tested through substantive analytical review. In addition, we completed tests of detail on the calculations underlying the amounts capitalised and expensed. We challenged management's judgements as to whether the development criteria had been met by reference to payroll cost inputs, internal records of the nature and volume of project aims achieved, and discussions with technical management. We considered the amortisation period by reference to typical contract lengths, upgrade requirements and technical evolution.

Key observation

We note that there is insufficient evidence available to support the reliable measurement of development costs capitalised in previous periods.

Group reconstruction

(Refer to page 41 regarding the accounting policy in respect of consolidation, note 15 in respect of the nature of the reserve and note 16 in respect of the consolidation and subsidiaries)

The risk
To affect the demerger of the business, a new holding company was established and existing businesses transferred under its control prior to a rights issue and admission to AIM. There is a risk that the transaction was incorrectly accounted for in the individual and group financial statements.

Our response
We reviewed the step by step process performed by management to facilitate the group reconstruction and admission onto AIM and considered management's judgement as to whether the transaction was outside the scope of IFRS 3. We corroborated the steps to legal documentation.

We considered acceptable alternative accounting policies for such a transaction and whether these aligned with management's judgements. We obtained legal documentation of the waiver of amounts due by the Group to Reckon group companies and considered whether this had been appropriately recognised and disclosed, by reference to the timing and nature of the transactions.

Independent auditor's report

To the members of GetBusy plc (continued)

We reviewed the accounting entries in the consolidated accounts to confirm that they were in line with our expectations when adopting the predecessor accounting principles.

Our application of materiality

When establishing our overall audit strategy, we set certain thresholds which help us to determine the nature, timing and extent of our audit procedures and to evaluate the effects of misstatements, both individually and on the financial statements as a whole. During planning, we determined a magnitude of uncorrected misstatements that we judge would be material for the financial statements as a whole (FSM). During planning FSM was calculated as £133,000, which increased to £135,000 during the course of our audit. We agreed with the Audit Committee that we would report to them all unadjusted differences in excess of £1,000, as well as differences below those thresholds that, in our view, warranted reporting on qualitative grounds.

An overview of the scope of our audit

GetBusy Plc and GetBusy UK Limited were subject of full scope audit procedures for group and statutory purposes. The financial information of GetBusy USA Corporation, GetBusy Australia Pty Limited and GetBusy New Zealand Pty Limited included in the consolidated financial statements were subject to full scope audit procedures using component materiality. We did not rely on the work of any component auditors. As part of our planning we assessed the risk of material misstatement including those that required significant auditor consideration at the component and group level. Procedures were then performed to address the risk identified and for the most significant assessed risks the procedures performed are outlined above in the key audit matters 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.

Independent auditor's report

To the members of GetBusy plc (continued)

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

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

As explained more fully in the directors' responsibilities statement on pages 28 and 29, 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 GetBusy plc (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: http://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's 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.

Jonathan Lowe (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
3 Hardman Street, Manchester, M3 3HF, United Kingdom

Financial statements

For the year ended 31 December 2017

Consolidated income statement

	Note	2017 £'000	2016 £'000
Revenue	5	**9,294**	7,762
Cost of sales		(659)	(604)
Gross profit		8,635	7,158
Development costs		(2,641)	(2,798)
Sales, general and admin costs		(7,203)	(6,088)
Adjusted EBITDA		**(1,209)**	(1,728)
Net capitalised development costs	10	259	-
Depreciation and amortisation of owned assets	11	(119)	(155)
Share option costs	7	(105)	-
Demerger and flotation costs		(911)	-
Operating loss	6	(2,085)	(1,883)
Net finance income		(31)	(23)
Loss before tax		(2,116)	(1,906)
Tax	8	(183)	203
Loss for the year attributable to owners of the Company		(2,299)	(1,703)
Loss per share (pence)			
Basic and diluted	9	4.75p	3.52p

Financial statements

For the year ended 31 December 2017

Consolidated statement of comprehensive income

	2017 £'000	2016 £'000
Loss for the year	(2,299)	(1,703)
Other comprehensive expense		
Items that may be reclassified subsequently to profit or loss		
Exchange differences on translation of foreign operations	92	(73)
Income tax relating to items that may be reclassified subsequently to profit or loss	4	-
Other comprehensive income / (expense) net of tax	96	(73)
Total comprehensive income for the year	(2,203)	(1,776)

Financial statements

For the year ended 31 December 2017

Consolidated balance sheet

	Note	2017 £'000	2016 £'000
Non-current assets			
Intangible assets	10	302	56
Property, plant and equipment	11	298	317
Deferred tax asset	14	-	105
		600	478
Current assets			
Trade and other receivables	12	1,554	1,106
Current tax receivable		95	-
Cash and bank balances		2,814	-
		4,463	1,106
Total assets		5,063	1,584
Current liabilities			
Trade and other payables	13	(1,694)	(938)
Deferred revenue	13	(3,952)	(3,606)
Current tax payable		-	(177)
		(5,646)	(4,721)
Non-current liabilities			
Deferred revenue	13	(409)	(427)
Deferred tax liabilities	14	(205)	-
		(614)	(427)
Total liabilities		(6,260)	(5,148)
Net assets		(1,197)	(3,564)
Equity			
Share capital	15	73	57
Share premium account	15	2,756	-
Demerger reserve	15	(3,085)	882
Retained earnings	15	(941)	(4,503)
Equity attributable to shareholders of the parent		(1,197)	(3,564)

The financial statements were approved by the Board on 19 March 2018 and signed on its behalf by:

Daniel Rabie
Chief Executive Officer

Financial statements

For the year ended 31 December 2017

Consolidated statement of changes in equity

2017	Share capital £'000	Share premium account £'000	Demerger Reserve £'000	Retained earnings £'000	Total £'000
At 1 December 2017	**57**	**-**	**882**	**(4,503)**	**(3,564)**
Loss for the year	-	-	-	(2,299)	(2,299)
Exchange differences on translation of foreign operations, net of tax	-	-	-	92	92
Tax recognised in equity	-	-	-	4	4
Total comprehensive loss attributable to equity holders of the parent	**-**	**-**	**-**	**(2,203)**	**(2,203)**
Proceeds from issue of shares	16	2,756	-	-	2,772
Share option costs, net of tax	-	-	-	105	105
Funding from related party	-	-	(3,967)	5,660	1,693
Total transactions with owners	16	2,756	(3,967)	5,765	4,570
At 31 December 2017	**73**	**2,756**	**(3,085)**	**(941)**	**(1,197)**

2016	Share capital £'000	Share premium account £'000	Demerger Reserve £'000	Retained earnings £'000	Total £'000
At 1 January 2016	**57**	**-**	**(956)**	**(2,227)**	**(3,126)**
Loss for the year	-	-	-	(1,703)	(1,703)
Exchange differences on translation of foreign operations, net of tax	-	-	-	(73)	(73)
Total comprehensive loss attributable to equity holders of the parent	**-**	**-**	**-**	**(1,776)**	**(1,776)**
Dividends paid	-	-	-	(500)	(500)
Funding from related party	-	-	1,838	-	1,838
Total transactions with owners	-	-	1,838	(500)	1,338
At 31 December 2016	**57**	**-**	**882**	**(4,503)**	**(3,564)**

Financial statements

For the year ended 31 December 2017

Consolidated cash flow statement

	2017 £'000	2016 £'000
Adjusted EBITDA	(1,209)	(1,728)
Increase in receivables	(448)	(479)
Increase in payables	701	582
Increase in deferred revenue	329	992
Cash used in operations	(627)	(633)
Income taxes received / (paid)	(21)	-
Interest received / (paid)	(30)	(23)
Net cash used in operating activities	(678)	(656)
Purchases of property, plant and equipment	(172)	(74)
Proceeds on disposal of property, plant and equipment	-	4
Purchases of other intangible assets	-	-
Net cash used in investing activities	(172)	(70)
Net funding provided prior to demerger	664	1,226
Dividends paid	-	(500)
Proceeds on issue of shares	3,000	-
Net cash used in financing activities	3,664	726
Net increase / (decrease) in cash	2,814	-
Cash and bank balances at beginning of year	-	-
Effects of foreign exchange rates	-	-
Cash and bank balances at end of year	2,814	-

Financial statements

For the year ended 31 December 2017

Notes to the financial statements

1. General information

GetBusy plc is a public limited company ("Company") and is incorporated in England under the Companies Act 2006. The company's shares are traded on AIM. The Company's registered office is Unit G, South Cambridge Business Park, Cambridge, CB22 3JH. The Company is a holding company for a group of companies ("Group") involved in the development and sale of awesome software helping customers with electronic document management, communication and productivity.

These financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the group operates.

2. Accounting policies

The Group wholeheartedly embraces the Financial Reporting Council's aim to cut clutter and improve the quality of reporting by smaller companies. So in these financial statements you'll only see disclosures that are material; if a disclosure isn't made it's because the item to which it relates isn't material. The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. They're also prepared using the historic cost convention. Material accounting policies, for which additional specific narrative adds to the boilerplate description in the underlying IFRS, are set out below.

Keep it simple

A reconciliation to figures previously reported in the AIM Admission Document is provided in note 19.

Consolidation

The group's reorganisation constitutes a common control transaction, which is outside the scope of IFRS 3. IFRS does not contain specific guidance on the preparation of financial statements for this scenario and accordingly in preparing these financial statements, we have opted to apply predecessor accounting whereby the net assets are incorporated into the consolidated financial statements at their previous carrying values. There is no goodwill arising on the combination – the differences between the aggregate book values of the subsidiaries and the consideration given for them has been accounted for within a merger reserve.

In practice, this means that the consolidated financial statements have been prepared as if the group always existed. A list of the subsidiaries included in the consolidated financial statements is listed in note 16.

Financial statements

For the year ended 31 December 2017

Notes to the financial statements (continued)

Revenue recognition

The Group has early-adopted IFRS15, the accounting standard for revenue recognition, for its first financial statements. It generates income from customers in the following ways:

- **Subscriptions.** A customer pays a regular fixed amount (usually monthly or annually) in exchange for a right to access our software and the technical support that we provide.
- **Licences.** A customer pays a one-off amount for the right to use a particular version of our software for as long as they like. A licence doesn't include any future upgrades to the software nor any access to our technical support; these are purchased separately under a Support plan.
- **Support.** Licence customers pay a regular fixed amount (usually annually) to access our technical support and to obtain software updates.
- **Consulting.** To get the most from some of our software products, certain customers prefer us to manage the implementation project, including technical and training aspects. This is usually invoiced at the point of completion – "go-live". Consulting income can relate to software that is sold on both a subscription and upfront licence basis. Other ad-hoc consulting assignments, for example to assist with the migration of data between systems or training new groups of users, are usually invoiced on completion of the assignment.
- **Hardware**. Some customers ask us to source hardware, such as document scanners, for them. They pay for this equipment after it is delivered.

SmartVault is a pure subscription product with some limited consulting sold alongside, such as onboarding, training etc, although the product can be used "off the shelf". SmartVault subscription revenue is recognised on a straight-line basis over the contract, with consulting revenue recognised at the point that each individual consulting project is completed.

Virtual Cabinet requires a consulting engagement to implement and setup for individual clients' situations. IFRS 15 requires us to identify separate *performance obligations* in our contracts with customers and then to determine if those performance obligations are *distinct*. The activities listed above are our principal promises within contracts for Virtual Cabinet. We have made the critical judgement that, in the following two cases, promises need to be grouped before they form performance obligations because they are not separately identifiable:

- Software licences are invariably sold alongside a support contract for a fixed minimum period (usually three years) and a consulting engagement to manage the implementation project for a customer. In these cases, the licence, the support contract and the consulting engagement need to be grouped into a performance obligation.
- A consulting engagement to implement subscription software is grouped with the related subscription contract into a performance obligation.

Financial statements

For the year ended 31 December 2017

Notes to the financial statements (continued)

Virtual Cabinet revenue is therefore recognised in the following ways:

- **Subscription** revenue is recognised on a straight-line basis over the duration of the contract.
- **Software licence** revenue is recognised on a straight-line basis over the minimum term of the related Support contract (usually 3 years).
- **Support** revenue is recognised on a straight-line basis over the duration of the contract.
- **Consulting** revenue related to a software licence implementation is recognised on a straight-line basis over the duration of the minimum term of the related Support contract (usually 3 years). Consulting revenue related to a subscription software implementation is recognised on a straight-line basis over the minimum term of the related subscription contract. All other consulting revenue is recognised on completion of the consulting engagement.
- **Hardware** revenue is recognised on completion of the related software implementation.

Where additional user licenses or user subscriptions are entered into part way through a license or subscription, revenue is recognised over the remaining duration of the contract.

In most cases, we invoice and receive payment from customers in advance of revenue being recognised in the income statement. Deferred revenue is the difference between amounts invoiced to customers and revenue recognised under the policy described above.

Development costs

The accounting standard IAS38 *Intangible Assets* sets out criteria under which development costs should be capitalised. The key criteria for capitalisation are (1) technical feasibility; (2) intention to complete and then use or sell; (3) commercial viability and (4) ability to measure reliably the expenditure.

We are constantly developing our products, both existing and new. These developments range from minor enhancements and bug fixes, to integrations with new or updated third party software, to major new features and completely new products.

We use agile development techniques. Our development is based on a series of iterative steps each designed to provide value to the customer and which can each be trialled and validated. Unlike traditional waterfall methods, this technique doesn't lend itself to the recording of development costs in a fashion that suits IAS38. Consequently we apply judgement and estimates in determining the proportion of our total development spend that meets the above criteria.

To make these judgements, we examine in detail the development activities over a period of time for each product. We make an estimate of the proportion of that time in which the development tasks that are being carried out meet the IAS38 criteria. We then apply that proportion to the entire development spend for the period to determine the amount to be capitalised.

Capitalised costs are amortised over their useful economic life, which is estimated to be 3 years.

Financial statements

For the year ended 31 December 2017

Notes to the financial statements (continued)

3. Critical accounting judgements and key sources of estimation uncertainty

To apply IFRS and our accounting policies, we have to make judgements, estimates and assumptions about some of the amounts in our financial statements that are not readily apparent from other sources. These judgements and estimates are based on a combination of past experience and current circumstance; the actual results may differ from the estimates we've made.

Below is a list of critical accounting judgements and key sources of estimation uncertainty other than revenue recognition.

Development costs

Based on the methodology described in the accounting policies above, a proportion of development expenditure on existing products has been capitalised. Development expenditure on new products has been expensed as incurred as it is not possible to demonstrate commercial viability and technical feasibility with sufficient certainty until all high risk development issues have been resolved through testing pre-launch versions of the product. No expenditure for prior periods has been capitalised as we do not have the ability to measure the cost reliably against the criteria above.

Share option costs

IFRS 2 *Share based payment* requires the use of statistical models to determine the fair value of share options granted to employees. The nature of the options we have granted means a Monte Carlo model has been used by a third party firm to estimate the fair value. This model makes use of various assumptions, the most significant of which are listed in note 7.

4. Adoption of new and revised accounting standards

We have early-adopted IFRS 15 *Revenue from Contracts with Customers* with a transition date of 1 January 2017 and full retrospective application. A full description of the impact of this standard is provided in note 5

IFRS 16 *Leases* comes into effect from 1 January 2019. This standard requires that operating leases be brought "on balance sheet" in a manner similar to current finance lease accounting, with the asset and associated liability both being recognised. The asset will be subject to depreciation and lease payments will be apportioned between interest expense and reduction of the lease liability. Our most significant leases are for our office premises, with a total cost of £307k in 2017.

The adoption of other new standards and interpretations will not have a material impact on our financial statements.

Financial statements

For the year ended 31 December 2017

Notes to the financial statements (continued)

5. Revenue and operating segments

Our single operating segment is the development and sale of document management software products across several countries. Our Chief Executive Officer assesses Group performance on that basis.

2017	**UK £'000**	**USA £'000**	**Aus / NZ £'000**	**Total £'000**
Recurring revenue	3,975	2,721	1,264	7,960
Non-recurring revenue	1,118	131	85	1,334
Revenue from contracts with customers	**5,093**	**2,852**	**1,349**	**9,294**
Adjusted EBITDA before development and corporate costs	**2,277**	**(36)**	**68**	**2,309**
Development costs				(2,641)
Corporate costs				(877)
Adjusted EBITDA				**(1,209)**

2016	**UK £'000**	**USA £'000**	**Aus / NZ £'000**	**Total £'000**
Recurring revenue	3,775	2,069	626	6,470
Non-recurring revenue	1,118	118	56	1,292
Revenue from contracts with customers	**4,893**	**2,187**	**682**	**7,762**
Adjusted EBITDA before development and corporate costs	**2,310**	**(907)**	**(53)**	**1,350**
Development costs				(2,798)
Corporate costs				(280)
Adjusted EBITDA				**(1,728)**

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For the year ended 31 December 2017

Notes to the financial statements (continued)

Recurring revenue is defined as revenue from subscription and support contracts. Non-recurring revenue is defined as revenue from software licences, consulting and licence upgrades.

Revenue from contracts with customers includes £3,606k that was recorded within the deferred revenue balance at the beginning of the period. The £328k (8%) increase in deferred revenue during 2017 is due to the increase in trade with customers. The increase is less proportionally than the increase in revenue because much of the revenue increase is from Australia, where our customers are usually billed monthly for subscriptions, giving rise to only small amounts of deferred revenue.

No customer represented more than 10% of our revenue in either year.

The impact of the application of IFRS15 on each financial statement line item is shown below for 2017. The impact on 2016 is shown in note 19.

2017 income statement	**Before transition £'000**	**Transition adjustments £'000**	**As Reported £'000**
Revenue	9,347	(53)	9,294
Cost of sales	(659)	-	(659)
Gross profit	**8,688**	**(53)**	**8,635**
Development costs	(2,641)	-	(2,641)
Sales, general and admin costs	(7,203)	-	(7,203)
Adjusted EBITDA	**(1,156)**	**(53)**	**(1,209)**

2017 balance sheet	**Before transition £'000**	**Transition adjustments £'000**	**As Reported £'000**
Deferred revenue	(3,342)	(1,019)	(4,361)
Retained earnings	78	(1,019)	(941)
Net assets	(178)	(1,019)	(1,197)

Financial statements

For the year ended 31 December 2017

Notes to the financial statements (continued)

6. Operating profit

Operating loss is stated after charging / (crediting):

	2017 £'000	2016 £'000
Depreciation of property, plant and equipment	139	143
Amortisation of development costs	59	7
Net foreign exchange losses gains	(3)	(17)
Operating lease rental expense (almost all office rent)	307	245
Fees payable to our auditor for the audit of these annual accounts	45	-
Fees payable to our auditor for other services:		
- Tax services	24	-
- Other services	5	-

At the balance sheet date, our outstanding commitments under non-cancellable operating leases fall due as follows:

	2017 £'000	2016 £'000
Within one year	378	236
Within 1 to 5 years	696	569
	1,074	**805**

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For the year ended 31 December 2017

Notes to the financial statements (continued)

7. Employees and employee costs

The average number of people we employed each year is shown below.

	2017	2016
Support	19	19
Development	35	40
Delivery	19	21
Sales	19	22
Administration	18	13
Total	**110**	**115**

Total employee costs are shown below. Share option costs are non-cash costs.

	2017 £'000	2016 £'000
Wages and salaries	4,294	5,391
Social security costs	1,465	975
Other pension costs	217	203
Cash employee costs	**5,976**	**6,569**
Share option costs	105	-
Total employee costs	**6,081**	**6,569**

During the year, the Company granted options over shares in the Company to certain members of the management team. The vesting conditions for these equity-settled share based payments are described in the Remuneration Report on pages 25 and 26. Details of the share options outstanding during the year are as follows:

	2017	
	No. of options	Weighted average exercise price (p)
Outstanding at the beginning of the period	-	-
Granted during the period	4,770,340	-
Exercised during the period	-	-
Forfeited during the period	-	-
Outstanding at end of period	**4,770,340**	**-**
Exercisable at the end of the period	-	-

Financial statements

For the year ended 31 December 2017

Notes to the financial statements (continued)

The options outstanding at 31 December 2017 do not have a contractual expiry date. The aggregate fair value of the options granted during the year was £846,990. The fair value of the options granted was estimated using a Monte-Carlo model; the key inputs into that model were as follows:

	2017 award
Share price	28.3p
Exercise price	nil
Expected volatility	50%
Weighted average option life	3.5 years

8. Tax

Tax recognised in the income statement	**2017 £'000**	**2016 £'000**
Current tax		
Current year	**-**	**(367)**
Adjustment for prior years	(110)	142
Foreign tax	14	164
	(96)	**(61)**
Deferred tax		
Origination and reversal of temporary differences	238	(105)
Adjustment for prior years	56	-
Effect of tax rate change on opening balances	(15)	(37)
Tax expense / (income)	**183**	**(203)**

The origination and reversal of temporary differences of £238k in 2017 relates to the adjustments to previously capitalised development costs as explained in note 19, impacting on the current year tax charge.

Financial statements

For the year ended 31 December 2017

Notes to the financial statements (continued)

Reconciliation of effective tax rate	**2017**	**2016**
	£'000	**£'000**
Loss before tax	**(2,116)**	**(1,906)**
Tax at the UK corporation rate of 19.25% (2016: 20.25%)	(407)	(386)
Effects of:		
- Effect of overseas tax rates	(48)	166
- Expenses not deductible	118	-
- Deferred tax not recognised	485	-
- Adjustments in respect of prior periods	(21)	-
- Other adjustments	56	17
	183	**(203)**

9. Loss per share

The calculation of loss per share is based on the loss for the year of £2,299k (2016: £1,703k). There is a material departure from the requirements of IAS 33 in the calculation of earnings per share ("EPS") due to the carve-out basis of preparation described in note 1. To provide a meaningful measure of performance, the directors have assumed that the number of shares and the number of potentially dilutive shares have remained constant throughout the year and the prior year.

Weighted number of shares calculation	**2017**	**2016**
	'000	**'000**
Weighted average number of ordinary shares	48,400	48,400
Effect of potentially dilutive share options in issue	4,770	4,770
Weighted average number of ordinary shares (diluted)	**53,170**	**53,170**

Loss per share	**2017**	**2016**
	pence	**pence**
Basic and diluted	(4.75)	(3.52)

As required by IAS33 (Earnings per Share), the impact of potentially dilutive options has been disregarded for the purposes of calculating diluted loss per share as the Group is currently loss making.

Financial statements

For the year ended 31 December 2017

Notes to the financial statements (continued)

10. Intangible assets

	Intellectual property £'000	Development Costs £'000	Total £'000
Cost			
At 1 January 2016	109	-	109
Additions	-	-	-
At 31 December 2016	**109**	**-**	**109**
Additions	-	311	311
Currency adjustments	(6)	-	(6)
At 31 December 2017	**103**	**311**	**414**
Amortisation			
At 1 January 2016	46	-	46
Charge for year	7	-	7
At 31 December 2016	**53**	**-**	**53**
Charge for year	7	52	59
At 31 December 2017	**60**	**52**	**112**
Net book value			
At 31 December 2016	56	-	56
At 31 December 2017	**43**	**259**	**302**

Intellectual property comprises domain name, trademarks and patents and are generally amortised over 15 years, which is the protected life of the asset.

Financial statements

For the year ended 31 December 2017

Notes to the financial statements (continued)

11. Property, plant and equipment

	Equipment £'000	Vehicles £'000	Building improvements £'000	Total £'000
Cost				
At 1 January 2016	**501**	**164**	**27**	**692**
Additions	55	19	-	74
Disposals	(10)	(10)	-	(20)
Currency movements	7	-	-	7
At 31 December 2016	**553**	**173**	**27**	**753**
Additions	148	-	24	172
Disposals	-	(67)	-	(67)
Currency movements	(26)	-	(2)	(28)
At 31 December 2017	**675**	**106**	**49**	**830**
Depreciation				
At 1 January 2016	**261**	**32**	**4**	**297**
Charge for year	108	30	5	143
Disposals	-	(4)	-	(4)
Currency movements	-	-	-	-
At 31 December 2016	**369**	**58**	**9**	**436**
Charge for year	108	22	9	139
Disposals	-	(31)	-	(31)
Currency movements	(11)	-	(1)	(12)
At 31 December 2017	**466**	**49**	**17**	**532**
Net book value				
At 31 December 2016	184	115	18	317
At 31 December 2017	**209**	**57**	**32**	**298**

Depreciation rates of property, plant and equipment vary from 20% - 33% per year on a reducing balance basis and 3 – 8 years on a straight line basis, depending on the nature of the asset.

Financial statements

For the year ended 31 December 2017

Notes to the financial statements (continued)

12. Trade and other receivables and deferred commission

	2017 £'000	2016 £'000
Trade receivables	901	716
Prepayments	350	375
Other receivables	303	15
Trade and other receivables	**1,554**	**1,106**

Trade receivables are presented net of allowances for doubtful debts, which are not material. Trade receivables are classified as financial assets and there is no difference between their carrying value and their fair value. Whilst trade receivables represent the most significant credit risk to the Group, there is no significant concentration of risk. Credit risk is limited by our credit checking processes and the fact that our software is often mission-critical for our customers. The ageing of trade receivables that are past due but not impaired is as follows:

	2017 £'000	2016 £'000
Past due 1-30 days	222	77
Past due 31-60 days	137	110
Past due 61 days +	336	163

13. Trade and other payables and deferred revenue

	2017 £'000	2016 £'000
Trade payables	277	100
Accruals	1,068	567
Other payables	349	271
Trade and other payables	**1,694**	**938**

Financial statements

For the year ended 31 December 2017

Notes to the financial statements (continued)

The expected recognition of deferred revenue as revenue in the income statement will be in the following financial years

	2017 £'000	2016 £'000
Year ending 31 December 2017	n/a	3,606
Year ending 31 December 2018	3,952	315
Year ending 31 December 2019	316	111
On or after 1 January 2020	93	-
Deferred revenue	**4,361**	**4,032**

£3,952k (2016: £3,606k) of deferred revenue is recorded as a current liability. £409k (2016: £426k) is recorded as a non-current liability.

14. Deferred tax

	Intangible assets £'000	Other £'000	Total £'000
At 1 January 2016	**-**	**-**	**-**
Recognised in income statement	105	-	105
Recognised in other comprehensive income	-	-	-
At 1 January 2017	**105**	**-**	**105**
Recognised in income statement	(310)	4	(306)
Recognised in other comprehensive income	-	(4)	(4)
At 31 December 2017	**(205)**	**-**	**(205)**

Deferred tax assets of £2,712k have not been recognised in respect of unrelieved tax losses because of uncertainty over the timing of their recoverability. The tax losses have no expiry date.

Financial statements

For the year ended 31 December 2017

Notes to the financial statements (continued)

15. Share capital and reserves

The Company has one class of ordinary share which carries no right to fixed income. The Company does not have an authorised share capital. At 31 December 2017, 48,399,614 (2016: nil) shares were in issue and fully paid (2016: nil) with a nominal value of £72,599.42 (2016: £nil).

The Share Premium Account is the difference between the amount paid for ordinary shares issued in the Company and the nominal value of those shares less costs of issue.

The Demerger Reserve represents the cumulative quasi-equity funding contributed by the former parent company, Reckon Limited, up to the point of de-merger.

16. Consolidation and subsidiaries

GetBusy plc directly owns 100% of the share capital of the following subsidiaries, which together form the Group and which all develop and sell awesome software helping customers with electronic document management, communication and productivity.

Subsidiary	Country of incorporation	Registered address
GetBusy UK Limited	United Kingdom	Unit G, South Cambridge Business Park, Sawston, Cambridgeshire, CB22 3JH
GetBusy USA Corporation	United States of America	720 N Post Oak Road, Houston, Texas, 77024, United States of America
GetBusy Australia Pty Limited	Australia	Level 5, 79 Commonwealth Street, Surry Hills, NSW 2010, Australia
GetBusy New Zealand Pty Limited	New Zealand	Ground Floor, ITC Building, 9 City Road, Auckland, New Zealand

Financial statements

For the year ended 31 December 2017

Notes to the financial statements (continued)

17. Foreign currencies

The following significant exchange rates were used in preparing these financial statements:

	2017 average rate	2017 balance sheet rate	2016 average rate	2016 balance sheet rate
US Dollar	1.288	1.349	1.350	1.293
Australian Dollar	1.680	1.728	1.815	1.637
New Zealand Dollar	1.813	1.899	1.938	1.795

The Group has limited exposure to transactional currency risk because the individual subsidiaries mainly trade in their own functional currency. However currency exposure can arise on some intercompany transactions and balances; this is managed where possible by swift settlement of balances. Currency exposure at 31 December 2017 was not material and so no sensitivity analysis is presented.

18. Related party transactions

GetBusy plc is the ultimate controlling party of the Group. Transactions between the Company and its subsidiaries have been eliminated on consolidation.

Key management remuneration, which includes directors, was as follows:

2017	Salary £'000	Pension £'000	Bonus £'000	Total £'000
Directors*	121	6	14	141
Other key management personnel	270	21	67	359
Total	**391**	**27**	**81**	**500**

*includes remuneration only for the period the individuals were directors of the Company.

In 2017, share option costs of £58k were recorded relating to directors and £31k relating to other key management personnel.

Since 4 August 2017, the Group has purchased certain services from Reckon Limited, which is a related party by virtue of having common directors. This includes the costs of Group staff yet to be brought on to the Group payroll. The value of those services was £155k and £150k was owed to Reckon Limited at 31 December 2017.

Financial statements

For the year ended 31 December 2017

Notes to the financial statements (continued)

19. Reconciliation to previously reported information

The table below reconciles key line items in these financial statements to the information provided in the AIM Admission Document. The two changes relate to the early and fully retrospective adoption of IFRS15, the revenue recognition standard, and the application of the Group's policy on the capitalisation of development costs.

2016 income statement	**As previously reported £'000**	**IFRS15 adoption £'000**	**Development Costs £'000**	**As Reported £'000**
Revenue	7,971	(209)	-	7,762
Cost of sales	(604)	-	-	(604)
Gross profit	**7,367**	**(209)**	**-**	**7,158**
Development costs	(147)	-	(2,651)	(2,798)
Sales, general and admin costs	(6,088)	-	-	(6,088)
Adjusted EBITDA	**1,132**	**(209)**	**(2,651)**	**(1,728)**

2016 balance sheet	**As previously reported £'000**	**IFRS15 adoption £'000**	**Development Costs £'000**	**As Reported £'000**
Intangible assets	2,742	-	(2,686)	56
Deferred tax asset	-	-	105	105
Deferred revenue	(3,068)	(965)	-	(4,033)
Deferred tax liabilities	(257)	-	257	-
Retained earnings	(1,214)	(838)	(2,451)	(4,503)
Net assets	(275)	(838)	(2,451)	(3,564)

At 31 December 2015, the adoption of IFRS15 increases the previously published deferred revenue by £756k to £2,614k. The application of the Group's policy on development costs decreases intangible assets at 31 December 2015 from £829k to £nil.

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Company balance sheet

At 31 December 2017

	Note	2017 £'000
Fixed asset investments		
Investments in subsidiaries	C4	485
		485
Current assets		
Trade and other receivables	C5	1,231
Cash and cash equivalents		1,750
		2,981
Total assets		3,466
Current liabilities		
Trade and other payables	C6	(601)
		(601)
Total liabilities		(601)
Net assets		2,865
Equity		
Share capital	C7	73
Share premium account	C7	2,756
Retained earnings	C7	36
Shareholders' funds		2,865

As permitted by Section 408 of the Companies Act 2006, a separate profit and loss account of the parent company has not been presented. The parent company's profit for the period was £36k. The accompanying notes form part of the financial statements.

These financial statements were approved by the Board of Directors on 19 March 2018 and were signed on its behalf by:

Daniel Rabie
Chief Executive Officer

Financial statements

Company statement of changes in equity

For the period from 21 June 2017 (incorporation) to 31 December 2017

	Share capital £'000	Share premium £'000	Retained earnings £'000	Total £'000
At 21 June 2017	-	-	-	-
Profit for the year	-	-	36	36
Issue of shares, net of issue costs	73	2,756	-	2,829
At 31 December 2017	**73**	**2,756**	**36**	**2,865**

Notes to the company financial statements

C1. Company information

GetBusy plc is a public limited company incorporated in England on 21 June 2017. Its principal activity is that of a holding company for a group of software companies. Its registered office is Unit G, South Cambridge Business Park, Cambridge, CB22 3JH.

C2. Basis of preparation

These company financial statements have been prepared in accordance with Financial Reporting Standard 102 – "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland" ("FRS102") and with the Companies Act 2006. They are presented in Pounds Sterling.

There are no material accounting policies for which additional specific narrative adds to the boilerplate description in FRS102. As with the consolidated financial statements, you'll only see disclosures that are material; if a disclosure isn't made it's because the item to which it relates isn't material.

The Company has taken advantage of the exemption from preparing a statement of cash flows, on the basis that it is a qualifying entity and the consolidated statement of cash flows, included in these financial statements, includes the Company's cash flows.

Financial statements

For the year ended 31 December 2017

Notes to the company financial statements (continued)

C3. Critical accounting judgements and key sources of estimation uncertainty

In the application of FRS102, the Directors have made the following significant judgements:

- In assessing the carrying value of investments in subsidiaries, the directors have made a judgement about the long term cash generating potential of the material subsidiaries. This assessment takes into account the strategy of the business, approved budgets. If future cash generation differs materially from the directors' expectations, there may be an impairment in the carrying value of the investments.
- FRS102 requires the use of statistical models to determine the fair value of share options granted to employees. The nature of the options we have granted means a Monte Carlo model has been used by a third party firm to estimate the fair value. This model makes use of various assumptions, the most significant of which are listed in note 7 to the consolidated financial statements, where a full description of share based payment arrangements is contained.

C4. Investments in subsidiaries

	2017 £'000
At 21 June 2017	
Additions	379
Share-based payments	106
At 31 December 2017	485

Investments are initially stated at cost. In accordance with section 26 of FRS102, the cost of investment is increased to reflect the cost of share options awarded to employees of the Company's subsidiaries. A full list of subsidiaries is contained in note 16 of the consolidated financial statements.

C5. Trade and other receivables

	2017 £'000
Amounts owed by other group companies	1,188
Prepayments	29
Other receivables	14
Trade and other receivables	1,231

Financial statements

For the year ended 31 December 2017

Notes to the company financial statements (continued)

C6. Trade and other payables

	2017 £'000
Trade payables	139
Accruals	462
Trade and other payables	601

C7. Share capital and reserves

The Company has one class of ordinary share which carries no right to fixed income. The Company does not have an authorised share capital. At 31 December 2017, 48,399,614 shares were issued and fully paid with a nominal value of £72,599.42.

The Share Premium Account is the difference between the amount paid for ordinary shares issued in the Company and the nominal value of those shares.

C8. Related party transactions

The Company has taken advantage of the exemption afforded in FRS102 to not disclose transactions with 100% owned subsidiaries. Related party transactions with directors of the Company are set out in note 18 of the Group financial statements.