GetBusy

Annual Report And Accounts

GetBusy plc

31 December 2019

Company no: 10828058

GetBusy

Our mission is to make people productive and happy.

🎉 👍 🚀

2019
at a glance

£12.7m

2019 total revenue

(15% increase at constant currency ✌)

£11.4m of recurring revenue ✌

(19% increase at constant currency ✌)

90%

Proportion of revenue that's recurring

(2018: 87%)

£12.3m

Annualised Recurring Revenue at 31 December

(19% increase at constant currency ✌)

£(0.6)m

Adjusted Loss ✌

(2018: £(0.8)m)

£1.7m of cash at 31 December

(2018: £2.5m)

65,850 paid-for users of our software

(2018: 61,500)

Low churn
SmartVault 0.0%
(2018: 0.5%)

Virtual Cabinet 0.1%
(2018: 0.3%)

First paying subscribers for our GetBusy product

109 rockstars in our team

In this report

What we do (and how)	Our market and products	6
	Our strategy and business model+	10
How it went	A word from our Chairman+	12
	Business review+	13
	Key performance indicators+	18
How we roll (responsibly)	Our governance arrangements	20
	Remuneration report	26
	Audit committee report	29
	Risk management+	30
	Directors' report	32
	Independent auditors' report	34
The numbers	Financial statements	37

+denotes a component of the Strategic Report, required under the Companies Act 2006.

While we've got your attention, here's **an important note on Alternative Performance Measures used in this report.**

We use a series of non-IFRS alternative performance measures ("APMs") throughout this Annual Report. These measures are used because we believe they provide additional insight into the performance of the Group and are complementary to our IFRS performance measures. This belief is supported by the discussions that we have on a regular basis with a wide variety of stakeholders, including shareholders, staff and advisers.

These APMs include recurring revenue, Adjusted Profit / Loss and comparative measures on a constant currency basis.

APMs in this Annual Report can be identified by this symbol: ✌.

APMs are not defined or recognised under IFRS. They are not designed to replace IFRS performance measures but to complement them. They should not be used in isolation because they may not give a complete view of the performance or financial position of the Group.

Care should also be taken in comparing the APMs that we report with those of other companies. Our definition of a particular APM may not be the same as those used by others.

A full definition of the APMs we use can be found in note 2 to the financial statements. Constant currency measures are reconciled to the IFRS-reported measures in note 21.

Document management market size

The global document management market has been estimated by Gartner to be worth more than £4 billion by various studies.

However our products address various niches within that global market, so we have set out below our view of the addressable market sizes within these niches.

Over 3.5 million people work in these document-intensive industries within the countries in which we currently operate.

By far our largest current market is within the accounting, bookkeeping and tax industries.

Accounting, bookkeeping and tax in UK, US and ANZ

1.7million

Estimated people employed

200,000

Estimated number of firms

£350m

Estimated annual market at £20 per user per month

Consultancy and professional services

Whilst accounting, bookkeeping and tax is our largest market by revenue, we also have a significant presence in the consultancy and professional services industries.

In the UK, the total annual revenue opportunity from other professional services markets, including insurance, independent financial advisers and consultancies, is estimated to be approaching £100million.

Our document management products

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

This is expensive. It makes businesses inefficient and less profitable.

Additional administrative staff to organise the reams of documents, time spent scouring a disorganised file server for a misfiled report, higher rents to store mountains of dusty files, panicked projects to apply retention policies, compensating clients for missed deadlines and lost paperwork.

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? How do you store e-mails to and from clients? How do you stay on top of all those e-mails? Who did you send it to? Were you meant to? Was it secure? Where's the signed version? Did you leave it in the office?

Sound familiar? We call this **"information chaos"**. According to IDC, it costs organisations nearly $20,000 per information worker per year.

This is what our products solve. We make businesses more efficient and more profitable.

We have two established products in the professional document management market, Virtual Cabinet and SmartVault. Over 65,850 people use them everyday to make their working lives better.

Over 20,000 people use SmartVault in their businesses, connecting with over 1 million portal users.

SmartVault is a fully cloud-based document management system and portal targeting small and medium sized businesses, principally in the accounting, bookkeeping and tax preparation markets. It provides an easy to use, intuitive interface and workflow capability that requires limited training or setup.

SmartVault customers are able to go paperless and centralise their documents with smart online storage that's built for their business. They are able to give their clients a secure, easy and professional way to collaborate with them in the cloud using the branded client portals. They can share files in the cloud easily and conveniently without compromising on security.

The full power of SmartVault is unleashed via its integrations with leading small business tax and accounting software, like TaxCalc, Intuit's QuickBooks, Xero, Lacerte, ProSeries and HubDoc.

During 2019, we completed the migration of SmartVault to Amazon Web Services, improving speeds, reliability and security for our customers and ensuring the product is scalable. We also completed the first of our channel integrations in the UK with TaxCalc's suite of products, developed an integration with Salesforce and started work on the genericization of the product, in order to broaden its addressable market.

Virtual Cabinet is an on-premise document management system with a cloud portal. It is targeted at medium to large scale enterprises and has customers in the accountancy, insurance, fund management, real estate, healthcare, banking, insolvency and independent financial adviser markets as well as many others.

Over 45,000 people use Virtual Cabinet, including some of the best known mid-market UK and Australian accountancy practices.

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.

Virtual Cabinet integrates seamlessly with dozens of back office systems used by professional firms, creating powerful best-of-breed technology stacks that unlock transformative efficiencies and highly scalable potential with organisations.

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.

During 2019, we launched the *Virtual Cabinet Go* suite of mobility apps, providing a cloud-like experience to users who are out of the office and need secure, convenient access to Virtual Cabinet's features. We also introduced messaging and multiple-branding into Virtual Cabinet's portal.

The problems we solve

Information chaos
Stop duplicate files, content disorganisation, and data overload

E-mail complexity
Control security risks, track files, receive alerts, automatically file attachments

Misfiling and search
Prevent significant search time per worker per day looking for lost files

Poor security
View audit trails, reduce risk of confidential leaks and hacks

Compliance costs
Meet regulatory, audit and litigation requirements to prevent fines and damages

Legal approvals
Digital signatures and smart workflows significantly reduce contract turnaround time

Version control
One version of the document seen by everyone, no duplicates and confusion

Document access
Log into your document system from outside the office

Information silos
Integrates with your existing software and systems so all your files live in one place

Our new Product - GetBusy

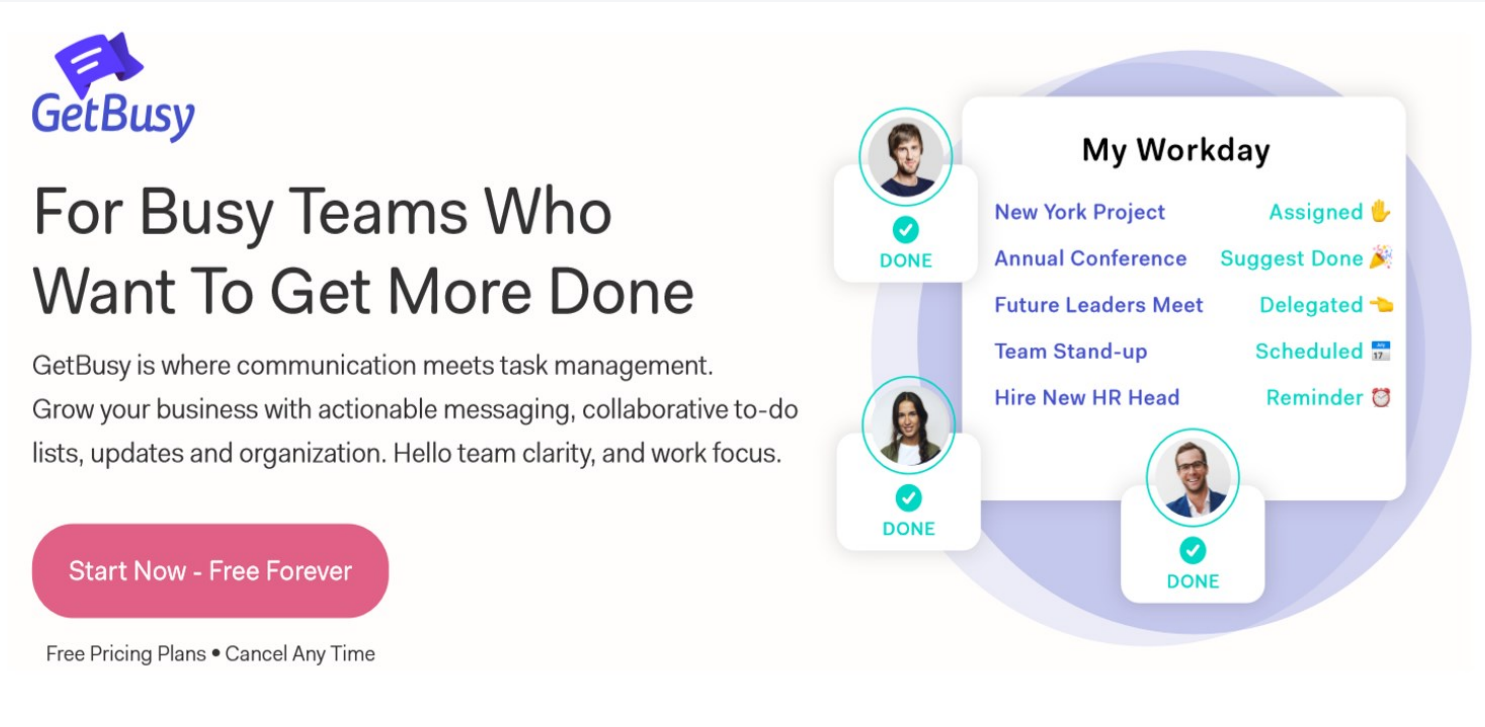
GetBusy is targeted at busy teams who want to get more done. By organising tasks and communication around them into intuitive threads, it allows teams to be organised and accountable in a really simple and intuitive way. Auto-prompting, the ability to easily pause and resume tasks, smart tagging, suggested replies and a beautiful, clean interface all make staying on top of tasks and collaborating with your team easier.

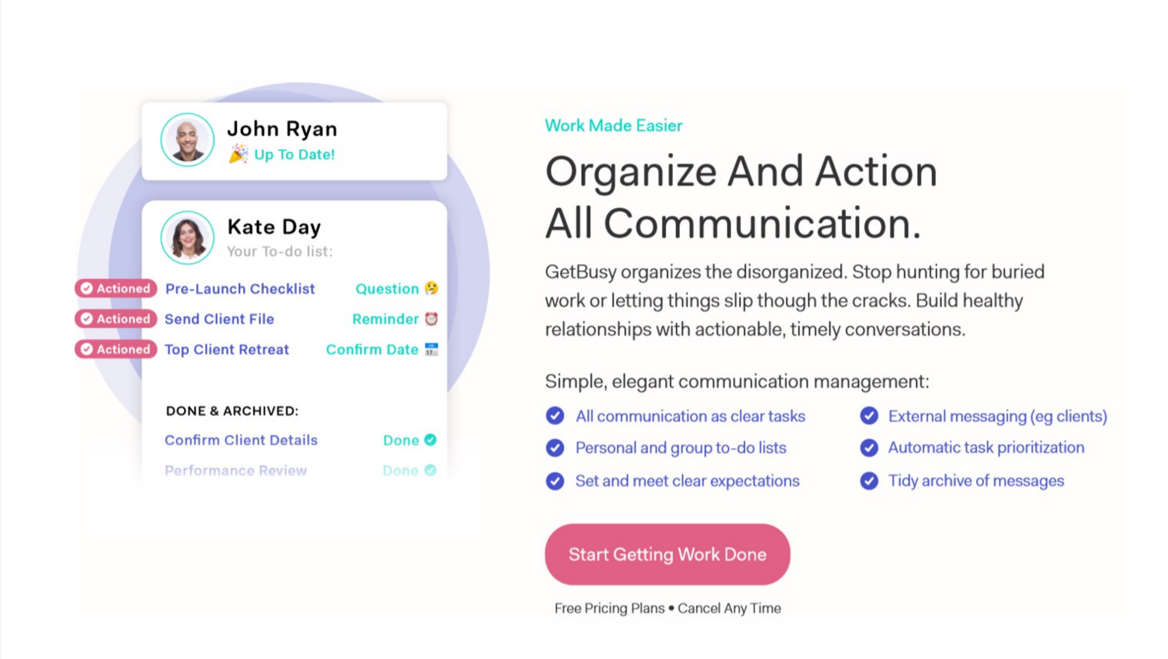
GetBusy is a natural evolution of our existing products. We have over 20 years' experience addressing the universal need for businesses to work in a collaborative way and capture, organise, process, action, discover & share information. These problems are common and pertinent to company productivity, leading to a very large addressable market.

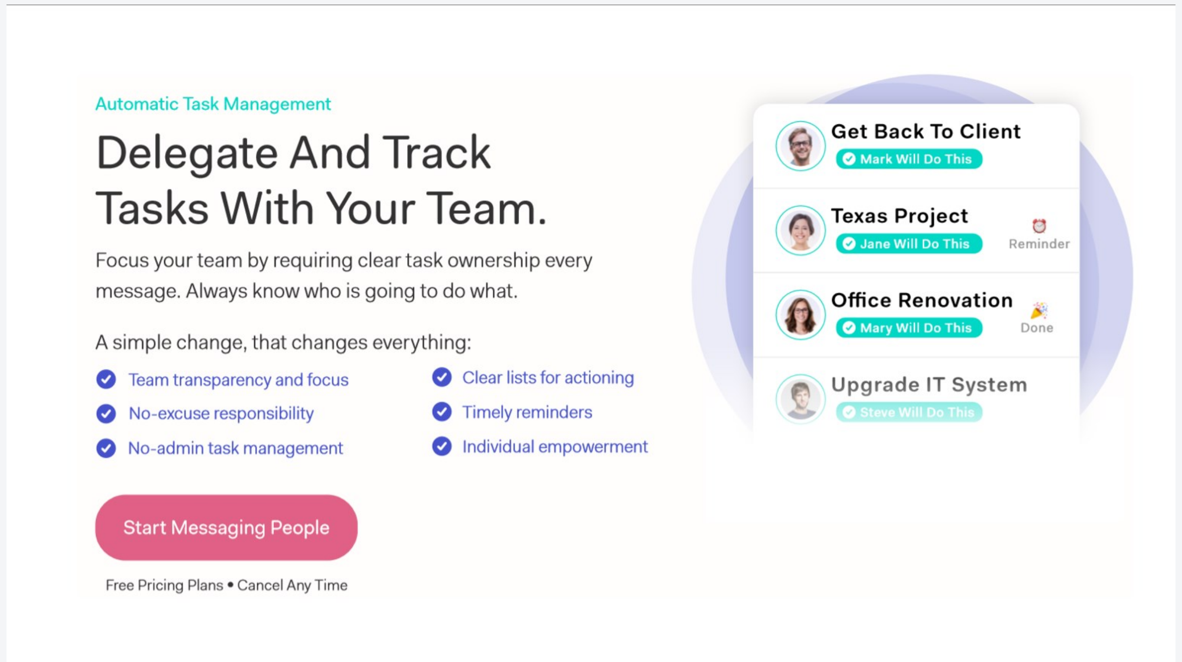
We are already seeing a wide variety of businesses understanding our value proposition and using GetBusy. The product continuously evolves on the back of customer feedback. Its ability to improve productivity by using simple to-do's that keep work organised is starting to find product market fit. Its intuitive task-focus helps team leaders delegate tasks while retaining visibility.

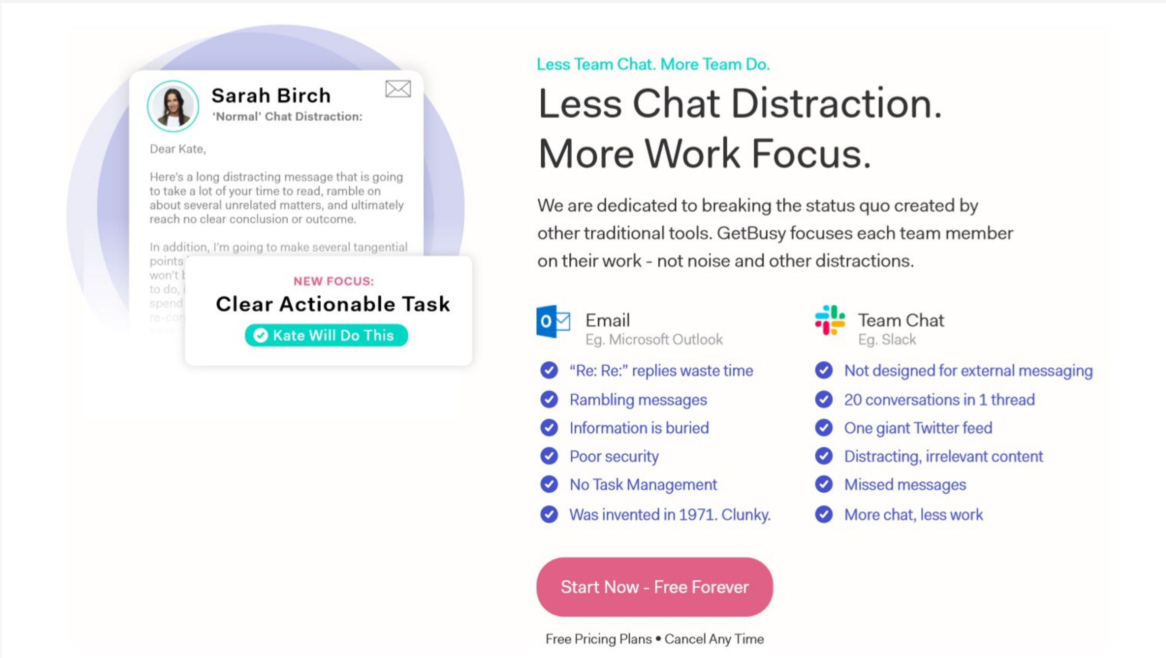
In 2019 we moved from public beta into general release. This involves testing multiple value propositions across different audiences and price points. In 2020 our focus is on establishing a scalable customer acquisition model as we position the product for monetisation.

GetBusy









Our strategy and operating model

STRATEGY

Our mission is to make people productive and happy.

We have a really meaningful set of values that we live by as we seek to accomplish that mission; you can see them opposite.

We aim to deliver **long-term sustainable growth**. We won't chase short-term results at the expense of the longer-term. Shareholder value will be maximised by growing our base of high-quality recurring subscription revenues, particularly for our cloud-based products; recurring revenue is sustainable, predictable and growth-enabling.

We have clear strategic objectives for each of our products, summarised below.

SmartVault

Our objective for SmartVault is to drive sustained growth in high quality recurring subscription revenue.

SmartVault is a product that is highly scalable and is enjoying substantial growth, particularly in the US. Growth in the coming year will be derived from:

- Excellence in customer acquisition through our existing channels in the US and UK;
- Improvement in customer retention, principally through the actions of our newly recruited customer success team; and
- Improved monetisation of the existing customer base.

Longer term growth, in which we will start investing in 2020, is expected to come from:

- Expanding market share within the existing vertical markets, through deeper integrations with other tax preparation products;
- Expanding into alternative vertical markets with similar market drivers to accounting and bookkeeping (e.g. compliance, data security and workflow efficiency), with targeted integrations that open new channels;
- Developing new products that enable us to monetise the base of portal users. There are nearly 50 non-paying portal users for every paying SmartVault user.

Virtual Cabinet

Our objective for Virtual Cabinet is sustained growth in profit and cash generation.

Revenue growth is expected to be derived from continued new business within the existing vertical markets as well as within new verticals, such as insolvency, with similar characteristics to accounting. We will also continue with our cautious expansion into the US.

We will focus on improved monetisation of the installed base of users, particularly through the sale of newly developed product features.

High levels of operational leverage and tight cost control will ensure a strong conversion of incremental revenues into additional profit.

GetBusy

The objective for the GetBusy product over the coming year is to prove that a commercial market exists and that we have a viable, scalable business.

Viability is the proving of scalable characteristics in key areas of the customer acquisition and revenue model. We need to ensure that we have a customer acquisition cost and payback that will scale. Underlying this is an improved understanding of the customer's buying journey and confidence in our ability to repeat it. These are key features of the path to demonstrating product-market fit for a new product.

To this end, the Board has developed clear business goals for active user numbers, monthly recurring revenue and customer acquisition payback for 2020.

OPERATING MODEL PRINCIPLES

One word sums up how we approach our operating model.

Scalable.

Everything we do to execute our strategy is designed to create a business in which revenue can grow rapidly without proportional increases in our operating costs. There are several ways we do this.

Firstly, we hire really smart people. People who think differently and aren't afraid to try new things, fail fast, improve and perfect. These rockstars are the foundation of our scalable business.

Wherever possible, we automate processes and use clever technology to free-up our people to do what they do best: delighting our customers and acquiring new ones. We use world-leading software across all parts of the business so we can get better insight into our products, our customers, our opportunities and our performance. We're constantly building and tweaking our tech stack to give us an edge.

Becoming truly scalable is a journey. Our two existing products, Virtual Cabinet and SmartVault, have differing levels of scalability within the product and associated operating models. Our new product GetBusy is being built with ultra-scalability and viral potential in mind.

Our values

Every customer experience must include a smile :)

The original and arguably the most important rule.

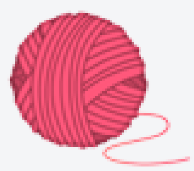
If we can satisfy our customers, and genuinely improve their lives, success will follow. This applies to every single customer. Every time. At every point of interaction no matter how small. No exceptions.

Show grit and make it 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!



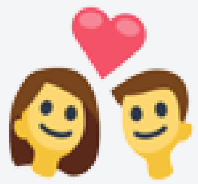
Keep it simple.

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.

What our customers say about our Virtual Cabinet support team

A word from our Chairman

The momentum built up during 2018 continued throughout 2019, with the Group delivering 20% growth in recurring revenue and a 29% improvement in Adjusted Loss before Tax. We've been particularly pleased with the way in which SmartVault is scaling and the ability of Virtual Cabinet to generate significant operating margins and cash. In addition, our eponymous product, GetBusy, is entering the exciting product market fit phase and we will be working hard over the coming year to prove a viable and scalable model.

In December we announced the share capital reorganisation and conditional placing, which was approved by shareholders and implemented in January 2020. This was designed to simplify the Company's share register, reduce the costs of compliance, provide an attractive exit to our many small overseas shareholders, for whom share trading costs can be very high, and provide additional share liquidity in the market. We are pleased to welcome two new institutional investors onto our share register as a result of this transaction.

Readers will be aware of the devastating bushfires across Australia over the last few months. This has been a particularly difficult time for our team members in Sydney, many of whom reside in the outskirts and have been living under the sustained threat of evacuation. I am delighted at the response of our wider team to support their colleagues down under, with a deluge of goodwill messages and a substantial amount raised, and matched by the Company, to support efforts to stem the ecological damage caused by the fires. It is this compassion and sense of team that makes GetBusy a very special place to work.

Following requests from a number of parties to increase the level of independent oversight at board level, the Board decided earlier in 2019 to begin the search for a new independent non-executive director. Not wishing for the Board to be over-sized and cost inefficient for a Company of GetBusy's size, Greg Wilkinson offered not to seek re-election as a Director at the next AGM. Greg, who will remain a substantial shareholder and passionate supporter of the business, founded Reckon Limited and has played a key role in the creation of the document management group which eventually demerged from Reckon to become GetBusy. I know I speak on behalf of all the Board by saying that his no-nonsense, pragmatic insight and good humour will be missed by all, and we wish him well for the future; his selfless decision to step down is a real testament to the man.

We warmly welcome Paul Huberman to the Board as an independent non-executive director and we look forward to his contribution and the benefit of his significant public company experience.

Finally, I would like to thank all our team for their hard work in 2019. GetBusy's unique values are lived out every day by people across the Group; these values, and each of our people, are the source of our past success and the value that we create in the future.

Miles Jakeman

Chairman

Companies Act s.172 statement (part of Strategic Report)

In making decisions, the Directors take into account the potential long term implications of those decisions. This is a core component of the Group's strategic planning process.

In order to take account of the Group's employees, the Group has recruited a People and Culture team, which implements initiatives to ensure that the views and needs of our people are taken into account in our planning and decision making.

How we foster business relationships with suppliers, customers and others, and the impact of our operations on the community and environment, is explained within Principle 3 of our governance arrangements described on page 21.

We strive to maintain a reputation for the highest standards of business conduct. Our adoption of the QCA Corporate Governance Code provides the oversight and context for how we achieve that.

The Directors recognise the need to act fairly between members of the Company. Wherever a conflict or potential conflict arises, the Board takes independent legal and professional advice to ensure that members are treated fairly.

Business review

We are pleased to report Group recurring revenue growth of 20% (19% at constant currency) to £11.4m, with total revenue up 17% (15% at constant currency) to £12.7m. Growth came from both our Virtual Cabinet and SmartVault businesses, with a particularly strong year from the latter. Our subscription revenue growth has come from a combination of new business (paid-for users increased by 7% to 65,850 and improved monetisation of the existing customer base (Group Annual Revenue Per User - ARPU - increased by 12% to £186).

Annualised Recurring Revenue at 31 December 2019 was £12.3m, up 19% at constant currency from a year ago. Recurring revenue grew from 87% of total revenue in 2018 to 90% in 2019; in H2 it was 92% of total.

There has been tremendous progress across each of our businesses in 2019.

SmartVault's sales model has demonstrated excellent scalability, with Annual Contracted Value (ACV) from new customers up 27% on 2018 and investments in product, customer acquisition and retention that position us well for sustained strong growth. SmartVault was successfully migrated to Amazon Web Services, substantially improving the scalability, speed, stability and security of the product. We signed our first channel and integration agreement in the UK with TaxCalc and we have built out a dedicated customer success function to focus on reducing churn.

Virtual Cabinet launched its suite of mobility apps, collectively known as *Virtual Cabinet Go*, and introduced messaging and multiple branding into its portal, which reaches over 600,000 registered users. We also had some first successes in selling Virtual Cabinet into the US market, with some keystone clients among reputable mid-tier accounting networks.

GetBusy matured significantly as a product and now has an operational infrastructure around it as we attempt to prove the market and move to monetisation. We acquired our first paying users and we move into 2020 poised to learn rapidly in the product market fit phase.

Adjusted Loss for the year was £(0.6)m, a reduction of £0.2m compared to 2018. We continue to invest a significant proportion of incremental revenue back into growth where we see favourable leading indicators, such as in new customer acquisition for SmartVault. We finished the year with £1.7m of cash, down from £2.5m in 2018.

Business review (continued)

SmartVault

SmartVault is a cloud document management platform and portal for small and medium sized businesses. SmartVault's customer base comprises 62% from the accounting, bookkeeping and tax markets, driven by very strong integrations with the leading SME cloud accounting software providers.

Our financial objective for SmartVault is to drive sustained growth in high quality recurring subscription revenue.

Revenue

Continued new customer growth and better monetisation of the installed base led to a 30% (25% increase at constant currency) increase in recurring revenue to £4.2m. Total ACV from new customers was 27% ahead of 2018, a reflection of an increasingly well-honed lead generation engine and outstanding sales execution. 42% of product demonstrations in 2019 successfully converted to new customers.

During H2 we implemented a rationalisation of pricing plans for existing customers. Over the 11 years of SmartVault's existence, there has been a proliferation of plans. In many cases for older customers, the value the product brings was significantly undervalued in the price being charged, including when compared to alternative offerings. In addition, the plan structures were complex, creating an operational burden to maintain. The plan rationalisation and simplification has contributed to a 22% ARPU increase over 2019; ARPU was £232 / $302 per year at 31 December.

The number of paid users at the end of the period was 7.7% higher than 31 December 2019, at 20,599. During H2 strong new user growth was offset by a reduction of 400 users from within a particularly large, old, non-accountant customer with a low ARPU (68% lower than SmartVault's average), together with customers subject to the pricing plan rationalisation removing dormant users to reduce costs.

Net Monthly Recurring Revenue (MRR) churn for 2019 improved to an average of 0.0% per month (2018: 0.5%), with the impact of the plan rationalisation having a strong positive impact. Removing the impact of the plan rationalisation leads to net MRR churn that is comparable with 2018. Churn reduction is a key focus for 2020 and beyond; during 2019 we created a customer success team to focus on customer retention and monetisation and we are investing significantly into product development to improve the user experience.

Non-recurring revenue of £0.1m comprises sales of electronic signatures through SmartVault's DocuSign integration, temporary seasonal licences for the busy tax-preparation season and premium onboarding and training services. The 62% increase compared to 2018 is a result of the first full year of the DocuSign arrangement, together with a larger installed base to which seasonal licences can be sold.

SmartVault's expansion into the UK is progressing well, with in-country marketing, sales and consulting staff now in place. This year has been about building brand presence and forging alliances with industry bodies and potential channel partners. In November we announced SmartVault's channel agreement with TaxCalc, a leading UK supplier of practice management, client management and compliance software to accountants and tax advisers with an installed base of over 8,000 accountancy practices and over 30,000 individual tax-payers across the UK. Under the agreement, TaxCalc has become a non-exclusive reseller of our SmartVault product to current and prospective TaxCalc customers in the UK and overseas. We are jointly developing an integration between the two products and will be co-marketing the integrated product suite.

SmartVault closed 2019 with ARR of £4.8m / $6.2m, which is 32% ahead of December 2018 in constant currency.

Gross margin

As expected, gross margin of 82% was lower than in 2018 due to higher integration fees and cloud hosting costs for the product. Early in H1 we migrated the SmartVault product from self-managed servers to Amazon Web Services ("AWS"), which provides a more secure, faster and highly scalable platform for growth. The migration was very successful, with no unplanned product downtime during the key US tax season. Our priority has been to ensure the product is stable and providing an excellent customer experience in the new environment. In H2 we worked to optimise costs and now have a sustainable balance of robustness and cost efficiency. The cash costs of operating in AWS compared to the previous environment are broadly neutral, however as a significant proportion of cost from the old self-managed servers was depreciation (and therefore not included in cost of sales), gross margin is likely to remain in line with 2019 for the foreseeable future.

Overheads

Development costs of £0.9m were a little lower than 2018 owing to lower levels of resource in the first half of the year. Key areas of development during the year included the AWS migration, the development of functionality and customisation for our entry into the UK market, product enhancements to support the plan rationalisation. Towards the end of the year we launched a significant investment in product design and functionality, aimed at improving the user experience and broadening the appeal of SmartVault outside of our key accounting and tax vertical as well as increasing our capacity to create new integrations with partner apps, which can serve as channels. Additionally, we are examining product initiatives aimed at monetising SmartVault's base of over 1 million portal users, who currently interact with the product for no charge. Consequently, our development investment in 2020 will be roughly 75% higher than 2019, with most of the investment in additional people.

SG&A costs increased 36% to £3.6m due to the £1m of investments we have been making over the last year in customer acquisition teams, customer success teams and technology to capitalise on strong LTV : CAC ratios in the US and to establish our foothold in the UK. Commissions and employee incentive payments have also been significantly above the levels of 2018 following a record year.

Adjusted loss before tax was £(1.0)m, £0.3m higher than in 2018 due to the additional customer acquisition, customer success and development investments.

Business review (continued)

Customer acquisition efficiency

Our LTV : CAC ratio for SmartVault as a whole was 3.8 : 1, compared to 6:1 in 2018, primarily due to the expected drag caused by the relative inefficiency of our less mature UK customer acquisition spend and our previously announced accelerated investment in US customer acquisition. Our LTV : CAC for SmartVault in the US was 4.7 : 1 for the year as a whole, a figure which gives us significant confidence in the scalability of our customer acquisition model.

Looking ahead

During 2020 our focus will be on successful scaling and sustained execution in the US market. While much of this growth will come from within existing verticals and channels, we expect to add to those channels and broaden our vertical market appeal outside of the accounting and bookkeeping sector during the year. Efforts to reduce churn will increase, with our dedicated customer success team taking a leading role, backed by investments in the product to improve the user experience. We aim to consolidate our foothold in the UK, growing our customer base within the TaxCalc channel, improving our UK product offering and brand recognition and developing a more predictable, growing sales model. While we expect our 2020 product development investments to have some benefit in the year, particularly around churn reduction, we expect much of the benefit in new customer acquisition to follow in subsequent periods.

SmartVault is well placed to capitalise on a sizeable opportunity to scale rapidly, with a committed, ambitious, motivated and aligned management team in place. We are confident that our additional investments will have a significant impact on the long-term sustainable future for the business.

Virtual Cabinet

Virtual Cabinet is a leading desktop document management, workflow and cloud portal tool targeted at a variety of medium to large professional services businesses. 56% of Virtual Cabinet's paying users are in the accounting, bookkeeping and tax industries, with significant concentrations also in financial services, insurance and insolvency.

Virtual Cabinet's financial objective is sustained growth in profit and cash generation.

Revenue

Virtual Cabinet recurring revenue increased by 16% to £7.2m, a reflection of continued new customer wins together with additional revenue from the existing client base. The number of paid users increased over the period by 7% to 45,251, ARPU increased by 6.7% to £165 and net monthly MRR churn was 0.1%, compared with 0.3% for the year ended 31 December 2018. Annualised monthly recurring revenue at 31 December was £7.5m, an increase of 14% compared to 31 December 2018.

Notable in 2019 has been the range of customer size for new Virtual Cabinet customers, from single user firms to as high as 600 users, which demonstrates the flexibility of the Virtual Cabinet product. The median customer size was 6 users. To support this range of deal sizes we have developed a remote delivery, installation and training model for the smallest and simplest customer situations, which saves travel costs and valuable consultant time.

During 2019 we have started to build Virtual Cabinet's presence in the US accountancy sector, a market that is four times the size of the UK and contains significantly more large-scale firms. Virtual Cabinet's integrations with popular practice management systems in the US present an attractive value proposition to the larger end of the accounting market, complementing the coverage of SmartVault in the small and medium accounting and bookkeeping space. We will continue cautiously to explore opportunities for geographic growth for Virtual Cabinet in the US.

Non-recurring revenue, which includes consulting and perpetual licence sales, decreased 13% to £1.1m. This expected reduction is partly a product of the transition of the revenue model from an upfront, perpetual licence model to a higher value recurring subscription model. In 2019, only 31% of our new customer orders contained an upfront component, with the remainder on a pure subscription basis. In addition, the comparative period contained an unusually high volume of smaller one-off consulting projects related to the GDPR implementation deadline in May 2018.

Total revenue of £8.3m was a 10% increase (11% at constant currency) compared to 2018 with the proportion of recurring revenue increasing from 83% to 86%, a trend we expect to continue. Gross margin remained reasonably consistent at 98%.

Business review (continued)

Overheads

Development spend increased markedly compared to 2018 to £0.7m (2018: £0.4m) as a result of a reallocation of resources in H2 2018 to assist with the SmartVault migration to AWS. The key focus area of development in 2019 was our suite of mobility products, collectively known as Virtual Cabinet Go; these products augment the core Virtual Cabinet and portal applications, providing intuitive, secure on-demand access to documents from anywhere and without the time and hassle of negotiating local VPNs. This allows our customers to spend more time out of the office and face-to-face with their clients, without losing access to critical information.

Additionally, we have significantly enhanced the capabilities of the Virtual Cabinet Portal, including introducing a messaging capability, the option for multiple branding for customers (for example, an accountancy firm that has different brands for corporate work and private client work) and a doubling of the maximum document size.

SG&A costs decreased by 11% to £4.0m, primarily due to lower staff costs, sales commissions and travel. We have reduced the size of our sales and consulting team in Australia in order to match delivery capacity with expected order intake in a relatively saturated market for on-premise products. In addition, we have redeployed certain operational staff to other areas of the business as our efforts to use technology to automate internal processes bear fruit. These savings have been offset to an extent by redundancy costs in Australia.

Adjusted Profit increased by 42% to £3.4m with operating margin improving significantly from 31% to 41%.

Looking ahead

In 2020, we expect continued growth in recurring revenue for Virtual Cabinet, from a combination of new business and upsell to existing customers. This growth may be at a more modest rate than in 2019, which benefitted from two of Virtual Cabinet's largest ever installations in the first half. Non-recurring revenue will continue to decrease due to the impact of the shift in model to pure subscription. Generating operational leverage through cost control and the use of scalable technologies remains a priority for the team and we would expect to see a further increase in operating margin to the 42% - 45% range.

GetBusy

GetBusy is our new product designed for busy teams that want to stay on task and get more done.

Our deep research around the way that teams work effectively has identified a set of problem statements that GetBusy seeks to address. These problems include challenges in keeping track of tasks, communicating around tasks, clearly assigning tasks to team members and clients, avoiding e-mail and chat-app clutter, having multiple conflicting tools for team, client and personal organisation, ineffective and inefficient communication and information security and privacy.

GetBusy is a natural evolution of our existing products. We have over 20 years' experience addressing the universal need for businesses to work in a collaborative way and capture, organise, process, action, discover & share information. We believe GetBusy has the potential to open significantly larger addressable markets for the Group as the problems it solves are generic rather than specific to certain sectors.

The progress in functionality that the GetBusy product has made over 2019 has been substantial. Multi-participant threads, teams, SmartViews, personal tags, contact imports and integrations with Google Drive, Dropbox and Instagram, have all been implemented during the year, together with a major visual design refresh and the launch of our Android app.

During 2019, in addition to the spend on developing the product, we built the operational architecture around the product. This included installing and configuring a billing system, payments gateway and analytics tools to provide us with valuable insight into users' behaviours. We have tested multiple value propositions for the product via a variety of marketing channels, generated a bank of content to help with onboarding and converting active users into paid users and started to test pricing plans. We enter 2020 with a healthy funnel of leads generated by this marketing effort, on which we will seek to capitalise in the coming months as we look to prove .

During Q4 we began to see our first small cohort of paying users, a significant milestone for the team. This has given us the confidence to recruit our first dedicated customer success and channel development team members in early 2020. This team is solely focussed on acquiring paying users and identifying and developing channel partners, with the ambition of demonstrating a scalable and economically viable customer acquisition cost.

Total spend on GetBusy in 2019 was £1.4m, a £0.5m increase compared to 2018. The increase reflects the operational infrastructure that we have started to build around the product as well as spend on test marketing and content generation as we continue the journey to find product-market fit.

Business review (continued)

Items reconciling Adjusted Loss with loss before Tax

On an IFRS basis, we have capitalised £0.3m of development costs in 2019, which relates solely to work carried out on Virtual Cabinet and SmartVault. Capitalised amounts in 2019 relate, amongst other things, to the migration of SmartVault to AWS, the development of the *VC Go* suite of mobility apps and the creation of key integrations for SmartVault. No costs related to the development of GetBusy have been capitalised as there is insufficient certainty over the commercial viability of that product at this stage.

During H1 in 2020 our UK team will move to new office premises. The overlap of the new and old office premise leases has been treated as an onerous contract, with £40k of accelerated depreciation on the Right of Use – Leases asset for the old office and £22k of related expenditure.

The increase in depreciation on owned assets and amortisation is due to the impact of continued capitalisation of development costs.

The increase in share option costs to £0.4m is largely due to the increase in the provision for employment taxes due if options are exercised, which is driven by the Company's share price.

The loss for the year was £1,205k, an increase of £95k compared to 2018.

Tax

During 2019, the Group submitted claims for Research and Development tax relief in respect of financial years 2017 and 2018. The potential impact of these claims, which may lead to a material cash inflow in 2020, has not been recognised in the 2019 tax provision calculations in order to take a conservative stance before approval by HMRC.

The tax charge of **£25k** in 2019 (2018: credit of £195k) relates to our New Zealand company, which was profitable in the year. Taxable profits in other profitable jurisdictions are fully covered by brought-forward tax losses.

Balance sheet and cashflow

The most significant movement in non-current assets is the creation of the £220k Right of Use lease asset under IFRS16. This asset relates to the Group's leasehold offices in Cambridge, Houston and Sydney. The associated lease liability of £312k has been split between current and non-current.

The small increase in intangible assets is a result of the capitalised development spend, offset by amortisation.

Overall working capital is in line with 2018, although there are some more significant movements within the constituent parts.

The reduction in trade and other receivables is partly due to the lower trade receivables in Virtual Cabinet in the UK, which is a result of the increasing proportion of customers who are on monthly billing, as opposed to annual, as we move to a pure subscription revenue model.

Trade and other payables increased £0.3m due to a combination of higher bonus provisions, particularly in SmartVault, and a higher rate of accrued spend in the final months of the year, the payment for which will be made in 2020.

Deferred revenue fell by £0.4m, mostly driven by the shift to monthly billing and pure subscription in Virtual Cabinet in the UK and the recognition of deferred revenue related to non-recurring revenue from licence and consulting deals in previous years.

Overall net liabilities at 31 December 2019 was £2.9m (up from £2.0m at 31 December 2018). This net liabilities position is a result of historic and current year losses combined with the creation of the demerger reserve at the time of demerger in 2017.

Total cash outflow for the year was £743k, with closing cash of £1.7m. The adjusted loss of £595k, a working capital outflow of £180k and capital expenditure of £131k were offset slightly by an exchange rate gain of £88k. **The cashflow statement also shows the impact of the adoption of IFRS16 *Leases*, with offsetting entries for depreciation on right of use assets and the principal payments and interest on lease liabilities.**

Whilst cashflow broadly follows our adjusted profit / loss figure, less any capital expenditure, there are a number of material items that will or may have an impact on cashflow in 2020:

- The subscription in January 2020 for 500,000 new ordinary shares at a price of £0.525 per share;
- Any receipt of successful research and development tax claims for financial years 2017 and 2018, which is expected to be around £0.6m, with a further claim for 2019 to follow; and
- The fit-out costs for our new UK office and the extension of our US office, which collectively may be between £0.2m and £0.3m.

Outlook

We expect SmartVault's growth to continue to be strong, underpinned by a very encouraging start to the new year and investment in product development and customer acquisition that will be at a higher run-rate than in 2019. Improvements in Virtual Cabinet's operating margin will be driven by strong operating leverage and more modest recurring revenue growth. We are not forecasting any material revenue for the GetBusy product at such an early stage, although we remain encouraged by the initial progress thus far.

Key performance indicators

Data drives decisions. We continually measure a wide and growing range of data points in our businesses. We aim to constantly tweak the way we do things, responding to data to produce incremental performance improvements.

Metric	Description	Link to strategy	How calculated	2019 result	2018 result	Comments
Recurring revenue growth	The percentage increase in Group recurring revenue, which includes revenue from software subscriptions and support contracts, at constant currency.	Growing high quality recurring subscription revenues is a core part of our strategy. Recurring revenue is predictable and sustainable and produces substantial value over the lifetime of a customer contract.	The difference between current year and prior year recurring revenue , *divided by* prior year recurring revenue. Prior year recurring revenue is restated at the exchange rates used for current year.	19%	22%	Recurring revenue grew in each product in 2019 and was particularly strong in SmartVault. Sustained growth in high quality recurring subscription revenues remains our focus going into 2020.
Recurring revenue as a proportion of total revenue	The proportion of total revenue derived from software subscriptions and support contracts, expressed as a percentage.	Our UK business is transitioning from an upfront licence and maintenance model to a pure subscription model. Monitoring our recurring revenue percentage helps us to monitor the progress we are making towards becoming a pure SaaS business.	Current year group recurring revenue *divided by* group total revenue.	90%	87%	Our proportion of recurring revenue increased following the transition of the Virtual Cabinet sales model to pure subscription, a surge of non-recurring consulting projects in 2018 related to GDPR and the increase in SmartVault's share of total revenues.
Annualised MRR	December monthly recurring revenue grossed-up for 12 months.	This shows us the base of revenue for the next 12 months upon which we seek to build.	December recurring revenue *multiplied by* 12.	£12.3 million	£10.3 million	Represents 20% growth at constant currency.
Net MRR Churn—SmartVault	The average percentage of MRR lost or gained (if negative) in a month due to the combined impact of customers leaving our platforms, customers upgrading or downgrading their accounts and price increases or reductions.	Retaining the customers on our platforms, and generating additional value from existing customers, is a key part of growing our recurring revenue.	Net MRR impact of customer losses, upgrades and downgrades, price increases and reductions *divided by* opening MRR for the current year *divided by* 12.	0.0%	0.5%	The rationalisation and simplification of pricing plans had a significant contribution to zero net churn in 2019 for SmartVault, particularly in H2, together with the impact of a dedicated customer success team, recruited in the year.
Net MRR Churn—Virtual Cabinet	As above, but for Virtual Cabinet.			0.1%	0.3%	Virtual Cabinet net MRR churn remains low, with upsells generally countering the impact of lost customers. Longer term, the on-premise nature of the core product is a risk to churn levels.
Paid-for subscriber count	The number of users on our platforms for which a fee (either subscription or support) is paid. A customer account may include multiple paid-for users.	Recurring revenue growth is more sustainable from a growing customer / user base.	N/A	65,850	61,543	Both products reported user growth oin the 6-8% range, although this was weighted towards H1, with churn of lower-ARPU customers slightly offsetting H2 new user growth.
Portal user count	The number of users of our product portals. Portal users are typically clients or external contacts of our customers.	The reach of our portals provides an indication of the non-monetised potential of our products. With the exception of SmartVault digital signature sales, portal users are not yet monetised.	N/A	1,633,000	1,246,000	Our users are sharing documents with an increasing number of 3rd parties.
ARPU (SmartVault)	The average annual recurring revenue per paid-for user for SmartVault.	ARPU provides a way to monitor the improvement in the monetisation of our existing customer base, as we sell additional features and value to our customers or increase prices.	Annualised MRR divided by paid-for user count. Comparatives restated to current exchange rates.	£232	£193	The 20% increase in SmartVault's ARPU is the product of the pricing plan upgrade together with the fact that new accounts had an ARPU that was 42% higher than the ARPU of the installed base on average.
ARPU (Virtual Cabinet)	The average annual recurring revenue per paid-for user for Virtual Cabinet.			£165	£156	In Virtual Cabinet, as more customers join on pure subscription (rather than upfront licence and maintenance), ARPU is expected to increase.
LTV : CAC ratio (SmartVault)	The ratio between the average customer lifetime value and the cost of acquiring each customer, for SmartVault.	LTV : CAC ratio is a measure of customer acquisition efficiency.	LTV is average annual gross profit per new account *divided by* gross annual MRR churn. CAC is the cost of acquiring a customer (including sales and marketing staff costs, sales commissions and outbound marketing spend) *divided by* the number of new customers acquired.	4 : 1	6: 1	The reduction in the LTV : CAC ratio is due to the drag caused by the launch of SmartVault into the UK. In the US, in which SmartVault is more established and has clear product market fit, LTV : CAC was 4.7 : 1, with the reduction caused by additional investment during 2019.

Our governance arrangements

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 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.

As chair, I lead the Board and it's my role is to ensure that the Group's corporate governance model is properly adopted, delivered and communicated. I am responsible for ensuring that the board agenda concentrates on the key issues, both operational and financial, and that we as a Board are regularly reviewing the Group's strategy and its implementation. I work with our CEO, Daniel Rabie, and our CFO, Paul Haworth, to ensure that the rest of the Board receives accurate, timely and clear information and that there are good information flows between senior management and the Board. I am a non-executive director, so I am not involved in the day-to-day running of the business; this enables me to make independent decisions.

In 2018, we elected to adopt the Quoted Companies Alliance Corporate Governance Code ("QCA Code"). We believe this provides an appropriate framework for smaller growth businesses in which the application of good governance needs to be sensitive to the need to foster an entrepreneurial dynamism. We have revisited the ongoing appropriateness of following the QCA Code during 2019 and consider that it remains the most appropriate framework for a group of our size.

Below we address each of the 10 principles of the QCA Code and their application within GetBusy.

Miles Jakeman

Principle 1: Establish a strategy and business model which promote long-term value for shareholders

You can see our strategy and operating model on page 10.

Principle 2: Seek to understand and meet shareholder needs and expectations

We engage with all shareholders through a range of mechanisms, including but not limited to:

- Providing quality documentation and/or notifications relating to GetBusy activities through the corporate regulators, our website and media as appropriate;
- Encouraging all shareholders to engage with the Company by reading these materials and contacting us if they have any queries or concerns through our investors@getbusy.com e-mail address or through seeking face-to-face meetings as appropriate;
- Ensuring we respond to all investor queries, however received;
- Inviting all shareholders to participate in annual general meetings and extraordinary general meetings (as necessary); and,
- Holding biannual sessions between the Company – usually represented by the CEO, CFO and Chair – with significant shareholders.

Principle 3: Take into account wider stakeholder and social responsibilities and their implications for long-term success

Our business model relies on our relationships with customers, staff, some suppliers and certain integration and channel partners. We also take seriously our social, environmental and ethical responsibilities to the local and national communities in which we operate.

One of our core values is that every customer experience must include a smile. This really means something to everyone in our business. We are constantly obtaining feedback from our customers, responding quickly to any areas in which we fall short. We quantify customer feedback and this gets reported on a regular basis to the leadership team. Each of our past and planned product improvements is the result of customer feedback.

To execute our strategy it is critical that we have the right team. That means the right skill-sets but more importantly it means the people we work with need to share our values. We operate a very flat management structure; we encourage staff in all roles to engage with our leadership team and direct lines of communication with the CEO and CFO are always open. In 2019 we appointed a Head of People & Culture whose role is to help us to engage with, look after, reward and motivate our team.

Generally our business is not reliant on any individual supplier; feasible alternatives exist for most of the technologies we use, although not necessarily without disruption or additional cost.

We have a clear understanding of who our key channel and integration partners are and we maintain close relationships with them. This may take the form of collaborative marketing, hosting joint product demonstrations or face-to-face meetings.

We encourage our people to play active roles in their communities and to enrich the lives of others. For example, each member of the team can take two paid charity days each year to participate, as individuals or teams, in charitable or community activities. In addition, we encourage flexible working in all our offices to allow our people to have active family lives and get involved with their communities.

Principle 4: Embed effective risk management, considering both opportunities and threats, throughout the organisation

Management of risk is a core function of the Board.

The Group has an established risk management process that examines opportunities and threats at the strategic and operational level. The Group has in place a risk register and the principal risks and uncertainties facing the Group can be found on page 30.

Principle 5: Maintain the board as a well-functioning, balanced team led by the chair.

The Board comprises a non-executive independent Chairman, 2 executive directors (the CEO and CFO), 2 non-executive directors and 1 senior independent director.

Miles Jakeman and Nigel Payne are considered by the Board to be independent directors. The QCA Code notes that, generally, shareholder expectation is that at least half of directors will be independent. Following the appointment of Paul Huberman in March 2020, and the retirement of Greg Wilkinson at the 2020 AGM, this will be the case.

Both executive directors are employed on a full-time basis by the Company. The time commitment required by non-executive directors is not prescribed; however it is expected that each non-executive director will dedicate sufficient time to the Company to understand the business, prepare for and attend Board and committee meetings and carry out other work that is necessary for them to fulfil their duties as a director. In addition, it is expected that non-executive directors have sufficient capacity to increase their time commitment to the Company if necessary, for example in the event of a crisis or significant transaction.

Each director has confirmed that they have sufficient time available and sufficient capacity to carry out their role. This is reviewed annually by the Chairman for all other directors; the Chairman's availability and capacity is reviewed by the Senior Independent Director.

During 2019, the Board held 6 formal full meetings and 2 additional shorter meetings to cover specific topics.

Our governance arrangements (continued)

Principle 6: Ensure that between them the directors have the necessary up-to-date experience, skills and capabilities

The members of our Board have a variety of skills and experience that collectively provides an excellent balance.

Skillsets represented include, but aren't limited to, high growth companies, product management, user experience, enterprise software, digital marketing, UK public market and regulatory landscape, start-ups, scale-ups, financial management, investor relations and governance. Biographies of our directors can be found on page 25.

On appointment and subsequently, new Directors are offered induction and training considered appropriate by the Board.

The Directors receive briefings at Board meetings on regulatory and other issues relevant to the Group and its business sector and may attend external courses to assist in their professional development.

Principle 7: Evaluate Board performance based on clear and relevant objectives, seeking continuous improvement.

The Board ordinarily reviews its performance annually with an anonymised survey collated by the Company Secretary for which results are shared with the entire Board. The survey considers the following categories: strategy and planning, monitoring business performance, Board structure and role, meeting process, Board and director responsibilities and Board culture and relationships. The Chairman is responsible for agreeing an action plan to improve the Board's performance. In 2019 improvements were made around the risk management process, including the appointment of a Security & Compliance Officer.

As the last survey was carried out in late 2018 and the beginning of 2019, the next survey will not be carried out until the Company has appointed a new independent non-executive director which is expected to be in March 2020.

Attendance at Board meetings and sub-committees is monitored. All directors attended all board meetings during 2019.

Principle 8: Promote a corporate culture that is based on ethical values and behaviours

GetBusy's values are bold and clear. They are the guiding principles to the way we run our business. They are listed on page 11.

So far as possible, we ensure that these values are visible through our recruitment processes, internal communications and management style, corporate reports and external announcements.

We expect that the Board and leadership team demonstrate these values in all of their work, setting the example for others. Our policies and procedures are designed with these values at their core.

Principle 9: Maintain governance structures and processes that are fit for purpose and support good decision-making by the Board

The Chairman's role and responsibilities have been described previously on page 20.

The CEO's primary responsibilities include:

- Developing GetBusy's strategy for consideration and approval by the wider Board;
- Leading the senior management team in delivering GetBusy's strategic and day-to-day operational objectives; and
- Leading and maintaining communications with all stakeholders.

The CEO is supported in this by the CFO, executive team and leadership team. The CFO also serves as the company secretary; this is considered appropriate for and is commonplace within companies of our size although will be kept under review. The role of the company secretary is to advise the Chairman and Board on both legal and regulatory compliance matters, as well as providing a conduit for all the directors into the workings of the company.

The Audit Committee provides confidence to shareholders on the integrity of the financial results of the company expressed in the Annual Report and accounts and other relevant public announcements of the company. The Audit Committee challenges both the external auditors and the management of the company. It also considers the engagement of auditors including tendering and the approval of non-audit services. The Audit Committee reviews and reports to the board on any significant reporting issues, estimates and judgements made in connection with the preparation of the company's financial statements. The Audit Committee is chaired by Nigel Payne and its other members are Clive Rabie and Miles Jakeman.

The remuneration committee makes recommendations to the Board on the Company's remuneration policies and practices, the remuneration of executive and non-executive directors and the level and structure of remuneration for senior management. The remuneration committee is chaired by Nigel Payne and its members are Miles Jakeman and Greg Wilkinson.

Our overriding principles are that the Board:

- Is established to govern: the Board addresses "ends" and delegates the "means" to achieve those ends to the management group;
- Looks to the future: the Board will devote the majority of its time to considering the future and providing strategic leadership;
- Is ultimately responsible to shareholders for the oversight and performance of the Group; and
- Is there to support and maintain a culture of governance, performance, accountability and communication within GetBusy that embraces and establishes the principles set out here.

In addition to any matters that are expressly required by law to be approved by the Board, the following powers are specifically reserved for the Board:

Governance

- Monitoring compliance with legal, constitutional and Company Codes of Ethics, Codes of Conduct and other material policies;
- Oversighting fraud, risk, control and accountability systems through promoting systemic awareness of the control environment and risk issues;
- Approving Occupational Health and Safety statements;
- Approving Environmental statements;
- Approving Treasury policies (including debt and foreign exchange exposures);
- Determining that satisfactory arrangements are in place for auditing GetBusy's financial affairs and that the scope of audit is adequate;
- Appointing the chair and, if the company requires one, the deputy chair and/or senior independent director;
- Making appointments of members to, and removing members from, Board Committees;
- Approving Terms of Reference for Board Committees;
- Dealing with matters referred to it from Board Committees;
- Approving Directors and Officers Liability Insurance;
- Changing GetBusy's capital structure through the issue or buy-back of shares, options, equity instruments or other securities;
- Approving resolutions to be put to the AGM and documents or circulars to be sent to shareholders;
- Approving changes to the Board structure, size or composition and ensuring the ongoing appropriateness of the Group's governance framework given the Group's plans for growth.

Performance

- Provision of guidance on, and approval of, GetBusy's corporate strategy and performance;
- Shaping and approving the strategic plan and associated annual budgets;
- Monitoring the implementation of financial and other objectives;
- Approving financial statements and any significant changes to accounting policies, including as part of half year and full year reports;
- Appointing and removing members of the GetBusy management team as required;
- Monitoring and evaluating the performance of the GetBusy management team as required;
- Approving and monitoring any acquisitions and divestitures; and,
- Approving dividend policy and the declaration of dividends.

Culture

- Formulating policy regarding charitable and political donations;
- Ensuring the company treats all staff in an honest, fair and equitable manner and has appropriate mechanisms in place for reporting exceptions; and,
- Reviewing succession planning, HR recruitment/retention and management development arrangements.

Our governance arrangements (continued)

Principle 10: Communicate how the company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders.

The application guidelines for Principle 5 sets out expectations for Board composition:

"Th*e board should have an appropriate balance between executive and non-executive directors and should have at least two independent non-executive directors. Independence is a board judgement." Further guidance is provided as follows: "Generally, shareholder expectation is that at least half of directors of a board will be independent NEDs. It may not be possible in growing companies to meet all of the objective independence criteria demanded of the largest listed companies. Regardless, it is important for any board to foster an attitude of independence of character and judgement."*

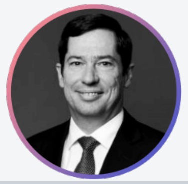
GetBusy's board comprises two independent non-executive directors, two non-executive directors and two executive directors. This meets the requirement of Principle 5 because:

- Our independent non-executive directors, Miles Jakeman and Nigel Payne, have considerable experience at Board level in public companies. They are considered by the Board to be robustly independent, both in character and in the views and perspectives that they contribute to Board discussions. Their remuneration is appropriate for the duties they perform for the Company, but is not material to their respective financial positions. They do not participate in Company performance incentive schemes, whether cash- or share-based.
- These 2 independent non-executive directors perform the roles of chairman and deputy chairman.
- Our 2 non-independent non-executive directors, Clive Rabie and Greg Wilkinson, are considered non-independent due to their significant investment into GetBusy, which well aligns the Board with longer-term shareholder value creation expectations.
- In addition to their shareholdings, both Clive and Greg have considerable experience, contacts and expertise within the small business software market.
- Clive has a detailed understanding of the market landscape together with the operational priorities and strategic imperatives required to be successful.
- Greg has a deep understanding of products, user experience and product development within this market. Their experience and aligned interests make Clive and Greg extremely valuable members of our Board.
- All Board sub-committees are chaired by the Senior Independent Director, Nigel Payne, who has considerable experience of chairing and acting as a non-executive director of listed companies.
- All directors (whether independent, executive or non-executive), comply with requisite legal requirements. It must be emphasised that there is no room for a 'sleeping director' on our Board.

As with any growing company, it is expected that over time the composition of the Board will alter as new skill sets, networks and ideas are required to support the changing nature of the company. We announced on 12 February 2020 the appointment of Paul Huberman as independent non-executive director and the fact that Greg Wilkinson would not be standing for re-election at the forthcoming AGM. This increases the number of independent non-executive directors to 3, which will represent half of Board members after the AGM.

In conclusion, the GetBusy board considers that it has structured its governance arrangements to deliver growth in long-term shareholder value. It also has structured these arrangements to meet QCA principles in this regard. Copies of previous general meeting notices and Annual Reports can be found at www.getbusy.com/about/investors

Meet the Board



Dr Miles Jakeman AM

Non-executive Chairman

Miles is the co-founder of the Citadel Group Limited (CGL), a Canberra start-up that listed on the Australian Stock Exchange in November 2014 and now has a market capitalisation around $400 million.

He has regularly advised senior business leaders and government officials, including representing countries in ministerial level forums.

His key skills cover business strategy, program management, security risk management and staff development.

Miles has significant overseas working experience with multinational companies in sales, marketing and business development capacities with full profit and loss responsibilities.

Miles was appointed as a Member of the Order of Australia (AM) for significant service to business, to national security, and to the community.

Daniel Rabie

Chief Executive Officer

Daniel is passionate about technology solutions and their impact on the business landscape. He 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 venture, and a cloud technology company. Daniel became a 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 managed 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.

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. 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 joined the Group in November 2017 and was appointed to the Board on 4 April 2018

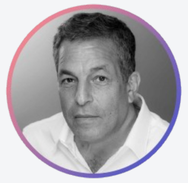
Nigel Payne

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, having been actively involved in over ten IPO's and over 20 corporate acquisition and disposal transactions.

Nigel was previously Chief Executive Officer of Sportingbet Plc, one of the world's largest internet gambling companies which made a number of acquisitions whilst listed on the London Stock Exchange (both Main Market listed and AIM traded), and 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.



Clive Rabie

Non-executive director

Clive is an experienced private and public company director, with a range of directorships.

He has extensive management and operation 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 of the company.

From February 2006 to June 2018 Clive was the Chief Executive Officer of Reckon, before taking the role of Managing Director.

Clive has a Bachelor of Commerce from the University of Cape Town.

Greg Wilkinson

Non-executive director

Greg Wilkinson 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. Following stepping down as Chief Executive Officer, Greg was appointed to the position of Deputy Chairman in February 2006 and then Chairman in June 2018.

All directors served for the entire financial year and to the date of this report unless otherwise stated.

Remuneration report

I am pleased to present the Report of the Remuneration Committee for 2019.

The Remuneration Committee makes recommendations to the Board on the Company's remuneration policies and practices, the remuneration of executive and non-executive directors and the level and structure of remuneration for senior management. I chair the Committee and its other members are Miles Jakeman and Greg Wilkinson.

Remuneration policy

Our policy is to align the remuneration of Executive Directors and the senior management team with the creation of long-term value for shareholders. To this end, non-salaried executive remuneration potential is performance-based provided through annual performance-related bonuses and long-term incentives linked to the Group's share price.

Key considerations of the Committee during 2019

During 2019, the Committee considered the following specific items:

- Agreement of the bonus payments made to senior management in relation to performance in 2018;
- Agreement of the remuneration proposals, including base salary and short-term incentive structure, for the Executive Directors and senior management for 2019;
- The design of a replacement long-term equity incentive scheme and consultation with key shareholders thereon;
- The design of short-term incentive proposals for the Group's management teams for 2020 and 2021; and
- Remuneration proposals for the Executive Dircetors for 2020.

2019 remuneration structure

Remuneration for Executive Directors in 2019 comprised base salary and benefits (such as private healthcare), company pension contributions or cash allowance, performance bonus and long-term incentive plan arrangements.

Base salaries for 2019 were set by the Committee in December 2018.

The 2019 annual bonus plan for executive directors was agreed in December 2018 following the approval of the 2019 budget. A bonus of £30,000 for Daniel Rabie, and £20,000 for Paul Haworth, would be payable upon the Group achieving 2019 recurring revenue of £11.3million.

Non-executive directors are paid a basic fee, which may include a supplement for any sub-committee responsibilities. In 2019, non-executive director fees were denominated in GBP, although those of Miles Jakeman, Clive Rabie and Greg Wilkinson were paid in AUD.

2019 remuneration—executive directors

The table below shows remuneration for the two executive directors. No part of the remuneration in 2019 or 2018 was attributable to share price appreciation. Non-salaried remuneration was performance based with the level of bonus determined by reference to the Group's 2019 recurring revenue, which exceeded the bonus criteria of £11.3 million.

£'000	Daniel Rabie		Paul Haworth	
	2019	2018	2019	2018*
Salary	225	191	180	101
Pension#	7	6	5	3
Benefits	3	2	3	3
Bonus	30	30	20	20
Total	265	229	208	127

* Remuneration for Paul Haworth is from the date of his appointment as a director of the Company, which was 4 April 2018.

Daniel Rabie receives a cash pension allowance equivalent to 3% of salary

2019 remuneration— Chairman and non-executive directors

£'000	2019	2018
Miles Jakeman	42	42
Nigel Payne	38	37
Clive Rabie	36	36
Greg Wilkinson	36	36

Directors' interests

As at 31 December 2019, the Directors had the following beneficial interests in the Company's shares:

	2018
Executive directors	
Daniel Rabie	1,070,789
Paul Haworth	70,000
Non-executive directors	
Miles Jakeman	-
Nigel Payne	-
Clive Rabie	9,089,247
Greg Wilkinson	3,692,233

Long-term incentive plan ("LTIP" or the "Original Option Scheme")

We operate an LTIP to provide incentives to the Executive Directors and senior management. The LTIP is in the form of a nil-cost share option plan, with options over ordinary shares vesting over a 3, 4 and 5 year period subject to certain performance criteria being met.

The table on the facing page shows the options that were in issue at 31 December 2019 under the Original Option Scheme.

	Grant date	Number of options	Vesting period	Vesting performance criteria
Daniel Rabie	4 August 2017	916,257	3 years	10% per annum compound increase in share price over 3 year period from admission to AIM
	4 August 2017	305,419	4 years	10% per annum compound increase in share price over 4 year period from admission to AIM
	4 August 2017	305,419	5 years	10% per annum compound increase in share price over 5 year period from admission to AIM
	4 August 2017	654,470	3 years	Various personal performance criteria
	4 August 2017	436,313	5 years	200% increase in share price over 5 year period from admission to AIM
		2,617,878		
Paul Haworth	3 April 2018	357,000	3 years	10% per annum compound increase in share price over 3 year period
	3 April 2018	119,000	4 years	10% per annum compound increase in share price over 4 year period
	3 April 2018	119,000	5 years	10% per annum compound increase in share price over 5 year period
	3 April 2018	255,000	3 years	Various personal performance criteria
	3 April 2018	170,000	5 years	200% increase in share price over 5 year period from admission to
		1,020,000		

Replacement long-term incentive plan

On 7 January 2020, 99.7% of shareholders voting at the General Meeting approved a replacement long-term incentive plan for the Executive Directors and certain members of senior management. The Remuneration Committee believes there are a number of challenges with the structure and / or quantum of the incentive arrangements under the Original Option Scheme that required addressing:

- the Original Option Scheme was limited to a small pool of individuals. There are other members of staff that the Board considers to be strategically important to the long-term success of the business. The Board wished to be in a position to equity-incentivise those individuals and any others that join the Group;
- under the Original Option Scheme, circa 47% of any shares issued might need to be sold by most participants to meet their tax liabilities arising from the Scheme as no tax-efficiency is built into the Scheme; and
- partly due to the tax position, the net value delivered to executive participants of the Original Option Scheme was relatively modest even in the event of significant value creation. The Board considered this to be a limiting factor in the effectiveness of the incentive arrangements.

Accordingly, the Committee believes it is in shareholders' interests to implement new incentive arrangements, consisting of the EMI Share Option Plan and the Value Creation Plan, for the purposes of incentivising key members of staff including the Executive Directors.

On 27 January 2020, the Executive Directors agreed to forfeit their existing equity incentives, which had a combined current market value of approximately £2.2m (based on the closing mid-market share price of 59.5 pence on the date of their cancellation). Options under the EMI Share Option Plan and Value Creation Plan, described below, were then granted. Existing options over 1,105,316 Ordinary Shares related to other staff will remain in place.

The EMI Share Option Plan is a nil cost option plan that vests over a 3 period with a share price performance condition at the end of the three- year period of 46.0p. The Value Creation Plan rewards share price performance above 46.0p over a four-year period by sharing a varying proportion of incremental value created with the executives. This proportion starts at 3.5% of incremental value created at a price of 46.0p and increases linearly to 8.75% of value created at a price of 100.0p. There is a cap on the number of shares that may vest under the Value Creation Plan, equivalent to the number of shares that would vest at a price of 120.0p.

The table below shows the maximum potential options that may vest to the Executive Directors under the EMI Share Option Plan and Value Creation Plan:

	Daniel Rabie	Paul Haworth
EMI Share Option Plan—	420,168	420,168
EMI Share Option Plan—	1,776,260	472,689
Value Creation Plan	1,828,094	522,313
Total	4,024,522	1,415,170

Remuneration report (continued)

It is the opinion of the Committee that these revised proposals better align the long-term interests of all stakeholders in the business. The proposals better protect shareholders' downside by raising the hurdle for management equity participation and providing clear caps on potential dilution. Management will forego very significant existing equity incentives, which would otherwise start to vest in less than six months, for a replacement scheme that incentivises significant long-term value creation. Management are rewarded significantly only when shareholders have seen a substantial return.

The Committee consulted with the Company's largest institutional shareholders before settling the terms of and thresholds in relation to the Incentive Plans.

Service agreements

The Executive Directors' service agreements provide that their employment with the Company is on a rolling basis, subject to written notice being served by either party of not less than six months. The current service contracts and letters of appointment for Daniel Rabie and Paul Haworth are dated 8 October 2018.

The service agreements for the Non-executive Directors are dated 5 July 2017 and provide for an initial term of 12 months, with a 3 month notice period on either side thereafter.

Under these service contracts, the Company may terminate an Executive Director's employment immediately by making a payment in lieu of base salary, benefits and statutory entitlements, and any bonus or commission payments pro-rated for the duration of the notice period. No bonus would be payable in the event of an Executive Director's resignation.

2020 remuneration arrangements

The Committee completed its review of remuneration arrangements during 2019. The arrangements for 2020 take account of the findings of this review.

Daniel Rabie's 2020 base salary is £231,750 (2019: £225,000). Paul Haworth's 2020 base salary is £185,400 (2019: £180,000).

Both Daniel Rabie and Paul Haworth will be eligible to receive a cash performance bonus for 2020. The level of performance bonus will be dependent on the Group's 2020 recurring revenue. The performance bonus will start to accrue if the Group's recurring revenue exceeds £12.7 million and the maximum amount will be payable if the Group's recurring revenue is £13.9 million or higher.

The cash performance bonus is a percentage of salary. Daniel Rabie's maximum performance bonus for 2020 is 45% of salary. Paul Haworth's maximum performance bonus for 2020 is 35%.

Nigel Payne

Chairman of the Remuneration Committee

Audit Committee report

I am pleased to present the Report of the Audit Committee for 2019.

The Audit Committee provides confidence to shareholders on the integrity of the financial results of the company expressed in the Annual Report and accounts and other relevant public announcements of the company. The Audit Committee challenges both the external auditors and the management of the company. It also considers the engagement of auditors including tendering and the approval of non-audit services. The Audit Committee reviews and reports to the board on any significant reporting issues, estimates and judgements made in connection with the preparation of the company's financial statements.

I chair the Audit Committee and the other members are Clive Rabie and Miles Jakeman.

Activities of the Audit Committee during 2019

During 2019, the Audit Committee carried out the following key activities:

- Review and approval of the accounting policies and their application for the 2018 Annual Report and accounts;
- Review of the Group's key regulatory announcements during the year, including the preliminary announcement of the 2018 results, AGM trading update, 2019 half year report and announcements related to the share capital reorganisation;
- Review of the Group's compliance with the Quoted Companies Alliance Corporate Governance Code and its related disclosures;
- Review of the Group's updated risk management policies and risk register;
- Approval of RSM UK Audit LLP's proposal for the 2019 external audit of the Group, together with the non-audit services carried out, which included tax compliance; and
- Review of the Chief Financial Officer's report on the key accounting judgements and issues for the 2019 financial year, state of internal controls and his recommendations for improvements.

Significant financial reporting issues and judgements

Following discussion with the Chief Financial Officer and the Group's auditors, the Committee considers the following items to be the most significant financial reporting issues and judgements that are relevant to the 2019 financial statements:

- The presentation of certain non-statutory alternative performance measures ("APMs") alongside statutory measures, for example the disclosure of recurring revenue or Adjusted Profit / Loss.

  The Committee has reviewed recommendations made by the Chief Financial Officer that take into account the Financial Reporting Council's ("FRC") November 2018 Thematic Review, which discusses the presentation of APMs in financial statements and strategic reports.

  The Committee is satisfied that the disclosures made around APMs address the recommendations of the FRC and provide transparency and significant useful additional information to shareholders. In addition, the Group will ensure that APMs are accompanied by the most relevant equivalent IFRS measure.

- The treatment of development costs, including the application of IAS38 *Intangible Assets* and the presentation of "fully expensed" development spend above Adjusted Profit / Loss in the Income Statement.

  In considering the level of capitalisation of development costs for existing products, the Committee has considered management's assessment of the proportion of spend that is regarded as maintenance compared to expenditure on material product improvements.

  The Committee has also considered management's assessment that expenditure on the new GetBusy product does not meet the criteria for capitalisation included within IAS38. Management's conclusion is that there is currently insufficient evidence of the commercial viability of GetBusy. While the product has its first paying users, these are relatively few in number and the revenue model is not sufficiently well-proven.

  We have noted the positive feedback received from investors regarding the presentation of "fully-expensed" development costs above Adjusted Profit / Loss. Management is of the view that this presentation provides a clearer view of the performance of the business that is free from the impact of significant accounting judgements, the application of which may vary significantly from company to company.

  The Committee is in agreement with management's conclusions on the capitalisation of development costs and their presentation in the income statement.

- The presentation of segmental analysis in accordance with IFRS8 *Operating Segments*;
- IFRS 15 *Revenue from Contracts with Customers* was adopted early by the Group in 2017. The ongoing compliance with that standard has been considered by the Committee;
- IFRS 16 *Leases* was adopted by the Group with effect from 1 January 2019. The Committee has reviewed management's methodology for the application of the Standard and the related disclosures, including the treatment of lease costs within the Adjusted Profit / Loss number; and
- a full list of critical judgements appears in note 4 to the financial statements.

Nigel Payne

Chairman of the Audit Committee

What we do (and how)
How it went
How we roll (responsibly)
The numbers

Risk management

How we've embedded effective risk management

The Board is ultimately responsible for the effective management of risk.

Risks are identified through a number of formal and informal forums throughout the business and in consultation with external advisers, such as lawyers or auditors. The diverse sources of risk identification improve our ability to understand the complete universe of risks to which the business is exposed.

Once identified, each risk is classified, its likelihood of occurrence and consequence if occurred are estimated, a mitigation plan is established and the risk is recorded on the Group's risk register. Each risk is owned by a member of the executive team, who is responsible for overseeing its day-to-day management and risks assessed as "major" or worse are tracked regularly with the Board.

Periodically, other reports and updates are prepared for the Board on the status of the risks on the register, including any significant changes. The Board provides robust challenge to the executive team on the completeness of the risks identified, their classification and the effectiveness of the mitigation plans in place.

The table opposite shows the principal risks and uncertainties faced by the Group. These are defined as the risks that are most likely to have an impact on the Group's ability to deliver its strategy.

Category	Description of risk	Relevance to strategy	Potential consequences	Mitigating controls
Strategic	Our new product, GetBusy, is unproven. It may fail to generate independent revenue streams of sufficient value.	New product development allows us to generate recurring revenues from new markets or additional revenue from existing customers. GetBusy is a core component of our new product development.	Reduction in growth potential of Group. Potential loss of cash invested to develop and market product with little or no return. Potential need to realign cost base of business.	Agile development methodology allows a "fail-fast" approach, limiting investment in dead-end areas. Development of performance goals during product-market-fit stage of development.
Strategic	The architecture of Virtual Cabinet is on-premise rather than cloud-based. If the market begins to favour cloud-based solutions, Virtual Cabinet may become uncompetitive.	Approximately two-thirds of the Group's revenue is derived from Virtual Cabinet. It is a core part of our recurring subscription revenues and contributed significant growth in 2018.	Slowing revenue growth or revenue decline. Significant customer churn. Reduction in achievable ASP.	New feature introduction into Virtual Cabinet to improve user experience. Geographical expansion of SmartVault to provide cloud-based alternative where required.
Legal / regulatory / reputational	Our software handles large volumes of sensitive client data. A significant loss of data, a compliance breach, or malicious actions from an internal or external party, may have serious and wide-reaching implications.	The security and reputation of our products is an important part of attracting new business and retaining existing customers.	Significant regulatory fines and sanctions leading to significant financial loss. Significant loss of customers and reduction in new customer acquisitions. Potential legal action by impacted customers leading to financial loss.	Regular and rigorous penetration testing and follow-up for all products. Clearly documented internal procedures for protecting client data. Appointment of a compliance officer to manage the Group's ongoing data protection activities.
Commercial	In certain territories, the Group is reliant on external partners for significant channels to market and product integrations. The Group may be vulnerable to the ongoing collaboration and success of those partners and to the tightening of commercial terms.	Access to sales channels allows us to grow our subscription revenue in a relatively efficient manner and allows us access to markets that might otherwise be difficult to penetrate or retain. High quality product integrations add significant value to our customers and lead to lower churn rates.	Reduction in revenue growth or revenue decline. Increased costs of acquiring new customers or maintaining existing customers with certain product integrations.	Close relationships maintained with key partners at executive level. Continual improvement in volume and quality of product integrations offered. Expansion of products into new verticals and territories to minimise exposure to individual partners.
Operational / reputational	A significant technology failure within our products or in technologies on which our products rely, including cloud computing providers, may severely impede customer access to our services and their data.	The security, quality and reliability of our products is an important part of attracting new business and retaining existing customers.	Significant reduction in customer base and revenue. Potential legal action by impacted customers leading to financial loss. Significant costs of switching to alternative technology provider.	Regular load and penetration testing of products. Ongoing monitoring of key services with automated alerts. Product updates go through quality control in test environment before being fully released.
Operational	The successful execution of our strategy is, to some extent, reliant on our ability to recruit, motivate and retain certain key people. This is exacerbated by a potential tightening of the labour market caused by Brexit-related uncertainty.	Each element of our strategy is reliant on having the correct team in place to execute.	Overall reduction in business performance (revenue, profit and cash generation). Higher costs of recruitment.	Strong company culture designed to attract and retain high quality staff. Competitive remuneration packages for key employees. Incentive schemes aligned with Group's strategic goals.
Financial	The Group is currently loss-making and cash absorptive. The Group may in the future need to raise additional funds to implement its strategy and there can be no guarantee that the required funding will be available at an acceptable price or at all.	In the future the Group may need to raise additional funds to make acquisitions or to accelerate growth of new products, which are elements of the Group's strategy.	Failure to execute elements of strategy and realise value for shareholders. Dilution of existing shareholders through requirement to issue new equity at unfavourable prices.	Strong focus on cost and cash disciplines in business. Development of relationships with potential funding providers including debt and equity providers.

Directors' report

The Directors' Report should be read in conjunction with the Strategic Report, which includes the following items required by the Companies Act 2006 (CA2006):

- Name of the directors during the period;
- Details of any important events since the end of the financial year;
- Information required by s172 of CA2006;
- An indication of likely future developments of the Company and Group; and
- An indication of the research and development activities of the Company and Group.

No political donations were made during the period (2018: £nil). The Company and Group do not use complex financial instruments. The Company has maintained cover under a directors' liability insurance policy, as permitted by CA2006.

How we foster business relationships with suppliers, customers and others, and the impact of our operations on the community and environment, is explained within Principle 3 of our governance arrangements described on page 21.

Substantial shareholdings

The directors are aware of the following who were interested in 3% or more of the Company's equity at 17 February 2020:

Shareholder	Number of shares	% of issued share capital
Clive Rabie	9,089,247	18.6%
Business Growth Fund	7,115,000	14.6%
Fidelity Management	4,835,740	9.9%
Canaccord Genuity	4,355,000	8.9%
Greg Wilkinson	3,690,771	7.6%
Herald Investment Management	2,935,102	6.0%
River & Mercantile	2,169,273	4.4%
Gresham House	1,795,625	3.7%
Daniel Rabie	1,570,789	3.2%

Annual General Meeting (AGM) and Auditor

The AGM of the Company will be held on Tuesday 5 May at 11am at the Group's new offices at The Works, Unity Campus, Pampisford, Cambridgeshire, CB22 3FT. Details will be published in the Notice of the AGM. A resolution to reappoint RSM UK Audit LLP will be put to 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 of the Company and Group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards / IFRSs have been followed, 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 Company's and Group's business activities, together with the factors likely to affect its future development, performance and position are set out on pages 12 to 17. The Company and Group are currently loss making. The Board is of the opinion that the Group's forecasts and projections, which take account of reasonably possible changes in trading performance, show that the Company and Group are able to meet their 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.

Strategic report

The Strategic Report comprises the components indicated in the "In This Report" section on page 5. The Strategic Report and Directors' Report were approved by the Board on 2 March 2020.

Paul Haworth | Company Secretary | 2 March 2019

GetBusy plc, Unit G South Cambridge Business Park,
Babraham Road, Sawston, Cambridgeshire, CB22 3JH
Registered in England & Wales no. 10828058

Opinion

We have audited the financial statements of GetBusy Plc (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2019 which comprise the consolidated income statement and statement of comprehensive income, consolidated and company balance sheets, consolidated and company statements of changes in equity, consolidated cash flow 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 2019 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
- 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 group 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 group financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

No key audit matters are identified in respect of the parent company.

Revenue recognition

(Refer to page 42 regarding the accounting policy in respect of revenue recognition and note 6 in respect of revenue and operating segments).

The risk

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 as 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 tested revenue by performing substantive analytical review procedures and tests of details. The accuracy of revenue recognised was assessed via the detailed review of a sample of specific contracts with customers and invoices issued to customers. In reviewing contracts, we considered the application of the group's accounting policies and requirements of IFRS 15. We tested for completeness of revenue by reference to the group's internal sales processes and using data analytics. Finally we tested the arithmetical accuracy and internal consistency of the systems used to calculate revenue to be recognised and deferred income.

Capitalisation of development costs

(Refer to page 43 regarding the accounting policy in respect of development costs, note 12 in respect of intangible assets.)

The risk

There have been research and development projects ongoing 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 tests of details and substantive analytical review. We checked 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 board minutes, payroll cost inputs, internal records of the nature and volume of project aims achieved, sales figures and discussions with technical management. We considered the amortisation period by reference to typical contract lengths, upgrade requirements and technical evolution.

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. When evaluating whether misstatements, both individually and on the financial statements as a whole, could reasonably influence the economic decisions of the users we take into account the qualitative nature and the size of the misstatements. During planning materiality for the group financial statements as a whole was calculated as £125,000, which was not significantly changed during the course of our audit. Materiality for the parent company financial statements as a whole was calculated as £61,600, which was not significantly changed during the course of our audit. We agreed with the Audit Committee that we would report to them all unadjusted differences in excess of £6,300, as well as differences below that threshold 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 to full scope audit procedures for group and statutory purposes performed at a materiality level determined by reference to the scale of the business concerned for component materiality. GetBusy USA Corporation was subject to full scope group audit procedures to component materiality. GetBusy Australia Pty Limited and GetBusy New Zealand Pty Limited were subject to reduced scope audit procedures to group 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.

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.

Independent auditor's report (continued)

Responsibilities of directors

As explained more fully in the directors' responsibilities statement on page 32, 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.

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.

Use of our report

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

Jonathan Lowe (Senior Statutory Auditor)

For and on behalf of RSM UK Audit LLP, Statutory Auditor

3 Hardman Street, Manchester, M3 3HF, United Kingdom

2 March 2020

Consolidated income statement

	Note	2019 £'000	2018 £'000
Revenue	6	**12,661**	10,865
Cost of sales		**(948)**	(537)
Gross profit		**11,713**	10,328
Operating costs		**(12,854)**	(11,528)
Net finance costs		**(39)**	(5)
Loss before tax	7	**(1,180)**	(1,205)
Loss before tax	7	**(1,180)**	(1,205)
Capitalised development costs	12	**(331)**	(412)
Depreciation and amortisation on owned assets	12, 13	**456**	317
Share option costs	8	**286**	297
Social security on share options		**113**	-
Non-underlying costs	11	**62**	164
Finance (income) / costs income) not related to leases		**(1)**	5
Adjusted loss before tax		**(595)**	(834)
Tax	9	**(25)**	195
Loss for the year attributable to owners of the Company		**(1,205)**	(1,010)
Loss per share (pence)			
Basic and diluted	10	**(2.49)p**	(2.09)p

Consolidated statement of comprehensive income

	2019 £'000	2018 £'000
Loss for the year	**(1,205)**	(1,010)
Other comprehensive expense		
Items that may be reclassified subsequently to profit or loss		
Exchange differences on translation of foreign operations	**14**	(41)
Other comprehensive (expense) / income net of tax	**14**	(41)
Total comprehensive income for the year	**(1,191)**	(1,051)

Consolidated balance sheet

	Note	2019 £'000	2018 £'000
Non-current assets			
Intangible assets	12	646	569
Right of use assets—leases	22	220	-
Property, plant and equipment	13	143	218
		1,009	787
Current assets			
Trade and other receivables	14	1,353	1,606
Current tax receivable		-	74
Cash and bank balances		1,743	2,486
		3,096	4,166
Total assets		4,105	4,953
Current liabilities			
Trade and other payables	15	(2,265)	(2,067)
Deferred revenue	15	(4,233)	(4,382)
Lease liabilities	22	(219)	-
Current tax payable		(30)	-
		(6,747)	(6,449)
Non-current liabilities			
Deferred revenue	15	(200)	(449)
Deferred tax liabilities	16	(6)	(6)
Lease liabilities	22	(96)	-
		(302)	(455)
Total liabilities		(7,049)	(6,904)
Net assets		(2,944)	(1,951)
Equity			
Share capital	17	73	73
Share premium account	17	2,756	2,756
Demerger reserve	17	(3,085)	(3,085)
Retained earnings		(2,688)	(1,695)
Equity attributable to shareholders of the parent		(2,944)	(1,951)

The financial statements were approved by the Board on 2 March 2020 and signed on its behalf by:

Daniel Rabie

Chief Executive Officer

Paul Haworth

Chief Financial Officer

Consolidated statement of changes in equity

2019	Share capital £'000	Share premium account £'000	Demerger Reserve £'000	Retained earnings £'000	Total £'000
At 1 January 2019 (as originally stated)	73	2,756	(3,085)	(1,695)	(1,951)
Effect of first time adoption of IFRS16	-	-	-	(88)	(88)
At 1 January 2019 (as restated)	73	2,756	(3,085)	(1,783)	(2,039)
Loss for the year	-	-	-	(1,205)	(1,205)
Exchange differences on translation of foreign operations, net of tax	-	-	-	14	14
Total comprehensive loss attributable to equity holders of the parent	-	-	-	(1,191)	(1,191)
	-	-	-		
Share based payments	-	-	-	286	286
Total transactions with owners	-	-	-	286	286
At 31 December 2019	73	2,756	(3,085)	(2,688)	(2,944)

2018	Share capital £'000	Share premium account £'000	Demerger Reserve £'000	Retained earnings £'000	Total £'000
At 1 January 2018	73	2,756	(3,085)	(941)	(1,197)
Loss for the year	-	-	-	(1,010)	(1,010)
Exchange differences on translation of foreign operations, net of tax	-	-	-	(41)	(41)
Total comprehensive loss attributable to equity holders of the parent	-	-	-	(1,051)	(1,051)
Share based payments	-	-	-	297	297
Total transactions with owners	-	-	-	297	297
At 31 December 2018	73	2,756	(3,085)	(1,695)	(1,951)

Consolidated cash flow statement

	2019 £'000	2018 £'000
Adjusted Loss before Tax	(595)	(834)
Amortisation of right of use asset—leases	296	-
Decrease in receivables	268	140
(Decrease) / increase in payables	(51)	120
(Decrease) / increase in deferred revenue	(397)	469
Cash used in operations	(479)	(105)
Non-underlying costs	-	(34)
Income taxes received / (paid)	74	17
Interest received / (paid)	1	5
Net cash used in operating activities	(404)	(117)
Purchases of property, plant and equipment	(63)	(78)
Proceeds on disposal of property, plant and equipment	-	24
Purchases of intangible assets	(68)	(35)
Net cash used in investing activities	(131)	(89)
Principal portion of lease payments	(256)	-
Interest on lease liabilities	(40)	-
Proceeds on issue of shares	-	-
Net cash used in financing activities	(296)	-
Net decrease in cash	(831)	(206)
Cash and bank balances at beginning of year	2,486	2,814
Effects of foreign exchange rates	88	(122)
Cash and bank balances at end of year	1,743	2,486

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 document management and communication.

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

2 Alternative performance measures

The Group uses a series of non-IFRS alternative performance measures ("APMs") in its narrative and financial reporting. These measures are used because we believe they provide additional insight into the performance of the Group and are complementary to our IFRS performance measures. This belief is supported by the discussions that we have on a regular basis with a wide variety of stakeholders, including shareholders, staff and advisers.

The APMs used by the Group, their definition and the reasons for using them, are provided below.

Recurring revenue. This includes revenue from software subscriptions and support contracts. A key part of our strategy is to grow our high quality recurring revenue base. Reporting recurring revenue allows shareholders to assess our progress in executing our strategy.

Adjusted Profit / Loss before Tax. This is calculated as profit / loss tax and before certain items, which are listed below along with an explanation as to why they are excluded:

- **Depreciation and amortisation.** These non-cash charges to the income statement are subject to significant judgement. Excluding them from this measure removes the impact of that judgement and provides a measure of profit that is more closely aligned with operating cashflow. Only depreciation on owned assets is excluded; depreciation on leased assets remains a component of adjusted profit / loss because, combined with interest expense on lease liabilities, it is a proxy for the cash cost of the leases.

- **Share option costs.** Significant judgement is applied in calculating the fair value of share options and subsequent charge to the income statement, which has no cash impact. The impact of potentially dilutive share options is also taken into account in diluted earnings per share. Therefore, excluding share option costs, and related social security accrued costs, from Adjusted Profit / Loss before Tax removes the impact of that judgement and provides a measure of profit that is more closely aligned with cashflow.

- **Capitalised development costs.** There is a very broad range of approaches across companies in applying IAS38 Intangible assets in their financial statements. There are also many examples of companies being criticised for using the capitalisation and amortisation of development costs as a method of manipulating profit, due to the substantial management judgement involved in applying the standard. To assist transparency, we exclude the impact of capitalising development costs from Adjusted Profit / Loss before Tax in order that shareholders can more easily determine the performance of the business before the application of that significant judgement. The impact of development cost capitalisation is recorded within operating costs. The cashflow statement reconciles from Adjusted Profit / Loss before Tax, and so there is no adjustment for development amortisation within operating cashflows and no adjustment for development capitalisation within cashflows from investing activities.

- **Non-underlying costs.** Occasionally, we incur costs that are not representative of the underlying performance of the business. In such instances, those costs may be excluded from Adjusted Profit / Loss before Tax and recorded separately. In all cases, a full description of their nature is provided.

- **Finance costs / (income) not related to leases.** These are finance costs and income such as interest on bank balances. It excludes the interest expense on lease liabilities under IFRS16 because, combined with depreciation on leased assets, it is a proxy for the cash cost of the leases.

Constant currency measures. As a Group that operates in different territories, we also measure our revenue performance before the impact of changes in exchange rates. Note 21 provides a reconciliation of these measures.

3 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, in our view, 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.

Consolidation

In August 2017, the group demerged from Reckon Limited, an Australian software group. The group's reorganisation constituted a common control transaction, which was 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 the prior year financial statements, we opted to apply predecessor accounting whereby the net assets were incorporated into the consolidated financial statements at their previous carrying values. There was no goodwill arising on the combination – the differences between the aggregate book values of the subsidiaries and the consideration given for them were been accounted for within a demerger reserve.

3 Accounting policies (continued)

Consolidation (continued)

In practice, this means that the consolidated financial statements were prepared as if the group had always existed. A list of the subsidiaries included in the consolidated financial statements is listed in note 18.

Revenue recognition

The Group 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.

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.

Leases

The Group has applied IFRS 16 *Leases* on the modified retrospective basis from 1 January 2019.

For each lease, the Group recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Group also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Group's incremental borrowing rate.

3 Accounting policies (continued)

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.

4 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.

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 8.

Expected credit losses

The Group has material trade receivables, principally arising from its Virtual Cabinet business in the UK. Judgement is required in determining the extent of any provision for expected credit losses. The specific circumstances of individual customers, and historical trends, are used in the calculation of this provision.

Recognition of current tax assets

At 31 December 2019, the Group may be entitled to the recovery of material sums as part of UK research and development tax credit claims in respect of the current year and previous years.

While claims for 2017 and 2018 have been submitted to HMRC, no decision has yet been made by HMRC on the claims. Previous claims were made under previous management and in a previous Group structure. Management have decided that there is insufficient certainty around the success of those claims to recognise a current tax asset at the balance sheet date.

5 Adoption of new and revised accounting standards

IFRS 16 Leases came into effect for accounting periods starting on or after 1 January 2019. This standard requires that operating leases be brought "on balance sheet" in a manner similar to finance lease accounting under the predecessor leasing standard, IAS17, with the asset and associated liability both being recognised. The asset is subject to depreciation and lease payments will be apportioned between interest expense and reduction of the lease liability.

Our most significant leases relate to our offices.

The adoption of IFRS16 has resulted in the Group recognising a right-of-use asset and related lease liability in connection with all former operating leases except for those identified as low-value. The new Standard has been applied using the modified retrospective approach, with the cumulative effect of adopting IFRS 16 being recognised in equity as an adjustment to the opening balance of retained earnings for the current period. Prior periods have not been restated. In the prior period, rentals payable under operating leases were expensed on a straight-line basis over the term of the relevant lease.

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

6 Revenue and operating segments

Following a review of the business in the year, the Board took the decision to report segmental performance based on individual products or product groups.

The Group comprises three software products, being two 'Document Management' products (Virtual Cabinet and Smart-Vault) and one 'Communication' product (GetBusy). Given that the majority of the Group's employees are focused on individual products and that the strategy, financial objectives, internal reporting and capital allocation for each product differ, the Board believes that it would provide better information to shareholders by aligning its reporting to that structure rather than geographical territories, as the Group has done previously. Our Chief Executive Officer assesses Group performance and capital allocation on this product basis.

2019	Virtual Cabinet £'000	Smart-Vault £'000	GetBusy £'000	Corporate and central £'000	Total £'000
Recurring revenue	7,187	4,201	-	-	11,388
Non-recurring revenue	1,138	135	-	-	1,273
Revenue from contracts with customers	**8,325**	**4,336**	-	-	**12,661**
Cost of sales	(178)	(770)	-	-	(948)
Gross profit	**8,147**	**3,566**	-	-	**11,713**
Sales, general and admin costs	(4,033)	(3,640)	(472)	(1,618)	(9,763)
Development costs	(742)	(898)	(905)	-	(2,545)
Adjusted profit / (loss) before tax	**3,372**	**(972)**	**(1,377)**	**(1,618)**	**(595)**
Capitalisation of development costs					331
Depreciation and amortisation on owned assets					(456)
Share option costs					(286)
Social security on share options					(113)
Non-underlying costs					(62)
Other finance income / (costs)					1
Loss before tax					(1,180)

2018	Virtual Cabinet £'000	Smart-Vault £'000	GetBusy £'000	Corporate and central £'000	Total £'000
Recurring revenue	6,242	3,226	-	-	9,468
Non-recurring revenue	1,314	83	-	-	1,397
Revenue from contracts with customers	7,556	3,309	-	-	10,865
Cost of sales	(205)	(365)	-	-	(570)
Gross profit	7,351	2,944	-	-	10,295
Sales, general and admin costs	(4,533)	(2,673)	(52)	(1,519)	(8,777)
Development costs	(443)	(987)	(922)	-	(2,352)
Adjusted profit / (loss) before tax	2,375	(716)	(974)	(1,519)	(834)
Capitalisation of development costs					412
Depreciation and amortisation on owned assets					(317)
Share option costs					(297)
Non-underlying costs					(164)
Other finance income / (costs)					(5)
Loss before tax					(1,205)

2019	UK £'000	USA £'000	Aus / NZ £'000	Total £'000
Recurring revenue	5,370	4,200	1,818	11,388
Non-recurring revenue	987	133	153	1,273
Revenue from contracts with customers	6,357	4,333	1,971	12,661

2018	UK £'000	USA £'000	Aus / NZ £'000	Total £'000
Recurring revenue	4,644	3,226	1,598	9,468
Non-recurring revenue	1,154	83	160	1,397
Revenue from contracts with customers	5,798	3,309	1,758	10,865

Recurring revenue is defined as revenue from subscription and support contracts. Non-recurring revenue is defined as revenue from software licences, consulting and add-on revenue such as digital signatures. No customer represented more than 10% of our revenue in either period.

Revenue from contracts with customers includes £3,952k that was recorded within the deferred revenue balance at the beginning of the period. The £398k (8%) decrease in deferred revenue during 2019 is due to the increasing shift towards monthly subscriptions in the Virtual Cabinet UK customer base, which give rise to only small amounts of deferred revenue.

7 Loss before tax

Loss before tax is stated after charging / (crediting):

	2019 £'000	2018 £'000
Depreciation of property, plant and equipment	140	137
Depreciation of right-of-use assets—leases	296	-
Amortisation of intangible fixed assets	315	184
Impairment of right-of-use assets—leases	36	-
Net foreign exchange losses	5	8
Operating lease rental expense (almost all office rent)	-	373
Fees payable to our auditor for the audit of these annual accounts	60	44
Fees payable to the auditor for other services:		
- Tax services	24	50
- Other services	13	17

Notes to the financial statements (continued)

8 Employees and employee costs

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

	2019 £'000	2018 £'000
Customer success and support	19	17
Development	27	31
Delivery and operations	19	22
Sales and marketing	26	23
Administration	18	16
	109	109

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

	2019 £'000	2018 £'000
Wages and salaries	7,393	6,861
Social security costs	880	802
Other pension costs	230	213
Cash employee costs	8,503	7,876
Share option costs	399	297
Total employee costs	8,902	8,173

No new share options were granted in the year. Details of the share options outstanding during the year are as follows:

	2019 '000	2018 '000
Outstanding at the beginning of the period	5,674	4,770
Granted during the period	-	1,020
Exercised during the period	-	-
Forfeited during the period	(116)	(116)
Outstanding at end of period	5,558	5,674
Exercisable at the end of the period	-	-

The weighted average exercise price of all options is £nil (2018: £nil). All options expire on the tenth anniversary of the date of grant.

The aggregate fair value of the options granted during the year was £nil (2018: £181,104). The fair value of the options granted was estimated using a Monte-Carlo model; the key inputs into that model were as follows:

	2018 award	2017 award
Share price	28.3p	28.3p
Exercise price	Nil	Nil
Expected volatility	50%	50%
Weighted average option life	3.5 years	3.5 years

On 27 January 2020, 4,452,326 of the outstanding options were cancelled and 6,593,705 replacement options were issued. Details of the replacement options can be found in the Remuneration Report on page 26.

9 Tax

Tax recognised in the income statement	2019 £'000	2018 £'000
Current tax		
Current year	-	-
Adjustment for prior years	-	-
Foreign tax	30	3
	30	3
Deferred tax		
Origination and reversal of temporary differences	-	(2)
Adjustment for prior years	-	(196)
Effect of tax rate change on opening balances	(5)	-
Tax expense / (income)	25	(195)

Reconciliation of effective tax rate		
Loss before tax	(1,180)	(1,205)
Tax at UK corporation tax rate of 19.00% (2017: 19.25%)	(224)	(229)
Effects of:		
- Overseas tax rates	(4)	3
- Expenses not deductible	80	58
- Deferred tax not recognised	199	304
- Adjustments in respect of prior periods	(5)	(196)
- Losses utilised	(21)	(135)
- Other adjustments		-
	25	(195)

10 Loss per share

The calculation of loss per share is based on the loss for the year of £1,210k (2018: £1,010k).

Weighted average number of shares calculation	2019 '000	2018 '000
Weighted average number of ordinary shares (basic and diluted)	48,400	48,400

Loss per share	2019 pence	2018 pence
Basic and diluted	(2.49)	(2.09)

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. At 31 December 2019, there were 5,557,643 shares under option (2018: 5,673,991) that would become dilutive if the Group became profitable.

11 Non-underlying costs

Occasionally, we incur costs that are not representative of the underlying performance of the business. In such instances, those costs may be excluded from Adjusted Profit / Loss before Tax and recorded separately.

In 2019, non-underlying costs were £62k and related to onerous lease provisions for an office in the UK, and the associated accelerated depreciation of the Right of Use asset.

In 2018, non-underlying costs were £164k. £136k relates to an onerous contract for data centre costs in the US following the decision to migrate SmartVault to Amazon Web Services. £28k relates to the costs of relocation for the Group's Chief Executive Officer and related advice.

12 Intangible assets

	Software £'000	Intellectual property £'000	Development costs £'000	Total £'000
Cost				
At 1 January 2018	-	103	311	414
Additions	-	35	412	447
Currency adjustments	-	8	-	8
At 31 December 2018	-	146	723	869
Additions	68	-	331	399
Currency adjustments	-	(4)	-	(4)
At 31 December 2019	68	142	1,054	1,264
Amortisation				
At 1 January 2018	-	60	52	112
Charge for the year	-	12	172	184
Currency adjustments	-	4	-	4
At 31 December 2018	-	76	224	300
Charge for the year	5	19	296	320
Currency adjustments	-	(2)	-	(2)
At 31 December 2019	5	93	520	618
Net book value				
At 31 December 2018	-	70	499	569
At 31 December 2019	63	49	534	646

Intellectual property comprises domain name, trademarks and patents and are generally amortised over 15 years, which is the protected life of the asset. Development costs are amortised over 3 years. Software is amortised over 5 years.

13 Property, plant and equipment

	Equipment £'000	Vehicles £'000	Building improvements £'000	Total £'000
Cost				
At 1 January 2018	675	106	49	830
Additions	78	-	-	78
Disposals	-	(64)	-	(64)
Currency adjustments	27	-	3	30
At 31 December 2018	780	42	52	874
Additions	65	-	5	70
Disposals	-	(19)	-	(19)
Currency adjustments	(16)	-	(1)	(17)
At 31 December 2019	829	23	56	908
Depreciation				
At 1 January 2018	466	49	17	532
Charge for the year	117	7	13	137
Disposals	-	(34)	-	(34)
Currency adjustments	20	-	1	21
At 31 December 2018	603	22	31	656
Charge for the year	112	10	14	136
Disposals	-	(11)	-	(11)
Currency adjustments	(14)	-	(2)	(16)
At 31 December 2019	701	21	43	765
Net book value				
At 31 December 2018	177	20	21	218
At 31 December 2019	128	2	13	143

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.

14 Trade and other receivables

	2019 £'000	2018 £'000
Trade receivables	760	971
Prepayments	384	343
Other receivables	209	292
Trade and other receivables	1,353	1,606

Trade receivables are presented net of allowances for doubtful debts, which are not considered by the Directors to be 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:

	2019 £'000	2018 £'000
Past due 1-30 days	272	104
Past due 31-60 days	148	120
Past due 61+ days	127	62

The deterioration in ageing compared to 31 December 2018 is due to disruption in the Virtual Cabinet UK credit control function in the second half of the year due to system and personnel changes.

15 Trade and other payables and deferred revenue

	2019 £'000	2018 £'000
Trade payables	209	237
Accruals	1,791	1,398
Other payables	265	432
Trade and other payables	2,265	2,067

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

	2019 £'000	2018 £'000
Year ending 31 December 2019	-	4,382
Year ending 31 December 2020	4,233	333
Year ending 31 December 2021	200	116
On or after 1 January 2022	-	-
Deferred revenue	4,433	4,831

£4,233k (2018: £4,382k) of deferred revenue is recorded as a current liability. £200k (2018: £449k) is recorded as a non-current liability.

16 Deferred tax

	Intangible assets £'000	Other £'000	Total £'000
Cost			
At 1 January 2018	(205)	-	(205)
Recognised in income statement	205	(6)	199
Recognised in other comprehensive income	-	-	-
At 1 January 2019	-	(6)	(6)
Recognised in income statement	-	6	6
Recognised in other comprehensive income	-	-	-
At 31 December 2019	-	-	-

Deferred tax assets of £3,323k (2018: £2,411k) 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.

17 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 2019, 48,400,000 (2018: 48,399,614) shares were in issue and fully paid with a nominal value of £72,600.00 (2018: £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 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.

18 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,
GetBusy USA Corporation	United States of America	720 N Post Oak Road, Houston, Texas, 77024,
GetBusy Australia Pty Limited	Australia	Level 5, 79 Commonwealth Street, Surry Hills, NSW
GetBusy New Zealand Pty Limited	New Zealand	Ground Floor, ITC Building, 9 City Road, Auckland,

19 Foreign currencies

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

	2019 average rate	2019 balance sheet rate	2018 average rate	2018 balance sheet rate
US Dollar	1.278	1.312	1.335	1.273
Australian Dollar	1.835	1.873	1.786	1.805
New Zealand Dollar	1.932	1.950	1.928	1.897

The Group has limited exposure to transactional currency risk because the individual subsidiaries mainly trade predominantly 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 2019 and 31 December 2018 was not material and so no sensitivity analysis is presented.

Notes to the financial statements (continued)

20 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 and the executive team, was as follows:

2019	Salary £'000	Pension £'000	Bonus £'000	Total £'000
Directors	557	12	50	619
Other key management personnel	288	17	36	341
Total	845	29	86	960
2018				
Directors	443	13	50	506
Other key management personnel	310	22	30	362
Total	753	35	80	868

In 2019, share option costs of £193k (2018: £191k) were recorded relating to directors and £74k (2018: £74k) relating to other key management personnel.

Information on the highest paid director can be found in the Remuneration Report on pages 26 to 28.

During the year, the Group purchased £30k (2018: £258k) of services from Reckon Limited, which is a related party by virtue of having common directors. The entire amount related to commissions for referred sales. £nil was owed to Reckon Limited at 31 December 2019 (2018: £10k).

21 Reconciliation of Alternative Performance Measures—constant currency

A number of our key performance indicators are provided at "constant currency". The percentage change in a KPI is shown assuming the current year exchange rate is used to translate both the current year and prior year figures. The table below reconciles the constant currency figures to those reported.

Performance measure	2019	2018 as originally reported	Constant currency adjustment	2018 at constant exchange rates	Change at reported exchange rates	Change at constant exchange rates
Group recurring revenue	£11,388k	£9,468k	£(108k)	£9,576k	20%	19%
Group total revenue	£12,661k	£10,865k	£(108k)	£10,973k	17%	15%
SmartVault recurring revenue	£4,201k	£3,226k	£144k	£3,370k	30%	25%
SmartVault total revenue	£4,336k	£3,309k	£147k	£3,456k	31%	25%
Virtual Cabinet recurring revenue	£7,187k	£6,242k	£(36k)	£6,206k	15%	16%
Virtual Cabinet total revenue	£8,325k	£7,556k	£(39)k	£7,517k	10%	11%
Group Annualised Recurring Revenue	£12.3m	£10.3m	£(0.1)m	£10.2m	20%	19%

Notes to the financial statements (continued)

22 Leases

The Group adopted IFRS16 *Leases* with effect from 1 January 2019.

At the date of transition, a right of use asset of £545k was recognised, together with a lease liability of £633k, leading to a £88k reduction in net assets. At 31 December 2019, all of the right of use assets relate to office property leases. The Group has no other material leases or leases for low-value assets.

A reconciliation is provided below.

	2019 £'000
At 1 January (upon initial recognition)	545
Additions	-
Depreciation	(296)
Impairment	(29)
At 31 December	220

The impairment charge of £29k relates to the Group's previous office premises in the UK, and fully writes-down the right-of-use asset as at 31 December 2019. The interest rate used to discount lease liabilities is 8%.

Interest on lease liabilities of £40k was recorded in Net Finance Costs during the year (2018: £nil).

The cash outflow for the Group's property leases was £382k (2018: £375k).

The Group's lease liabilities mature as follows:

	2019 £'000
Within one year	219
Within 1 to 5 years	96
More than 5 years	-
	315

On 17 January 2020, the Group completed a lease for new office premises in the UK. The estimated asset of £661k and associated liability has not been recognised at the balance sheet date.

23 Post balance sheet events

On 7 January 2020, following shareholder approval, each ordinary share of the Company was consolidated on a 1 for 5,000 basis such that every 5,000 ordinary shares were consolidated into 1 Consolidated Ordinary Share. Immediately afterwards, the Consolidated Ordinary Shares were sub-divided on the basis of 5,000 new ordinary shares for each Consolidated Ordinary Share. The resultant number of shares in issue remained 48,400,000.

On 17 January 2020, the Company issued 500,000 ordinary shares at a price of £0.525 per share to Daniel Rabie, a director. The shares were fully paid in cash.

On 27 January 2020, the Company cancelled 4,452,326 options over ordinary shares in the Company and subsequently granted 6,593,705 replacement options over ordinary shares, including to two directors, Daniel Rabie and Paul Haworth. Further details about the options granted can be found in the Remuneration Report on page 26.

Company balance sheet

	Note	2019 £'000	2018 £'000
Fixed asset investments			
Investments in subsidiaries	C4	1,068	782
Intangible assets	C7	63	-
		1,131	782
Current assets			
Trade and other receivables	C5	1,243	1,115
Cash and bank balances		757	1,210
		2,000	2,325
Total assets		3,131	3,107
Current liabilities			
Trade and other payables	C6	(514)	(446)
		(514)	(446)
Total liabilities		(514)	(446)
Net assets		2,617	2,661
Equity			
Share capital	C8	73	73
Share premium account	C8	2,756	2,756
Retained earnings		(212)	(168)
Shareholders' funds		2,617	2,661

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 loss for the period was £330k (2018 loss of £501k). The accompanying notes form part of the financial statements.

These financial statements were approved by the Board of Directors on 2 March 2020 and were signed on its behalf by:

D. Rabie

Daniel Rabie
Chief Executive Officer

Paul Haworth
Chief Financial Officer

Company statement of changes in equity

	Share capital £'000	Share premium account £'000	Retained earnings £'000	Total £'000
At 1 January 2018	73	2,756	36	2,865
Loss for the year	-	-	(501)	(501)
Issue of shares, net of issue costs	-	-	-	-
Share based payments			297	297
At 31 December 2018	73	2,756	(168)	2,661
Loss for the year	-	-	(330)	(330)
Issue of shares, net of issue costs	-	-	-	-
Share based payments	-	-	286	286
At 31 December 2019	73	2,756	(212)	2,617

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.

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 8 to the consolidated financial statements, where a full description of share based payment arrangements is contained.

C4. Investments in subsidiaries

	2019 £'000	2018 £'000
At 1 January	782	485
Share-based payments	286	297
At 31 December	1,068	782

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 18 of the consolidated financial statements.

C5. Trade and other receivables

	2019 £'000	2018 £'000
Amounts owed by other group companies	1,219	1,098
Prepayments	12	4
Other receivables	12	13
Trade and other receivables	1,243	1,115

C6. Trade and other payables

	2019 £'000	2018 £'000
Trade payables	2	42
Accruals	512	404
Trade and other payables	514	446

C7. Intangible assets

	Software £'000	Total £'000
Cost		
At 1 January 2018	-	-
Additions	-	-
At 31 December 2018	-	-
Additions	68	68
At 31 December 2019	68	68
Amortisation		
At 1 January 2018	-	-
Charge for the year	-	-
At 31 December 2018	-	-
Charge for the year	5	5
At 31 December 2019	5	5
Net book value		
At 31 December 2018	-	-
At 31 December 2019	63	63

C8. 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 2019, 48,400,000 shares (2018: 48,399,614) were issued and fully paid with a nominal value of £73,000.00 (2018: £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.

C9. 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 20 of the Group financial statements. No costs are borne directly by the Company for staff and directors of the Company.

C10. Post balance-sheet events

On 7 January 2020, following shareholder approval, each ordinary share of the Company was consolidated on a 1 for 5,000 basis such that every 5,000 ordinary shares were consolidated into 1 Consolidated Ordinary Share. Immediately afterwards, the Consolidated Ordinary Shares were sub-divided on the basis of 5,000 new ordinary shares for each Consolidated Ordinary Share. The resultant number of shares in issue remained 48,400,000.

On 17 January 2020, the Company issued 500,000 ordinary shares at a price of £0.525 per share to Daniel Rabie, a director. The shares were fully paid in cash.

On 27 January 2020, the Company cancelled 4,452,326 options over ordinary shares in the Company and subsequently granted 6,593,705 replacement options over ordinary shares, including to two directors, Daniel Rabie and Paul Haworth. Further details about the options granted can be found in the Remuneration Report on page 26.

What we do (and how)
How it went
How we roll (responsibly)
The numbers