

GETBUSY

**ANNUAL REPORT & ACCOUNTS
31 DECEMBER 2021**

GETBUSY PLC COMPANY #10828058

OUR MISSION IS TO MAKE PEOPLE PRODUCTIVE AND HAPPY

Productive

Many professionals waste over a quarter of their time with poorly designed workflows. GetBusy's solutions improve productivity by over 30%.

Happy

Poor communication and late delivery are the two top reasons why professionals lose clients. We enable our customers to keep their clients happy by helping them to communicate better and delivering their work efficiently and on time.

AT A GLANCE

Leader in productivity software for professional and financial services.

Over 30% of the top UK accounting and professional services firms trust us to manage and secure their most sensitive data and documents.

Our 23-year history, deep expertise and innovative culture has positioned us as the clear leader in document management and productivity software for accountants, with a strengthening foothold in the broader professional and financial services markets.

Attractive markets with compelling drivers.

Our markets are substantial and resilient, with strong demand stimulated by compelling drivers.

We are part of businesses investment in digital transformation programmes and anytime, anywhere working.

Accelerating global consumer privacy legislation is mandating businesses to implement systems to secure and control their data and documents.

Sophisticated cyber-attacks are driving the need for even higher IT spend.

Scalable SaaS business model with £15.8m ARR.

Over 90% high margin recurring subscription revenue, high customer retention rates and low levels of customer concentration provides us with excellent revenue and cash visibility.

We have developed highly predictable and transactional customer acquisition models, that together with high lifetime values, have delivered 17.5% CAGR in our SaaS revenues over the last five years.

These factors provide us with a stable foundation and high levels of confidence to invest in long term growth.

Growing capabilities to propel long term growth.

With evidenced success in document management, we are broadening our capabilities to solve an increasing number of productivity challenges for our existing customers and within new markets.

Our outstanding team of software architects, developers, designers and integration engineers drive our product innovation, complemented by carefully selected acquisitions of high-potential early stage products.

High-quality, growing customer base.

Over 70,000 professionals interact with over 1 million clients around the world using our products.

Our deep integrations into other mission-critical applications lead to our software forming part of our customers' digital infrastructure, creating high barriers to entry, driving low churn rates and leading to high lifetime values.

Our high gross margins lead to strong cash generation as our products scale.

Ambitious, motivated team.

We have a clear ambition to double our revenues within five years. Our talented, experienced and motivated team comprises diverse backgrounds coupled with shared values, a common vision and a focus on our mission to make people productive and happy.

The strong growth outlook and high visibility of the business, along with an experienced management team, position GetBusy effectively as it moves towards the next stage of its growth journey.

£15.8m
ARR

93%
RECURRING
REVENUE

16%
ARR GROWTH

99.8%
NET REVENUE
RETENTION

>70,000
PAYING USERS

136
ROCKSTAR
STAFF

OUR PEOPLE, CULTURE AND VALUES



In 2021, the landscape shifted for making a company a great place to work. We broke new ground, re-writing the rules for people engagement, and by placing our values at the heart of everything we do, we thrived.



Gael - Chief People & Culture Officer

Purpose.

We work hard to understand what motivates our people in life and how we can help them to achieve their personal goals. This might be through flexible working arrangements, training and development or opportunities in other parts of the business. We also ensure the bigger picture – our mission and strategic goals – is communicated regularly in all areas of the business.

Alignment.

Clear business and personal goals, agreed performance indicators and cohesive group and individual reward programmes create a team that is pulling in the same direction. Regular open-forum sessions with the leadership teams provide all staff with the opportunity to hear developments in other parts of the business.

Mastery.

Talented people are always honing their craft. We foster a culture of continuous improvement and make significant investments in the professional development of our people as well as providing challenging projects for staff to stretch themselves and accomplish new things. We look for people with the right mindset to constantly learn.

Autonomy.

Given clear purpose, aligned goals and mastery of the subject matter, we trust our people with the freedom to control how they work, encouraging creative, agile thinking to simplify problems and processes and to spark the innovation that defines our culture.

Our people enable everything we do.

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 of highly talented, aligned and motivated people. Our shared values are carefully defined (see right), embedded throughout the business and routinely guide our decisions.

Throughout the Group, we adopt a simple management framework to empower our people to do their best work. The four components of Purpose, Alignment, Mastery and Autonomy combine to foster a high performing, creative environment that leads to people being motivated and fulfilled in their roles.

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.



Re-branding the website was the most interesting project I've worked on. I'm very fortunate to use skills from my university degree but have also been supported and trained in other areas that interest me.



Sophie - Marketing Manager



The wealth of talent we have in the team is amazing. We have experts in so many different areas. Anytime you've got a question, there's someone that's able and willing to help.



Matt - Senior Developer



I feel very proud to work for GetBusy. I feel it's the kind of company that you can grow with.



Ros - Accounts Payable Specialist

The working world is becoming more complex: there is a growing requirement for digital mobility and interoperability within strict legislative and compliance frameworks whilst balancing the need to protect against emerging cyber threats. Growing businesses need GetBusy's specialist productivity software solutions to enable them to work securely and efficiently with their customers, suppliers and teams anytime, anywhere.

Our software suite includes a range of tools and end-to-end workflows such as digital asset and document management, tailored templates, quotes/proposal development, form-fill, authentication, e-signatures and approvals, workflow and task management, chat, and complex digital certification.

These solutions can be delivered flexibly across cloud, mobile, hosted and on-premise platforms, whilst integrating seamlessly with a wide variety of other class-leading core business systems, such as ERP, accounting, tax, policy management and insolvency practice management systems.

With over 70,000 paying users across multiple market sectors and jurisdictions, GetBusy is an established and fast-growing SaaS business delivering sustained double-digit growth in high-quality recurring subscription revenue over the long term.

“GetBusy allows me to organise my workflow more efficiently and makes sure things are done and not forgotten

Nicolas - Trust Administrator - Avenue Trust



CHAIRMAN'S WELCOME



2021 has been a year of considerable financial and strategic progress, with accelerating ARR, strong cash generation and a marked broadening of our capabilities.

The Group has transitioned from being a provider of document management software for accountants to a provider of productivity software for professional and financial services firms. Through continued investment in the expansion of our capabilities and product range, we have enlarged our addressable market and started to generate early traction in those new markets; our future reporting will reflect this.

We are proud that our products equip our customers to move away from paper-based processes, reducing waste and eradicating the carbon associated with transporting, storing and destroying paper records. We strive to ensure our own operations are as benign as possible for the environment, including adopting repurposed industrial buildings for our main offices. As a cloud software business, we are excited to be working with Amazon Web Services and their new toolset to monitor and reduce the carbon footprint of our services, and we look forward to transitioning to fully renewable energy for our cloud services by 2025.

I would like to take the opportunity to thank each member of our excellent teams in Cambridge, Houston and Sydney. Through another year of global turmoil and personal challenges, you have supported each other, shown grit and professionalism and delivered an excellent set of results. Because of you, the business has never been in better shape, with strong foundations and greater opportunity than ever for substantial long-term growth. On behalf of the Board, thank you.

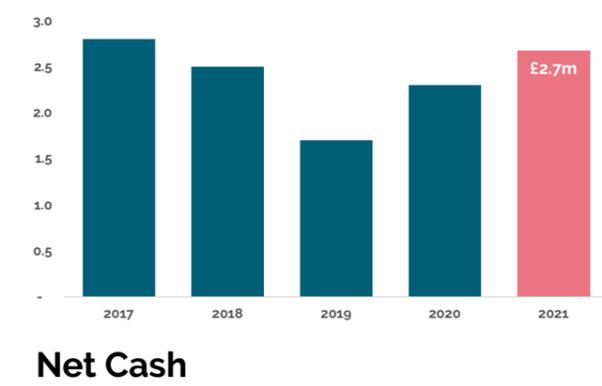
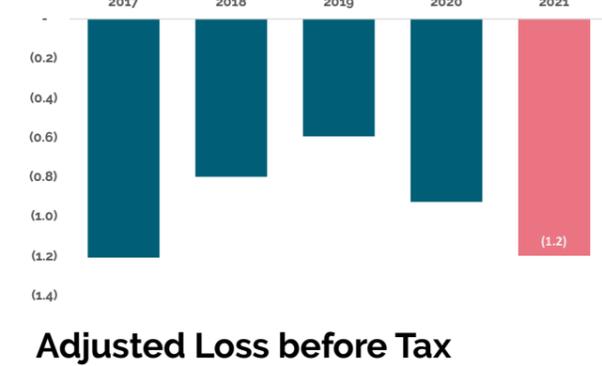
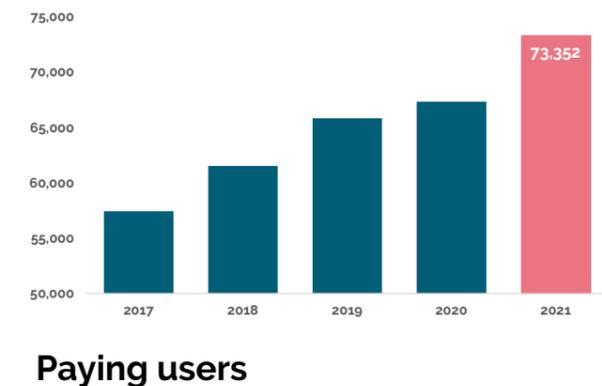
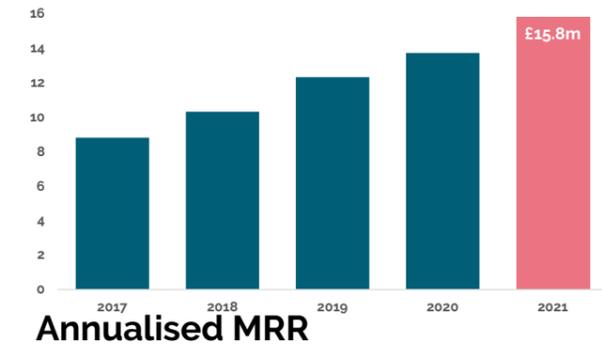
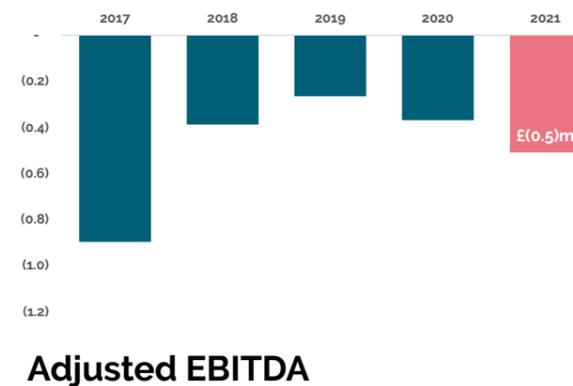
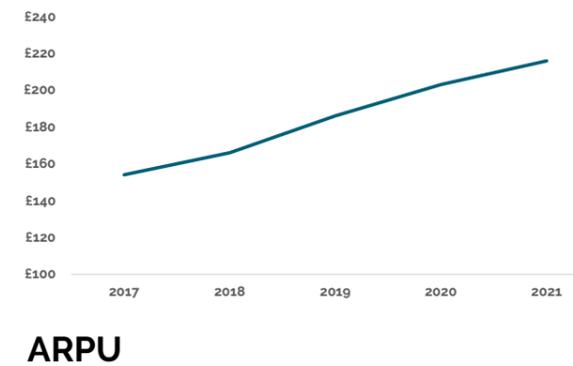
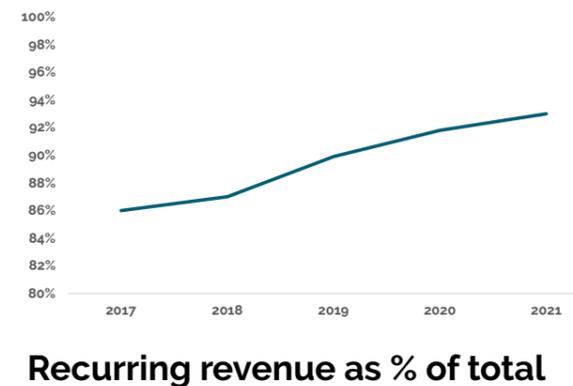
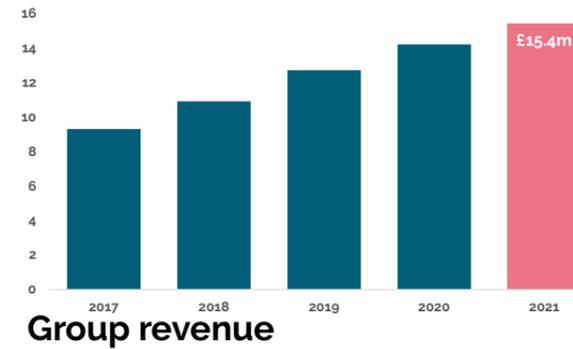
Looking ahead, the Group remains committed to investment to generate substantial long term value through sustained double-digit growth in high-quality recurring subscription revenue. Our broadening capabilities address high-value challenges in attractive markets driven by favourable tailwinds. We are confident we have the right strategy and management team to deliver considerable long-term growth.

GetBusy enters 2022 in excellent shape, well-positioned for an acceleration of recurring revenue growth. The foundations from which to scale the business are in place and the Group's growing capabilities provide more opportunity than ever to capture an increasing share of very attractive markets. The opportunity is considerable.



GetBusy enters 2022 in excellent shape, well-positioned for an acceleration of growth.

Dr Miles Jakeman AM - Chairman



OUR CAPABILITIES

Our capabilities and key integration partnerships are categorised according to where they sit in three areas of our clients' workflows: *initiating work, managing work and completing work.*

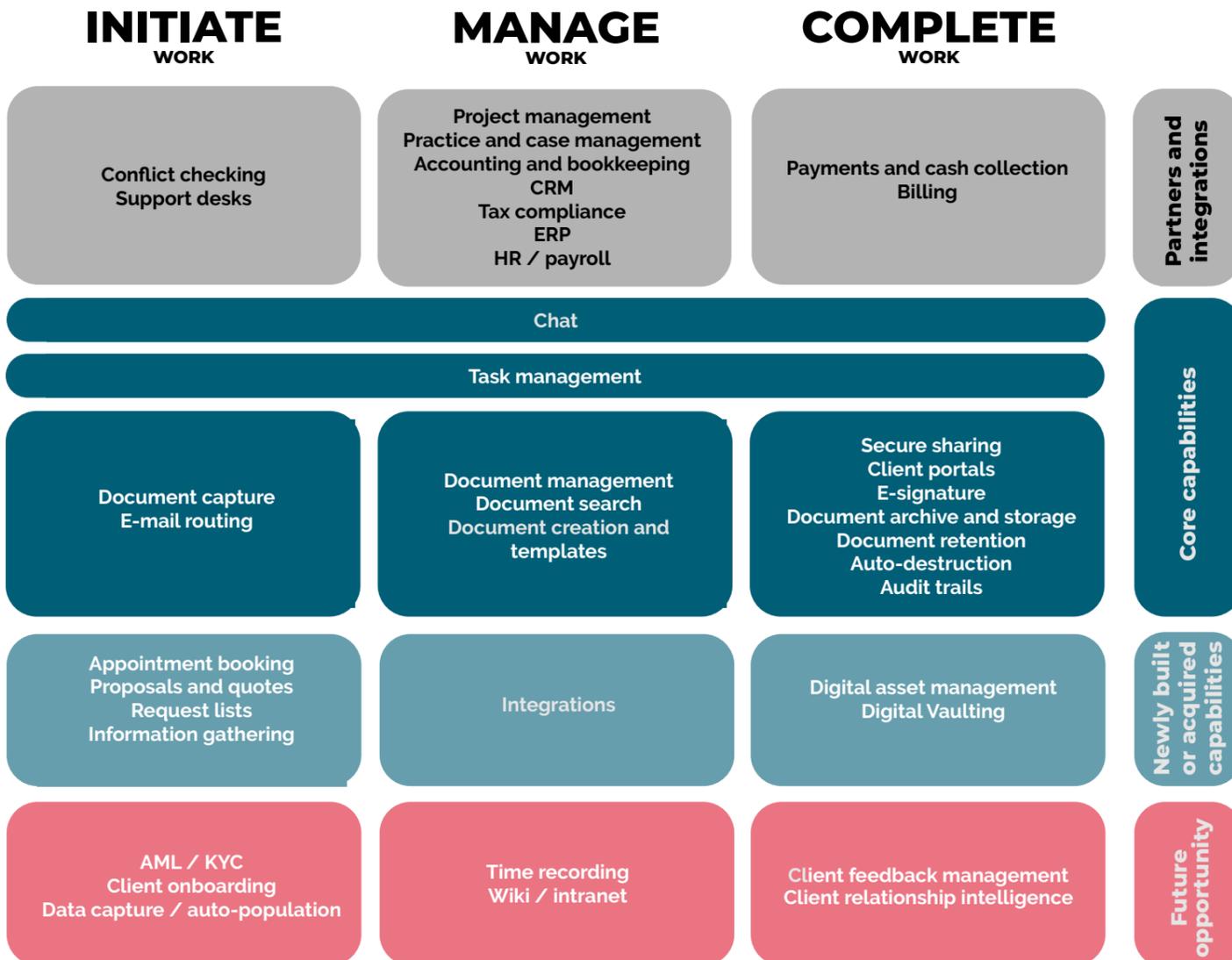
Together with our core capabilities, which have been part of our offering for a number of years, we have an increasing range of newly acquired or newly built technologies that offer expansion opportunities within the existing customer base or openings into new markets. Additionally, we have identified a number of areas of future capability enhancement, adding further to our growth opportunity, such as client onboarding workflows, which have applications across broad markets.

We free-up our clients' time, protect their reputation and improve their bottom line.

Client-facing professionals want to spend as much time as possible serving their clients rather than dealing with admin. Organisations want their relationships with and between customers, suppliers and staff to be enhanced, rather than frustrated, by the systems they use. Employers want their staff to enjoy their work and feel engaged rather than bogged down by unwieldy processes and archaic applications. And in an increasingly dangerous world, everyone wants to know their data is protected.

GetBusy's SaaS applications streamline complex workflows for over 70,000 fee-earning professionals, financial services businesses and ERP-enabled enterprises, equipping people to work efficiently and securely from anywhere. Our market-leading products automate and secure how organisations initiate, manage and complete work, simplifying cumbersome compliance processes and creating straightforward, differentiated ways to interact with customers, suppliers and staff.

With evidenced success in document management, we are broadening our capabilities to solve an increasing number of productivity challenges for our existing customers and within new markets.



OUR SOLUTIONS



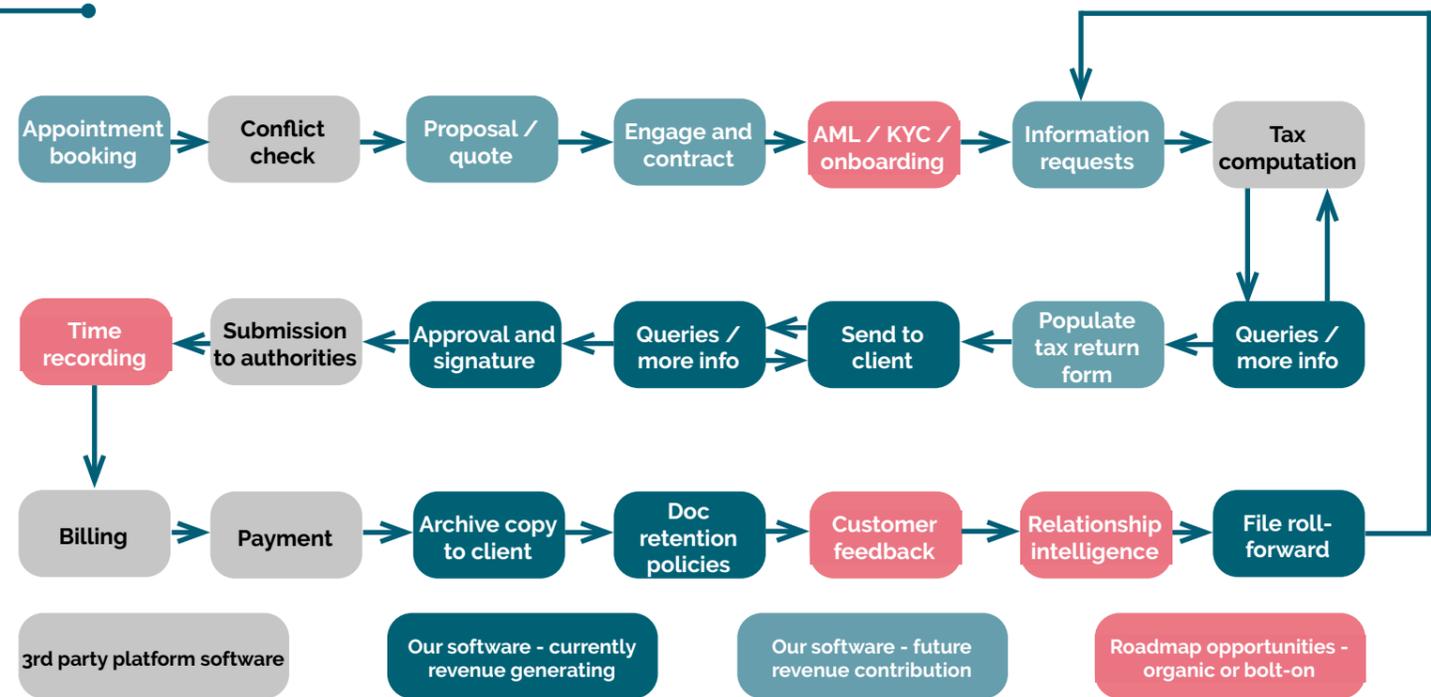
SmartVault makes my life so much easier. My files are at my fingertips at all times, and when my clients need a file, it's so easy to share them!

Dawn Brolin - Powerful Accounting



Professional tax accountants.

See how our products streamline core client workflows, in this example of a typical year in the life of tax accountant.



Asset financing.

Certified Vault creates a simple digital documentation process for digital collateral and chattel paper in secured asset finance transactions.



Being able to basically 'google for a document' is amazing – efficiency, pure and simple. I love it, and my team love it.

Dan Heelan - Heelan Associates



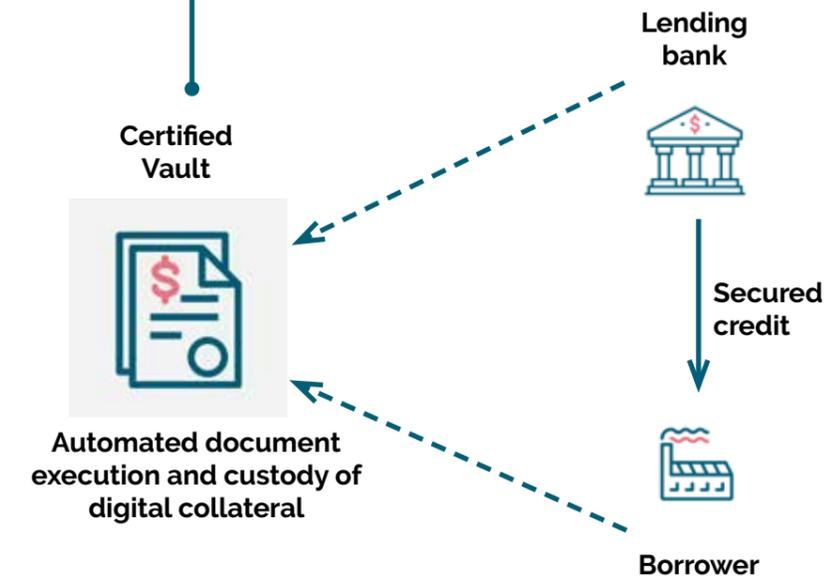
Businesses.

GetBusy simplifies complex workflows, bringing easy automation to business processes and enabling effective collaboration with staff, customers and suppliers.



GetBusy has slotted in perfectly alongside NetSuite and given us everything we need to look after our customers. It allows us to pull data from anywhere, tie it together, make staff accountable, and feeds that data back to the customers.

Richard Totman - Fenetti Outdoor Living



OUR COMPETITIVE EDGE

Focus on high value markets.

We have deep cumulative knowledge and experience of the requirements of our chosen markets, enabling us to create highly relevant and valuable solutions for those markets.

First class, human customer service.

We empower our people to do everything they can to make our customers productive and happy, leading to 99%+ customer satisfaction scores.

Deep integrations.

Our products integrate deeply into a wide variety of mission-critical software, such as practice management, ERP, tax and accounting applications, helping our customers to build best-of-breed technology stacks to power their business.

Strong partnerships.

Working in partnership with other leading software providers, such as Intuit, Turnkey IPS and NetSuite, helps us to build stronger, exclusive integrations that deliver an outstanding user experience and sticky customers.

Continuous development.

Agile methodologies and rapid product iteration enable us to release feature improvements, performance enhancements and new capabilities at least monthly, ensuring customers receive ever-increasing value from our products.

Culture of innovation.

By staying close to our customers, we're able to identify new challenges for our product teams to solve, encouraging our brilliant teams to innovate and create novel solutions that broaden our offering.

20+
YEARS IN
PRODUCTIVITY SOFTWARE

“ We had a lot of client data which SmartVault's migration team took care of for us. They are brilliant. It makes our clients feel that we are offering them the most secure services for them

Mel Storer - BKPS Chartered Management Accountants



114
PRODUCT
RELEASES IN
2021

PAGE 5
READ
ABOUT OUR
UNIQUE
CULTURE

OUR MARKETS

Four powerful drivers create increasing demand for our products across the world.

Digital transformation.



Many professional and financial services firms are facing squeezed margins as a result of increasing compliance burdens. Operational efficiency is a key lever to maintain profitability as the costs of poor manual processes can be substantial: for example, we estimate in excess of £50,000 of revenue can be lost annually per employee in a large accounting firm from disorganised document management, approval and signature processes.

These challenges drive demand for innovative, integrated software applications to simplify and speed-up complex admin tasks, improving scalability, transparency, security and staff satisfaction and ultimately freeing up fee-earners to spend more time on client-facing work.

Cyber security.



According to Deloitte, the proportion of revenue that businesses spend on cyber security has increased to 0.5% from 0.3% since 2019. Globally, spend on data security increased by 17.5%. These trends reflect the combined impact of the significant increase in sophistication of perpetrators and the increasing reliance of businesses on the integrity and availability of their data.

The right software stack, ideally one equipped with designed-in bank-level security, contributes significantly to reducing risk, ultimately saving money and preserving reputations.

Legislation.



Across the globe there is a relentless proliferation of privacy legislation, demanding that businesses have full control of the data they hold, that it is secured, that only authorised people can access it, that it is fully auditable and that it can be destroyed when required by statute.

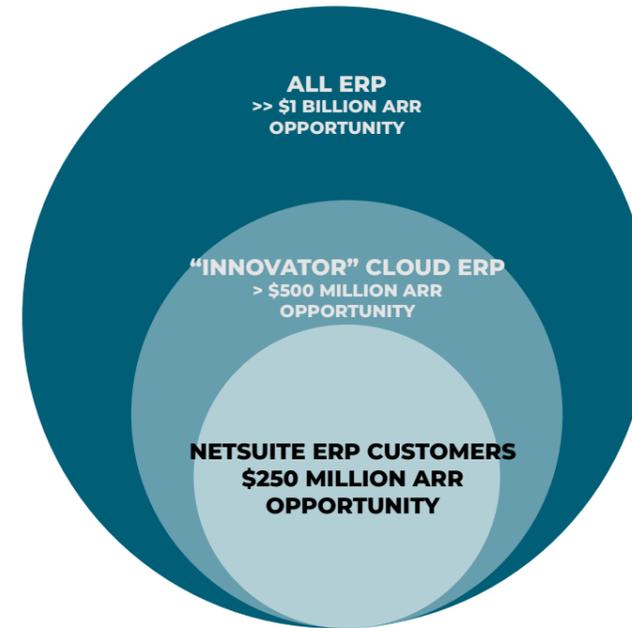
The EU pioneered implementation of strong consumer privacy laws with GDPR. Waves of similar legislation are currently being introduced in the United States, state by state, with increasing demands on organisations to structure and secure their data. We expect a sustained surge in demand for software applications that help businesses to solve these challenges.

Mobility.



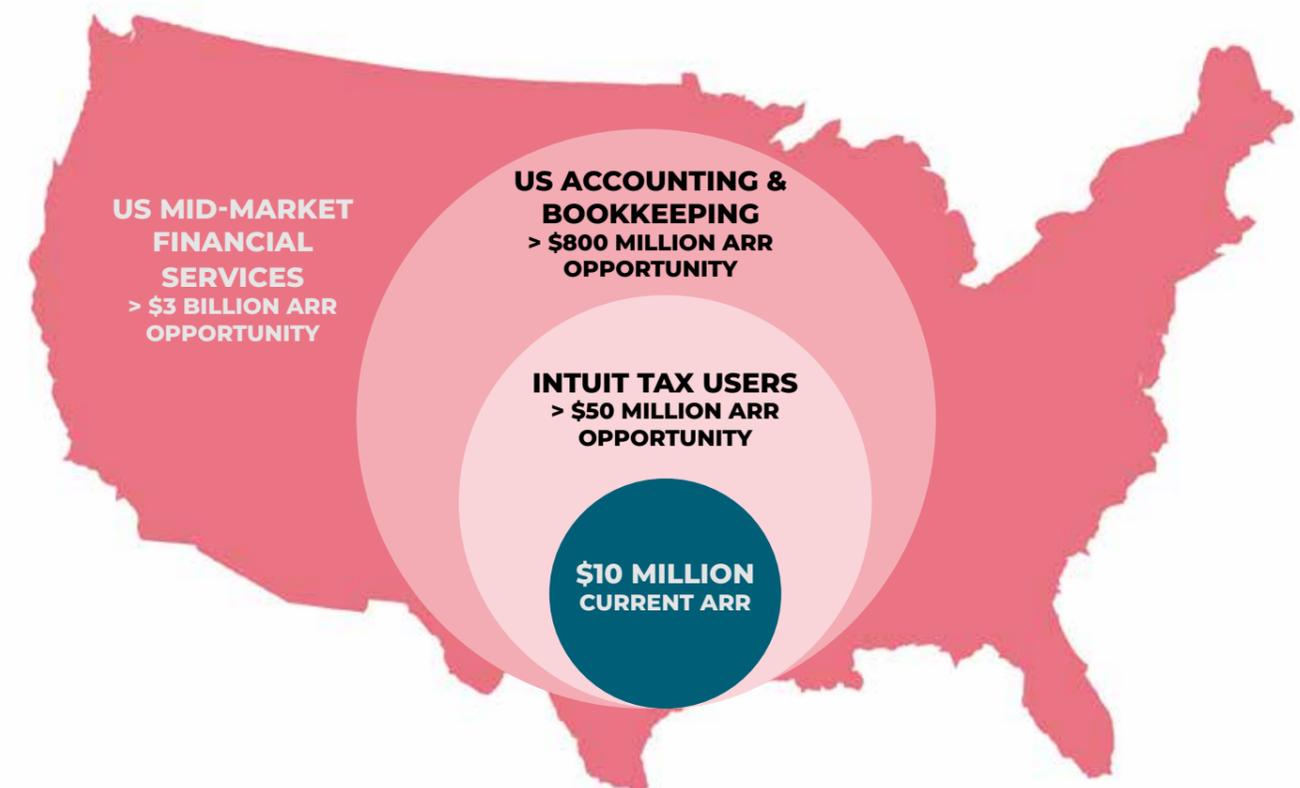
The covid-19 pandemic accelerated the pre-existing trend of hybrid office-plus-anywhere working. It has been widely reported that the crisis vindicated concerted investment in digital technologies at professional firms, who were then able to adapt quickly to changes in their own operations as well as changes to the way their clients needed to consume services.

There remain entire digital infrastructures that require upgrading to support "from anywhere" information security, availability and integrity.



Core markets.

Our core markets are the professional and financial services industries, and ERP-enabled enterprises in the US, UK and Australia and New Zealand. Collectively those markets are substantial and resilient, with strong demand stimulated by compelling drivers. They provide a significant opportunity for sustained long-term growth in high quality recurring subscription revenue from GetBusy's growing range of productivity applications.



OUR STRATEGY

Our overarching strategic objective is to create value by generating significant long-term growth in high-quality, predictable, recurring subscription revenue through our growing range of productivity software applications. Over the long-term, recurring subscription software revenues can contribute to very high quality of earnings and substantial cash generation potential.

New customers and markets.

Growth over the longer term will be driven by an increase in the volume of new business in our core markets and opening new markets through our current and future capabilities.

The Group is already the market leader in document management for accountants and has demonstrated success in expanding into the broader professional and financial services industries. Further expansion will come from the digital asset management market and ERP-enabled enterprises.

Longer term growth in new business will be underpinned by sustained and targeted investment in new products and adapting existing capabilities for attractive new markets.

Expansion.

With access to a growing base of over 70,000 paying users, there is a substantial opportunity to upsell additional, relevant capability to existing customers. Given our substantial expertise and experience within document management, many customers look to us to address a broader set of challenges within their workflows. In parts of our business, up to 50% of revenue growth come from expansion.

Our expansion opportunities will come from a combination of in-house developed products and acquired capabilities. We will continue to invest in the development of our existing products to create value-enhancing features that can be sold as add-ons, as well as appraising a variety of third party technologies for potential acquisition.

Monetisation.

Monetisation refers to the effective packaging and pricing of our products.

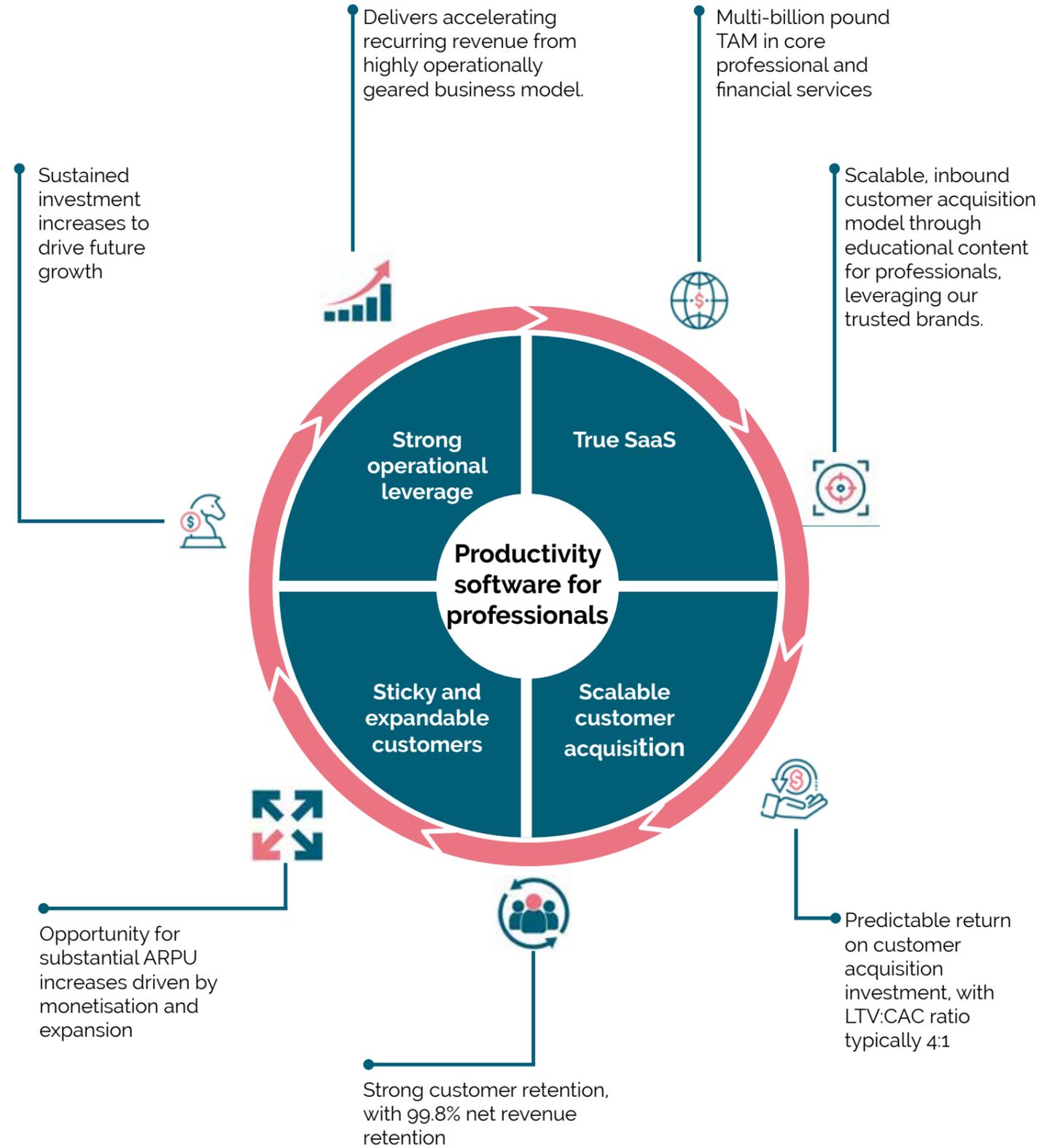
There is an opportunity to reduce the gap between the average price charged to existing customers and new customers, which in some cases is substantial.

Narrowing this gap will involve the introduction of new price plans and feature packages, ultimately improving average revenue per user (ARPU) across the base, ensuring it reflects the value being derived by customers.

Retention.

Achieving leading customer retention rates starts with addressing markets for which software, once deployed, is inherently sticky. Retention rates are improved further by ensuring we have deep integrations with a wide variety of other core applications and by ongoing development so our products operate flawlessly and deliver a continuously improving user experience.

To sustain and improve customer retention levels, we will continue to invest in product development and our customer-facing support functions.





Introduction

The Group delivered a strong financial performance in 2021 coupled with substantial strategic progress, including expansion into the asset finance market with a new product, three technology acquisitions to broaden our capabilities and a significantly expanded opportunity. Demand from new customers was buoyant across our target markets and customer retention was high, resulting in double-digit revenue growth, cash materially ahead of expectations and 16% growth in ARR, providing improved visibility.

Nearly five years on from our IPO, the Group has doubled in size. We have never had a

“The strong ARR momentum from 2021 gives us growing confidence to continue to invest in our business and deliver high growth in revenues in 2022 and beyond.

Daniel Rabie - CEO

firmer foundation from which to embark upon our ambition to at least double again within the next five years.

Current trading and outlook

During 2021 the Group continued to expand its product portfolio, both through internal development and acquisition, to capture the substantial market opportunity available. As the working world becomes more complex there is a growing requirement for organisations to adopt digital mobility and interoperability whilst operating within strict legislative and

compliance frameworks and at the same time balancing the need to protect against emerging cyber threats. Growing businesses need GetBusy's specialist productivity software solutions to enable them to work securely and efficiently with their customers, suppliers and teams anytime, anywhere.

Our software suite now includes a range of tools and end-to-end workflows such as digital asset and document management, tailored templates, quotes/proposal development, form-fill, authentication, e-signatures and approvals, workflow and task management, chat, and complex digital certification.

These solutions can be

delivered flexibly across cloud, mobile, hosted and on-premise platforms, whilst integrating seamlessly with a wide variety of other class-leading core business systems, such as ERP, accounting, tax, policy management and insolvency practice management systems.

As a result, we enter 2022 with product capabilities which substantially improve our position to deliver on our overarching strategic objective: to create value by generating long-term growth in high-quality, predictable recurring subscription revenue

through our growing range of productivity software applications.

The strong ARR momentum from 2021 has carried on into the start of 2022 and provides the platform for us to deliver further significant revenue growth in the current financial year. We are increasingly confident that our solutions are solving key challenges for our clients and that our wider global market opportunity is growing, underpinned by a number of long-term drivers. This, together with the planned launch of new solutions into both existing and new markets in the year ahead, gives us growing confidence to continue to invest in our business and deliver high growth in revenues in FY22 and beyond.

Business review

GetBusy is a leader in productivity software for professional and financial services, used and valued by over 30% of the UK's largest professional firms. These attractive markets benefit from compelling growth drivers on which we can capitalise over the long term with our growing capabilities, talented and ambitious team and our scalable, predictable SaaS business model. SaaS models produce reliable recurring revenue streams and upfront cash that provide outstanding visibility to invest for growth with confidence. The very attractive gross margins lead to highly cash generative and profitable businesses as scale is achieved.

Market opportunity

Our evolution in 2021 from being a provider of document management software for accountants to a provider of productivity software for professional and financial services firms is a very important shift for GetBusy.

Through our sustained investment in product development, and carefully selected technology acquisitions, our capabilities have broadened to address more of the productivity challenges faced by professionals as they initiate, manage and complete work with their colleagues and clients. These developments, such as automated document requests, e-mail capture and digital proposals, deliver greater value to our customers, improving security and freeing up valuable client-facing time, driving our ability to expand further into our client base.

This broadening capability set gives us the opportunity to enlarge substantially our target market, moving into adjacent industries that have analogous workflows to accountants and to which we can add similar value. We have already generated momentum within the cyclically buoyant insolvency market and seen early success in the asset finance market with our new Certified Vault product.

Based on employment numbers within our countries of operation, we estimate the accounting and bookkeeping sector presents an ARR opportunity in excess of £750 million, while financial services is in excess of £1 billion. We estimate the market for Workiro within the cloud ERP market is in excess of £1 billion, based on published customer numbers from the key cloud-ERP

providers.

Our target markets share four compelling and enduring growth drivers.

- **Digital transformation.** Operational efficiency is a key lever to maintain profitability in professional and financial firms, driving demand for innovative, integrated software applications to simplify and speed-up complex admin tasks.
- **Legislation.** Our software helps businesses comply with the global proliferation of privacy legislation.
- **Cyber security.** We help businesses secure some of their most sensitive and valuable data and documents.
- **Mobility and hybrid working.** We help professionals work securely and efficiently anytime, anywhere.

The strong operational performance in 2021 and our financial position has given us a firm foundation to invest in order to capitalise on these market tailwinds, propelling our ambitions to at least double the business within five years.

Effective execution of strategy

The highlight of 2021 was the acceleration of our ARR growth rate to 16%, with ARR at 31 December of £15.8m (2020: £13.7m). This reflects effective execution in a number of areas:

- **New business and new markets.** Each of our businesses generated more new business than in 2020, with overall new business growth of 10%. Our core accounting market was the main driver of growth,

augmented by significant client wins among insolvency practitioners, a market in which we now have a very firm foothold. Encouragingly, we have also gained initial traction in the asset finance and ERP markets – both of which represent similar growth opportunities to the accounting market.

- **Customer retention.** Our ongoing commitment to investing in the user experience and capabilities of our products is aimed at keeping customers engaged and with us longer, leading to consistently high retention rates – our gross revenue churn rate averaged 1.0% across the Group (2020: 0.9%) – and attractive customer lifetime values.
- **Monetisation.** The effective pricing and packaging of our products will contribute towards us narrowing the gap between new customer pricing and the average price paid across the base. In 2021 our monetisation programmes delivered at the top end of our expectations.

- **Expansion.** Upselling additional capabilities into our customer base has been proven in the Group and will be an important part of our future growth. These capabilities, developed in-house or acquired, also help us to open new markets.

The growth opportunity available to us is substantial. Our focus remains the effective execution of all four of these revenue growth drivers.

FINANCIAL REVIEW

GROUP	2021	2020	Change	
			Reported currency	Constant currency
ARR at 31 December	£15,828k	£13,680k	16%	16%
Recurring revenue	£14,343k	£13,017k	10%	13%
Total revenue	£15,448k	£14,179k	9%	11%
Adjusted EBITDA	£(510)k	£(369)k	(38)%	
Adjusted profit / (loss)	£(1,222)k	£(927)k	(32)%	
Paying users at 31 December	73,352	67,343	9%	n/a
ARPU at 31 December	£216	£203	6%	6%
Net revenue retention	99.8%	99.6%	n/a	

Revenue

ARR grew by 16% to £15.8m (2020: £13.7m), driven by new business and the favourable impact of our monetisation strategy.

Annual contract value ("ACV") from new business was £2.4m, up 10% compared to 2020; each of the Group's businesses reported growth in new ACV, with particular strength in SmartVault. This reflects the ongoing demand for our productivity solutions and the enduring nature of the core drivers of the professional and financial services markets in which the Group operates.

Net revenue retention, a measure of the proportion of recurring revenue retained from month-to-month, was very strong at 99.8% (2020: 99.6%). Together with consistently buoyant customer retention rates, this is driven by our monetisation strategy and its favourable impact on ARPU across the customer base during the final quarter of the year. We expect to see continued ARPU improvements from this strategy during the course of 2022, with ARPU gains thereafter driven by expansion revenue from uptake of our broadening productivity

capabilities.

Reported recurring revenue was up 13% to £14.3m (2020: £13.0m), representing 93% of total revenue. As with ARR, recurring revenue growth was strongest in SmartVault at 26%, with Virtual Cabinet achieving 4% growth. Non-recurring revenue was down 5% to £1.1m, reflecting Virtual Cabinet's revenue model transition from upfront, perpetual licences to higher value recurring subscriptions, offset by growth in SmartVault as the user base expands. Total revenue of £15.4m (2020: £14.2m) was up 11% at constant currency.

Gross margin and overheads

Gross margin of 91.6% (2020: 92.6%) reflects the growth in our full cloud solutions, for which we bear the ongoing platform costs, and a greater uptake of SmartVault's integrated digital signature solution, for which there is an incremental cost of sale. Future gross margins will reflect the increasing proportion of the Group's revenue from our cloud solutions.

Our long-term growth will be underpinned by continued investment to broaden our capabilities, solving more productivity challenges for our

customers and enabling us to move into adjacent industries, expanding our addressable market. An example of this is Certified Vault, built on our foundational SmartVault platform, which opens the substantial asset financing market to the Group.

Throughout 2021 we have continued our strategic investments in long term growth. Developer costs before capitalisation increased by 6% to £3.8m (2020: £3.6m); we are planning further investment in our product development capabilities over the course of 2022. Sales, general and admin costs were up 10% to £11.6m (2020: £10.5m), due to a combination of investments in customer acquisition, to drive new business, customer success, to drive net revenue retention, and performance incentives.

Adjusted EBITDA in 2021 was £(0.5)m (2020: £(0.4)m) while adjusted Loss before Tax was £(1.2)m (2020: £(0.9)m). Statutory loss after tax was £(1.6)m (2020: profit of £0.4m).

Cash

Our revenue model benefits from a high proportion of subscriptions paid annually in advance, with the final quarter of the year being particularly cash generative. Together with the receipt of UK research and development tax credits, this favourable cashflow dynamic allows us to continue our investments in long-term growth. Net cashflow in 2021 was strong at £0.5m (2020: £0.4m), supported additionally by the working capital seasonality of our performance incentive programmes, with closing net cash of £2.7m (2020: £2.3m), up 17% over the year. Our £2million revolving credit facility with Silicon Valley Bank remains fully undrawn and, together with our strong cash balance, provides us with considerable confidence and cash headroom as we continue to invest in future growth.

FINANCIAL REVIEW

SMARTVAULT	2021	2020	Change	
			Reported currency	Constant currency
ARR at 31 December	£7,854k	£5,835k	35%	33%
Recurring revenue	£6,439k	£5,433k	19%	26%
Total revenue	£6,818k	£5,700k	20%	28%
Adjusted profit / (loss)	£(1,020)k	£(1,373)k	26%	
Paying users at 31 December	28,499	23,530	21%	
ARPU at 31 December	£276	£248	10%	11%
Net revenue retention	100.0%	99.2%	n/a	

SmartVault

SmartVault new business ACV of £1.9m was up 12% on 2020 and benefited from an increase in the average selling price, driven by larger account sizes. This move towards larger accounts, and the introduction of a minimum user number, is part of a drive to improve our customer acquisition efficiency and improve customer retention rates, since generally larger accounts have lower churn rates. The introduction of the Certified Vault product, which caters to the financial services market, has also contributed to the increase in average selling price, with new ACV being typically 4 to 5 times larger than for a traditional SmartVault customer. Customer acquisition efficiency remains strong, with an average LTV : CAC ratio of 4:1 (2020: 4:1) despite expansion into the asset finance market.

Net revenue retention of 100.0% was a marked improvement on 2020 (99.2%). This reflects the very favourable impact from our monetisation strategy, which launched in November and contributed c. £0.9m in ARR. Gross churn of 1.4% per month (2020: 1.2%) continues to be markedly better than is typical in the SME space, with the slight increase compared to 2020

being a result of the expected impact of our monetisation strategy on certain customer cohorts.

Overall recurring revenue was 26% higher at £6.4m (2020: £5.4m); the growth rate was lower than that for ARR as the substantial uplift from monetisation did not impact until the final quarter of the year. Total revenue was £6.8m (2020: £5.7m), up 28%, and benefited from a higher uptake of services and our other non-recurring add-on products.

Gross margin of 84% (2020: 85%) reflects the higher uptake of our integrated digital signature solution, for which there is a cost of sale.

The 8% increase in overheads to £6.8m is the result of our investments to scale the business, specifically in the customer acquisition, customer success and product development teams, reflecting our strategy of generating long term growth in high quality recurring subscription revenue. This led to Adjusted Loss of £(1.0)m (2020: £(1.4)m).

VIRTUAL CABINET	2021	2020	Change	
			Reported currency	Constant currency
ARR at 31 December	£7,944k	£7,854k	1%	2%
Recurring revenue	£7,881k	£7,578k	4%	4%
Total revenue	£8,607k	£8,473k	2%	1%
Adjusted profit / (loss)	£4,370k	£3,891k	12%	
Paying users at 31 December	44,594	43,631	2%	
ARPU at 31 December	£178	£180	(1)%	0%
Net revenue retention	99.7%	99.8%	n/a	

Virtual Cabinet

Recurring revenue in Virtual Cabinet remained solid during 2021, growing at 4% at constant currency to £7.9m (2020: £7.6m) while ARR was 2% up at £7.9m (2020: £7.9m), generating very reliable and predictable cashflow. New business was particularly strong in the insolvency sector, in which we have strong integration with the leading practice management software. As well as the cyclical buoyancy of that sector, there is opportunity arising from the decision by many larger accounting firms to spin off their restructuring practices to address independence challenges, requiring some of the newly-created firms to rebuild their technology stacks from scratch. Upgrades to existing customers, which includes additional users, also contributed meaningfully, especially in H2, albeit typically at a lower ARPU.

Non-recurring revenue, which includes consulting and upfront licence sales, decreased by 19% to £0.7m, a reflection of the transition to a pure subscription model that was started 4 years ago. Total revenue was £8.6m (2020: £8.5m).

Virtual Cabinet's overheads

remain tightly controlled and were 8% lower than 2020, a product of lower bad debt and office rent costs offset by higher marketing spend and inflationary staff costs.

Adjusted profit of £4.4m was up 12% compared to 2020 and operating profit margin improved by 4.9 percentage points to 50.8%.

FINANCIAL REVIEW

WORKIRO	2021	2020	Change
			Reported currency
Total revenue	£31k	£6k	437%
Adjusted profit / (loss)	£(2,037)k	£(1,975)k	(3)%
ARR at 31 December	£66k	£17k	288%
Paying users at 31 December	556	182	205%
ARPU at 31 December	£94	£81	16%

Workiro

Workiro is the new name for the GetBusy product. Workiro serves the dual purpose of opening the valuable cloud-ERP market to the Group as well as providing product capabilities and expansion revenue opportunities for our other businesses.

During 2021 we redirected the efforts of the team towards the cloud ERP sector, seeking to capitalise on our partnership with NetSuite. The cloud ERP space is estimated to be growing at 17% annually, with innovative products like NetSuite, Sage Intacct and Acumatica taking market share from the traditional on-premise ERP providers. The ERP sector has many of the attractive hallmarks of the accounting practice management space into which our document management products are sold: the technology is infrastructural to the customer's business, customers tend not to be price-sensitive, solutions tend to remain in place for many years and churn rates are low.

The ecosystem around cloud ERP providers presents us with an interesting opportunity. Most providers curate a suite of third party add-on applications that address peripheral functionality, enhance the user experience within the core ERP product or tailor the product for particular industries. These applications

are available for existing users to purchase in app stores. Networks of value-added resellers and consulting firms work with individual customers to design, implement and customise their technology stack around specific ERP systems; these resellers look for opportunities to sell additional capabilities into their existing clients.

Our immediate opportunity with NetSuite customers comes from a combination of working directly with NetSuite and with the value-added reseller network. Workiro integrates into the primary NetSuite interface and provides powerful document management, digital signature, real-time chat and task capabilities embedded within the application. Documents can be assigned to customer or supplier records and then sent into managed workflows via GetBusy, for example to obtain a signature on a new contract with a customer or to send an invoice from a supplier to a quality assurance team for review, enabling them to attach certificates of conformity neatly into one thread. Whilst elements of this functionality are available from other applications within NetSuite's SuiteApp store, none of them provides this integrated experience and the combined cost of those applications far exceeds that of the single Workiro solution.

The Workiro technology provides benefits to the broader Group. For example, it provides an alternative portal for certain customers of Virtual Cabinet and will also form a component of its future cloud strategy. The core task, signature and novel document capabilities have the potential to add value to the Group's other products.

2021's activities have been targeted towards gaining visibility and credibility within the NetSuite and broader ERP ecosystem, collecting feedback on our solution and iterating it accordingly. Key to this has been establishing commercial relationships with value-added resellers, who typically have dozens of installed customers, each of which may comprise many hundreds of users.

We are encouraged by the progress so far, whilst acknowledging that uncertainties remain to generating meaningful traction. Our solution clearly resonates with resellers and their customer base, solving real problems that impact productivity across enterprises. The resellers we have signed are introducing us into their sales processes for new customers and into project plans for reconfigurations and maintenance for existing customers. The early ERP customers we have onboarded are seeing clear value in the integrated product offering and

we expect them ultimately to reflect the high retention rates that are typically seen across the ERP space.

Sales cycles are typically longer than, for example, our transactional SmartVault business, reflecting the magnitude and complexity of ERP projects for large enterprises. To counter this, we are adding resellers with a variety of industry specialisms and a breadth of client size.

Revenue of £31k (2020: £6k) reflects the initial traction to £66k of ARR, including £39k from cross-selling into the Group's existing channels.

Costs in 2021 were largely at the same runrate as in 2020.

Central and corporate costs

Central and corporate costs comprise the costs of certain centralised functions, such as finance, people and culture, and IT and security operations, together with the costs of the board and those associated with being a public company.

The increase in corporate costs to £2.5m (2020: £1.5m) largely reflects the higher accrual for performance bonuses, together with investments in the people and culture function to support the recruitment, retention and development of our global team as we scale.

Items reconciling Adjusted Loss with Loss before Tax

On an IFRS basis, we have capitalised £0.7m of development costs in 2021 (2020: £0.6m), which relates solely to work carried out on Virtual Cabinet and SmartVault. Capitalised amounts in 2021 relate to, amongst other things, the development of Certified Vault, our RequestDocs and Email Capture features, integration of SmartVault with a 3rd party billing system, which will support expansion and monetisation efforts within SmartVault in the future, and substantial user interface improvements in Virtual Cabinet. No costs related to the development of Workiro have been capitalised as there is insufficient certainty over the commercial viability of that product at this stage.

The increase in depreciation on owned assets and amortisation is due to the impact of continued capitalisation of development costs and the opening of our new offices in Cambridge and Houston.

Share option costs remained at £0.7m (2020: £0.7m) and reflect both the IFRS2 charge on the options granted and the increase in the provision for employment taxes due if options are exercised.

Non-underlying costs of

£0.4m (2020: £0.1m) comprise restructuring and redundancy costs together with a £0.3m provision for potential historic sales tax liabilities in certain jurisdictions in the US.

Other income in 2020 related to the full forgiveness of the Paycheck Protection Program loan that we received in the US (£0.4m) and the income credit for the "RDEC" portion of our 2017 UK research and development tax claim. There were no such items in 2021.

The loss before tax for the year was £2.3m, an increase of 103% compared to 2020, largely a result of the one-off other income in 2020, together with higher non-underlying costs and a higher adjusted loss before tax.

Tax

The tax credit of £0.8m (2020: credit of £1.5m) reflects the expected UK research and development tax credit offset by overseas tax payable in Australia and New Zealand. The Group still has sizeable carried forward tax losses in the UK and US.

Profit / (loss) after tax

The Group recorded a loss after tax of £1.6m (2020: profit of £0.4m).

Cashflow and working capital

A number of items have contributed to the net cash inflow of £0.4m in 2021, which has been achieved despite the Adjusted Loss before Tax of £(1.2)m and capital expenditure of £0.3m:

- Deferred revenue increased by £0.8m as a result of the continued ARR growth and the large proportion of our new business that is paid annually in advance;
- Trade and other payables increased by £1.3m, largely due to higher accruals for performance incentives;
- £0.7m was received in the UK from research and development tax credits in respect of 2020.

Net cash at 31 December 2021 was £2.7m, an increase of £0.4m from 31 December 2020. The £2m revolving credit facility has remained entirely undrawn during the year.

Balance sheet

The £0.3m increase in intangible assets in 2021 to £1.1m is a result of an excess of capitalised development costs over the related amortisation, together with purchased software, including the technology acquisitions of Plann3r, DocDown and Quoters, and related implementation costs. Capitalised development costs relate solely to the Virtual Cabinet and SmartVault products

In early 2021 we completed the fit-out of the US office, leading to a small increase in property, plant and equipment to £0.4m. The reduction in right of use assets, which relate entirely to office leases, is a result of the amortisation of existing lease assets.

Trade and other receivables increased by £0.1m to £1.9m as a result of an increase in prepayments. The current tax receivable of £1.0m relates to the UK research and development tax credit due for the 2021 financial year, with £0.4m of tax payable or refundable in the UK, Australia and New Zealand, which is recorded within current liabilities.

The £1.3m increase in trade and other payables is chiefly the result of higher accruals for performance incentives

and sales commissions, together with an increase in the accrual for employer taxes on share options. The performance incentives and sales commissions are payable during H1 2022, whereas employer taxes on share options only becomes payable on the exercise of the related options.

Deferred revenue, which is mostly derived from annual subscriptions paid in advance has increased by £0.8m to £5.5m as the proportion of our customer paying annually in advance increases.

The lease liability of £1.9m relates to our Cambridge and Houston office premises.

Over the course of 2021, 154,647 new shares were issued as a result of the exercise of share options.

Note on future segmental reporting

During 2021, a significant shift in the Group occurred, broadening from being a document management software group, selling to accountants, to a productivity software group selling across professional and financial services. The technology acquisitions of the software assets of Plann3r, DocDown and Quoters underscore that, as does the launch and initial success of

Certified Vault and the pivot of Workiro towards the ERP space.

As the Group's new capabilities mature and become integrated with our other applications, we expect significantly more cross-selling between products in support of our expansion strategy. The once-distinct boundaries between our products are becoming increasingly blurred as our customers buy richer feature and solution sets. This is reflected in the way the Group is organised and managed and, from January 2022, in the information reviewed by the Board to allocate resources and monitor performance.

From 2022, our segmental reporting will reflect this revised reporting to the Board, in accordance with IFRS8 Operating Segments. Revenue will be reported by region, while costs will be reported on an aggregated basis.

OUR PEOPLE - THE BOARD



Dr Miles Jakeman AM Non-executive chairman

Appointed July 2017

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.

Committees

- Audit committee member
- Remuneration committee member



Daniel Rabie Chief Executive Officer

Appointed June 2017

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

Appointed April 2018

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

Appointed July 2017

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 IPOs 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.

Committees

- Remuneration committee chairman
- Audit committee member



Paul Huberman Non-executive director

Appointed March 2020

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.

Committees

- Audit committee chairman
- Remuneration committee member



Clive Rabie Non-executive director

Appointed June 2017

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.



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.

The following pages set out each of the 10 principles from the QCA Code and how the Group addresses each of them.

**Dr Miles Jakeman AM
Chairman**

“ In a nutshell, it's the Board's job to ensure we're doing the right things by our shareholders, our customers, our suppliers, our people and society in general.

Dr Miles Jakeman AM - Chairman

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 3.

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.

We rely 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 communities in which we operate.

One of our core values is that every customer experience must include a smile. 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. 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.

OUR GOVERNANCE CONT.

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 39.

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 2021, the Board held 7 formal full meetings.

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 31.

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 2021.

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 6. 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 33.

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

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 on page 34. 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.

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. 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.

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.

In 2021, the Group's risk landscape has remained broadly similar to 2020. The market for highly qualified technology talent has tightened globally and so the recruitment and retention of staff has increased in importance.

The table on the following pages shows the principal risks and uncertainties faced by the Group, being those that are most likely to have an impact on the Group's ability to deliver its strategy.

OUR GOVERNANCE CONT.

Risk category	Description of risk	Relevance to strategy	Potential consequences	Mitigating controls
Strategic	The Group's portfolio includes a number of new products that are early-stage and unproven. They 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.	Reduction in growth potential of Group. Potential loss of cash invested to acquire, 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. Acquisition consideration includes performance-related elements.
Strategic	The core 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.	Virtual Cabinet contributes meaningfully to the Group's recurring revenue.	Slowing revenue growth or revenue decline. Significant customer churn. Reduction in achievable selling price.	Introduction of hosted and private cloud variants of product. New feature introduction into Virtual Cabinet to improve user experience. Geographical expansion of the Group's other products to provide cloud-based alternatives 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.	Rigorous security programme, including ethical hacking and penetration testing. Clearly documented internal procedures for protecting client data. Designated security director 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.	Focus on cash-generative SaaS revenue model. Retention of tax advisers to support UK R&D claim. 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 2021.

The Committee

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

“Our policy is to align the remuneration of executive directors and the senior management team with the creation of long-term value for shareholders.

Nigel Payne - Remuneration Committee Chairman

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 and 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 2021

During 2021, the Committee considered the following specific items:

- Agreement of the bonus payments made to senior management in relation to performance in 2020;
- Agreement of the remuneration proposals, including base salary and short-term incentive structure, for the executive directors and senior management for 2021;
- Consideration of the amendment of the vesting period for the Group's Value Creation Plan;
- The design and implementation of long-term equity incentive schemes for certain members of senior management;
- Remuneration proposals for the directors for 2022;
- 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.

2021 remuneration

Remuneration for executive directors in 2021 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 2021 were set by the Committee in December 2020.

The 2021 annual bonus plan for executive directors was agreed in December 2020 following the approval of the 2021 budget. The level of performance bonus was primarily dependent on the Group's annualised recurring revenue ("ARR"), recorded at budgeted exchange rates, at 31 December 2021, starting to accrue if the Group's ARR exceeded £14.8 million with

the maximum amount payable if the Group's ARR was £15.8 million or higher. The cash performance bonus was a percentage of salary. Daniel Rabie's maximum performance bonus for 2021 was 125% of salary and Paul Haworth's was 100%. The percentage of salary actually payable in respect of 2021 for Daniel Rabie was 125% and for Paul Haworth it was 100%.

Non-executive directors are paid a basic fee, which may include a supplement for any sub-committee responsibilities. In 2021, non-executive director fees were denominated in GBP, although may have been paid in local currency.

The 2021 remuneration for each director is set out in the table below.

The Committee concluded that the executive reward structure was fair when considered against other employees in the Group and against relevant market comparators.

2021 remuneration summary

£'000	Daniel Rabie		Paul Haworth		Miles Jakeman		Nigel Payne		Paul Huberman		Clive Rabie	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Salary	236	232	189	185	44	43	39	38	39	31	38	37
Pension	24	7	19	6	-	-	-	-	-	-	-	-
Benefits	1	1	1	2	-	-	-	-	-	-	-	-
Bonus	295	85	189	53	-	-	-	-	-	-	-	-
Total	557	325	399	246	44	43	39	38	39	31	38	37

Long-term equity incentives

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 and agreement of 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.

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.

2022 remuneration arrangements

Daniel Rabie's 2022 base salary is £250,000 (2020: £236,385). Paul Haworth's 2022 base salary is £200,000 (2019: £189,100). The rates of increase were seen as fair relative to other employees of the Group and have been benchmarked against relevant market comparators.

Both Daniel Rabie and Paul Haworth will be eligible to receive a cash performance bonus for 2022. The level of performance bonus will be dependent on the Group's ARR at 31 December 2022. The Committee has considered alternative performance measures but concluded that, having given due consideration to all stakeholders, ARR growth remains the most appropriate method to assess performance bonuses for the executive in 2022.

The performance bonus will start to accrue if the Group's ARR growth exceeds 10%, measured at constant currency. The maximum amount will be payable if the Group's ARR growth is at least 20% at constant currency. Payment of any performance bonus is contingent on an adjusted profit / (loss) hurdle being met.

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 2022 is 125% of salary. Paul Haworth's maximum performance bonus for 2022 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 2021, the Directors had the following beneficial interests in the Company's shares:

	Number of shares held
Daniel Rabie	1,570,789
Paul Haworth	100,000
Miles Jakeman	150,000
Nigel Payne	-
Paul Huberman	50,000
Clive Rabie	9,243,676

Nigel Payne

Chairman of the Remuneration Committee

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		



I am pleased to present my report of the Audit Committee for 2021.

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



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.

PAUL Huberman - Audit Committee Chairman

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 am chair of the Audit Committee and the other members are Nigel Payne and Miles Jakeman. I am a qualified Chartered Accountant and senior finance executive having been finance director of three different listed companies, and more recently a non-executive director at a

number of public and private companies. Nigel Payne is a qualified Chartered Accountant and is a non-executive director of a number of public and private companies. Miles Jakeman has a background in risk management and was the founder and director of a large public company in Australia. The Board is therefore satisfied that at least one member of the Audit Committee has recent, relevant financial experience.

Activities of the Audit Committee during 2021

Since the 2020 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 2020 results, trading updates, and the 2021 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 2021 external audit of the Group;
- Consideration of RSM UK Audit LLP's plans for the mandatory replacement of the audit partner responsible for GetBusy from the year

ending 31 December 2022;

- Review of the Chief Financial Officer's report on the key accounting judgements and issues for the 2021 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 2021 Annual Report and accounts.

During 2021 there were three meetings of the Audit Committee, at each of which all Committee members were present.

Fair, balanced and understandable

In its review, the Audit Committee has determined that the 2021 Annual Report, taken as a whole, is fair, balanced and understandable and provides shareholders with the necessary information to assess the Company's position and performance, business model and strategy.

Oversight of the external auditor

RSM UK Audit LLP was appointed as the Company's auditor following a tender process at the point of the Company's IPO in 2017.

Current UK regulations require rotation of the senior statutory auditor every five years. The 2021 audit was the fifth and final audit by Jonathan Lowe and a new senior statutory auditor will be in place for the year ending 31 December 2022. The Audit Committee will provide input into the selection of the new partner and will assess the effectiveness of the transition,

with a particular focus on audit quality.

RSM UK Audit LLP presented the audit plan for 2021 to the Committee, highlighting key audit risks, areas of judgement and the level of audit materiality. The Committee questioned and challenged the work undertaken and the key assumptions made in reaching their conclusions.

Auditor independence and objectivity

The Committee recognised the importance of auditor objectivity and independence and understands that this can be compromised by the provision of non-audit work. All taxation advice is provided by a separate firm. However, there may be certain limited circumstances in which, due to RSM's expertise and knowledge of the Company, it may be appropriate for them to undertake non-audit work. The Company has put in place a formal process for agreeing non-audit work by the Audit Committee. RSM UK Audit LLP has confirmed that they remain independent and have maintained internal safeguards to ensure the objectivity of the engagement partner and audit staff is not impaired.

Internal audit

The Group does not have a dedicated standalone internal audit function. This decision is made taking into account the size and complexity of the Group. Where appropriate, reviews are carried out either by staff members or third party experts. The need for an internal audit function is considered by the Audit Committee annually.

Impact of COVID-19 on the business

The Committee has considered the impact of the COVID-19 pandemic on the business, the assumptions used to support the going concern assumption used in these financial statements, and the adequacy of any related disclosures.

The Committee has concluded that the pandemic does not present a significant downside risk to the Group or its prospects.

Significant financial reporting issues and judgements

Following discussion with the Chief Financial Officer and the Group's auditors, the Committee considers the items on the following page to be the most significant financial reporting issues and judgements that are relevant to the 2021 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 presentation of certain non-statutory alternative performance measures ("APMs") alongside statutory measures, for example the disclosure of recurring revenue Adjusted EBITDA 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.

Specifically, the Committee has considered the appropriateness of the Group's new measure of financial performance, Adjusted EBITDA. Having taken into account the views of certain shareholders, prospective shareholders and corporate advisers, the Committee is satisfied that Adjusted EBITDA enhances the understanding and sector peer comparability of the financial statements.

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 certain new products 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 certain new products. While the product has its first paying users, these are relatively few in number and the revenue model is not sufficiently well-proven.

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

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

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

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

Additionally, the Committee has noted the changes from 2022 to the information reviewed by the Board to allocate resources and monitor performance, as described in the Financial Review. The Committee notes that this will lead to changes in the segmental disclosures required under IFRS8 for the year-ending 31 December 2022. An assessment of the completeness of those segmental disclosures, and compliance with the requirements of IFRS8, will be made as part of the Committee's activities during 2022.

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 accounting treatment of the acquisition of certain software technology assets during 2021 .

The Committee has reviewed the accounting treatment of the software technology assets made during 2021. Specifically, the Committee has considered management's assessment that the acquisitions fall outside of the scope of IFRS 3 Business Combinations.

Taking into account the requirements of IFRS 3 paragraph B7, the Committee is in agreement with management's conclusions on the treatment of the acquisitions.

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:

- An indication of likely future developments of the Company and Group, included in CEO's Review and Financial Review; and
- An indication of the research and development activities of the Company and Group included in the Financial Review.

No political donations were made during the period (2020: £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
Clive Rabie

Substantial shareholdings

The table above right shows the interests in 3% or more of the Company's equity at 10 February 2022 of which the directors are aware.

Substantial shareholdings at 10 February 2022		
	Number of shares held	% of total
Clive Rabie	9,243,676	18.6%
BGF Investment Management Limited	7,115,000	14.3%
Greg Wilkinson	3,690,771	7.4%
Canaccord Genuity Group Inc	3,485,000	7.0%
Burgundy Asset Management	3,271,245	6.6%
Herald Investment Management Limited	2,935,102	5.9%
Fidelity Management and Research	2,493,367	5.0%
Daniel Rabie	1,570,789	3.2%
River & Mercantile	1,500,000	3.0%

Annual General Meeting (AGM) and Auditor

The AGM of the Company will be held on Thursday 5 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 UK-adopted International Accounting Standards and to prepare the company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

The group financial statements are required by law and UK-adopted international accounting standards 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:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- for the group financial statements, state whether they have been prepared in accordance with UK-adopted international accounting standards;
- 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;
- 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 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.

In the case of each of the persons who are directors at the time the report is approved so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

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 2023. 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 Strategy
CEO's Review
Financial Review
Our Governance

The Strategic Report and Directors' Report were approved by the Board on 28 February 2022.

Paul Haworth | Company Secretary
28 February 2022

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

Registered in England & Wales
no 10828058

“The winning combination of low operating costs, seamless integration with our other software systems and Virtual Cabinet's compelling track record and post installation support left us in no doubt.

Barry Packham - Clear Insurance Management



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 2021 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 UK-adopted International Accounting Standards. 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 2021 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with UK-adopted International Accounting Standards;
- 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 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.

Summary of our audit approach

Key audit matters	Group <ul style="list-style-type: none"> • Revenue recognition • Capitalisation of development costs
Materiality	Group <ul style="list-style-type: none"> • Overall materiality: £151,000 (2020: £142,000) • Performance materiality: £113,000 (2020: £107,000) Parent Company <ul style="list-style-type: none"> • Overall materiality: £30,000 (2020: £30,000) • Performance materiality: £22,500 (2020: £22,500)
Scope	Our audit procedures covered 87% of revenue, 91% of net assets and 79% of loss 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 65 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 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, thereby impacting the spread of revenue around the year-end.
How the matter was addressed in the audit	The procedures undertaken included: <ul style="list-style-type: none"> • The controls and integrity of relevant IT systems, including the application of the accounting policies and calculation of revenue, were reviewed and tested by our audit team, in line with the testing performed by our internal IT expert in the prior year. • In respect of the deferred revenue liability, a sample of specific contracts with customers, and invoices issued to customers, was reviewed to check that revenue had been deferred correctly. • A sample of revenue transactions one month either side of the year end were reviewed to verify revenue was recognised in the correct period. In completing these procedures, we considered the application of the group's accounting policies and requirements of IFRS 15.

Capitalisation of development costs

Key audit matter description	(Refer to page 66 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 judgments 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, actual and pipeline 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.

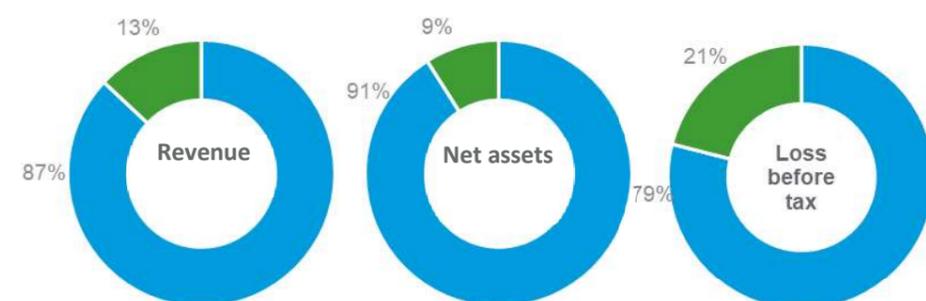
Our application of materiality

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	£151,000 (2020: £142,000)	£30,000 (2020: £30,000)
Basis for determining overall materiality	1% of revenue	1% of total assets (however restricted for group purposes)
Rationale for benchmark applied	The group is in its growth stage and its revenues, particularly recurring revenues, are its primary measure of performance.	As a holding company, the total assets of the company are considered the best indication of the value of its investments in its subsidiary trading entities.
Performance materiality	£113,000 (2020: £107,000)	£22,500 (2020: £22,500)
Basis for determining performance materiality	75% of overall materiality	75% of overall materiality
Reporting of misstatements to the Audit Committee	Misstatements in excess of £7,590 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 cut-off, which was a key audit matter. No audits or procedures were undertaken by component auditors. The coverage achieved by our audit procedures was:



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.

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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 49, 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 audit engagement team included:
UK-adopted IAS, FRS102 and Companies Act 2006	Review of the financial statement disclosures and testing to supporting documentation; Completion of disclosure checklists to identify areas of non-compliance.
Tax compliance regulations	Review of the tax provisions prepared by management.

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

Risk	Audit procedures performed by the audit engagement team:
Revenue recognition	This is considered to be a Key Audit Matter and our procedures are described above.
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.

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

CONSOLIDATED INCOME STATEMENT

	Note	2021 £'000	2020 £'000
Revenue	6	15,448	14,179
Cost of sales		(1,295)	(1,044)
Gross profit		14,153	13,135
Operating costs		(16,355)	(14,783)
Other income	7	-	588
Net finance costs		(133)	(66)
Loss before tax	8	(2,335)	(1,126)
Loss before tax	8	(2,335)	(1,126)
Depreciation and amortisation on owned assets	13,15	706	558
Share option costs	9	400	416
Social security costs on share options	9	267	236
Non-underlying costs	12	400	126
Other income	7	-	(588)
Finance income / (costs) not related to leases		52	9
Adjusted EBITDA		(510)	(369)
Capitalised development costs	13	(712)	(558)
Adjusted loss before tax		(1,222)	(927)
Tax	10	771	1,524
(Loss)/Profit for the period attributable to owners of the Company		(1,564)	398
(Loss)/Profit per share (pence)			
Basic	11	(3.16)p	0.81p
Diluted	11	(3.16)p	0.71p

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	2021 £'000	2020 £'000
(Loss)/Profit for the period	(1,564)	398
Other comprehensive income / (expense)		
Exchange differences on translation of foreign operations	(17)	92
Other comprehensive (expense)/income net of tax	(17)	92
Total comprehensive (loss)/income for the period	(1,581)	490

CONSOLIDATED BALANCE SHEET

	Note	2021 £'000	2020 £'000
Non-current assets			
Intangible assets	13	1,110	807
Right of use assets – leases	14	1,544	1,842
Property, plant and equipment	15	426	375
		<u>3,080</u>	<u>3,024</u>
Current assets			
Trade and other receivables	16	1,907	1,815
Current tax receivable		1,021	763
Cash and bank balances		2,670	2,283
		<u>5,598</u>	<u>4,861</u>
Total assets		8,678	7,885
Current liabilities			
Trade and other payables	17	(3,917)	(2,614)
Deferred revenue	17	(5,469)	(4,608)
Lease liabilities	14	(333)	(263)
Current tax payable		(378)	(272)
		<u>(10,097)</u>	<u>(7,757)</u>
Non-current liabilities			
Deferred revenue	17	(4)	(58)
Lease liabilities	14	(1,533)	(1,845)
		<u>(1,537)</u>	<u>(1,903)</u>
Total liabilities		(11,634)	(9,660)
Net assets		(2,956)	(1,775)
Equity			
Share capital	20	74	74
Share premium account	20	3,018	3,018
Demerger reserve	20	(3,085)	(3,085)
Retained earnings		(2,963)	(1,782)
Equity attributable to shareholders of the parent		(2,956)	(1,775)

These financial statements were approved by the Board of Directors on 28 February 2022 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 2021

	Share capital £'000	Share premium account £'000	Demerger Reserve £'000	Retained earnings £'000	Total £'000
2021					
At 1 January 2021	74	3,018	(3,085)	(1,782)	(1,775)
Loss for the period	-	-	-	(1,564)	(1,564)
Exchange differences on translation of foreign operations, net of tax	-	-	-	(17)	(17)
Total comprehensive loss attributable to equity holders of the parent	-	-	-	(1,581)	(1,581)
Share option costs	-	-	-	400	400
	-	-	-	400	400
At 31 December 2021	74	3,018	(3,085)	(2,963)	(2,956)
2020					
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)

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2021

	2021 £'000	2020 £'000
Adjusted loss before tax	(1,222)	(927)
Depreciation of right of use asset – leases	316	365
Income statement cost of interest on finance leases	81	56
Increase in receivables	(92)	(239)
Increase/(Decrease) in payables	1,093	(37)
Increase in deferred income	806	233
Cash used in operations	982	(549)
Non-underlying costs	(400)	-
Income taxes received	623	1,076
Interest (paid)/received	(52)	5
Net cash used in operating activities	1,153	532
Purchases of property, plant and equipment	(181)	(368)
Purchases of intangible assets	(163)	(29)
Net cash used in investing activities	(344)	(397)
Principal portion of lease payments	(261)	(226)
Interest on lease liabilities	(81)	(56)
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	(342)	271
Net increase in cash	467	406
Cash and bank balances at beginning of period	2,283	1,743
Effects of foreign exchange rates	(80)	134
Cash and bank balances at end of period	2,670	2,283

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") providing productivity software for professional and financial services.

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 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. 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. 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.

Adjusted EBITDA. This is calculated as Adjusted Profit / Loss before Tax with capitalised development costs added back.

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 revenue retention. The average percentage retained after 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 UK-adopted International Accounting Standards. 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 50. 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 and Workiro are pure subscription products with some limited consulting sold alongside, such as onboarding, training etc, although the products can be used "off the shelf". SmartVault and Workiro 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.

3. ACCOUNTING POLICIES (CONTINUED)

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.

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 certain new products has been expensed as incurred as it is not possible to demonstrate commercial viability with sufficient certainty 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. Depending on the nature of the options granted, a Black Scholes model or a Monte Carlo model has been used by a third-party firm to estimate the fair value. These models makes use of various assumptions, the most significant of which are listed in note 9.

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.

Accrual for historic sales tax liabilities

The Group makes sales to customers in a number of jurisdictions that have emerging or complex arrangements for determining the scope and rate of sales tax on the sale of software as a service. In a review of its operations, the Group has determined that sales tax that may historically have been chargeable to customers in certain locations had been neither charged nor collected. An accrual of £240k (2020: £nil) has been made for the Group's best estimate of the amounts that may be payable and the Group is working with advisers to establish and settle any historic liabilities. This accrual contains various assumptions, including on the interpretation of certain sales tax legislation and on amounts potentially recoverable from customers.

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 Workiro) and a corporate and central segment. The Board assesses Group performance and determines the allocation of resources on that basis.

2021	SmartVault £'000	Virtual Cabinet £'000	Workiro £'000	Corporate & central £'000	Total £'000
Recurring revenue	6,439	7,881	31	(8)	14,343
Non-recurring revenue	379	726	-	-	1,105
Revenue from contracts with customers	6,818	8,607	31	(8)	15,448
Cost of sales	(1,082)	(161)	(60)	8	(1,295)
Gross profit	5,736	8,446	(29)	-	14,153
Sales, general and admin costs	(4,987)	(3,292)	(774)	(2,535)	(11,588)
Development costs	(1,769)	(784)	(1,234)	-	(3,787)
Adjusted profit / (loss) before tax	(1,020)	4,370	(2,037)	(2,535)	(1,222)
Capitalisation of development costs					712
Adjusted EBITDA					(510)
Depreciation and amortisation on owned assets					(706)
Share option costs					(400)
Social security on share option costs					(267)
Non-underlying costs					(400)
Other finance costs					(52)
Loss before tax					(2,335)

2020	SmartVault £'000	Virtual Cabinet £'000	Workiro £'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
Adjusted EBITDA					(369)
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)

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

2021	UK	USA	Aus / NZ	Total
	£'000	£'000	£'000	£'000
Recurring revenue	6,280	6,119	1,944	14,343
Non-recurring revenue	661	365	79	1,105
Revenue from contracts with customers	6,941	6,484	2,023	15,448

2020	UK	USA	Aus / NZ	Total
	£'000	£'000	£'000	£'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

During 2021, a significant shift in the Group occurred, broadening from being a document management software group, selling to accountants, to a productivity software group selling across professional and financial services. The technology acquisitions of the software assets of Plann3r, DocDown and Quoters underscore that, as does the pivot of Workiro towards the ERP space and the launch and initial success of Certified Vault.

As the Group's new capabilities mature and become integrated with our other applications, we expect significantly more cross-selling between products in support of our expansion strategy. The once-distinct boundaries between our products are becoming increasingly blurred as our customers buy richer feature and solution sets. This is reflected in the way the Group is organised and managed and, from January 2022, in the information reviewed by the Board to allocate resources and monitor performance.

From 2022, our segmental reporting will reflect this revised reporting to the Board, in accordance with IFRS8 *Operating Segments*. Revenue will be reported by region, while costs will be reported on an aggregated basis.

7. OTHER INCOME

	2021 £'000	2020 £'000
US Paycheck Protection Programme loan forgiveness	-	384
RDEC credit relating to prior years	-	204
	-	588

8. LOSS BEFORE TAX

Loss before tax is stated after charging:

	2021 £'000	2020 £'000
Depreciation of property, plant and equipment	133	133
Depreciation of right-of-use assets—leases	316	365
Amortisation of intangible fixed assets	573	425
Impairment of right-of-use assets—leases	-	81
Net foreign exchange losses	6	23
Fees payable to our auditor for the audit of these annual accounts	74	63

9. EMPLOYEES AND EMPLOYEE COSTS

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

	2021	2020
Customer success and support	30	24
Development	39	35
Delivery and operations	14	17
Sales and marketing	30	29
Administration (including directors)	23	17
	135	122

9. EMPLOYEES AND EMPLOYEE COSTS (CONTINUED)

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

	2021 £'000	2020 £'000
Wages and salaries	9,961	8,585
Social security costs	1,352	1,066
Other pension costs	311	249
Cash employee costs	11,624	9,900
Share option costs	668	652
Total employee costs	12,292	10,552

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 exercisable awards at the year-end	Vesting date
2017 LTIP	140	-	(70)	-	70	70	3 August 2020
2017 LTIP	112	-	(85)	-	27	27	3 August 2021
2017 LTIP	272	-	-	-	272	-	3 August 2022
2020 EMI	3,982	-	-	-	3,982	-	27 January 2023
2020 VCP	2,612	-	-	-	2,611	-	27 January 2024
2021	-	240	-	-	240	-	11 March 2024
Group EMI	-	425	-	(100)	325	-	11 March 2024
2021 GB EMI	-	425	-	(100)	325	-	11 March 2024
Total	7,118	665	(155)	(100)	7,528	97	

The weighted average share price on the date of exercise was £0.92 (2020: £0.85).

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 fair value of options granted during the year was £525,000 (2020: £2,959,000, which included replacement options). The fair value of the options granted was estimated using a Monte-Carlo model, except for the 2021 GB EMI which uses the Black-Scholes model; the key inputs into those models were as follows:

	Share price at date of grant	Exercise price	Expected volatility	Weighted average option life
2021 Group EMI	£0.4655	£0.0015	50%	3 years
2021 GB EMI	£0.9735	£0.0015	50%	3 years

10. TAX

Tax recognised in the income statement

	2021 £'000	2020 £'000
Current tax		
Current year	(1,021)	(763)
Adjustment for prior years	23	(857)
Foreign tax	201	95
Foreign tax adjustment for prior years	26	1
	(771)	(1,524)
Deferred tax	-	-
Tax income	(771)	(1,524)

Reconciliation of effective tax rate

	2021 £'000	2020 £'000
Loss before tax	(2,335)	(1,126)
Tax at UK corporation tax rate of 19.00% (2020: 19.00%)	(444)	(214)
Effects of:		
- Overseas tax rates	59	41
- Expenses not deductible	76	86
- Income not taxable	-	(81)
- Deferred tax not recognised	18	75
- Adjustments in respect of prior periods	50	(1)
- Losses utilised	(18)	(75)
- 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	(831)	(735)
- Current period losses surrendered for R&D tax credit	1,340	1,000
- R&D tax credit	(1,021)	(763)
	(771)	(1,524)

11. EARNINGS / (LOSS) PER SHARE

The calculation of earnings / (loss) per share is based on the loss for the period of (£1,564k) (2020: profit of £398k).

Weighted number of shares calculation

	2021 '000	2020 '000
Weighted average number of ordinary shares	49,516	49,219
Effect of potentially dilutive share options in issue	n/a	7,251
Weighted average number of ordinary shares (diluted)	n/a	56,470

Earnings / (Loss) per share

	2021 Pence	2020 pence
Basic	(3.16)	0.81
Diluted	n/a	0.71

At 31 December 2021, there were 7,527,629 share options. 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 current year as the Group was loss making.

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 2021, non-underlying costs were £400k, of which £283k related to potential historic sales tax liabilities, £93k is restructuring and severance costs, and £41k related to corporate advice.

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 reinstating the Australian office under the terms of the lease, which expired in September 2021.

13. INTANGIBLE ASSETS

	Software £'000	Intellectual property £'000	Development costs £'000	Total £'000
Cost				
At 1 January 2020	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
Additions	163	-	712	875
Currency adjustments	-	1	-	1
At 31 December 2021	257	141	2,324	2,722
Amortisation				
At 1 January 2020	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)
Charge for the year	19	13	540	573
Currency adjustments	-	1	-	1
At 31 December 2021	38	122	1,452	1,612
Net book value				
At 31 December 2020	75	32	700	807
At 31 December 2021	219	19	872	1,110

Software comprises acquired software technologies and third-party contractor costs of implementing software used within the Group. Development costs comprise the internal costs of developing products.

Software is amortised over 5 years. Intellectual property comprises domain names, 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.

Within additions for software is a total of £82,000 for the acquisitions of the technology of DocDown and Quoters. Under the terms of the acquisitions, the Group is liable to pay a cash earn-out equivalent to 1x annualised recurring revenue attributable to each of the DocDown and Quoters technologies at 31 December 2022. The earn-outs are subject to a cap of USD 500,000 each. No amounts have been recognised at 31 December 2021 in respect of any contingent consideration because the directors consider the fair value in respect of each asset, based on reasonable forecast, to be wholly immaterial.

14. LEASES

At 31 December 2021 and 31 December 2020, 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.

	2021 £'000	2020 £'000
Right of use assets		
At 1 January	1,841	220
Additions	-	2,028
Disposals	(284)	(270)
Accumulated depreciation on disposals	284	270
Release of onerous provision	-	40
Depreciation	(316)	(365)
Impairment	-	(81)
Currency adjustments	18	-
At 31 December	1,544	1,842

There were no new leases in the year.

The impairment charge of £81k in 2020 relates to the Group's office premises in Australia, which were under-utilised and vacant owing to the COVID-19 pandemic restrictions. The interest rate used to discount lease liabilities is 4% (2020: 4%).

Interest on lease liabilities of £81k was recorded in Net Finance Costs during the year (2020: £56k). The cash outflow for the Group's property leases was £342k (2020: £373k).

The Group's lease liabilities mature as follows:

	2021 £'000	2020 £'000
Lease liabilities		
Within one year	333	263
Between 2 to 5 years	1,533	1,845
More than 5 years	-	-
	1,866	2,108

15. PROPERTY, PLANT AND EQUIPMENT

	Equipment £'000	Vehicles £'000	Building improvements £'000	Total £'000
Cost				
At 1 January 2020	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
Additions	176	-	5	181
Disposals	(228)	(23)	-	(251)
Currency adjustments	4	-	(1)	3
At 31 December 2021	654	-	27	681
Depreciation				
At 1 January 2020	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
Charge for the year	128	-	5	133
Disposals	(228)	(23)	-	(251)
Currency adjustments	-	-	-	-
At 31 December 2021	248	-	7	255
Net book value				
At 31 December 2020	354	-	21	375
At 31 December 2021	406	-	20	426

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

	2021 £'000	2020 £'000
Trade receivables	714	754
Prepayments	760	664
Other receivables	433	397
Trade and other receivables	1,907	1,815

Trade receivables are presented net of allowances for doubtful debts of £88k (2020 £269k). 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:

	2021 £'000	2020 £'000
Past due 1-30 days	62	70
Past due 31-60 days	8	9
Past due 61+ days	26	134

17. TRADE AND OTHER PAYABLES AND DEFERRED REVENUE

	2021 £'000	2020 £'000
Trade payables	297	446
Accruals	2,970	1,609
Other payables	650	559
Trade and other payables	3,917	2,614

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

	2021 £'000	2020 £'000
Year ending 31 December 2021	-	4,608
Year ending 31 December 2022	5,469	58
Year ending 31 December 2023	4	-
On or after 1 January 2024	-	-
Deferred revenue	5,473	4,666

£5,469k (2020: £4,608k) of deferred revenue is recorded as a current liability. £4k (2020: £58k) 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 (2020: £nil).

The principal terms of the loan are:

- Interest accrues at Alternative Reference Rates plus a margin of between 3.25% and 3.75%, depending on certain liquidity ratios;
- The relevant Alternative Reference Rates are the Bank of England published base rate of interest, for GBP, and the rate of interest per annum published in the money rates section of the Wall Street Journal, for USD. Each rate is subject to a minimum value of 0.00%.
- 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.

No new loan arrangements were made in 2021.

19. DEFERRED TAX

Deferred tax assets of £3,219k (2020: £3,466k) 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 2021, 49,580,219 (2020: 49,425,572) shares were in issue and fully paid with a nominal value of £74,370.33 (2020: £74,138.36). 154,647 shares were issued in the year (2020: 1,025,572).

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 70,000 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:

	2021 average rate	2021 balance sheet rate	2020 average rate	2020 balance sheet rate
US Dollar	1.375	1.350	1.286	1.362
Australian Dollar	1.831	1.860	1.858	1.769
New Zealand Dollar	1.944	1.977	1.969	1.886

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 2021 and 31 December 2020 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.

	Salary £'000	Pension £'000	Bonus £'000	Total £'000
2021				
Directors	585	44	484	1,113
Other key management personnel	-	-	-	-
	585	44	484	1,113
2020				
Directors	583	12	138	733
Other key management personnel	-	-	-	-
	583	12	138	733

In 2021, share option costs of £226k (2020: £312k) were recorded relating to directors.

Information on the highest paid director can be found in the Remuneration Report on pages 41 to 44.

During the year, the Group purchased £30k (2020: £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 2021 (2020: £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	2021	2020 as originally reported	Constant currency adjustment	2020 at constant exchange rates	Change at reported exchange rates	Change at constant exchange rates
Group recurring revenue	£14,343k	£13,009k	£(316)k	£12,693k	10%	13%
Group total revenue	£15,448k	£14,141k	£(298)k	£13,843k	9%	11%
SmartVault recurring revenue	£6,439k	£5,434k	£(185)k	£5,249k	18%	26%
SmartVault total revenue	£6,817k	£5,703k	£(193)k	£5,510k	20%	27%
Virtual Cabinet recurring revenue	£7,881k	£7,575k	£28k	£7,603k	4%	4%
Virtual Cabinet total revenue	£8,608k	£8,471k	£28k	£8,499k	1%	1%
Group Annualised Recurring Revenue	£15.8m	£13.7m	£0.1m	£13.8m	16%	16%

COMPANY BALANCE SHEET

	Note	2021 £'000	2020 £'000
Fixed asset investments			
Investments in subsidiaries	C4	1,883	1,482
Intangible assets	C7	47	62
		<u>1,930</u>	<u>1,544</u>
Current assets			
Trade and other receivables	C5	3,564	2,361
Cash and bank balances		974	1,185
		<u>4,538</u>	<u>3,546</u>
Total assets		<u>6,468</u>	<u>5,090</u>
Current liabilities			
Trade and other payables	C6	(2,759)	(1,567)
		<u>(2,759)</u>	<u>(1,567)</u>
Total liabilities		<u>(2,759)</u>	<u>(1,567)</u>
Net assets		<u>3,709</u>	<u>3,523</u>
Equity			
Share capital	C8	74	74
Share premium account	C8	3,018	3,018
Retained earnings		617	431
Shareholders' funds		<u>3,709</u>	<u>3,523</u>

As permitted by Section 408 of the Companies Act 2006, a separate profit and loss account of the parent company has not been presented. The parent company's loss for the period was (£214k) (2020: profit of £229k). The accompanying notes form part of the financial statements.

These financial statements were approved by the Board of Directors on 28 February 2022 and were signed on its behalf by:

Daniel Rabie

Chief Executive Officer

Paul Haworth

Chief Financial Officer

COMPANY STATEMENT OF CHANGES IN EQUITY

	Share capital £'000	Share premium account £'000	Retained earnings £'000	Total £'000
At 1 January 2020	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
Loss for the period	-	-	(214)	(214)
Issue of shares, net of issue costs	-	-	-	-
Share option costs	-	-	400	400
At 31 December 2021	74	3,018	617	3,709

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 and 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

	2021 £'000	2020 £'000
At 1 January	1,482	1,068
Share-based payments	400	414
At 31 December	1,882	1,482

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

	2021 £'000	2020 £'000
Amounts owed by other group companies	3,375	2,161
Prepayments	166	191
Other receivables	23	9
Trade and other receivables	3,564	2,361

C6. TRADE AND OTHER PAYABLES

	2021 £'000	2020 £'000
Amounts owed to other group companies	1,858	955
Trade payables	84	43
Accruals	817	569
Trade and other payables	2,759	1,567

C7. INTANGIBLE ASSETS

	Software £'000	Total £'000
Cost		
At 1 January 2020	68	68
Additions	12	12
At 31 December 2020	80	80
Additions	1	1
At 31 December 2021	81	81
Amortisation		
At 1 January 2020	5	5
Charge for the year	13	13
At 31 December 2020	18	18
Charge for the year	16	16
At 31 December 2021	34	34
Net book value		
At 31 December 2020	62	62
At 31 December 2021	47	47

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 2021, 49,580,219 (2020: 49,425,572) shares were in issue and fully paid with a nominal value of £74,370.33 (2020: £74,138.36). 154,647 shares were issued in the year (2020: 1,025,572).

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.