GETBUSY

ANNUAL REPORT & ACCOUNTS
31 DECEMBER 2020

GETBUSY PLC COMPANY #10828058

OUR MISSION IS TO MAKE PEOPLE PRODUCTIVE AND HAPPY

CONTENTS

Use of Alternative Performance Measures 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 24.

Strategic report

The Strategic Report comprises the following sections of this Annual Report, which are incorporated by reference:

- Our Business, Products and Strategy
- 2020 in review
- Our governance

STRONG REVENUE GROWTH WITH ROBUST FOUNDATIONS TO SCALE

£14.2M
+12%
GROUP REVENUE

92%
+2%
RECURRING REVENUE# %

£13.7M
+12%
ANNUALISED MRR# AT 31 DECEMBER

£(0.9)M
-56%
ADJUSTED LOSS BEFORE TAX#

£2.3M
+31%
NET CASH

67,343
+2%
PAYING USERS

136
+24%
NUMBER OF STAFF AT 31 DECEMBER

GETBUSY

OUR BUSINESS, PRODUCTS AND STRATEGY

GetBusy is a subscription software business.

Our document management and task management products enable over 67,000 professional paying users around the world to digitise their operations and be productive while working in the office or remotely.

Our overarching strategic objective is to create value by generating significant long-term growth in high-quality, predictable, recurring subscription revenue through our three core products, SmartVault, Virtual Cabinet and GetBusy.

Our customers are in generally resilient markets with favourable global trends towards improved consumer privacy regulation and productive remote working. We have a high proportion of recurring revenue and a low level of customer concentration.

Our 136 people operate from the UK, USA and Australia with offices in Cambridge, Houston and Sydney.

OUR PRODUCTS

	Document management		Task management
Product	SmartVault	Virtual Cabinet	GETBUSY
Proportion of Group revenue	40%	60%	0%
Year product introduced	2008	1998	2020
Problems solved	Secure digitized document management, workflow and portal software that enables an organisation's documents to be securely captured, organised, stored, retrieved, routed, communicated around, shared, approved and audited from one central hub that integrates into other industry-specific back office software.		Secure organisation, management and collaboration around tasks, documents and electronic signatures.
Core market segments served	Professional services, including accountancy, bookkeeping, tax professionals and financial services	Professional services, including accountancy, insolvency, insurance, financial services and property	Teams and functions within organisations. Not industry-specific.
Typical customer size	SME	SME to enterprise	Various
Principal countries of operation	USA, UK	UK, Australia, New Zealand	UK, USA, Australia
Product architecture	Cloud	Hybrid cloud and on-premise	Cloud
Principal customer acquisition model	Educational content-based digital lead generation with inbound transactional sales team	Enterprise sales team with increasing proportion of educational content-based digital lead generation and inbound sales conversion	Educational content-based and social media-led digital lead generation with inbound transactional sales team
Customer onboarding model	Short remote set-up and training led by customer success team	Hybrid on-site or remote installation, integration, configuring and training led by consultants	Self-serve or short remote set-up and training led by customer success team

GENERATING SIGNIFICANT LONG-TERM GROWTH IN HIGH-QUALITY, PREDICTABLE, RECURRING SUBSCRIPTION REVENUE

Our overarching strategic objective is to create value by generating significant long-term growth in high-quality, predictable, recurring subscription revenue through our three core products, SmartVault, Virtual Cabinet and GetBusy. Over the long-term, recurring subscription software revenues can contribute to very high quality of earnings and substantial cash generation potential.

SmartVault

The 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 medium term will be derived from:

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

Longer term growth 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

The 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. International expansion outside of territories in which we have a physical presence will be cautious and targeted.

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 cost control will ensure a strong conversion of incremental revenues into additional profit and cash.

GETBUSY

The near-term objective for the GetBusy product is to prove that we have a viable, scalable business.

Viability is the proving of scalable characteristics in key areas of the customer acquisition and revenue model, for example in the costs of lead generation, conversion rates and typical customer size characteristics. 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.

At the point that we have demonstrated sufficiently attractive and predictable scaling characteristics, we will invest to grow.

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 toughness and perseverance are 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.

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.

Blow Stuff Up (BSU)

We're out to change the world.

Therefore, we 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.

Underpinning our success is a strong, dynamic culture into which we invest substantial time and resources

This enables us to recruit, motivate and retain an outstanding team that we've been able to grow even through the COVID pandemic. Our shared values are embedded throughout the business and routinely guide our decisions.

OUR PEOPLE - THE BOARD

The Board comprises a non-executive Chairman, three non-executive directors and two executive directors. They set the strategic direction of the Group and are responsible for the Group's governance arrangements.

DR MILES JAKEMAN AM

Chairman

Miles is the co-founder of the Citadel Group Limited (CGL), a Canberra startup that listed on the Australian Stock Exchange in November 2014 and sold in 2020 for over £284 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 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 thousands of customers globally and led the demerger of GetBusy.

PAUL HAWORTH

Chief Financial Officer

Paul spent a decade with Deloitte advising a range of listed and private technology and software clients, leading a number of transformational M&A engagements.

Since then he has spent 10 years in senior corporate and commercial financial roles with listed international high-tech manufacturers, including Consort Medical, Dialight and LPA. He joined GetBusy immediately after IPO in 2017 and assembled an outstanding team around him.

Paul is a chartered accountant and holds a degree in Astronomy from University College London.

NIGEL PAYNE

Senior independent 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 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.

PAUL HUBERMAN

Non-executive director

Paul has over 30 years' experience in the real estate and finance sectors and has considerable experience as a director of both publicly listed and private companies.

Paul was previously finance director at 3 companies listed on the London Stock Exchange, including Asda Property Holdings plc, Regent Inns plc and Grantchester Holdings plc.

Paul is currently a non-executive director at London-listed Town Centre Securities plc and a director at Galliard Homes Ltd, a major UK home builder as well as several smaller private companies.

Paul is a chartered accountant and chartered tax adviser and holds a degree in Economics from Manchester 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 and now continues as its Managing Director.

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

OUR PEOPLE - SENIOR LEADERSHIP

Day to day operational management is overseen by the Senior Leadership Team, which comprises the executive directors (previous page), the heads of each of the Group's businesses and the heads of our shared service functions.

JASON ROSS

Chief Information Officer

As CIO Jason is responsible for leading information technology, security, and compliance throughout the Group.

With over 17 years' experience, Jason has a solid track record in successfully delivering IT projects and services, placing heavy emphasis on facilitating and managing change within a business through the development and implementation of specialised software.

He has held various positions within the business including within technical support, operations, and project management and has previously worked at the Office of Energy (WA Australia) and Aumund Group. Jason holds a degree in Computer Science from Anglia Ruskin University.

DANIA BUCHANAN

President of SmartVault

Dania has held a leadership role withing SmartVault since it was founded in 2008. In her current role, Dania is responsible for the culture, vision and growth of the business, which became part of the GetBusy family of products in 2017.

Dania has more than 30 years of experience in the technology sector and prior to SmartVault was President and CEO for ChatYat, Inc., a mobile start-up.

Dania holds a Bachelor's degree in Marketing from Texas A&M University, Corpus Christi.

MATT BUTLER

Head of GetBusy

Matt holds a decade of experience at the C-suite for publicly listed technology companies, successfully leading teams across dozens of SaaS product categories aimed at every type of audience from SME's to large enterprise customers, across four countries, and to hundreds of thousands of customers.

Matt holds a unique blend of practical business acumen and technical and creative understanding. He has been Lead UI/UX experience designer of a cloud software provider, a start-up venture founder, is a qualified Chartered Accountant and holds Bachelor of Commerce from the University of Sydney.

GAEL NORRIS

Chief People and Culture Officer

Gael joined GetBusy in 2019. Formerly Global Head of HR at Grapeshot, a provider of brand safety and pre-bid contextual solutions, she was at the forefront of Grapeshot's sale to Oracle Data Cloud.

Gael has over 10 years' experience in leading visible and successful People teams with a commercial focus, delivering high quality, fit-for-purpose HR solutions in the right priority to add value. She is CIPD level 7 qualified.

Gael previously held roles at Cable & Wireless and SAB Miller and also worked as part of the Government Communications team at the Department of Culture Media and Sport on the London 2012 Olympic Games.

BEN OLIVER

Chief Technology Officer

Ben is responsible for the design and delivery of current and future task and document management strategies and leads the collaboration of products and platforms. Working mostly with our fantastic Research and Development teams,

Ben continues to leverage his relationships and experience born from directly designing, supporting, consulting, implementing and building effective solutions for customers across a vast array of industries and individual requirements.

Ben has nearly 20 years' experience in the commercial software industry, with the majority spent at document management business Reckon, where he held a variety of technical, leadership and business roles.

ALEX KOWALSKI

Co-Head of Virtual Cabinet

Alex joined GetBusy in 2012 and has a somewhat unorthodox background in customer service, technical support, and landscape gardening.

Alex has over 5 years of technical and operational management experience at Virtual Cabinet, specialising in problem solving and facilitating change. Previous roles have included heading up the Support and Delivery teams which have allowed strong relationships with clients and colleagues to be built alongside a deep understanding of the entire business.

DAVID OWEN

Co-Head of Virtual Cabinet

David joined the Virtual Cabinet team in 2010, with a focus on delivering integrated document management software solutions for businesses across a range of market sectors. Now Co-Head of Virtual Cabinet, David is responsible for directing sales growth, customer relationships and channel partnerships in the UK, AUS/NZ and US.

David has over 20 years' experience in the IT and Software industry and is passionate about how our solutions, relationships, experience, and innovation help customers become even more successful.

He has previously held senior roles at Reckon and Verizon Business.

2020 IN REVIEW

Our mission to make people productive and happy has resonated more in 2020 than ever before.

As clients and prospects around the world made the transition to remote working, our deep-rooted expertise and our class-leading software enabled them to do so efficiently and securely. The rapid changes to people's working lives accelerate trends towards fully digitised, paperless work practices that our document management and task management products enable. The surge in remote working, and the likely transition to a hybrid office-home working mix, requires a new software toolset for many organisations and each of our products is a component of that toolset.

Despite the challenges of the pandemic and its economic consequences, we have delivered 15% constant currency growth in our high-quality recurring subscription revenues[#]. We have closed the year with 24% more staff than we started with, have 31% more cash and have embarked upon an ambitious programme of investment to support sustained growth in our document management business well into the future.

In 2021, we expect to continue to capitalise on the trends that have been favourable to us during 2020.

We are very clearly in the scaling phase of our document management business comprising SmartVault and Virtual Cabinet, and we are able to see a path to a substantial business with high quality, predictable and valuable earnings in the medium to long term.

Whilst yet to be proven, we believe that our GetBusy product has the potential to open significantly greater addressable markets for our business. The problems it solves are universal, not sector-specific, and solutions to those problems have become even more valuable as businesses adopt hybrid working models on a permanent basis.

Our Group contains a combination of a proven, highly cash-generative market-leader, a rapidly and predictably scaling pure SaaS business in a large and valuable market, and a new product that solves increasingly relevant problems and that has the potential to open a significantly greater market.

This unique combination gives us confidence looking to the future.

Daniel Rabie
CEO

"GetBusy has the right products in the right place at the right time."

It has been a privilege to chair GetBusy during what has been a momentous year globally.

I am enormously grateful to our 136 staff who have worked tirelessly, often in very challenging personal circumstances, to remain, and to help our customers remain, productive and happy. In line with our company values, they have shown grit and made things happen. Each of them has contributed to GetBusy's success over this extraordinary period and to each of them I say "thank you".

Fully digital operations for professional services firms used to be driven by a productivity mandate. Over just a few months, digitisation and the software that enables it has become a critical part of a firm's infrastructure that equips it, at its most basic level, simply to exist. Cloud-based and mobility-enabling products aren't just the future; they have become an essential element of the fabric of business everywhere and are poised for rapid and sustained growth. GetBusy has the right products in the right place at the right time.

We are pleased with the Group's growth in 2020. The 15% constant currency increase in recurring revenue continues our trajectory towards significant scale, with SmartVault in particular proving the resilience and attractiveness of cloud software products.

As we invest for future growth, we can do so from a robust platform: a business with 92% recurring revenue[#], low customer concentration, low churn, resilient end markets, 31% more cash than a year ago and a revolving credit facility to provide additional headroom and firepower.

Dr Miles Jakeman AM
Chairman

BUSINESS REVIEW - GROUP

GROUP	2020	2019	Change	
			Reported currency	Constant currency#
Recurring revenue#	£13,017k	£11,388k	14%	15%
Total revenue	£14,179k	£12,661k	12%	12%
Adjusted profit / (loss)#	£(927)k	£(595)k	(56)%	n/a
ARR# at 31 December	£13,680k	£12,256k	12%	12%
Paying users at 31 December	67,343	65,850	2%	n/a
ARPU# at 31 December	£203	£186	9%	10%

During the economic and social turbulence of 2020, we have benefitted from our resilient subscription revenue model, our low levels of customer concentration and products that enable people to work flexibly and productively.

Group recurring revenue# grew by 15% at constant currency to £13.0m, with total revenue up 12% (12% at constant currency) to £14.2m. Growth was primarily driven by SmartVault, which had an excellent year for new customer growth. Virtual Cabinet also saw some excellent customer wins, particularly in the insolvency sector, and another two top 100 UK accounting firms were brought on board. ARR increased by 12% at constant currency to £13.7m due to a combination of higher user numbers and 10% higher ARPU#.

The deep recessions caused by COVID-19 in our main geographical markets have inevitably led to many businesses reducing their workforces. In that context, we are pleased with the relatively small increase in net MRR churn that we have seen in our businesses.

As expected, non-recurring revenue# decreased by 9% to £1.1m following the repositioning of Virtual Cabinet as a subscription software business, as opposed to the upfront licence and consulting model of 3 years ago. 89% of Virtual Cabinet revenue is now recurring.

Gross margin of 92.6% was in line with 2019. The impact of a higher proportion of revenue from SmartVault, which operates at lower gross margins than Virtual Cabinet, was offset by improvements in those margins following cost optimisation within the Amazon Web Services environment in which SmartVault operates.

Throughout 2020 we have increased investment in areas that we expect to deliver significant and long-term return. SmartVault has accounted for most of this investment, with a significant increase in our product development capabilities, continued increases in customer acquisition teams and a substantial restructuring of our customer success function. In addition, we have had the first full year of operational costs for GetBusy as we transition from a product in development to a business finding product-market fit. Overall overheads have increased by 14% to £14.1m, leading to an increase in our Adjusted Loss before Tax# of £0.3m to £(0.9)m.

Cashflow has been a particular highlight in 2020. Receipts from UK research and development tax credits, the US Paycheck Protection Program and a new equity issue in January 2020 have more than offset the operating loss and capital expenditure on our new office fit-outs resulting in a year-on-year cash increase of 31%. The completion of a 3-year, as-yet undrawn, £2million revolving credit facility with Silicon Valley Bank provides us with considerable confidence and cash headroom as we invest in future growth.

BUSINESS REVIEW - SMARTVAULT

SMARTVAULT	2020	2019	Change	
			Reported currency	Constant currency#
Recurring revenue#	£5,433k	£4,201k	29%	30%
Total revenue	£5,700k	£4,336k	31%	32%
Adjusted profit / (loss)#	£(1,373)k	£(972)k	(41)%	n/a
ARR# at 31 December	£5,835k	£4,779k	22%	27%
Paying users at 31 December	23,530	20,599	14%	n/a
ARPU# at 31 December	£248	£232	7%	11%
Net MRR churn#	0.8%	0.0%	n/a	n/a

Recurring revenue was up 30% at constant currency. Significantly, annual contract value from new customers was up 50% compared to 2019 at £1.7m, of which 90% was in the US and 10% in the UK. Whilst volume of new accounts was the biggest contributor to this increase, we also saw a 9% increase in the average account size following initiatives to broaden the appeal of SmartVault to larger firms. 2020 has been the first year in which the UK has contributed meaningfully to new revenue in SmartVault, with solid business from our partnership with TaxCalc, a leading UK supplier of practice management, client management and compliance software to accountants and tax advisers.

Net MRR churn# of 0.8% was notably higher than 2019, which included a significant plan rationalisation and price increase. This increase in net churn has been caused by softer expansion activity and a higher volume of downgrades, potentially caused by customers reducing costs during the pandemic.

Encouragingly, gross churn (from customers who have closed their accounts) declined in 2020 and especially during H2. The average gross MRR churn# during H2 2019 was 1.5% per month; during H2 2020 it was 1.1% per month, demonstrating that more customers regard SmartVault as a core component of their technology and workflow stack. This reflects the investments that we have started to make into the product as well as the restructuring of the customer success function.

Recurring revenue# increased by 29% (30% at constant currency) to £5.4m with closing ARR# up 22% (27% at constant currency) to £5.8m. Non-recurring revenue#, which includes services and sales of seasonal licences and e-signatures, was up 97% to £0.3m, a reflection of the larger user base and targeted efforts by the newly created customer success team.

Gross margin improved by 3% to 85.3%. This follows the migration of SmartVault to the Amazon Web Services environment in early 2019 and the subsequent cost optimisation work undertaken.

Throughout 2020 we have increased our investments to support growth in SmartVault. The primary driver of this investment case is the compelling LTV : CAC ratio#, which provides a measure of the return expected from incremental customer acquisition spend. This ratio has averaged 4:1 globally over 2020, similar to that seen in 2019; encouragingly during H2 we have seen the ratio improve, especially within the US. Our investments go beyond short-term customer acquisition, but the consistency and robustness of this ratio provides us with confidence in the scalability of the SmartVault business.

Product development costs nearly doubled to £1.7m as we built out the in-house team to increase the velocity of new feature introduction. We also partnered with a design house to create a refreshed user interface, which will be implemented over the course of 2021 with the aim of improving usability for paying users and portal users, reducing churn rates and reducing the load on our customer support teams.

Other overheads increased by 25% to £4.5m. Customer acquisition costs were increased by 50%, including higher sales commissions, higher marketing spend and an increase in our in-house sales and marketing teams to support future growth. We also restructured our customer success function, bringing the first-line support team back in-house into the US and introducing more sophisticated software tools to improve the speed and efficiency of how customer queries are handled, including automation to improve scalability.

During 2021 our aim is to embed the investments we have been making, increase that investment and continue along the growth path.

In customer acquisition, we shall target progressively larger customers as we improve the enterprise functionality of the SmartVault product. We shall also test new vertical markets to diversify our base from the accounting and bookkeeping sectors; these are likely to be in the broader financial services sector, particularly niches that are currently underserved by technology providers.

Our customer success teams will focus on reducing churn and expanding our business with existing customers. We shall explore packaging additional functionality as enhanced subscriptions to increase our ARPU and improve the value of SmartVault within the workflows of our clients' operations.

BUSINESS REVIEW - VIRTUAL CABINET

VIRTUAL CABINET	2020	2019	Change	
			Reported currency	Constant currency#
Recurring revenue#	£7,578k	£7,187k	5%	6%
Total revenue	£8,473k	£8,325k	2%	2%
Adjusted profit / (loss)#	£3,891k	£3,372k	15%	n/a
ARR# at 31 December	£7,854k	£7,466k	5%	4%
Paying users at 31 December	43,631	45,251	(4)%	n/a
ARPU# at 31 December	£180	£165	9%	7%
Net MRR churn#	0.2%	0.1%	n/a	n/a

2020 was a year of two halves. As previously announced, H1 was challenging for new customer acquisition at Virtual Cabinet. COVID-19 lockdowns in the UK and Australia had a significant impact on our ability to sell into new customers because the product often requires on-premise implementation and training; remote implementations tended to be for smaller, less complex customers. From June, however, we have seen a sustained and encouraging increase in new customer orders, assisted by the offer of subscription-free periods to improve order close rates. Additionally, we have improved our ability to deliver entirely remote implementations even for more complex sites. We have seen particular strength within the buoyant insolvency sector, driven by our deep integration into the leading insolvency practice management software.

Recurring revenue# increased by 5% (6% at constant currency) to £7.6m, while ARR# increased by 5% to £7.9m. Revenue growth was adversely impacted by higher than usual customer downgrades during scheduled annual renewals. Whilst we have no material direct exposure to severely troubled industries such as tourism, leisure and retail, the clients we do have in those sectors have tended to ask for support through contract suspensions or deferred payments, which we have accommodated where possible.

Net MRR Churn# averaged 0.2% per month (2019: 0.1%). This reflects strong upsell revenue from customers and higher ARPU# arising from annual price increases. Upgrade sales have been driven by add-on modules such as the portal or mobile apps as customers have pushed these modules to a higher number of users that are now working remotely. These upgrades and ARPU# improvements were offset by slightly higher customer churn, particularly in H1, including two larger customers who were taken over by other firms that had mandated an alternative document management solution. Paying users decreased by 4% to 43,631 over the period, a reflection of the higher customer churn, however this was offset by an ARPU# increase of 9% to £180.

Non-recurring revenue#, which includes consulting and perpetual licence sales, decreased 21% to £0.9m. We expected a reduction due to the transition of the revenue model from an upfront, perpetual licence model to a higher value recurring subscription model. In addition, however, the volume of chargeable consulting work was down significantly during H1 in particular because of access restrictions to client sites.

Overheads were 8% lower than 2019. This is largely a result of changes made in Australia during 2019 to reduce the size of our sales and consulting team to match delivery capacity with expected order intake. In addition, we have redeployed certain operational staff to other areas of the business following efforts to use technology to automate internal processes.

During 2021, we are targeting continued profit growth through increased recurring revenues and higher levels of operational leverage generated by disciplined cost control. We expect our customer acquisition efforts to be increasingly geared towards online lead generation rather than outbound enterprise sales. This transition was in progress before the COVID-19 outbreak but we have accelerated it during 2020, including a complete rebrand of the product and a new website, which is being optimised for lead conversion. As a group, we are very familiar with inbound, transactional customer acquisition models. We shall also capitalise on our strengthening position in the insolvency market, a sector that is expected to see significant additional demand in 2021 and beyond.

BUSINESS REVIEW - GETBUSY

GETBUSY	2020	2019	Change	
			Reported currency	Constant currency#
Total revenue	£6k	£-	n/a	n/a
Adjusted profit / (loss)#	£(1,975)k	£(1,377)k	(44)%	n/a
ARR# at 31 December	£17k	£-	n/a	n/a
Paying users at 31 December	182	-	n/a	n/a
ARPU# at 31 December	£81	-	n/a	n/a

GetBusy is our new product that helps people organise, manage and collaborate around tasks. 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.

In 2020 we have continued the journey of finding product-market fit for GetBusy via concurrent testing of different channels and value propositions. These channels include digital inbound lead generation, developing relationships with integration partners to enable GetBusy to be sold into another product's installed user base, and upselling the product into our existing document management customer base. Product improvements, integrations and new features have continued to be released regularly and we have introduced a new brand and website to better reflect our target market.

Notably, since the year-end we have agreed a partnership with NetSuite, the leading cloud business software suite with more than 24,000 enterprise customers globally, to embed GetBusy's document handling, task management and e-signature capability directly into the NetSuite interface. This integration, which will be available as a paid add-on within NetSuite's app store, provides integrated document and signature capability within the NetSuite experience - a unique proposition for users - together with the core GetBusy task management functionality.

Our financial and strategic objective remains proving a viable and scalable customer acquisition model that meets our payback criteria. To achieve those objectives, we have clear internal targets for each component of the customer acquisition funnel.

Relative to those internal targets, lead generation costs had been volatile and too high. Towards the end of H1 those costs started to decrease. The launch of our new brand and website in mid-November, with much clearer messaging on the problems the product solves, has been a trigger for a step-change in the cost of leads. The proportion of visitors to the website that are signing up for a free trial has more than doubled, and those leads seem to be of good quality.

Conversion of leads into new customers remains a challenge. We have had some months of strong demo-to-customer conversion rate, but we have not yet been able to keep those rates consistent. However, we have been encouraged by the average selling price to customers since the new website launch, which is a combination of the price per user and the team size.

Churn is volatile, as can be expected from such an early-stage product. We are gathering good data on the reasons for customers leaving as well as the reasons they are staying. That data helps us to prioritise the product roadmap and provides feedback into our customer acquisition messaging and onboarding processes.

Importantly, we launched our inbuilt digital signature solution, allowing documents to be simply and legally electronically signed. This combined with the NetSuite partnership has the potential to provide significant opportunity in these rapidly growing markets. We have assembled an outstanding and highly motivated team whose experience and data-focused approach means they are well equipped to find a path to a scalable customer acquisition model.

Given the value potential within GetBusy, and its potential applicability to a significant addressable market, in 2021 we shall continue our current rate of spend, on both the customer acquisition side and in product development. Our objective remains to create a scalable and repeatable customer acquisition model that meets our payback criteria.

Our 2020 net spend of £2.0m was 43% higher than 2019, reflecting the sales and marketing and operational infrastructure that we have put in place in 2020.

Corporate and central costs

Corporate and central costs were down 9% to £1.5m, mainly as a result of lower travel costs and professional adviser fees.

Items reconciling Adjusted Loss with Loss before Tax

On an IFRS basis, we have capitalised £0.6m of development costs in 2020, which relates solely to work carried out on Virtual Cabinet and SmartVault. Capitalised amounts in 2020 relate to, amongst other things, the development of the VC Go suite of mobility apps, the introduction of multiple branding within the Virtual Cabinet portal, the user interface improvements for SmartVault and the integration of the SmartVault with a 3rd party billing system, which will support expansion and monetisation efforts within SmartVault in the future. 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.

In the light of the impact of the COVID-19 pandemic on the use of our offices, we have conducted a review of the carrying value of the related lease assets and concluded that the asset related to our Sydney office lease, which expires in September 2021, is impaired as there is no reasonable possibility of its value being recovered during the remaining lease term given local restrictions and the reduced number of staff in our Australian business. This has led to an impairment charge of £0.1m within non-underlying items.

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 £0.7m is a result of the replacement incentive plans implemented last January and an increase in the provision for employment taxes due if options are exercised, driven by the Company's share price, which increased by 54% over the year.

Other income of £0.6m relates to the full forgiveness of the Paycheck Protection Program loan that we received in April in the US (£0.4m) and the income credit for the "RDEC" portion of our 2017 UK research and development tax claim.

The loss before tax for the year was £1.1m, a reduction of 8% compared to 2019.

During 2021, we will carry out work to align the statutory structure of the Group with our brands and we expect to incur non-underlying adviser costs in respect of that project.

Tax

We have recorded a tax credit of £1.5m in 2020, driven by successful research and development tax credit claims in the UK, slightly offset by tax payable in Australia and New Zealand where we are locally profitable. The Group still has sizeable carried forward tax losses in the UK and US.

Profit after tax

The Group recorded a profit after tax of £0.4m (2019: loss of £1.2m), largely as a result of research and development tax credits relating to previous years and the recognition of other income in respect of the Paycheck Protection Program ("PPP") loan forgiveness in the US, which would not be expected to recur.

Foreign currency exposure

The Group's subsidiaries do not have material foreign currency exposures. Most revenue and expenditure transactions are conducted in the functional currency of the individual subsidiary entity.

The Group's reported results, however, are impacted by the translation of the results of foreign-denominated subsidiaries into GBP. Most notably this impacts on the reported revenue figure; exposure at the Adjusted Profit / (Loss) level is relatively minor. It is for this reason that the Group reports constant currency growth figures alongside reported currency.

At 31 December 2020, 42% of the Group's annualised recurring revenue was denominated in USD, 11% in AUD and 3% in NZD. It is expected that the proportion of recurring revenue denominated in USD will increase to c. 46% of the total over the course of 2021, based on the exchange rates in effect at 31 December 2020. This is driven by the expected increase in revenue from SmartVault in the US.

Cashflow and working capital

A number of items have contributed to the net cash inflow of £0.5m in 2020, which has been achieved despite the Adjusted Loss before Tax of £(0.9)m and capital expenditure on new office fit-outs of £0.3m:

- £0.3m was received from the director share subscription in January;
- £0.4m was received as a loan from the PPP in the US, which was subsequently forgiven; and
- £1.2m was received in the UK from research and development tax credits in respect of the three years to 2019.

Net cash at 31 December 2020 was £2.3m, an increase of £0.5m from 31 December 2019. The £2m revolving credit facility has remained entirely undrawn since its completion in September 2020.

Balance sheet

The £0.2m increase in intangible assets in 2020 to £0.8m is a result of an excess of capitalised development costs over the related amortisation. Capitalised development costs relate solely to the Virtual Cabinet and SmartVault products. The commercial viability of the GetBusy product is not yet considered to be sufficiently certain to meet the criteria for capitalisation within IAS38 *Intangible Assets*, the timing of when that situation may change is inherently uncertain.

Over the course of 2020 we have fitted-out two new offices, in the UK and in the US, which has led to an £0.3m increase in property, plant and equipment. The fit-out of the US office has been completed in early 2021. This has also led to a £1.6m increase in right-of-use assets, which all relate to our office leases. As discussed above, the remaining right-of-use asset related to our Sydney office was impaired at 31 December 2020, leading to a £0.1m charge within non-underlying costs.

Trade and other receivables increased by £0.5m to £1.8m, a product of the timing of annual subscription renewals, a very strong December for new business in SmartVault, and £0.1m of upfront fees related to the loan facility with Silicon Valley Bank. The current tax receivable of £0.7m relates to the UK research and development tax credit due for the 2020 financial year, with £0.3m of tax payable or refundable in the UK, Australia and New Zealand, which is recorded within current liabilities.

The £0.3m increase in trade and other payables mostly relates to working capital timing differences, most notably in the payment of supplier invoices around the end of the year and in an increase in accruals related to sales commissions following the strong final quarter.

Deferred revenue, which is mostly derived from annual subscriptions paid in advance has increased by £0.2m to £4.7m. A £0.5m increase in SmartVault has been offset by a £0.3m reduction in Virtual Cabinet, partly caused by an increase in the proportion of customers opting to pay monthly by direct debit.

The lease liability of £2.1m has increased by £1.8m since the prior year as a result of the two new office premises.
Over the course of 2020, 1,025,272 new shares were issued as a result of new investments from directors and the exercise of share options, leading to a £0.3m increase in share premium.

Outlook

In 2021, we expect to continue to capitalise on the trends that have been favourable to us during 2020.

The product, sales, marketing and customer success investments we started to make in 2020, and that we plan to accelerate in 2021, will drive our growth in recurring subscription revenue, particularly in SmartVault. We can make these investments confidently in the light of favourable leading indicators and the significantly enhanced cash headroom that we currently enjoy.

We are very clearly in the scaling phase of our document management business comprising SmartVault and Virtual Cabinet, and we are able to see a path to a substantial business with high quality, predictable and valuable earnings in the medium to long term.

Whilst yet to be proven, we believe that our GetBusy product has the potential to open significantly greater addressable markets for our business. The problems it solves are universal, not sector-specific, and solutions to those problems have become even more valuable as businesses adopt hybrid working models on a permanent basis.

Our Group contains a combination of a proven, highly cash-generative market-leader, a rapidly and predictably scaling pure SaaS business in a large and valuable market, and a new product that solves increasingly relevant problems and that has the potential to open a significantly greater market.

This unique combination gives us confidence looking to the future.

OUR GOVERNANCE

In a nutshell, it's the Board's job to ensure we're doing the right things: 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 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 establish good information flows between the Board and senior management and that accurate, timely and clear information is received by the rest of 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") and that continues to be the governance framework we use. We believe it is appropriate for smaller growth businesses in which the application of good governance needs to be sensitive to the need to foster an entrepreneurial dynamism.

Dr Miles Jakeman AM
Chairman

Companies Act s.172 statement

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 below. 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.

Compliance with the QCA Code

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

Principle 1 Establish a strategy and business model which promote long-term value for shareholders.	Our strategy and operating model can be found starting on page 7.
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. To execute our strategy it is critical that we have the right team. That means the right skillsets but more importantly it means the people we work with need to share our values. We operate a very flat management structure; we encourage staff in all roles to engage with our leadership team directly. Generally our business is not entirely and permanently 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. 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. We also encourage flexible working 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 starting 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, Nigel Payne and Paul Huberman are considered by the Board to be independent directors. 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 2020, the Board held 5 formal full meetings and 3 additional shorter meetings to cover specific topics.
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 starting on page 13. 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. Attendance at Board meetings and sub-committees is monitored. All directors attended all board meetings during 2020.
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 25. The CEO's primary responsibilities include: • Developing GetBusy's strategy for consideration and approval by the wider Board; • Leading the senior leadership 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 and senior 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 Paul Huberman and its other members are Nigel Payne 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 Paul Huberman. 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, a number of areas are specifically reserved for the Board. These include, but are not limited to, setting and approving a variety of corporate policies, setting the terms of reference for subcommittees and dealing with matters referred to it by those committees, setting the structure and composition of the Board, setting the Company's capital structure, approving resolutions for general meetings, and approving any corporate activity including mergers, acquisitions or divestments.

Principle 10: Communicate how the company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders.	GetBusy's board comprises three independent non-executive directors, one further non-executive director and two executive directors. Our independent non-executive directors, Miles Jakeman, Nigel Payne and Paul Huberman, 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. Our non-independent non-executive director, Clive Rabie, is considered non-independent due to his significant investment into GetBusy, which well aligns the Board with longer-term shareholder value creation expectations. In addition to his shareholding, Clive has considerable experience, contacts and expertise within the small business software market and a detailed understanding of the operational priorities and strategic imperatives required to be successful. This experience and aligned interest make Clive an extremely valuable member of our Board. All Board sub-committees are chaired by one of the independent non-executive directors, Nigel Payne and Paul Huberman, who have considerable experience of chairing and acting as a non-executive director of listed companies. In conclusion, the GetBusy board considers that it has structured its governance arrangements to deliver growth in long-term shareholder value. It has also 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/investors

RISK MANAGEMENT

The Board is ultimately responsible for the effective management of risk with detailed scrutiny delegated to the Audit Committee.

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 are estimated, a mitigation plan is established and the risk is recorded on the Group's risk register. Risks assessed as "major" or worse are tracked regularly with the Board. "COVID" was added as a risk category during the course of this year as a result of the very specific and potentially pervasive nature of the risks that the pandemic has presented. None of the risks within this new category was considered to have a significant impact on the Group's ability to deliver its strategy.

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 directors on the completeness of the risks identified, their classification and the effectiveness of the mitigation plans in place.

During 2020, there has been a reduction in the quantity of residual risks categorised as "high", due to three main factors:

- SmartVault now operates within the AWS environment rather than on self-managed servers, so the risk of product outage has significantly reduced;
- SmartVault is becoming a larger part of the business and is scaling well, reducing our reliance on growth in either Virtual Cabinet or GetBusy; and
- We have appointed experienced specialists into security and compliance and HR.

The table on the following pages 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.

RISK MANAGEMENT (CONTINUED)

Risk category	Description of risk	Relevance to strategy	Potential consequences	Mitigating controls
Strategic	Our new product, GetBusy, is early-stage and 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.	Recruitment of experienced and high-performing team to launch product. 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.	Over half of the Group's recurring revenue is derived from Virtual Cabinet.	Slowing revenue growth or revenue decline. Significant customer churn. Reduction in achievable selling price.	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. Designated 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 senior leadership 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. Contractual liability caps.
Operational	The successful execution of our strategy is, to some extent, reliant on our ability to recruit, motivate and retain certain key people.	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.	Dedicated People and Culture team. 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 at a pre-tax operating level. 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. Strengthening of relationships with potential funding providers including debt and equity providers.

I am pleased to present the Report of the Remuneration Committee for 2020.

The Committee

The Remuneration Committee is appointed by the Board and is formed entirely of non-executive directors. The Committee is chaired by me and the other members of the Committee are Miles Jakeman and Paul Huberman.

The Committee meets formally at least twice a year and has responsibility for setting the Group's general policy on remuneration and also specific packages for individual directors. The Committee is also responsible for structuring non-executive director pay, which is subject to approval of all independent Directors and oversight from the Board including the executive directors. The Committee receives internal advice from executive directors and external advice from remuneration consultants where necessary. The Committee also makes recommendations to the Board concerning the allocation of long term incentive awards to senior management. The Committee's terms of reference are available for public inspection on request.

Other members of the Board of Directors are invited to attend meetings when appropriate, but no Director is present when his or her remuneration is discussed.

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 or enterprise value.

The Committee is also mindful to adopt policies that are equitable across all employees in the Group.

Key considerations of the Committee during 2020

During 2020, the Committee considered the following specific items:

- Agreement of the bonus payments made to senior management in relation to performance in 2019;
- Agreement of the remuneration proposals, including base salary and short-term incentive structure, for the executive directors and senior management for 2020;
- The implementation of the replacement long-term equity incentive scheme, outlined in the 2019 annual report, which was approved by shareholders in January 2020;
- Remuneration proposals for the Directors for 2021;
- Review of the fairness of awards across all employees; and
- Consideration of appropriate incentive structures for any corporate activity that delivers significant returns to shareholders.

2020 remuneration

Remuneration for executive directors in 2020 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 2020 were set by the Committee in December 2019.

The 2020 annual bonus plan for executive directors was agreed in December 2019 following the approval of the 2020 budget. The level of performance bonus was primarily dependent on the Group's recurring revenue at 31 December 2020, starting to accrue if the Group's recurring revenue exceeded £12.7 million with the maximum amount payable if the Group's recurring revenue was £13.9 million or higher. The cash performance bonus was a percentage of salary. Daniel Rabie's maximum performance bonus for 2020 was 45% of salary and Paul Haworth's was 35%. The percentage of salary actually payable in respect of 2020 for Daniel Rabie was 37% and for Paul Haworth it was 29%.

Non-executive directors are paid a basic fee, which may include a supplement for any sub-committee responsibilities. In 2020, non-executive director fees were denominated in GBP, although may have been paid in local currency.

The 2020 remuneration for each director is set out in the table below. Remuneration for Greg Wilkinson is stated up to his retirement on 5 May 2020. Remuneration for Paul Huberman is stated from his appointment on 3 March 2020.

The Committee concluded that the executive reward structure was fair when considered against other employees in the Group though it noted that executive director bonuses have hitherto been well below market normal levels for high growth technology businesses.

Director remuneration summary

£'000	Daniel Rabie		Paul Haworth		Miles Jakeman		Nigel Payne		Paul Huberman		Clive Rabie		Greg Wilkinson	
	2020	2019	**2020**	2019	**2020**	2019	**2020**	2019	**2020**	2019	**2020**	2019	**2020**	2019
Salary	**232**	225	**185**	180	**43**	42	**38**	38	**31**	-	**37**	36	**12**	36
Pension	**7**	7	**6**	5	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-
Benefits	**1**	3	**2**	3	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-
Bonus	**85**	30	**53**	20	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-
	325	265	**246**	209	**43**	42	**38**	38	**31**	-	**37**	36	**12**	36

Long-term equity incentives

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, which are described below and were approved by shareholders at the Extraordinary General Meeting in January 2020, were then granted as replacement options.

The EMI Share Option Plan is a nil cost option plan that vests over a three-year period with a share price performance condition at the end of the three-year period of 46.0p, which is 62.5% higher than the price of the Group's initial public offering. The Value Creation Plan ("VCP") 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 VCP, equivalent to the number of shares that would vest at a price of 120.0p.

On 2 March 2021, following consultation with the Company's largest independent shareholders, the Company and the participants amended the terms of the VCP so that instead of measuring incremental value at the end of the four year period following implementation of the VCP, participants can jointly choose to crystallise their awards at any time in the six months following the end of the four year period. Awards will be measured by reference to the market capitalisation of the Company on the date of crystallisation.

The table below shows the maximum potential options that may vest to the executive directors under the EMI Share Option Plan and VCP.

Director share options

	Grant date	Number of options	Vesting period	Vesting performance criteria
Daniel Rabie	27 January 2020	2,196,428	3 years	Minimum share price of 46.0p at vesting date
	27 January 2020	1,828,094	4 years	Minimum share price of 46.0p up to a maximum vesting at a share price of 100.0p at the vesting date
		4,024,522		
Paul Haworth	27 January 2020	892,857	3 years	Minimum share price of 46.0p at vesting date
	27 January 2020	522,313	4 years	Minimum share price of 46.0p up to a maximum vesting at a share price of 100.0p at the vesting date
		1,415,170		

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, except for Paul Huberman whose service agreement is dated 12 February 2020, and provide for rolling 12 month terms, with a 3 month notice period on either side.

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.

2021 remuneration arrangements

Daniel Rabie's 2021 base salary is £236,385 (2019: £231,750). Paul Haworth's 2020 base salary is £189,100 (2019: £185,400). The rates of increase were seen as fair relative to other employees of the Group.

Both Daniel Rabie and Paul Haworth will be eligible to receive a cash performance bonus for 2021. The level of performance bonus will be dependent on the Group's annualised recurring revenue at 31 December 2021. The performance bonus will start to accrue if the Group's annualised recurring revenue, recorded at budgeted exchange rates, exceeds £14.8 million and the maximum amount will be payable if the Group's recurring revenue is £15.8 million or higher (an increase of 14% over 2020 maximum target).

The cash performance bonus is a percentage of salary. The Remuneration Committee has the flexibility to award bonuses of market normal levels for maximum performance. For Daniel Rabie', the maximum performance bonus for 2021 is 125% of salary. Paul Haworth's maximum performance bonus for 2021 is 100%.

The Committee remains committed to reviewing the structure of performance awards for the executive directors on an ongoing basis to ensure alignment with the long term interests of all shareholders and the strategic priorities of the Group.

Directors' interests

As at 31 December 2020, the Directors had the following beneficial interests in the Company's shares:

	Number of shares held
Daniel Rabie	1,570,789
Paul Haworth	70,000
Miles Jakeman	150,000
Nigel Payne	-
Paul Huberman	-
Clive Rabie	9,243,676

Nigel Payne
Chairman of the Remuneration Committee

I am pleased to present my first report as Chair of the Audit Committee for 2020.

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 became chair the Audit Committee in May 2020 and the other members are Nigel Payne (the former chair) and Miles Jakeman.

Activities of the Audit Committee during 2020

Since the 2019 annual report, the Audit Committee carried out the following key activities:

- Review of the Group's key regulatory announcements during the year, including the preliminary announcement of the 2019 results, COVID-19 update, trading updates, and the 2020 half year report;
- 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 2020 external audit of the Group;
- Review of the Chief Financial Officer's report on the key accounting judgements and issues for the 2020 financial year, and the Group Financial Controller's report on the state of internal controls and her recommendations for improvements; and
- Review and approval of the accounting policies and their application for the 2020 Annual Report and accounts;

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 2020 financial statements:

The adoption of the going concern assumption in the preparation of the financial statements and the related disclosures.

The Committee has reviewed the detailed forecasts and reasonable worst-case scenario prepared by management, including assessing the reasonableness of the assumptions made and the feasibility of mitigating actions. The Committee has also considered the impact of the COVID-19 pandemic on the validity of the assumptions used by management within their forecasts.

The Committee is satisfied that the going concern basis of preparation is appropriate and that the related disclosures adequately explain the rationale for that basis.

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 2017 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 treatment of the loan received under the US Paycheck Protection Program.

The Committee has considered the status of the application made by the Group for the US Paycheck Protection loan to be forgiven, under the terms of the facility. The Committee agrees with management's judgement that there was sufficient certainty around the forgiveness of the loan at year-end for the forgiveness to be treated as other income.

Disclosure of the Group's new revolving credit facility and the appropriateness of any related accounting.

The Committee has considered the disclosures made concerning the Group's new revolving credit facility with Silicon Valley Bank and is satisfied that the key terms of the facility are adequately disclosed. Additionally the Committee is satisfied with the treatment of the upfront costs related to the facility.

The presentation of segmental analysis in accordance with IFRS8 Operating Segments.

The Committee is satisfied that the disclosures made are consistent with the requirements of IFRS8.

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.

The appropriateness of provisions against trade accounts receivable.

The Committee considered the methodology and assumptions used by management in determining the level of provisioning against doubtful debts.

A full list of critical judgements appears in note 4 to the financial statements.

Paul Huberman
Chairman of the Audit Committee

The Directors' Report should be read in conjunction with the following items required by the Companies Act 2006 (CA2006) that are incorporated by reference

- Companies Act s. 172 statement, included in Our Governance;
- An indication of likely future developments of the Company and Group, included in 2020 in Review; and
- An indication of the research and development activities of the Company and Group, included in 2020 in Review.

No political donations were made during the period (2019: £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.

Directors

The directors who served throughout the year and subsequently, unless otherwise stated, were:

Dr Miles Jakeman AM
Daniel Rabie
Paul Haworth
Nigel Payne
Paul Huberman (appointed 3 March 2020)
Clive Rabie
Greg Wilkinson (resigned 5 May 2020)

Substantial shareholdings

The table below shows the interests in 3% or more of the Company's equity at 17 February 2021 of which the directors are aware.

Annual General Meeting (AGM) and Auditor

The AGM of the Company will be held on Thursday 6 May at 11am at the Company's registered office, with a video link also available. 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 group and company financial statements for each financial year. The directors have elected under company law and the AIM Rules of the London Stock Exchange to prepare group financial statements in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and to prepare the company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

Substantial shareholdings at 17 February 2021		
	Number of shares held	**% of total**
Clive Rabie	9,243,676	18.7%
BGF Investment Management Limited	7,115,000	14.4%
FMR LLC	4,861,442	9.8%
Canaccord Genuity Group Inc	4,500,000	9.1%
Greg Wilkinson	3,690,771	7.5%
Herald Investment Management Limited	2,935,102	5.9%
Gresham House	2,271,930	4.6%
River & Mercantile	2,027,785	4.1%
Daniel Rabie	1,570,789	3.2%

The group financial statements are required by law and international accounting standards in conformity with the requirements of the Companies Act 2006 to present fairly the financial position and performance of the group. The Companies Act 2006 provides in relation to such financial statements that references in the relevant part of that Act to financial statements giving a true and fair view are references to their achieving a fair presentation.

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 group and the company and of the profit or loss of the group for that period.

In preparing each of the group and company financial statements, the directors are required to:

a. select suitable accounting policies and then apply them consistently;
b. make judgements and accounting estimates that are reasonable and prudent;
c. for the group financial statements, state whether they have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006;
d. for the company financial statements state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the company financial statements;
e. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and the company's transactions and disclose with reasonable accuracy at any time the financial position of the group and the company and enable them to ensure that the financial statements comply with the requirements of the Companies Act 2006. They are also responsible for safeguarding the assets of the group and the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the GetBusy Plc website.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Going concern

In their assessment of the appropriateness of the going concern basis, the Directors have considered base case forecasts for the Group. The same forecasts have been used for the Company as the Group centrally manages cash and treasury; cash is regularly moved between the Group's subsidiaries and so modelling for liquidity and going concern purposes is carried out on this consolidated basis.

The Group is expected to be loss-making in the medium term as continued investment is made for future growth. The global economy has been significantly impacted by the COVID-19 pandemic. As a result, the Directors have applied a number of assumptions to the base case forecast, which includes revenue, profit, cashflow and covenant compliance projections, to reflect a reasonable worst case scenario for cashflow for the period to 30 June 2022. Those assumptions include:

- A significant reduction in new business revenue generated from new business;
- A significant increase in churn from existing customers, either by downgrading their plans or ceasing to use the Group's products entirely; and
- A marked increase in cash tied up in working capital as customers take longer to pay or default on payments.
- Tiers of potential mitigating actions have been identified, with increasing cost and complexity of implementation, as follows:
- A reduction in certain variable, performance-based costs such as sales commissions and performance bonuses;
- A reduction in the recruitment of planned new staff;
- A reduction in certain discretionary costs, such as marketing, training and outsourced design work;
- A reduction in workforce that would have an initial cash outlay but would reduce ongoing overhead expenditure.

Based on the forecast and the reasonable worst case scenario, the Directors are of the opinion that the Group is able to meet its liabilities as they fall due for a period of not less than 12 months from the date of this report. For this reason, the going concern basis is considered appropriate for the preparation of these financial statements.

Strategic report

The Strategic Report comprises the following sections of this Annual Report, which are incorporated by reference:

- Our Business, Products and Strategy
- 2020 in review
- Our governance

The Strategic Report and Directors' Report were approved by the Board on 2 March 2021.

Paul Haworth

Paul Haworth | Company Secretary
2 March 2021

GetBusy plc, Suite 8, The Works, Unity Campus, Pampisford, Cambridgeshire, CB22 3FT

Registered in England & Wales no 10828058

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GETBUSY PLC

Opinion

We have audited the financial statements of GetBusy Plc (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2020 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 significant accounting policies. The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and International Accounting Standards in conformity with the requirements of the Companies Act 2006. 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 2020 and of the group's profit for the year then ended;
- the group financial statements have been properly prepared in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006;
- 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 relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the group's and parent company's ability to continue to adopt the going concern basis of accounting included consideration of the cash flow forecasts and scenario analysis present and headroom provided by existing funding facilities.

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

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Summary of our audit approach

Key audit matters	**Group** • Revenue recognition • Capitalisation of development costs No key audit matters are identified in relation to the parent company.
Materiality	**Group** • Overall materiality: £142,000 (2019: £125,000) • Performance materiality: £107,000 (2019: £94,200) **Parent Company** • Overall materiality: £30,000 (2019: £61,600) • Performance materiality: £22,500 (2019: £46,200)
Scope	Our audit procedures covered 100% of revenue, 94% of net assets and 87% of profit before tax.

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.

Revenue recognition

Key audit matter description	*(Refer to page 53 regarding the accounting policy in respect of revenue recognition and note 6 in respect of revenue and operating segments).* 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.
How the matter was addressed in the audit	We tested revenue by performing tests of controls and tests of detail including data analytics. The controls and integrity of relevant IT systems, including the application of the accounting policies and calculation of revenue, was reviewed and tested by our internal IT expert. For entities under a different system the reconciliation of cash sales receipts to revenue recognised and deferred income was reviewed and the inputs verified. The accuracy and occurrence of revenue recognition and deferred revenue was assessed via the detailed review of a sample of specific contracts with customers and invoices issued to customers, and data analytics. In completing these procedures, we considered the application of the group's accounting policies and requirements of IFRS 15.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GETBUSY PLC (CONTINUED)

Capitalisation of development costs

Key audit matter description	*(Refer to pages 54-55 regarding the accounting policy in respect of development costs and note 13 in respect of intangible assets)* There have been research and development projects on-going throughout the year for new and existing software platforms. There is a risk that these costs are inappropriately capitalised or expensed due to the inherent judgement needed in applying the requirements of IAS 38.
How the matter was addressed in the audit	Development costs capitalised in the year were tested through tests of details and a focused review on projects undertaken in the year. 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 key projects outlined by the Chief Technology Officer and those highlighted in the annual report, payroll cost inputs, internal records of the nature and volume of project aims achieved, sales figures and discussions with technical management. We also considered and challenged management's assessment of the carrying value of development costs. The key inputs and judgements were reviewed to determine their consistency with other information and our understanding of the business.

Our application of materiality

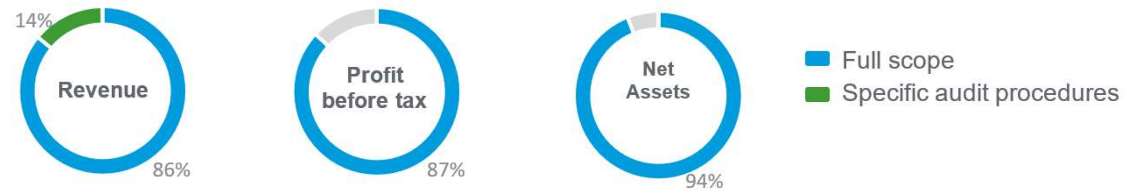
When establishing our overall audit strategy, we set certain thresholds which help us to determine the nature, timing and extent of our audit procedures. When evaluating whether the effects of misstatements, both individually and on the financial statements as a whole, could reasonably influence the economic decisions of the users we take into account the qualitative nature and the size of the misstatements. Based on our professional judgement, we determined materiality as follows:

	Group	Parent company
Overall materiality	£142,000 (2019: £125,000)	£30,000 (2019: £61,600)
Basis for determining overall materiality	1% of revenue	Total assets (however restricted for group purposes)
Rationale for benchmark applied	Revenue is considered the key benchmark to the primary users of the financial statements. The group is in its growth stage and its revenues, particularly recurring revenues, are key to its growth.	The company is a non-trading holding entity. The total assets of the company are considered the best indication of the value of its investments in its subsidiary trading entities.
Performance materiality	£107,000 (2019: £94,200)	£22,500 (2019: £46,200)
Basis for determining performance materiality	75% of overall materiality	75% of overall materiality
Reporting of misstatements to the Audit Committee	Misstatements in excess of £7,140 and misstatements below that threshold that, in our view, warranted reporting on qualitative grounds.	Misstatements in excess of £1,500 and misstatements below that threshold that, in our view, warranted reporting on qualitative grounds.

An overview of the scope of our audit

The group consists of five components, located in the United Kingdom, United States of America, Australia and New Zealand. Full scope audits were performed for three components and specific audit procedures for two components. The specific audit procedures were in respect of revenue recognition which was material for group purposes. No audits or procedures were undertaken by component auditors.

The coverage achieved by our audit procedures was:



Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 TO THE MEMBERS OF GETBUSY PLC (CONTINUED)

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on pages 39-40, 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.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the group audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory frameworks that the group and parent company operate in and how the group and parent company are complying with the legal and regulatory frameworks;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

The most significant laws and regulations were determined as follows:

Legislation / Regulation	Additional audit procedures performed by the Group audit engagement team included:
IFRS, FRS102 and Companies Act 2006	Review of the financial statement disclosures and testing of the supporting documentation; and Completion of disclosure checklists to identify areas of non-compliance
Tax compliance regulations	Consultation with our internal R&D tax expert and review of treatment and disclosure in the financial statements

The areas that we identified as being susceptible to material misstatement due to fraud were:

Risk	Audit procedures performed by the audit engagement team:
Management override of controls	Testing the appropriateness of journal entries and other adjustments; Assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and Evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.
Revenue recognition	This is considered to be a Key Audit Matter and our procedures are described above.

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
Chartered Accountants
3 Hardman Street
Manchester
Date: 2 March 2021

CONSOLIDATED INCOME STATEMENT

	Note	2020 £'000	2019 £'000
Revenue	6	**14,179**	**12,661**
Cost of sales		(1,044)	(948)
Gross profit		**13,135**	**11,713**
Operating costs		(14,783)	(12,854)
Other income	7	588	-
Net finance costs		(66)	(39)
Loss before tax	8	(1,126)	(1,180)
Loss before tax	8	(1,126)	(1,180)
Capitalised development costs	13	(558)	(331)
Depreciation and amortisation on owned assets	13,15	558	456
Share option costs	9	416	286
Social security costs on share options	9	236	113
Non-underlying costs	12	126	62
Other income	7	(588)	-
Finance income / (costs) not related to leases		9	(1)
Adjusted loss before tax		**(927)**	**(595)**
Tax	10	1,524	(25)
Profit/(Loss) for the period attributable to owners of the Company		**398**	**(1,205)**
Profit/(Loss) per share (pence)			
Basic	11	0.81p	(2.49)p
Diluted	11	0.71p	(2.49)p

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	2020 £'000	2019 £'000
Profit/(Loss) for the period	398	(1,205)
Other comprehensive income / (expense)		
Items that may be reclassified subsequently to profit or loss		
Exchange differences on translation of foreign operations	92	14
Other comprehensive income net of tax	**92**	**14**
Total comprehensive income for the period	**490**	**(1,191)**

CONSOLIDATED BALANCE SHEET

	Note	2020 £'000	2019 £'000
Non-current assets			
Intangible assets	13	807	646
Right of use assets - leases	14	1,842	220
Property, plant and equipment	15	375	143
		3,024	1,009
Current assets			
Trade and other receivables	16	1,815	1,353
Current tax receivable		763	-
Cash and bank balances		2,283	1,743
		4,861	3,096
Total assets		**7,885**	**4,105**
Current liabilities			
Trade and other payables	17	(2,614)	(2,265)
Deferred revenue	17	(4,608)	(4,233)
Lease liabilities	14	(263)	(219)
Current tax payable		(272)	(30)
		(7,757)	(6,747)
Non-current liabilities			
Deferred revenue	17	(58)	(200)
Deferred tax liabilities	19	-	(6)
Lease liabilities	14	(1,845)	(96)
		(1,903)	(302)
Total liabilities		**(9,660)**	**(7,049)**
Net assets		**(1,775)**	**(2,944)**
Equity			
Share capital	20	74	73
Share premium account	20	3,018	2,756
Demerger reserve	20	(3,085)	(3,085)
Retained earnings		(1,782)	(2,688)
Equity attributable to shareholders of the parent		**(1,775)**	**(2,944)**

These financial statements were approved by the Board of Directors on 2 March 2021 and were signed on its behalf by:

Daniel Rabie

Chief Executive Officer

Paul Haworth

Chief Financial Officer

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2020

2020	Share capital £'000	Share premium account £'000	Demerger Reserve £'000	Retained earnings £'000	Total £'000
At 1 January 2020	**73**	**2,756**	**(3,085)**	**(2,688)**	**(2,944)**
Profit for the period	-	-	-	398	398
Exchange differences on translation of foreign operations, net of tax	-	-	-	92	92
Total comprehensive profit attributable to equity holders of the parent	**-**	**-**	**-**	**490**	**490**
Issue of ordinary shares	1	262	-	-	263
Total transactions with owners of the Company	1	262	-	-	263
Share option costs	-	-	-	416	416
	-	**-**	**-**	**416**	**416**
At 31 December 2020	**74**	**3,018**	**(3,085)**	**(1,782)**	**(1,775)**

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)
As restated	**73**	**2,756**	**(3,085)**	**(1,783)**	**(2,039)**
Loss for the period	-	-	-	(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 option costs	-	-	-	286	286
	-	**-**	**-**	**286**	**286**
At 31 December 2019	**73**	**2,756**	**(3,085)**	**(2,688)**	**(2,944)**

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2020

	2020 £'000	2019 £'000
Adjusted loss before tax	(927)	(595)
Depreciation of right of use asset - leases	365	296
Income statement cost of interest on finance leases	56	-
(Increase)/decrease in receivables	(239)	268
(Decrease) in payables	(37)	(51)
Increase / (decrease) in deferred income	233	(397)
Cash used in operations	**(549)**	**(479)**
Income taxes received	1,076	74
Interest received	5	1
Net cash used in operating activities	**532**	**(404)**
Purchases of property, plant and equipment	(368)	(63)
Purchases of intangible assets	(29)	(68)
Net cash used in investing activities	**(397)**	**(131)**
Principal portion of lease payments	(226)	(256)
Interest on lease liabilities	(56)	(40)
Proceeds on issue of shares	263	-
Income from forgiven PPP loan	384	-
Transaction costs related to loans and borrowings	(94)	-
Net cash used in financing activities	**271**	**(296)**
Net increase/(decrease) in cash	**406**	**(831)**
Cash and bank balances at beginning of period	1,743	2,486
Effects of foreign exchange rates	134	88
Cash and bank balances at end of period	**2,283**	**1,743**

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 the Alternative Investment Market ("AIM"). The Company's registered office is Suite 8, The Works, Unity Campus, Pampisford, Cambridge, CB22 3FT. The Company is a holding company for a group of companies ("Group") whose document management and task management software enables over 67,000 professional paying users around the world to digitise their operations and be productive while working in the office or remotely.

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 AND GLOSSARY OF TERMS

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 before tax and before certain items, which are listed below along with an explanation as to why they are excluded:

> *Depreciation and amortisation of owned assets*. 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 considered in diluted earnings per share. Therefore, excluding share option 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. For 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.
>
> *Other income*. This is income that is derived from activities outside of the underlying business and which is generally one-off in nature. In 2020 this included the forgiveness of a loan granted under the US Paycheck Protection Programme and notional income received under the UK Research and Development Expenditure Credit scheme.

2. ALTERNATIVE PERFORMANCE MEASURES AND GLOSSARY OF TERMS (CONTINUED)

> *Finance costs / (income) not related to leases*. These are finance costs and income such as interest on bank balances and loan facilities. 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.

Glossary of terms

The following terms are used within these financial statements:

> *MRR*. Monthly recurring revenue. That is, the monthly value of subscription and support revenue, both of which are classified as recurring revenue.
>
> *ARR*. Annualised MRR. For a given month, the MRR multiplied by 12.
>
> *CAC*. Customer acquisition cost. This is the average cost to acquire a customer account, including the costs of marketing staff, content, advertising and other campaign costs, sales staff and commissions.
>
> *LTV*. Lifetime value, calculated as the average revenue per account multiplied by the average gross margin and divided by gross MRR churn.
>
> *MRR churn*. The average percentage of MRR lost in a month due to customers leaving our platforms.
>
> *Net MRR churn*. 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.
>
> *ARPU*. Annualised MRR per paid user at a point in time.

3. ACCOUNTING POLICIES

The Group embraces the Financial Reporting Council's aim to cut clutter and improve the quality of reporting by smaller companies. These financial statements only disclose items 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 Accounting Standards in conformity with the requirements of the Companies Act 2006. They are prepared using the historic cost convention. They are also prepared on the going concern basis, for the reasons described in the Directors' Report on page 40. 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 2017 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 accounted for within a demerger reserve.

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 21.

3. ACCOUNTING POLICIES (CONTINUED)

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.

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.

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 applied IFRS 16 Leases on the modified retrospective basis from 1 January 2019.

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.

Loans
The gross value of any loans outstanding is presented as a liability, split where applicable between current liabilities and non-current liabilities. Any directly attributable costs incurred in initiating a loan facility are initially recorded within prepayments and are recognised in the income statement on a straight-line basis over the term of the related loan. Forgivable loans are recorded as liabilities until there is sufficient certainty around the forgiveness criteria being met, at which point they the loan is credited to the income statement within non-recurring items.

Research and development tax credits
Tax credits received through the Research and Development Expenditure Credits scheme are recognised within other income at their tax grossed up value. A tax charge is recognised relating to this income within the tax charge line in the Income Statement.

Research and Development credits claimed under the SME R&D relief scheme are recognised as tax credits entirely within the tax line of the Income Statement.

Tax credits are recognised at the point that they become probable and their value can be measured reliably.

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 experience and current circumstance; the actual results may differ from the estimates we've made,

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 at this stage given results to date.

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 9.

The share-based payment schemes implemented in January 2020 have been treated as modifications to existing schemes rather than cancellations and new grants. This is because those schemes met the criteria within IFRS 2 for replacement schemes:

- Options granted under the new schemes are with the same participants as the cancelled options;
- The transactions to issue and cancel the options are part of the same arrangement;
- The cancellation of the options would not have occurred unless the new options were issued; and
- The cancellation of the options does not make commercial sense without the issue of the new options, and vice versa.

The impact of this is that the incremental fair value of the new options is being recognised in the income statement over the remaining life of the new options.

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.

Forgiveness of loan under Paycheck Protection Programme
In April 2020 the Group received £0.4m via a loan from the US Paycheck Protection Programme. At that time, the loan was recorded on the balance sheet within non-current liabilities. Under the terms of the loan, the Group applied for the entire principal and accumulated interest to be forgiven. This application for forgiveness was submitted prior to the year-end and subsequently approved post year-end. The forgiveness of the principal and accumulated interest on the loan has been recorded within Other Income, which is considered to be a critical judgement as, at the balance sheet date, there remained some uncertainty around the forgiveness process and outcome.

5. ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS

No new standards and interpretations will have a material impact on our financial statements.

6. REVENUE AND OPERATING SEGMENTS

The Group's operating segments comprise its three software products (SmartVault, Virtual Cabinet and GetBusy) and a corporate and central segment. Our Chief Executive Officer assesses Group performance and determines the allocation of resources on that basis.

2020	**Document Management**		**Task Management**		
	SmartVault £'000	**Virtual Cabinet £'000**	**GetBusy £'000**	**Corporate & central £'000**	**Total £'000**
Recurring revenue	5,433	7,578	6	-	13,017
Non-recurring revenue	267	895	-	-	1,162
Revenue from contracts with customers	**5,700**	**8,473**	**6**	**-**	**14,179**
Cost of sales	(838)	(168)	(38)	-	**(1,044)**
Gross profit	**4,862**	**8,305**	**(32)**	**-**	**13,135**
Sales, general and admin costs	(4,550)	(3,422)	(1,058)	(1,470)	**(10,500)**
Development costs	(1,685)	(992)	(885)	-	**(3,562)**
Adjusted profit / (loss) before tax	**(1,373)**	**3,891**	**(1,975)**	**(1,470)**	**(927)**
Capitalisation of development costs					558
Depreciation and amortisation on owned assets					(558)
Share option costs					(416)
Social security on share option costs					(236)
Non-underlying costs					(126)
Other income					588
Other finance income / (costs)					(9)
Loss before tax					**(1,126)**

2019	**Document Management**		**Task Management**		
	SmartVault £'000	**Virtual Cabinet £'000**	**GetBusy £'000**	**Corporate & central £'000**	**Total £'000**
Recurring revenue	4,201	7,187	-	-	11,388
Non-recurring revenue	135	1,138	-	-	1,273
Revenue from contracts with customers	**4,336**	**8,325**	**-**	**-**	**12,661**
Cost of sales	(770)	(178)	-	-	**(948)**
Gross profit	**3,566**	**8,147**	**-**	**-**	**11,713**
Sales, general and admin costs	(3,640)	(4,033)	(472)	(1,618)	**(9,763)**
Development costs	(898)	(742)	(905)	-	**(2,545)**
Adjusted profit / (loss) before tax	**(972)**	**3,372**	**(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 option costs					(113)
Non-underlying costs					(62)
Other finance income / (costs)					1
Loss before tax					**(1,180)**

Recurring revenue is defined as revenue from subscription and support contracts. Non-recurring revenue is defined as all other revenue. No customer represented more than 10% of revenue in either period.

6. REVENUE AND OPERATING SEGMENTS (CONTINUED)

Revenue by territory of operation is shown below

2020	UK £'000	USA £'000	Aus / NZ £'000	Total £'000
Recurring revenue	5,880	5,211	1,926	13,017
Non-recurring revenue	822	256	84	1,162
Revenue from contracts with customers	**6,702**	**5,467**	**2,010**	**14,179**

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**

7. OTHER INCOME

	2020 £'000	2019 £'000
US Paycheck Protection Programme loan forgiveness	384	-
RDEC credit relating to prior years	204	-
	588	**-**

Other income includes a tax credit of £204k received through the Research and Development Expenditure Credits scheme relating to a prior period. A tax charge of £39k relating to this income is also included in the tax line of the Income Statement.

8. LOSS BEFORE TAX

Loss before tax is stated after charging:

	2020 £'000	2019 £'000
Depreciation of property, plant and equipment	133	140
Depreciation of right-of-use assets—leases	365	296
Amortisation of intangible fixed assets	425	315
Impairment of right-of-use assets—leases	81	36
Net foreign exchange losses	23	5
Fees payable to our auditor for the audit of these annual accounts	63	60
Fees payable to the auditor for other services:		
- Tax services	-	24
- Other services	-	13

9. EMPLOYEES AND EMPLOYEE COSTS

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

	2020	2019
Customer success and support	24	19
Development	35	27
Delivery and operations	17	19
Sales and marketing	29	26
Administration (including directors)	17	18
	122	**109**

9. EMPLOYEES AND EMPLOYEE COSTS (CONTINUED)

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

	2020 £'000	2019 £'000
Wages and salaries	8,585	7,393
Social security costs	1,066	880
Other pension costs	249	230
Cash employee costs	**9,900**	**8,503**
Share option costs	652	399
Total employee costs	**10,552**	**8,902**

During the year, the Company cancelled 4,452,326 existing options over ordinary shares in the Company and subsequently granted, in aggregate, 6,593,705 replacement options over ordinary shares in the Company. The replacement options were granted under the Company's EMI Share Option Plan ("EMI") and Value Creation Plan ("VCP").

Details of the share options outstanding during the year are as follows:

'000	Number of awards outstanding at the beginning of year	Number of awards granted during the year	Number of awards exercised during the year	Number of awards forfeited during the year	Number of awards outstanding at the year-end	Number of exercisabl e awards at the year-end	Vesting date
2017 LTIP	2,723	-	(524)	(2,059)	140	140	3 August 2020
2017 LTIP	529	-	-	(417)	112	-	3 August 2021
2017 LTIP	1,286	-	-	(1,014)	272	-	3 August 2022
2018 LTIP	612	-	-	(612)	-	-	3 August 2020
2018 LTIP	119	-	-	(119)	-	-	3 August 2021
2018 LTIP	289	-	-	(289)	-	-	3 August 2022
2020 EMI	-	3,982	-	-	3,982	-	27 January 2023
2020 VCP	-	2,612	-	-	2,612	-	27 January 2024
Total	**5,558**	**6,594**	**(524)**	**(4,510)**	**7,118**	**140**	

The weighted average share price on the date of exercise was £0.85 (2019: n/a).

Under the terms of the VCP, the Company's Remuneration Committee may settle a VCP award in cash rather than through equity. The Directors have concluded that there is no present obligation for the awards to be settled in cash and consequently the awards have been treated as equity-settled for the purposes of IFRS2 *Share-based payment*.

The aggregate standalone fair value of the replacement options granted during the year was £2,959,000 (2019: £nil); their incremental fair value over the awards they replaced was £720,000. The fair value of the options granted was estimated using a Monte-Carlo model; the key inputs into that model were as follows:

	Share price at date of grant	Exercise price	Expected volatility	Weighted average option life
2017 LTIP	£0.283	£nil	50%	3.5 years
2018 LTIP	£0.283	£nil	50%	3.5 years
2020 EMI	£0.595	£0.0015	50%	3 years
2020 VCP	£0.595	£0.0015	50%	4 years

10. TAX

Tax recognised in the income statement	2020 £'000	2019 £'000
Current tax		
Current year	(763)	-
Adjustment for prior years	(857)	-
Foreign tax	95	30
Foreign tax adjustment for prior years	1	
	(1,524)	30
Deferred tax		
Origination and reversal of temporary differences	-	-
Adjustment for prior years	-	-
Effect of tax rate change on opening balances	-	(5)
Tax expense / (income)	**(1,524)**	**25**

Reconciliation of effective tax rate	2020 £'000	2019 £'000
Loss before tax	(1,126)	(1,180)
Tax at UK corporation tax rate of 19.00% (2019: 19.00%)	(214)	(224)
Effects of:		
- Overseas tax rates	41	(4)
- Expenses not deductible	86	80
- Income not taxable	(81)	-
- Deferred tax not recognised	75	199
- Adjustments in respect of prior periods	(1)	(5)
- Losses utilised	(75)	(21)
- R&D tax credits in respect of prior years	(896)	-
- RDEC corporation tax in respect of prior years	39	-
- Additional deduction for qualifying R&D expenditure	(735)	-
- Current period losses surrendered for R&D tax credit	1,000	-
- R&D tax credit	(763)	-
	(1,524)	**25**

11. EARNINGS / (LOSS) PER SHARE

The calculation of earnings / (loss) per share is based on the profit for the period of £398k (2019: loss of £(1,205)k).

Weighted number of shares calculation	2020 '000	2019 '000
Weighted average number of ordinary shares	49,219	48,400
Effect of potentially dilutive share options in issue	7,251	5,557
Weighted average number of ordinary shares (diluted)	56,470	53,957

Earnings / (Loss) per share	2020 Pence	2019 pence
Basic	0.81p	(2.49)
Diluted	0.71p	(2.49)

At 31 December 2020, there were 7,117,276 shares under option. As required by IAS33 (Earnings per Share), the impact of potentially dilutive options was disregarded for the purposes of calculating diluted loss per share in the prior year as the Group was loss making. At 31 December 2019 there were 5,557,643 shares under option that would have become dilutive if the Group had been profitable.

12. NON-UNDERLYING ITEMS

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

In 2020, non-underlying costs were £126k, of which £81k related to the impairment of an onerous office lease in Australia, and the associated accelerated depreciation of the Right of Use asset. The remaining £45k related to a dilapidation provision for the estimated costs associated with the reinstating the Australian office under the terms of the lease, which expires in September 2021.

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.

13. INTANGIBLE ASSETS

	Software £'000	Intellectual property £'000	Development costs £'000	Total £'000
Cost				
At 1 January 2019	**-**	**146**	**723**	**869**
Additions	68	-	331	399
Currency adjustments	-	(4)	-	(4)
At 31 December 2019	**68**	**142**	**1,054**	**1,264**
Additions	26	3	558	587
Currency adjustments		(5)	-	(5)
At 31 December 2020	**94**	**140**	**1,612**	**1,846**
Amortisation				
At 1 January 2019	**-**	**76**	**224**	**300**
Charge for the year	5	19	296	320
Currency adjustments	-	(2)	-	(2)
At 31 December 2019	**5**	**93**	**520**	**618**
Charge for the year	14	19	392	425
Currency adjustments	-	(4)	-	(4)
At 31 December 2020	**19**	**108**	**912**	**1,039**
Net book value				
At 31 December 2019	63	49	534	646
At 31 December 2020	**75**	**32**	**700**	**807**

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.

14. LEASES

At 31 December 2020 and 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.

Right of use assets	2020 £'000	2019 £'000
At 1 January	220	545
Additions	2,028	-
Disposals	(270)	-
Accumulated depreciation on disposals	270	-
Release of onerous provision	40	-
Depreciation	(365)	(296)
Impairment	(81)	(29)
At 31 December	**1,842**	**220**

New leases in the year related to the Group's new office buildings in the UK and US,

The impairment charge of £81k in 2020 relates to the Group's office premises in Australia, which are expected to be heavily under-utilised or vacant until the expiry of the related lease in September 2021. The impairment charge of £29k in 2019 relates to the Group's previous office premises in the UK, and fully wrote-down the right-of-use asset as at 31 December 2019. The interest rate used to discount lease liabilities is 4% (2019: 8%).

Interest on lease liabilities of £56k was recorded in Net Finance Costs during the year (2019: £40k). The cash outflow for the Group's property leases was £282k (2019: £296k).

The Group's lease liabilities mature as follows:

Lease liabilities	2020 £'000	2019 £'000
Within one year	263	219
Within 1 to 5 years	1,845	96
More than 5 years	-	-
	2,108	**315**

15. PROPERTY, PLANT AND EQUIPMENT

	Equipment £'000	Vehicles £'000	Building improvements £'000	Total £'000
Cost				
At 1 January 2019	**780**	**42**	**52**	**874**
Additions	65	-	5	70
Disposals	-	(19)	-	(19)
Currency adjustments	(16)	-	(1)	(17)
At 31 December 2019	**829**	**23**	**56**	**908**
Additions	346	-	22	368
Disposals	(452)	-	(53)	(505)
Currency adjustments	(21)	-	(2)	(23)
At 31 December 2020	**702**	**23**	**23**	**748**
Depreciation				
At 1 January 2019	**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**
Charge for the year	118	2	13	133
Disposals	(452)	-	(53)	(505)
Currency adjustments	(19)	-	(1)	(20)
At 31 December 2020	**348**	**23**	**2**	**373**
Net book value				
At 31 December 2019	128	2	13	143
At 31 December 2020	**354**	**-**	**21**	**375**

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.

16. TRADE AND OTHER RECEIVABLES

	2020 £'000	2019 £'000
Trade receivables	754	760
Prepayments	664	384
Other receivables	397	209
Trade and other receivables	**1,815**	**1,353**

Trade receivables are presented net of allowances for doubtful debts of £269k (2019 £139k). Trade receivables are individually considered for impairment based on their aging profile and any other information that is pertinent to their collectability and that is known at the time. The level of impairment provision applied to each receivable varies depending on likelihood of collection or partial collection of the debt. The allowance for doubtful debts also includes a provision for expected credit losses within the remaining trade receivables, based on historical trends and any other known factors.

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:

	2020 £'000	2019 £'000
Past due 1-30 days	70	272
Past due 31-60 days	9	148
Past due 61+ days	134	127

17. TRADE AND OTHER PAYABLES AND DEFERRED REVENUE

	2020 £'000	2019 £'000
Trade payables	446	209
Accruals	1,609	1,791
Other payables	559	265
Trade and other payables	**2,614**	**2,265**

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

	2020 £'000	2019 £'000
Year ending 31 December 2020	-	4,233
Year ending 31 December 2021	4,608	200
Year ending 31 December 2022	58	-
On or after 1 January 2023	-	-
Deferred revenue	**4,666**	**4,433**

£4,608k (2019: £4,233k) of deferred revenue is recorded as a current liability. £58k (2019: £200k) is recorded as a non-current liability.

18. LOANS AND BORROWINGS

In September 2020, the Company agreed a £2million 3-year multi-currency revolving credit facility with Silicon Valley Bank. No amounts were outstanding under this loan facility at the year-end (2019: £nil).

The principal terms of the loan are:

- Interest accrues at LIBOR plus a margin of between 3.25% and 3.75%, depending on certain liquidity ratios;
- A commitment fee of 35% of the applicable margin is payable in respect of any undrawn amounts; and
- Security is provided in the form of charges over all of the Group's assets and intellectual property in the UK, USA and Australia.

The facility contains two main financial covenants:

- Quarterly recurring revenue, measured at fixed exchange rates, must exceed certain levels over the duration of the facility. The minimum level is £2,939,000 for the three months ended 30 September 2020 and increase to £3,888,000 for the three months ending 30 June 2023.
- The Liquidity Coverage Ratio, which is defined as (Cash + 60% of gross trade receivables) divided by (total loans utilised), must exceed 1.5.

Upfront fees of £94k were incurred to establish the loan facility and are being amortised to the income statement over the 3-year life of the facility.

19. DEFERRED TAX

	Intangible assets £'000	Other £'000	Total £'000
At 1 January 2019	**-**	**(6)**	**(6)**
Recognised in income statement	-	6	6
Recognised in other comprehensive income	-	-	-
At 31 December 2019	**-**	**-**	**-**
Recognised in income statement	-	-	-
Recognised in other comprehensive income	-	-	-
At 31 December 2020	**-**	**-**	**-**

Deferred tax assets of £3,466k (2019: £3,323k) 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.

20. SHARE CAPITAL AND RESERVES

The Company has one class of ordinary share with a nominal value of £0.0015 which carries no right to fixed income. The Company does not have an authorised share capital. At 31 December 2020, 49,425,572 (2019: 48,400,000) shares were in issue and fully paid with a nominal value of £74,138.36 (2019: £72,600.00). 1,025,572 shares were issued in the year (2019: 386).

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.

21. 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 document management and task management software enabling over 67,000 professional paying users around the world to digitise their operations and be productive while working in the office or remotely.

Subsidiary	Country of incorporation	Registered address
GetBusy UK Limited	United Kingdom	Suite 8, The Works, 20 West Street, Unity Campus, Cambridge, CB22 3FT
GetBusy USA Corporation	United States of America	600 N. Shepherd, Suite 305, Houston, Texas 77007
GetBusy Australia Pty Limited	Australia	Level 5, 79 Commonwealth Street, Surry Hills, NSW 2010, Australia
GetBusy New Zealand Pty Limited	New Zealand	Ground Floor, ITC Building, 9 City Road, Auckland, New Zealand

22. FOREIGN CURRENCIES

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

	2020 average rate	2020 balance sheet rate	2019 average rate	2019 balance sheet rate
US Dollar	**1.286**	**1.362**	1.278	1.312
Australian Dollar	**1.858**	**1.769**	1.835	1.873
New Zealand Dollar	**1.969**	**1.886**	1.932	1.950

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 2020 and 31 December 2019 was not material and so no sensitivity analysis is presented.

23. RELATED PARTY TRANSACTIONS

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

Key management remuneration, which includes directors, was as follows. In 2019 key management also included certain members of the executive team, but a review of the individual roles and structure of the business in 2020 led to the determination that in 2020 only the directors met the definition of key management in IAS24.

	Salary £'000	Pension £'000	Bonus £'000	Total £'000
2020				
Directors	583	12	138	733
Other key management personnel	-	-	-	-
	583	**12**	**138**	**733**
2019				
Directors	557	12	50	619
Other key management personnel	288	17	36	341
	845	29	86	960

In 2020, share option costs of £312k (2019: £193k) were recorded relating to directors and £nil (2019: £74k) relating to other key management personnel.

Information on the highest paid director can be found in the Remuneration Report on pages 33 to 36.

During the year, the Group purchased £30k (2019: £30k) 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 2020 (2019: £nil).

24. 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	2020	2019 as originally reported	Constant currency adjustment	2019 at constant exchange rates	Change at reported exchange rates	Change at constant exchange rates
Group recurring revenue	£13,017k	£11,388k	£(51)k	£11,337k	14%	15%
Group total revenue	£14,179k	£12,661k	£(53)k	£12,608k	12%	12%
SmartVault recurring revenue	£5,433k	£4,201k	£(26)k	£4,175k	29%	30%
SmartVault total revenue	£5,700k	£4,336k	£(25)k	£4,311k	31%	32%
Virtual Cabinet recurring revenue	£7,578k	£7,187k	£(24)k	£7,163k	5%	6%
Virtual Cabinet total revenue	£8,473k	£8,325k	£(27)k	£8,298k	2%	2%
Group Annualised Recurring Revenue	£13.7m	£12.3m	£(0.1)m	£12.2m	11%	12%

COMPANY BALANCE SHEET

	Note	2020 £'000	2019 £'000
Fixed asset investments			
Investments in subsidiaries	C4	1,482	1,068
Intangible assets	C7	62	63
		1,544	1,131
Current assets			
Trade and other receivables	C5	2,361	1,243
Cash and bank balances		1,185	757
		3,546	2,000
Total assets		**5,090**	**3,131**
Current liabilities			
Trade and other payables	C6	(1,567)	(514)
		(1,567)	(514)
Total liabilities		**(1,567)**	**(514)**
Net assets		**3,523**	**2,617**
Equity			
Share capital	C8	74	73
Share premium account	C8	3,018	2,756
Retained earnings		431	(212)
Shareholders' funds		**3,523**	**2,617**

As permitted by Section 408 of the Companies Act 2006, a separate profit and loss account of the parent company has not been presented. The parent company's profit for the period was £229k (2019: loss of £330k). The accompanying notes form part of the financial statements.

These financial statements were approved by the Board of Directors on 2 March 2021 and were signed on its behalf by:

D. Rabie

Daniel Rabie

Chief Executive Officer

Paul Haworth

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 2019	**73**	**2,756**	**(168)**	**2,661**
Loss for the period	-	-	(330)	(330)
Issue of shares, net of issue costs	-	-	-	-
Share based payments	-	-	286	286
At 31 December 2019	**73**	**2,756**	**(212)**	**2,617**
Profit for the period	-	-	229	229
Issue of shares, net of issue costs	1	262	-	263
Share option costs	-	-	414	414
At 31 December 2020	**74**	**3,018**	**431**	**3,523**

NOTES TO THE COMPANY FINANCIAL STATEMENTS

C1. COMPANY INFORMATION

GetBusy plc is a public limited company incorporated in England on 21 June 2017. Its principal activity is that of a holding company for a group of software companies. Its registered office is Suite 8, The Works, 20 West Street, Unity Campus, Cambridge, CB22 3FT.

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 POLICIES 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 9 to the consolidated financial statements, where a full description of share-based payment arrangements is contained.

C4. INVESTMENTS IN SUBSIDIARIES

	2020 £'000	2019 £'000
At 1 January	1,068	782
Share-based payments	414	286
At 31 December	**1,482**	**1,068**

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 21 of the consolidated financial statements.

C5. TRADE AND OTHER RECEIVABLES

	2020 £'000	2019 £'000
Amounts owed by other group companies	2,161	1,219
Prepayments	191	12
Other receivables	9	12
Trade and other receivables	**2,361**	**1,243**

C6. TRADE AND OTHER PAYABLES

	2020 £'000	2019 £'000
Amounts owed to other group companies	955	-
Trade payables	43	2
Accruals	569	512
Other payables	-	-
Trade and other payables	**1,567**	**514**

C7. INTANGIBLE ASSETS

	Software £'000	Total £'000
Cost		
At 1 January 2019	**-**	**-**
Additions	68	68
At 31 December 2019	**68**	**68**
Additions	12	12
At 31 December 2020	**80**	**80**
Amortisation		
At 1 January 2019	**-**	**-**
Charge for the year	5	5
At 31 December 2019	**5**	**5**
Charge for the year	13	13
At 31 December 2020	**18**	**18**
Net book value		
At 31 December 2019	63	63
At 31 December 2020	**62**	**62**

C8. SHARE CAPITAL AND RESERVES

The Company has one class of ordinary share with a nominal value of £0.0015 which carries no right to fixed income. The Company does not have an authorised share capital. At 31 December 2020, 49,425,572 (2019: 48,400,000) shares were in issue and fully paid with a nominal value of £74,138.36 (2019: £72,600.00). 1,025,572 shares were issued in the year (2019: 386).

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