Registered number 03959429

accesso Technology Group plc

2016 Annual report and financial statements

Contents of the consolidated financial statements
for the financial year ended 31 December 2016

Company information
for the financial year ended 31 December 2016

Directors:	Tom Burnet, Executive Chairman John Alder, Executive Steve Brown, Executive David Gammon, Non-Executive Karen Slatford, Non-Executive John Weston, Senior Independent Director
Secretary:	Martha Bruce Bruce Wallace Associates Limited 120 Pall Mall London SW1Y 5EA
Registered office:	Unit 5, The Pavilions Ruscombe Park Twyford Berkshire RG10 9NN
Registered number:	03959429 (England and Wales)
Auditor:	KPMG LLP Arlington Business Park Theale Reading Berkshire RG7 4SD
Bankers:	Lloyds Bank plc The Atrium Davidson House Forbury Square Reading Berkshire RG1 3EU

Introduction and key financial highlights
for the financial year ended 31 December 2016

Financial Highlights	12 months ended 31 Dec 16 $m	12 months ended 31 Dec 15 $m	Change
Revenue	**102.5**	93.2	+10.0%
Adjusted EBITDA (i)	**19.1**	15.2	+25.7%
Adjusted operating profit (ii)	**15.7**	12.6	+24.6%
Profit before tax	**10.1**	7.2	+40.3%
Cash generated from operations	**18.6**	14.7	+26.5%
Cash conversion (iii)	**97.4%**	96.7%	
Net debt (iv)	**3.4**	9.4	($6.0m)
Adjusted Earnings per share – basic (cents) (v)	**51.48**	40.96	+25.7%
Earnings per share – basic (cents)	**33.95**	24.47	+38.7%

(i) *Adjusted EBITDA is defined as operating profit before the deduction of amortisation, depreciation, acquisition costs and costs related to share based payments*
(ii) *Adjusted operating profit is defined as operating profit before the deduction of amortisation related to acquisitions, acquisition costs and costs related to share based payments*
(iii) *Cash conversion is defined as Cash generated from operations as a percentage of adjusted EBITDA*
(iv) *Net debt is defined as borrowings less cash and cash equivalents*
(v) *Earnings used in the adjusted earnings per share calculation is defined as profit before tax before the deduction of amortisation related to acquisitions, acquisition costs and costs related to share based payments, less tax at the effective rate*

Operational Highlights

Scaling up and leading the market

- Strong performance in all key financial metrics resulting from greater scale of the business, contract wins and new ideas
- Growth driven by a combination of new wins and long-term extensions
- Planned rollout of Merlin contract remains on track
- Continued investment in people and technology, expanding the platform and readying it for the world stage
- Launch of *accesso Prism*SM, the world's most technologically advanced smart park wearable device

***accesso LoQueue*SM – Wearing the future on your sleeve**
- Important new contract wins in three separate continents with Wet'n'Wild Sydney, Denmark's *LEGOLAND® Billund* and Schlitterbahn Waterpark and Resort in Texas
- Wet'n'Wild win reflects growing importance of Asia-Pacific region to the Group, where a new regional MD has been appointed
- Expanding client-base and improving mix reflected in total guest revenue up 5.7%
- Significant one-off investment in the development of *accesso Prism*, a new smart park wearable device which can facilitate queuing, payments, messaging, photography, park access and trip intelligence

***accesso Passport®* – Globalising the platform**
- Total volumes up 30% year-on-year, with the continued consumer migration and revenue mix shift towards mobile transactions. 38% of unit sales now take place on a mobile device (2015: 25%)
- 2016 saw particular cross-selling success coming from within existing *accesso Siriusware* customers adopting *accesso Passport* ecommerce*:* The Henry Ford Museum in Dearborn, Michigan and The Pacific Science Center, Seattle*,* Washington
- Planned investment in our technology platform to improve functionality, language capability and payments systems
- Merlin rollout remains on track, with rollout targeted to be complete at most major sites by the end of 2017

***accesso Siriusware*sm – Making its mark in the UK**
- 9 new wins in the year, demonstrating good momentum at the heart of *accesso's* point-of-sale and guest management business
- Breakthrough year for *accesso Siriusware* in the UK & Ireland, winning its maiden contracts with Blackpool Pleasure Beach and Jameson Distillery
- Continued strong progress made within and beyond traditional ski markets, including 5 new ski resort clients, NLand Surf Park in Austin, Texas and the Catalina Island Conservancy in California

accesso ShoWaresm **– Leveraging our scale**

- Rebrand completed in May 2016, completing integration into *accesso*
- Leveraging *accesso's* brand and broad resource capabilities to improve the product and differentiate from the competition
- 51 customer wins during the year, showing ability to rapidly acquire new customers in a new segment for the Group, including sports stadiums where we now sell tickets for 3 major league Mexican soccer teams
- A central part of *accesso's* expansion into Mexico and throughout the Americas

Post Period-End **– Broadening our horizons**

- Completed inital production run of *accesso Prism* devices and commenced onsite installation of first water park to use this new product offering with go-live scheduled for early summer 2017
- Continued global rollout of accesso Passport across Merlin Entertainments. The new LEGOLAND® Japan theme park has become the first location to use accesso Passport in Asia and onsite installation is complete at London cluster attractions
- Signed a range of new customers including ten for *accesso ShoWare*, the CNN Studio Tour in Atlanta for *accesso Passport* and a major Canadian visitor attraction for *accesso Siriusware*

Commenting on the results, Tom Burnet, Executive Chairman of *accesso*, said:

"2016 has been the year in which I believe Accesso has achieved meaningful scale. As a result, we are now beginning to see the positive impact this step-change in activity can have on our financial performance.

It is particularly encouraging that this performance has been delivered during what we consider to be an investment phase for Accesso, as we continue to prepare for what remains a significant global opportunity in the medium term.

As ever, we base our success on the quality of the relationships we have with some of the largest and most ambitious operators in the world, helping us to expand or extend our existing relationships as well as to initiate new ones. This approach, fully aligned with our business model, allows us to focus on the execution of our plans to generate sustainable and increasing profitable growth."

Commenting on the results, Steve Brown, Chief Executive Officer of *accesso*, said:

"This year we have continued to make excellent progress in our quest to extend Accesso's market leadership in all our operating areas. Our technology is second-to-none and is delivered by our team with world class service standards. A range of enhancements across our platforms along with the launch of Accesso Prism earlier in the year demonstrates the extent of our commitment to improving our product offering on an ongoing basis.

Accesso continues to invest to ensure we are at the forefront of product functionality, customer relationship management and internal talent acquisition. Beyond these investments to prepare us for long term growth, these efforts are already delivering results for our customers and our business today."

Chairman's statement

Success at scale

2016 has been another successful year for *accesso*. The Group has depth in its leadership team and has a comprehensive suite of products that lead in the markets it currently serves. This year has seen the Group continue to develop its global aspirations, expanding into new geographies and further embedding itself in the markets it has historically served. From established relationships in North America to flourishing ones in Europe, and from a rapidly growing customer base in South America to a burgeoning presence in Australia, *accesso* continues to serve its customers both as a technology partner and revenue enabler, gaining the trust and confidence of some of the largest and most ambitious operators in the industry.

The Group's financial performance reflects *accesso's* circumstances well. This year, *accesso* achieved adjusted EBITDA of $19.1m, which amounts to growth of 25.7% year-on-year. This performance reflects increasing operational leverage as the Group gains scale, and has been delivered despite a significant ongoing investment in our core platforms and infrastructure as well as an accelerated development relating to *accesso Prism,* the most technologically advanced smart park wearable device available today. These investments reflect the Group's ongoing commitment to look to the future, and to ensure it remains ahead of its competition from a technology and product standpoint. The strides made already have contributed to the high-quality performance delivered in 2016, while work currently underway, including our progress in relation to the transformational agreement with Merlin Entertainments Group Ltd, promises an even greater acceleration in the future.

Earning the right

Our long-term investment strategy is underpinned by the platform we have built. Through acquisition and organically, we have worked hard to shape a business that offers queuing, ticketing, point-of-sale and guest management solutions across a wide range of leisure markets, and builds products that can serve clients at any stage of development. Moreover, the breadth of our offering is increasing the number of *accesso* customers who now take more than one service from the Group, blending our ticketing and queuing heritage to take us beyond a product-by-product selling strategy and towards a more solutions-based approach. As a result, we are becoming more deeply embedded with our customers and this, combined with our enduring commercial model, allows us to plan more strategically about the future.

Mapping out the future

Whilst we continue to make strong progress, there is more to do. This year, for example, we have seen tremendous advances in the globalisation of our *accesso Passport* ticketing suite and we have launched *accesso Prism* which we believe takes us close to realising our ambition of enabling an entirely queueless park. Looking ahead, we believe there are other opportunities to acquire complementary technologies which will help drive improved guest experience and revenues for our customers and we continue to actively evaluate these.

Our team

As ever, none of this would be possible without an exceptional group of people working together. *accesso* employees continue to outdo themselves, working tirelessly to face and overcome the complex challenges of providing market leading technology and superior service. On behalf of the Board, I thank them once again for their efforts.

2017 so far

The Group has started 2017 in good order. We are on schedule with planned installations and our current direction of travel indicates the beginnings of another good year. That said, the key trading months are ahead of us and will take place in the context of an extremely strong comparator first half from 2016. Nevertheless, we believe fully in our prospects, and look forward to the rest of the year with confidence.

Tom Burnet
Executive Chairman

Chief Executive's statement

Operational Review

accesso is a truly global business, currently serving clients in 27 countries across the globe. We now stand before current and prospective customers as a mature and balanced Group capable of solving problems and thinking across product lines to provide the best solutions available in the market.

During 2016, a significant amount of thought, work and capital has been invested in the business. Firstly, this relates to the investment required in executing the transformational agreement with Merlin Entertainments Group Ltd, to roll *accesso Passport* out across its entire estate. This work has already taken us a considerable way in our rollout at Merlin sites, and is all about enhancing our operating capability to exceed their high expectations, ensuring we make the most of the significant opportunity it lays out before us.

The second major investment has been in *accesso Prism*, a significant step forward for our entire industry when it comes to in-park wearable technology. Queueing is our heritage at *accesso*, and it is fitting that the idea that underpins our business lives on in this latest product evolution. It is also fitting that while queueing is at the foundation of both Group and product, *accesso Prism* also reminds us how far we've come. Its expansive capabilities incorporate a range of elements that build on the original idea in the same way *accesso* has done, overlaying the core queueing functionality with state-of-the-art technologies that complement it. We are enormously excited about *accesso Prism* and what it says about the way we approach technology leadership at *accesso*. As we continue to improve our business on all fronts, we can look forward to an exciting future.

<u>Our People</u>

As *accesso* expands, attracting and retaining the best talent in the industry is becoming all-the-more important. We take this aspect of our growth extremely seriously, and think with as much energy about our people as we do any other aspect of our business. Our ambition is to create a highly motivated, mobile and collaborative workforce, which, like the Group we currently have, is capable of generating the ideas and energy that keep us ahead of our competition.

This year, we have taken a number of steps to reaffirm our commitment to our people. These include the implementation of Workplace (Facebook at Work) to improve intra-Group, global communication, the piloting of *accesso* core competencies and career path planning, and the start of cross-product and cross-country work assignments which have led to four employees taking temporary assignments in different countries, and four employees permanently transferring into a different part of the business. We also implemented iValue, a peer recognition programme, undertook our second annual global employee engagement survey, with 99% participation and supported engagement with the local communities by offering employees paid volunteer time annually to a charitable organisation of their choice. All in all, we hired and onboarded 82 new employees in 2016, bringing our non-seasonal employee count at the end of the year to 362. I want to thank each of them for their commitment and outstanding performance as we move into 2017.

<u>*accesso LoQueue*</u>

2016 was a solid year for *accesso's* queueing products, achieving a number of important new wins and delivering improved results against a backdrop of unfavourable weather conditions at the beginning of H2. Most notable among the new wins were Denmark's LEGOLAND® Billund and the Schlitterbahn Waterpark and Resort in Texas, while in H2, the three-year agreement with Village Roadshow Theme Parks to install *accesso LoQueue* at Wet'n'Wild Sydney marked an important further expansion for the Group in the Asia-Pacific region. Each of these contracts were won at venues in different continents reflects *accesso's* growing global footprint and strengthening international brand. Our win in Australia follows *accesso's* 2014 agreement to install Qsmart℠ at Malaysia's newest theme park, the Movie Animation Park Studios in Ipoh. *accesso* continues to focus on the Asia-Pacific region, and has appointed a regional MD to oversee progress there. The Wet'n'Wild agreement was also a good example of *accesso* expanding a relationship with an existing customer, as Wet'n'Wild became the second Village Roadshow venue to leverage the *accesso Qband* product.

As a result of its expanding footprint, albeit offset by the challenge of weather, total guest revenue in *accesso LoQueue* was up 5.7%, on the back of a stable average revenue per guest.

Perhaps most significantly within *accesso LoQueue*, in November 2016 the Group unveiled *accesso Prism,* the new smart-park wearable device, the most technologically advanced device of its kind available today. The device includes a range of capabilities, from virtual queueing and payments to park access and guest intelligence for operators. These are all capabilities that position *accesso* as the technology provider of choice for tomorrow's attractions, allowing venues to increase the volume and range of in-park spending and to drive increased transaction-based revenue for the Group. We look forward to the first site rollout of *accesso Prism* in early Summer 2017.

<u>*accesso Passport*</u>

During 2016, *accesso Passport* has reaffirmed its position at the heart of the Group's growth. Across the platform, total volumes were up 30% year-on-year reflecting the continued roll-out of our agreement with Merlin and new contract wins including the Jameson Distillery, The Henry Ford Museum and The Philadelphia Museum of Art. Moreover, we continue to experience the rapid shift in consumer behavior

Chief Executive's statement (continued)

towards mobile, accounting for 38% of total transactions, up from 25% in 2015. *accesso* continues to benefit from its early sense that the transition to mobile would only accelerate, and has developed the *accesso Passport* platform to work seamlessly across mobile devices so consumers can shop in their own time, in comfort and well in advance of their visit.

Beyond mobile, our ticketing platform's functionality has also been improved in terms of fraud prevention, client support and technology functionality. As a result of the improvement, during 2016 these improvements we were able to successfully prevent more than $10m in fraudulent transactions on behalf of our customers, fulfill beyond 27,000 client service requests and have our *accesso Passport* point-of-sale solution certified to the highest standards for payment applications as per the Payment Card Industry Security Standards Council. We also introduced *accesso Passport* Control, a module providing a modernised, easy-to-use interface for our clients to manage all their ticketing business. This new product allows users to create and modify ticket products and pricing, adjust capacity around timed products and much more. Lastly, the introduction of our new *accesso Passport* Exchange solution has provided our clients with significantly expanded capabilities to reach resellers, trade partners, and other 3rd parties to more fully leverage their sales networks.

During 2016, *accesso Passport* has also continued to be a focal point for the Group's cross-selling activity. The Group regularly seeks opportunities to increase the number of *accesso* products taken by a single operator, and this year we have seen several installations where *accesso Passport* has been combined with *accesso Siriusware* to provide operators with more comprehensive solutions to meet their needs. The combination of ticketing, point-of-sale and guest management solutions is a particularly compelling one, and the Group continues to pursue avenues where the two products can be deployed together. To date, the combination has been particularly successful in our museum and ski resort clients, and as a result, we have undertaken an in-depth evaluation of the ski market with the goal of improving the way we integrate these two important solutions. This has seen a significant improvement in our understanding of this market, and a number of tailored enhancements to the product as a result.

The planned investment to right-size *accesso Passport* for the Merlin rollout has also been progressing to plan during 2016. The platform has been enhanced to deal with the myriad requirements associated with a global rollout of this nature, which itself has been progressing well.

<u>*accesso Siriusware*</u>

accesso Siriusware fared well in 2016, winning 9 new clients during the year. Perhaps even more notably, 2016 was the year that *accesso Siriusware* won its first contract in the European market through our agreement with the long-term *accesso LoQueue* customer, Blackpool Pleasure Beach. This success was quickly followed by a further agreement with Jameson Distillery, which will operate onsite alongside *accesso Passport* for ecommerce. We now have seven same-site integrations of *accesso Passport* and *accesso Siriusware,* with an eighth to follow in the first half of 2017.

accesso Siriusware continues to be successful in adding Ski clients to its roster, yet the Blackpool Pleasure Beach agreement also reflects the product's growing ability outside its core Ski market and helps the Group move into new markets and geographies. NLand Surf Park in Austin, Texas and the Catalina Island Conservancy in California are good examples of client wins from across industries, showing *accesso Siriusware's* continued appeal.

<u>*accesso ShoWare*</u>

In May 2016, we completed the rebranding of *ShoWare* to *accesso ShoWare*, completing the brand's integration into the *accesso* Group. During that process, we have nearly doubled *accesso ShoWare's* sales force, and consolidated its sales and marketing group into the single joined up team that spans the entire Group. Since the acquisition in 2014, *accesso ShoWare* has acquired new business quickly, taking *accesso* into the assigned-seating market and opening the Group up to a new type of customer: the event promoter or organiser. Good examples of this new success come from Mexico, where we continue to make progress into the exciting sports market, now providing ticketing services for three major league soccer teams.

This year, *accesso ShoWare* won 51 new contracts, some which continue the cross-selling theme by coming from customers already taking other *accesso* servicess. For example, Six Flags' La Ronde theme park (*accesso Passport & accesso LoQueue*), Longwood Gardens (*accesso Siriusware*) and Taos Center for the Arts (*accesso Siriusware*) all became *accesso ShoWare* customers in 2016, providing further evidence that the potential for cross-sell in *accesso's* portfolio stretches right across our offering.

Importantly, *accesso ShoWare* has a significant opportunity to differentiate from the competition by leveraging the brand and expertise within the wider Group. In this regard, a number of product enhancements have already been rolled out in the business, including an integrated marketing campaign manager, a streamlined checkout system and enhanced language support. With the integration now complete, we are delighted to report that the start of the process has exceeded our expectations, and we look forward to progressing with *accesso ShoWare* in the coming years.

Chief Executive's statement (continued)

Striding in to 2017

Beyond the period-end, all business lines are showing good momentum. In terms of new business, we have already signed a range of new customers including ten for *accesso ShoWare*, the CNN Studio Tour in Atlanta for *accesso Passport* and a major Canadian visitor attraction for *accesso Siriusware*. We have also completed the first production run of our new *accesso Prism* devices, and have commenced its first onsite installation. That installation is scheduled to go live early in the summer of 2017.

We are also continuing with the global rollout of *accesso Passport* across for Merlin Entertainments. The start of 2017 has seen go-lives at Merlin's London cluster, and the *accesso Passport* installation in Asia at the new *LEGOLAND®* Japan Theme Park.

Financial Review

2016 has been another strong financial year for *accesso*, as the business continues to benefit from its expanding global footprint and increasing scale.

accesso's business model is largely founded on transaction-based agreements that provide high-quality, highly-visible and repeatable revenue for the Group. These agreements are often long-term, and as such, we are able to look forward to our future revenue with significant levels of confidence. In line with the previous year, we would consider that approximately 91% of 2016 group revenue consisted of revenues in this category. This, combined with the fact that the Group often benefits from pricing increases implemented by our customers and the longevity of the agreements, clearly permits the opportunity to outperform future revenue expectations by delivering new business.

Key financial metrics

accesso once again performed strongly in 2016 despite some challenging trading conditions during the North American summer where hot weather in certain markets was not helpful to attraction attendance. The strong performance also came in the context of a material expansion in the cost base owing in part to the aforementioned platform improvements, investment in our global team, development expenditure around *accesso Prism* and the required scale-up to deliver on our global rollout commitment of *accesso Passport* with Merlin.

Revenue for the year ended 31 December 2016 of $102.5m increased by $9.3m (+10.0%) when compared to 2015 ($93.2m) and benefited from *accesso's* expanded reach. On a constant currency basis, revenues would have been $1m higher. The gross profit margin in 2016 was 53.9%, compared to 49.4% in 2015, once again principally reflecting a change in mix towards higher margin ticketing revenue.

Administrative expenses in the business, ignoring share based payments, depreciation and amortisation, were $36.2m, which represented an increase of 17% on 2015 ($30.9m), as the Group continued to invest ahead of revenue to support the more global nature of our opportunities.

Adjusted operating profit, which the Board considers a key underlying metric, for the year ended 31 December 2016 was $15.7m and this equates to 24.6% growth when compared to 2015 ($12.6m). Our adjusted operating margin improved to 15.3% in 2016 (2015: 13.5%) and the Board believes there is potential for future improvement in this metric, as we exit this investment period.

Profit before tax of $10.1m increased by $2.9m from $7.2m (+40.3%) in the prior year. On a constant currency basis, profit before tax would have been $9.8m.

Earnings per share (basic) was 33.95 cents for 2016, an increase of 38.7% on 2015 (24.47 cents).

These results are evidence of a harmonised and increasingly diversified portfolio capable of delivering overall growth while overcoming challenges. More specifically, *accesso* is increasingly able to derive expanding earnings from its growth at the top line, as the investments made come through and allow the Group to reap the benefits of improving operating leverage.

Total R&D expenditure during 2016 was $17.9m, (2015: $12m) represents 17.5% of revenues (12.9%) and of which $11.7m (2015: $6.2m) was capitalised. The increase from 2015 is attributable to the development of *accesso Prism* and the continued expansion of functionality to enhance the offering generally and to support our geographic aspirations.

Debt refinancing and cash flow

Cash generated from operations at $18.6m for the year ended 31 December 2016 was 26.5% better than in 2015 ($14.7m) and represents a cash conversion from adjusted EBITDA of 97.4% (2015: 96.7%).

Chief Executive's statement (continued)

Our closing net debt balance of $3.4m (2015: $9.4m), represents 17.8% (2015: 62%) of current year adjusted EBITDA and was ahead of our expectations, notwithstanding the increased investment. The Board believes that the Group remains in a strong financial position at the period end, with excellent opportunities to access debt finance on attractive terms.

On 14 March 2016, the Group amended its facility with Lloyds Bank. That amended facility extended the original to allow a drawdown facility of $25m, with no step downs, at an improved drawdown rate of 1.35% above LIBOR, and an improved commitment rate. That facility was due to terminate on 14 March 2019 with the possibility for this to extend for a further 24 months in two separate 12 month extensions.

Tax

The full year tax rate of 25.5% (2015: 25.6%) was lower than the guidance that we provided for 2016 of 28%.

The Group continues to focus on and review opportunities for maintaining or lowering its effective rate, while mindful of the fact that the majority of taxable income will continue to be generated in markets that currently have significantly higher headline tax rates than the UK. The Board expects the Group's 2017 tax rate to be within the range of 20% to 23%.

Dividend

The Board maintains its view that the payment of a dividend is unlikely in the short to medium term with cash better invested in product development and complementary M&A.

Adjustment

A prior year adjustment has been incorporated within the comparative balances as at 31 December 2015 relating to the acquisition accounting for *accesso* LLC within the accounts for the year ending 31 December 2013. This fair value accounting included the recognition of a deferred tax asset. After consultation with KPMG LLP, who were appointed as auditors to the Group in Nov 2016, the Board has decided that the deferred tax was overstated and goodwill understated by $4.6m. If this adjustment was retrospectively applied, there would not have been any change in reported earnings, net assets or cash flows for 2013, 2014 or 2015.

Summary and Outlook for 2017

accesso has once again performed strongly during 2016 and despite a strong comparator period, has made a reassuringly vibrant start to the first half of the new year.

What is clear to the Board is that *accesso* has all the ingredients and attributes required to enjoy a sustained period of increasingly profitable growth in the future. The Board believes that the Group is currently within a stage of its development that should be considered an investment period as it invests heavily in product, people and infrastructure to support the global opportunities that present themselves. While this may restrict our operating margin growth in the short-term, it presents opportunities for accelerated margin improvement as we exit this investment period. During 2017 the Board will continue to drive *accesso* along its growth path, executing its plan to expand the Group's capabilities in terms of technology, geographical diversity and personnel to ensure it can make the most of the opportunity before it. The Board is confident that the Group will meet its expectations for 2017.

Steve Brown
Chief Executive Officer

The Board of directors
for the financial year ended 31 December 2016

Tom Burnet, Executive Chairman

Tom Burnet joined *accesso* as the Chief Executive Officer in late 2010. In his current position as Executive Chairman, he leads *accesso*'s medium and long-term growth plans. He has particular responsibility for Group strategy, Investor Relations, and M&A activity. Tom was formerly Managing Director of a division of Serco Group plc, a global outsourcing company, overseeing the 5,000 person Defense Services division.

During his career he has been involved in creating, growing and running several businesses and started his career as the UK's youngest Army Officer. He also has an MBA from the University of Edinburgh.

He believes *accesso* can grow to become a billion-dollar business and a cornerstone of the attraction and leisure industry's supply chain.

John Alder, Chief Financial Officer

John Alder joined *accesso* in 2008 and is the Chief Financial Officer for the company. He is a Chartered Accountant who qualified with Coopers and Lybrand (PricewaterhouseCoopers) and brings expertise in finance, mergers and acquisitions, strategic planning and financial modeling.

Prior to joining *accesso*, John spent 4 years as European Controller and Interim Finance Director of private equity backed Palletways Group Limited, supporting the Continental European development of Europe's largest and fastest growing palletized freight network business. He also held Finance Director and Controller positions in quoted and private pan-European businesses.

John was appointed Chief Financial Officer of the company in August 2009.

Steve Brown, President, Chief Executive Officer

Steve Brown brings a strong operations and finance background to the *accesso* team with extensive experience in ticketing, pricing strategy, eCommerce and revenue management. As the company's President and Chief Executive Officer, he guides *accesso's* global operations. Steve's theme park career began during college at Walt Disney World Resort. Over the course of sixteen years, he held a variety of roles with increasing responsibility in financial planning and pricing strategy including Director, Walt Disney World Ticketing and Vice President, Revenue Management for Disneyland Resort, where he drove dramatic growth in park admission and hotel revenues utilizing strategic and promotional pricing.

Prior to joining *accesso*, Steve served as the corporate Vice President of Ticket Strategy and Sales for Six Flags. While at Six Flags, Steve championed an overhaul of the company's eCommerce process, which doubled the already significant online sales and established Six Flags' national partnerships with major distributors.

Steve received his MBA from the Goizueta Business School at Emory University in Atlanta and graduated with a BS in Marketing from the University of South Florida in Tampa.

David Gammon, Non-Executive Director

David Gammon has widespread experience in developing and building technology based businesses. Since 2001, David has focused on finding, advising and investing in UK technology companies. David founded Rockspring, an advisory and investment firm, which focuses on early stage technology companies and where David continues as CEO today. Other current positions include non-executive chairman at Frontier Developments plc, non-executive director at Raspberry Pi Trading Limited, and adviser to Marshall of Cambridge (Holdings) Limited.

Previous experience includes non-executive director and advisor at artificial general intelligence company DeepMind Technologies Limited, advisor to Hawkwood Capital LLP, non-executive director at real time location technology specialist Ubisense Trading Limited, non-executive director at internet TV specialist Amino Technologies plc, non-executive director at smart metering and software company BGlobal plc and acting CFO at internet specialist Envisional Solutions Limited. Earlier in his career David worked as an investment banker for over 15 years.

David joined *accesso* in November 2010 and is chairman of the audit and remuneration committees.

The Board of directors (continued)
for the financial year ended 31 December 2016

Karen Slatford, Non-Executive Director

Karen Slatford has significant experience working in the global technology and business arenas, serving currently as Senior Independent Director at Micro Focus International plc. Karen has also served since 2009 as Chairman of The Foundry, a global software company and since 2013 as a non-executive director of Intelliflo, a SaaS based financial services software company. Between 1983 and 2001, Karen worked at Hewlett Packard where, in 2000, she became Vice President and General Manager Worldwide Sales & Marketing for the Business Customer Organisation. She was responsible for sales of all Hewlett Packard's products, services and software to business customers globally.

Karen is a member of *accesso*'s audit and remuneration committees.

John Weston, Senior Independent Director

John Weston joined *accesso* in 2011 and serves as the Senior Independent Director. Prior to joining, he served as the Chief Executive of British Aerospace and BAE Systems 1998 to 2002, at which time it was a £12.5 billion business employing more than 120,000.

John brings vast experience in the electronics and technology industries and in addition to *accesso*, he currently chairs several other companies including Windar Photonics PLC, Pro-Drive Composites and Brittpac PLC.

Previously, John served on the board of directors for MB Aerospace, AWS Electronics, Torotrak, Acra Control, Ufi Charitable Trust and Ufi Ltd.

John is a member of *accesso*'s audit and remuneration committees.

Strategic report
for the financial year ended 31 December 2016

Review of business

The results for the period and financial position of the company and the Group are as shown in the annexed financial statements and explained in the Chairman's statement and Chief Executive Officer's statement.

Principal risks and key performance indicators

The Board has identified the principal risks and uncertainties which it believes may impact the Group and its operations, as well as a number of key performance indicators with which to measure the progress of the Group and are presented in the financial highlights on page 3.

Principal risks and uncertainties

In line with groups of a similar size, the Group is managed by a limited number of key personnel, including Executive directors and senior management, who have significant experience within the Group and the sectors it operates within, and who could be difficult to replace. Executive remuneration plans, incorporating long-term incentives, have been implemented to mitigate this risk.

A key risk relates to the high concentration of revenue derived from particular customers or guests of particular theme parks groups. The Group continues to increase its operating parks, including the introduction of additional park operators by introducing new technologies, extending its geographical presence and broadening its technologies to a wider range of venues. In addition, the Group continues to seek appropriate complementary acquisitions to reduce reliance on specific customers, sectors or geographies.

The Group has a significant seasonal business with revenue and cash flows predominantly linked to leisure venue attendance which, with the current profile of business, peak in the summer months of the Northern Hemisphere. Attendance at leisure venues can be impacted by circumstances outside the control of the Group including, but not limited to, inclement weather, consumer spending capability within the regions we operate together with operator venue pricing, discount policies, investment capability, safety record and marketing.

A significant proportion of revenues of the business are denominated in US dollars. Although the majority of expenditure is also denominated in this currency, there remains an exposure to movements between the US dollar and either sterling, the Brazilian real, the Mexican peso or the Canadian dollar.

The Group has reviewed its operations as a result of the UK's referendum to leave the European Union ("Brexit"). It is not expected that this will have a material impact on the operations or financial results of the Group given its significant operations in the US, and its growing global presence.

It is of fundamental importance in maintaining a sustainable long-term business that the Group is aware and takes action to mitigate competitive threats, whether from technological change, or from competition. Effort is directed to ensure that the Group invests in appropriate and focused research and development activity and monitors technological advances and competitor activity. The Group has accelerated its investments in the year across its product portfolio as it looks to support global deployment and enhancement of its technologies offering. Linked to this, the Group is committed to protecting its technology by the development and/or purchase of patents and will take appropriate action to defend its intellectual property rights or ensure infringers enter into licensing arrangements. The Group capitalises appropriate levels of development expenditure but is exposed to the risk that development of a specific technology could suffer impairment.

Key performance indicators and alternative performance measures

Key performance indicators are used to measure and control both financial and operational performance. Total guest revenues, ticket volumes, revenues, margins, costs and cash are trended to ensure plans are on track and corrective actions taken where necessary. See the Chief Executive's Report on pages 6 to 9 for a discussion of the metrics. Product development performance is also monitored and tracked through measurement against agreed milestones. In addition, further key performance indicators include the proportion of business that is delivered via mobile technology and the sales mix of services offered.

The Board utilizes consistent alternative performance measures ("APMs") in evaluating and presenting the results of the business, including adjusted EBITDA, adjusting operating profit, repeatable revenue, and constant currency. A reconciliation of these measures from IFRS, along with their definition, is provided below.

The Board views these APMs as more representative of the Group's performance as they remove certain non-cash items which are not reflective of the underlying business, including amortisation, depreciation, and share based payments. The APMs help ensure the Group is focused on translating sales growth into profit. By adjusting for amortisation, depreciation, and share based payments, the Group is more readily comparable against a business that does not have the same acquisition history and share based payment policy. Additionally, these are the measures commonly used by the Group's investor base.

Strategic report (continued)
for the financial year ended 31 December 2016

Reconciliation of APMs

	2016		2015	
IFRS measure	**Adjusted EBITDA $000**	**Adjusted Operating Profit $000**	Adjusted EBITDA $000	Adjusted Operating Profit $000
Operating profit	**10,512**	**10,512**	7,708	7,708
Add: Amortisation (including acquired intangibles)	**6,221**	**-**	5,521	-
Add: Amortisation related to acquired intangibles	**-**	**4,227**	-	4,235
Add: Depreciation	**1,393**	**-**	1,360	-
Add: Share based payments	**987**	**987**	629	629
	19,113	**15,726**	15,218	12,572

Definitions of APMs

- Adjusted EBITDA: operating profit before the deduction of amortisation, depreciation, acquisition costs, and costs related to share based payments
- Adjusted operating profit: operating profit before the deduction of amortisation related to acquisitions, acquisition costs, and costs related to share based payments
- Repeatable revenue: transactional revenue that the Group would expect to occur every year from a current customer without a new customer being acquired; for example, ecommerce income
- Constant currency: utilizing the exchange rates from the comparative period as to show how the current period would be presented if the current year's exchange rates had been the same
- Adjusted EPS: earnings per share after adjusting operating profit for amortisation on acquired intangibles and share based payments, net of tax at the effective rate for the period

Risk management and internal control

The Board is satisfied that the Group's risk management and internal control systems are adequate. At this stage the Board do not consider it to be appropriate to establish an internal audit function.

On behalf of the Board:

John Alder
Chief Financial Officer
21 March 2017

Unit 5, The Pavilions
Ruscombe Park, Twyford
RG10 9NN

Report of the directors
for the financial year ended 31 December 2016

The directors present their report with the financial statements of the company and the Group for the financial year ended 31 December 2016.

Dividends

No dividends will be proposed for the financial year ended 31 December 2016.

Research and development

The Group's research and development activities relate to the development of technologies that can be deployed by entertainment operators and venue owners within leisure, entertainment and cultural markets. During the financial year ended 31 December 2016 the Group invested $17.9m into research and development (year ended 31 December 2015: $12.0m).

Directors

The directors during the period under review were:

Tom Burnet, Executive Chairman
John Alder, Executive
Steve Brown, Executive
Matt Cooper, Non-Executive (resigned 18 March 2016)
David Gammon, Non-Executive
Leonard Sim, Executive (resigned 16 March 2016)
Karen Slatford, Non-Executive (appointed 24 May 2016)
John Weston, Senior Independent Director

The company paid for sufficient directors and officer's indemnity insurance during the period, and to the date of approval of these financial statements, to enable the directors to carry out their duties.

The beneficial interests of the directors holding office on 31 December 2016 in the issued share capital of the company were as follows:

Ordinary share capital £0.01 shares	**As at 31 December 2016**	**As at 1 January 2016**
Tom Burnet, Executive Chairman (1)	426,909	853,818
John Alder, Executive	6,612	6,612
Steve Brown, Executive	633,916	1,133,916
David Gammon, Non-Executive	48,000	48,000
Karen Slatford, Non-Executive (Appointed 24 May 2016)	-	-
John Weston, Senior Independent Director	165,144	165,144

(1) Shares held by the employee benefit trust of the company.

Details of the directors' share options are disclosed on page 18.

Financial instruments

Details of the Group's financial risk management objectives and policies, including the use of financial instruments, are included within the accounting policies in note 6 to the financial statements.

Report of the directors (continued)
for the financial year ended 31 December 2016

Substantial shareholdings

As at 31 December 2016 the company had been notified that the following were interested in 3% or more of the ordinary share capital of the company:

Shareholder	Number of ordinary shares	% of Issued ordinary share capital
Standard Life Investments Limited	2,618,670	11.75%
BlackRock Investment Management	2,433,664	10.92%
Allianz Global Investors	1,502,114	6.74%
Old Mutual Global Investors	810,394	3.64%
Mr Leonard Sim	809,635	3.63%

Annual general meeting

The annual general meeting of the company will be held on Tuesday, 23rd May 2017. The notice convening the meeting is enclosed with these financial statements.

Branch registration

The company operates a branch in Germany.

Corporate governance

The Board of directors comprises three Executive directors, one of whom is the Chairman, and three independent Non-Executive directors. The company holds board meetings regularly throughout the year at which financial and other reports are considered. The Board is responsible for formulating, reviewing and approving the Group's strategy, budgets and major items of expenditure.

The committees of the Board

The following committees have been established to assist the Board in fulfilling its responsibilities:

Audit committee

The members of the audit committee are David Gammon, who chairs the committee, John Weston and Karen Slatford.

The committee met three times during the year to fulfil its duties. The Chairman, Chief Executive Officer, Chief Financial Officer and external auditor attended meetings by invitation.

The committee is comprised of independent Non-Executive directors only and its terms of reference are to promote appropriate standards of integrity, financial reporting, risk management and internal controls. This committee is responsible for overseeing the involvement of the Group's auditor in the planning and review of the Group's financial statements, any other formal announcements relating to the Group's financial performance, for recommending the appointment and fees of its auditor, and for discussing with the auditor the findings of the audit and issues arising from the audit. It reviews the Group's compliance with accounting, legal and listing requirements. It is also responsible, along with the Board, for reviewing the effectiveness of the systems of internal control. The committee considers the independence and objectivity of the auditors with regard to the way in which they conduct their audit duties.

The committee looks to ensure that the auditor's independence is not compromised by their undertaking of non-audit services.

Non-audit/tax advisory services are benchmarked by management to ensure value for money, auditor objectivity and independence of advice.

The audit committee's recommendation is that KPMG LLP be appointed as the company's auditor and an appropriate resolution will be put before the shareholders at this year's annual general meeting.

Remuneration committee

The members of the remuneration committee are John Weston, Karen Slatford and David Gammon, who chairs the committee.

Report of the directors (continued)
for the financial year ended 31 December 2016

The full committee met two times during the year to fulfil its duties. The committee considers and approves specific remuneration packages for each Executive director. In accordance with guidelines set by the Board, the committee determines the Group's policy on remuneration of senior executives and the operation of share option schemes, the grant of options and the implementation and operation of other long term incentive arrangements. Remuneration of Non-Executive directors is set by the Executive directors.

It is considered that the composition and size of the Board does not warrant the appointment of a nominations committee and appointments are dealt with by the Board as a whole. The need to appoint such a committee is subject to review by the Board.

Going concern

After making appropriate enquiries, the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, with an underlying business that continues to perform well, a confident Group outlook for 2017, and a strong balance sheet and cash position. For this reason, the Board continues to adopt the going concern basis in preparing the accounts.

Disabled employees

The Group's policy is one of equal opportunity in the selection, training, career development and promotion of staff. The Group has a policy not to discriminate against disabled employees for those vacancies that they are able to fill and will provide facilities, equipment and training to assist any disabled persons employed.

All necessary assistance with initial training courses will be given. Once employed, a career plan will be developed so as to ensure suitable opportunities for each disabled person. Arrangements will be made, wherever possible, for re-training employees who become disabled to enable them to perform work identified as appropriate to their aptitudes and abilities.

Employees

The Group's policy is to consult and engage with employees, by way of meetings, surveys and through personal contact by directors and other senior executives, on matters likely to affect employees' interests.

Information on matters of concern to employees is given in meetings, handouts, letters and reports, which seek to achieve a common awareness on the part of all employees on the financial and economic factors affecting the Group's performance.

Relations with shareholders

The company and Board recognise the importance of developing and maintaining good relationships with all the various categories of shareholders and devotes significant effort and resource in this respect.

There have been regular dialogues with shareholders during the year including holding briefings with analysts and other investors including staff shareholders. The company also uses the annual general meeting as an opportunity to communicate with its shareholders. All directors are expected to attend the annual general meeting with the chairman of the audit and remuneration committees being available to answer shareholders' questions.

Notice of the date of the 2017 annual general meeting is included with this report. Separate resolutions on each substantially separate issue, in particular any proposal relating to the annual report and accounts, will be made at the annual general meeting.

Website publication

The directors are responsible for ensuring the annual report and the financial statements are made available on a website. Financial statements are published on the company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the company's website is the responsibility of the directors. The directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Statement as to disclosure of information to auditor

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the Group's auditor is unaware, and each director 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 Group's auditor is aware of that information.

Report of the directors (continued)
for the financial year ended 31 December 2016

Auditor

A resolution approving the re-appointment of KPMG LLP will be proposed at the forthcoming annual general meeting.

Remuneration committee policy

The policy is to provide remuneration packages for Executive directors which aim to attract and retain high quality executives and which link their reward to the Group's performance. The committee regularly reviews the effectiveness of incentive schemes and, where considered necessary or appropriate in order to maximise shareholder value, the committee will consider updating existing scheme rules and/or implementing new schemes.

Executive directors' remuneration package

The components of the remuneration package are base salary and benefits, bonuses, pension contributions and long-term incentive arrangements. Base salaries are reviewed by the committee annually, normally in January. The executives may also receive bonuses, depending on whether certain financial, operational or strategic objectives are met. The annual standard bonus plan for the Executive directors has a maximum threshold of between 80% and 100% of base salary and exceptional bonuses are considered at the committee's discretion. The benefits packages offered include private health insurance and payments to money purchase pension schemes. Notice periods for all Executive directors are set at six months.

Details of the directors' emoluments who served during the current or prior period are also set out below:

Directors' emoluments

	Salary	Fees	Bonus	Share-based payments	Other benefits	2016 Total	2015 Total	2016 Retirement contributions	2015 Retirement contributions
	$000	$000	$000	$000	$000	$000	$000	$000	$000
Non - Executive directors									
Matt Cooper (1)	-	11	-	-	-	11	53	-	-
David Gammon (2)	-	51	-	-	-	51	53	-	-
Karen Slatford (3)	-	31	-	-	-	31	-	-	-
John Weston	-	78	-	-	-	78	84	-	-
Executive directors									
John Alder	298	-	239	58	20	615	443	9	19
Steve Brown	339	-	350	63	6	758	490	-	-
Tom Burnet	387	-	346	77	2	812	732	17	32
Leonard Sim (4)	15	-	-	-	3	18	46	1	4
Total	**1,039**	**171**	**935**	**198**	**31**	**2,374**	1,901	**27**	55

(1) Resigned 18 March 2016
(2) Fee payments in respect of the services provided by David Gammon were paid to Rockspring
(3) Appointed 24 May 2016
(4) Resigned 16 March 2016

Tom Burnet was the highest paid director in 2016 (2015: Tom Burnet).

Report of the directors (continued)
for the financial year ended 31 December 2016

Share option scheme

The share options of the directors are set out below:

	31 December 2015 or date of appointment	Issued in the period	Exercised in the period	31 December 2016 or date of resignation	Exercise price	Date from which exercisable	Expiry Date
Share Options							
John Alder	40,000	-	40,000	-	57.5p	25 Jun 10	24 Jun 19
John Alder	160,000	-	60,000	100,000	156p (1)	10 Mar 12	9 Mar 21
Steve Brown	-	-	-	-	-	-	-
Tom Burnet	-	-	-	-	-	-	-
Leonard Sim	-	-	-	-	-	-	-
Karen Slatford	-	-	-	-	-	-	-
John Weston	-	-	-	-	-	-	-
David Gammon (2)	80,000	-	-	80,000	156p	10 Mar 12	9 Mar 21
Matt Cooper	30,400	-	-	30,400	600p	25 Apr 15	25 Apr 23
LTIP							
John Alder	29,818	-	-	29,818	-	8 July 2017	-
	42,127	-	-	42,127	-	15 Apr 2018	-
	-	59,371	-	59,731	-	14 Mar 2019	-
Steve Brown	32,028	-	-	32,028	-	8 July 2017	-
	42,463	-	-	42,463	-	15 Apr 2018	-
	-	69,653	-	69,653	-	14 Mar 2019	-
Tom Burnet	45,395	-	-	45,395	-	8 July 2017	-
	47,805	-	-	47,805	-	15 Apr 2018	-
	-	82,960	-	82,960	-	14 Mar 2019	-

(1) Options may only be exercised when the share price is above £1.82
(2) Held by Rockspring

Employee benefit trust share subscription and Tom Burnet equity incentive plan

On 10 March 2011, the remuneration committee of the Board recommended, and the Board approved, an incentive arrangement pursuant to which the company lent its employee benefit trust (''EBT'') £1,331,956, and the EBT subscribed for 853,818 new ordinary shares of 1 penny each in the company (''New Ordinary Shares'').

The EBT plan subsequently granted Tom Burnet an interest in the growth in value above a share price of £2 per share in the New Ordinary Shares. Cash reserves of the Group will not be impacted when this is realised. In addition, the EBT granted Tom Burnet an option to acquire, in relation to half of the New Ordinary Shares (426,909), the EBT's interest in the value between £1.30 and £2, provided that at the date of exercise the share price is above £1.82.

On 5 April 2016, Tom Burnet terminated his interest in 426,909 of the New Ordinary Shares and the EBT subsequently disposed of these in order to settle its obligations relating to the value above £2.

The remaining shares are registered in the name of Lo-Q (Trustees) Limited, a wholly owned subsidiary of the company. John Alder and David Gammon are directors of Lo-Q (Trustees) Limited.

Long Term Incentive Plan Awards

On 14 September 2016, the company granted conditional share awards ("Awards") over ordinary shares of 1 penny each under the accesso Technology Group 2014 Long Term Incentive Plan which was approved by shareholders on 27 May 2014. Awards were granted to Tom Burnet (82,960 shares), John Alder (59,371 shares) and Steve Brown (69,653 shares).

The company previously granted Awards under the LTIP scheme in 2015 and 2014, as detailed above.

The Awards vest three years from the date of grant and are required to be held for a further six months and are subject to certain performance conditions relating to the achievement of compound share price growth rates as detailed in note 28. No consideration will be paid for the conditional shares upon their vesting.

Report of the directors (continued)
for the financial year ended 31 December 2016

On behalf of the Board

John Alder
Chief Financial Officer
21 March 2017

Statement of Directors' responsibilities in respect of the annual report and the financial statements

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare group and parent company financial statements for each financial year. As required by the AIM Rules of the London Stock Exchange they are required to prepare the group financial statements in accordance with IFRSs as adopted by the EU and applicable law and have elected to prepare the parent company financial statements on the same basis.

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 parent company and of their profit or loss for that period. In preparing each of the group and parent company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRSs as adopted by the EU; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and the parent company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that its financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

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

On behalf of the Board

John Alder
Chief Financial Officer
21 March 2017

Report of the independent auditors to the members of accesso Technology Group plc
for the financial year ended 31 December 2016

We have audited and provided an opinion on the financial statements of accesso Technology Group plc for the year ended 31 December 16 set out on pages 22 to 62. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the EU and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

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.

Respective responsibilities of directors and auditor
As explained more fully in the Directors' Responsibilities Statement set out on page 20, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements
A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements
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 2016 and of the group's profit for the year then ended;
- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the EU;
- the parent company financial statements have been properly prepared in accordance with IFRSs as adopted by the EU and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006
In our opinion the information given in the Strategic Report and the Directors' Report for the financial year is consistent with the financial statements.
Based solely on the work required to be undertaken in the course of the audit of the financial statements and from reading the Strategic report and the Directors' report:
- we have not identified material misstatements in those reports; and
- in our opinion, those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception
We have nothing to report in respect of the following matters where 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 and the part of the Directors' Remuneration Report to be audited 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.

Simon Haydn-Jones (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
KPMG UK LLP
Arlington Business Park
Reading
RG7 4SD
21 March 2017

Consolidated statement of comprehensive income
for the financial year ended 31 December 2016

	Notes	**2016** **$000**	2015 $000
Revenue	4, 7, 8	**102,511**	93,169
Cost of sales		**(47,186)**	(47,206)
Gross profit		**55,325**	45,963
Administrative expenses		**(44,813)**	(38,255)
Operating profit		**10,512**	7,708
Finance expense	11	**(414)**	(491)
Finance income	11	**4**	3
Profit before tax		**10,102**	7,220
Income tax	12	**(2,576)**	(1,851)
Profit for the period		**7,526**	5,369
Other comprehensive income			
Items that will be reclassified to income statement			
Exchange differences on translating foreign operations		**(1,579)**	32
Other comprehensive income net of tax		**(1,579)**	32
Total comprehensive income		**5,947**	5,401
Profit attributable to:			
Owners of the parent		**7,526**	5,367
Non-controlling interest		**-**	2
		7,526	5,369
Total comprehensive income attributable to:			
Owners of the parent		**5,947**	5,399
Non-controlling interest		**-**	2
		5,947	5,401
Earnings per share expressed in cents per share:			
Basic	14	**33.95**	24.47
Diluted	14	**32.02**	23.49

All activities of the company are classified as continuing
The accompanying notes on pages 29 to 62 form part of these consolidated financial statements

Consolidated statement of financial position
as at 31 December 2016

Registered Number: 03959429	Notes	31 December 2016 $000	Restated* 31 December 2015 $000	Restated* 31 December 2014 $000
Assets				
Non-current assets				
Intangible assets	15	**81,612**	76,559	75,718
Property, plant and equipment	16	**3,494**	3,077	2,733
Deferred tax assets	12	**6,008**	1,377	1,407
		91,114	81,013	79,858
Current assets				
Inventories	18	**491**	561	648
Trade and other receivables	20	**10,232**	9,080	6,946
Income tax receivable		**681**	878	1,052
Cash and cash equivalents	19	**5,866**	5,307	5,693
		17,270	15,826	14,339
Liabilities				
Current liabilities				
Trade and other payables	21	**11,242**	9,181	7,999
Finance lease liabilities	22	**54**	51	48
Income tax payable		**-**	84	-
		11,296	9,316	8,047
Net current assets		**5,974**	6,510	6,292
Non-current liabilities				
Deferred tax liabilities	12	**9,990**	9,196	9,150
Finance lease liabilities	22	**9**	63	114
Borrowings	23	**9,298**	14,700	20,000
		19,297	23,959	29,264
Total liabilities		**30,593**	33,275	37,311
Net assets		**77,791**	63,564	56,886
Shareholders' equity				
Called up share capital	24	**357**	353	352
Share premium		**28,150**	26,841	26,491
Own shares held in trust		**(1,163)**	(2,136)	(2,136)
Other reserves		**9,242**	3,470	2,544
Retained earnings		**29,919**	22,169	16,802
Merger relief reserve		**14,540**	14,540	14,540
Translation reserve		**(3,254)**	(1,675)	(1,707)
Total attributable to equity holders		**77,791**	63,562	56,886
Non-controlling interest		**-**	2	-
Total shareholders’ equity		**77,791**	63,564	56,886

*See note on restatement on pages 35 to 36

The financial statements were approved by the Board of directors on 21 March 2017 and were signed on its behalf by:

Steve Brown
Chief Executive Officer

The accompanying notes on pages 29 to 62 form part of these consolidated financial statements

Company statement of financial position
as at 31 December 2016

Registered Number: 03959429	Notes	**31 December 2016 $000**	Restated* 31 December 2015 $000	Restated* 31 December 2014 $000
Assets				
Non-current assets				
Intangible assets	15	**6,426**	2,428	2,356
Investments in subsidiaries	17	**37,806**	45,614	47,948
Property, plant and equipment	16	**1,353**	1,132	1,377
Deferred tax asset	12	**1,014**	283	195
		46,599	49,457	51,876
Current Assets				
Inventories	18	**303**	360	403
Trade and other receivables	20	**16,306**	18,662	20,528
Income tax receivable		**238**	-	903
Cash and cash equivalents	19	**1,303**	1,734	1,309
		18,150	20,756	23,143
Liabilities				
Current liabilities				
Trade and other payables	21	**1,258**	1,247	1,461
Income tax payable		**-**	84	-
		1,258	1,331	1,461
Net current assets		**16,892**	19,425	21,682
Non-current liabilities				
Deferred tax	12	**1,069**	228	32
Borrowings	23	**9,298**	14,700	20,000
		10,367	14,928	20,032
Total liabilities		**11,625**	16,259	21,493
Net assets		**53,124**	53,954	53,526
Shareholders' equity				
Called up share capital	24	**357**	353	352
Share premium		**28,150**	26,841	26,491
Other reserves		**4,439**	2,643	1,906
Retained earnings		**20,364**	14,268	11,939
Merger relief reserve		**14,540**	14,540	14,540
Translation reserve		**(14,726)**	(4,691)	(1,702)
Total shareholders' equity		**53,124**	53,954	53,526

*See note on restatement on pages 35 to 36

The financial statements were approved by the Board of directors on 21 March 2017 and were signed on its behalf by:

Steve Brown
Chief Executive Officer

Consolidated statement of cash flow
for the financial year ended 31 December 2016

	Notes	**2016 $000**	2015 $000
Cash flows from operations			
Profit for the period		**7,526**	5,369
Adjustments for:			
Depreciation		**1,393**	1,360
Amortisation on acquired intangibles		**4,227**	4,235
Amortisation on development costs		**1,927**	1,187
Amortization on other intangibles		**67**	99
Share based payment		**987**	629
Finance expense		**414**	491
Finance income		**(4)**	(3)
Loss on disposal of fixed assets		**5**	-
Foreign exchange (gain) / loss		**(1,465)**	359
Income tax expense	12	**2,576**	1,851
		17,653	15,577
Increase in inventories		**70**	87
Decrease in trade and other receivables		**(1,152)**	(2,134)
Increase in trade and other payables		**2,061**	1,182
Cash generated from operations		**18,632**	14,712
Tax paid		**(810)**	(1,094)
Net cash inflow from operating activities		**17,822**	13,618
Cash flows from investing activities			
Additional consideration to sellers of subsidiary	15	**-**	(293)
Purchase of intangible fixed assets		**(84)**	-
Capitalised internal development costs		**(11,591)**	(6,224)
Purchase of property, plant and equipment		**(1,948)**	(1,785)
Interest received		**4**	3
Net cash used in investing activities		**(13,619)**	(8,299)
Cash flows from financing activities			
Share issue		**1,313**	351
Sale of shares held in trust		**1,240**	-
Interest paid		**(414)**	(468)
Payments to finance lease creditors		**(51)**	(48)
Cash paid to refinance	23	**(184)**	-
Proceeds from borrowings		**5,550**	3,375
Repayments of borrowings		**(10,825)**	(8,675)
Net cash used in financing activities		**(3,371)**	(5,465)
Increase / (decrease) in cash and cash equivalents		**832**	(146)
Cash and cash equivalents at beginning of year		**5,307**	5,693
Exchange loss on cash and cash equivalents		**(273)**	(240)
Cash and cash equivalents at end of year	19	**5,866**	5,307

The accompanying notes on pages 29 to 62 form part of these consolidated financial statements

Company statement of cash flow
for the financial year ended 31 December 2016

	Notes	2016 $000	2015 $000
Cash flows from operations			
Profit for the period		**6,096**	2,329
Adjustments for:			
Amortisation on development costs		**544**	738
Depreciation and amortization on other fixed assets		**567**	783
Share based payment		**276**	629
Finance expense		**414**	480
Finance income		**(1)**	-
Foreign exchange gain		**(651)**	(98)
Income tax expense	12	**990**	514
		8,235	5,375
Increase in inventories		**57**	43
Increase in trade and other receivables		**2,356**	1,866
Increase / (decrease) in trade and other payables		**11**	(214)
Cash generated from operations		**10,659**	7,070
Tax (paid) / received		**(393)**	666
Net cash inflow from operating activities		**10,266**	7,736
Cash flows from investing activities			
Additional consideration to sellers of subsidiary	15	**-**	(293)
Purchase of intangible fixed assets		**(84)**	-
Capitalised internal development costs		**(4,883)**	(1,027)
Purchase of property, plant and equipment		**(947)**	(518)
Interest received		**1**	-
Net cash used in investing activities		**(5,913)**	(1,838)
Cash flows from financing activities			
Share Issue		**1,313**	351
Interest paid		**(414)**	(458)
Cash paid to refinance	23	**(184)**	-
Repayments of borrowings		**5,550**	3,375
Proceeds from borrowings		**(10,825)**	(8,675)
Net cash used in from financing activities		**(4,560)**	(5,407)
(Decrease) / increase in cash and cash equivalents		**(207)**	491
Cash and cash equivalents at beginning of year		**1,734**	1,309
Exchange loss on cash and cash equivalents		**(224)**	(66)
Cash and cash equivalents at end of year	19	**1,303**	1,734

The accompanying notes on pages 29 to 62 form part of these consolidated financial statements

Statement of changes in Group equity
for the financial year ended 31 December 2016

	Share capital	Share premium	Retained earnings	Merger relief reserve	Other reserves	Own shares held in trust	Translation reserve	Attributable to equity holders	Non-controlling interest	Total
	$000	$000	$000	$000	$000	$000	$000	$000	$000	$000
Balance at 31 December 2015 (restated)*	**353**	**26,841**	**22,169**	**14,540**	**3,470**	**(2,136)**	**(1,675)**	**63,562**	**2**	**63,564**
Comprehensive income for the year										
Profit for period	-	-	7,526	-	-	-	-	**7,526**	-	**7,526**
Other comprehensive income	-	-	-	-	-	-	(1,579)	**(1,579)**	-	**(1,579)**
Total comprehensive income for the year	-	-	7,526	-	-	-	(1,579)	**5,947**	-	**5,947**
Contributions by and distributions to owners										
Issue of share capital	4	1,309	-	-	-	-	-	**1,313**	-	1,313
Share based payments	-	-	-	-	987	-	-	**987**	-	987
Reduction of shares held in trust	-	-	222	-	-	973	-	**1,195**		1,195
Removal of NCI	-	-	2	-	-	-	-	**2**	(2)	-
Change in tax rates	-	-	-	-	(11)	-	-	**(11)**	-	(11)
Share option tax credit	-	-	-	-	4,796	-	-	**4,796**	-	4,796
Total contributions by and distributions by owners	4	1,309	224	-	5,772	973	-	**8,282**	(2)	8,280
Balance at 31 December 2016	**357**	**28,150**	**29,919**	**14,540**	**9,242**	**(1,163)**	**(3,254)**	**77,791**	**-**	**77,791**
Balance at 31 December 2014 (restated)*	352	26,491	16,802	14,540	2,544	(2,136)	(1,707)	56,886	-	56,886
Comprehensive income for the year										
Profit for period	-	-	5,367	-	-	-	-	5,367	2	5,369
Other comprehensive income	-	-	-	-	-	-	32	32	-	32
Total comprehensive income for the year	-	-	5,367	-	-	-	32	5,399	2	5,401
Contributions by and distributions to owners										
Issue of share capital	1	350	-	-	-	-	-	351	-	351
Share based payments	-	-	-	-	629	-	-	629	-	629
Share option tax credit	-	-	-	-	297	-	-	297	-	297
Total contributions by and distributions by owners	1	350	-	-	926	-	-	1,277	-	1,277
Balance at 31 December 2015 (restated)*	353	26,841	22,169	14,540	3,470	(2,136)	(1,675)	63,562	2	63,564

*See note regarding restatement on pages 35 to 36

Statement of changes in company equity
for the financial year ended 31 December 2016

	Share capital $000	Share premium $000	Retained Earnings $000	Merger relief reserve $000	Other reserves $000	Translation reserve $000	Total $000
Balance at 31 December 2015 (restated)*	**353**	**26,841**	**14,268**	**14,540**	**2,643**	**(4,691)**	**53,954**
Comprehensive income for the year							
Profit for period	-	-	6,096	-	-	-	6,096
Other comprehensive income	-	-	-	-	-	(10,035)	(10,035)
Total comprehensive income for the year	-	-	6,096	-	-	(10,035)	(3,939)
Contributions by and distributions by owners							
Issue of share capital	4	1,309	-	-	-	-	1,313
Share based payments	-	-	-	-	987	-	987
Change in tax rates	-	-	-	-	(11)	-	(11)
Share option tax credit	-	-	-	-	820	-	820
Total contributions by and distributions by owners	4	1,309	-	-	1,796	-	3,109
Balance at 31 December 2016	**357**	**28,150**	**20,364**	**14,540**	**4,439**	**(14,726)**	**53,124**
Balance at 31 December 2014 (restated)*	352	26,491	11,939	14,540	1,906	(1,702)	53,526
Comprehensive income for the year							
Profit for period	-	-	2,329	-	-	-	2,329
Other comprehensive income	-	-	-	-	-	(2,989)	(2,989)
Total comprehensive income for the year	-	-	2,329	-	-	(2,989)	(660)
Contributions by and distributions by owners							
Issue of share capital	1	350	-	-	-	-	351
Share based payments	-	-	-	-	629	-	629
Share option tax credit	-	-	-	-	108	-	108
Total contributions by and distributions by owners	1	350	-	-	737	-	1,088
Balance at 31 December 2015 (restated)*	353	26,841	14,268	14,540	2,643	(4,691)	53,954

*See note regarding restatement on pages 35 to 36

Notes to the consolidated financial statements
for the financial year ended 31 December 2016

1. Reporting entity

accesso Technology Group plc is a public limited company incorporated in the United Kingdom, whose shares are publicly traded on the AIM market. The company is domiciled in the United Kingdom and its registered address is Unit 5, The Pavilions, Ruscombe Park, Twyford, Berkshire RG10 9NN. These consolidated financial statements comprise the company and its subsidiaries (together referred to as the "Group").

The Group's principal activities are the development and application of ticketing, mobile and eCommerce technologies, and virtual queuing solutions for the attractions and leisure industry.

2. Basis of accounting

The Group's financial statements have been prepared in accordance with International Financial Reporting Standards, International Accounting Standards, and related interpretations (collectively IFRSs) issued by the International Accounting Standards Board (IASB) as adopted by the European Union ("adopted IFRSs").

The principal accounting policies adopted in the preparation of the financial statements are set out below. The policies have been consistently applied to all the periods presented, unless otherwise stated.

New standards that have been adopted during the period

- Annual improvements to IFRSs

The adoption of the above has not had a material impact on the financial statements during the period ended 31 December 2016.

New standards and interpretations not yet adopted

A number of new standards, amendments to standards, and interpretations are not effective for 2016, and therefore have not been applied in preparing these accounts. The effective dates shown are for periods commencing on the date quoted.

- IFRS 15 Revenue from Contracts with Customers (effective for year ending 31 December 2018)
- IFRS 9 Financial Instruments (effective 31 December 2018)
- IFRS 16 Leases (effective for year ending 31 December 2019)
- IAS 16 and 38: Amendments to Clarification of Acceptable Methods of Depreciation and Amortisation (effective for year ending 31 December 2017)
- IAS 27: Amendments related to Equity Method in Separate Financial Statements (effective for year ending 31 December 2017)
- IAS 11: Amendments relating to Acquisitions of Interest in Joint Operations (effective for year ending 31 December 2017)
- IAS 7: Amendments related to Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (effective for year ending 31 December 2017)
- Annual improvements to IFRSs

At the date of authorisation of these financial statements, the directors have considered the standards and interpretations which have not been applied in these financial statements, were in issue but not yet effective, and in some cases had not yet been adopted by the EU.

Management is assessing the impact of IFRS 15 "Revenue from Contracts with Customers" and whether the application of IFRS 15, once effective, will have a material impact on the results of the company. Management is also currently assessing the impact of IFRS 16 on the Group's financial statements, but has not yet formed a conclusion.

Adoption of the other standards and interpretations referred to above is not expected to have a material impact on the results of the company. Application of these standards may result in some changes in presentation of information within the company's financial statements.

3. Functional and presentation currency

These consolidated financial statements are presented in United States dollars (USD), which differs from the company's functional currency of sterling.

Notes to the consolidated financial statements (continued)
for the financial year ended 31 December 2016

4. Significant accounting policies

Basis of consolidation

The consolidated financial statements incorporate the results of accesso Technology Group plc and all of its subsidiary undertakings as at 31 December 2016 using the acquisition method. Subsidiaries are all entities over which the Group has the ability to affect the returns of the entity, and has the rights to variable returns from its involvement with the entity. The results of subsidiary undertakings are included from the date of acquisition.

The acquisition of subsidiaries is accounted for using the acquisition method. The cost of the acquisition is measured at the aggregate of the fair value, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. Any costs directly attributable to the business combination are written off to the Group income statement in the period incurred. The acquiree's identifiable assets, liabilities, and contingent liabilities that meet the conditions under IFRS 3 are recognised at their fair value at the acquisition date.

Goodwill arising on acquisition is recognised as an asset and initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities, and contingent liabilities recognised.

Disclosure and details of the subsidiaries are provided in note 17.

Investments, including the shares in subsidiary companies held as fixed assets, are stated at cost less any provision for impairment in value. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used in line with those used by the Group.

Lo-Q (Trustees) Limited, a subsidiary company that holds an employee benefit trust on behalf of accesso Technology Group plc, is under control of the Board of directors and hence has been consolidated into the Group results.

All intra-Group transactions, balances, income and expenses are eliminated on consolidation.

Foreign currency

Foreign currency transactions
Transactions in foreign currencies are translated into the respective functional currencies of Group companies at the rates ruling when the transactions occur.

Monetary assets and liabilities denominated in foreign currency are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

Foreign operations
The assets and liabilities of foreign operations, including goodwill, are translated into United States dollars (USD) at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into USD at the rates ruling when the transactions occur.

Foreign currency differences on translating the opening net assets at opening rate and the results of operations at actual rates are recognised in OCI, and accumulated in the translation reserve. Retranslation differences recognised in other comprehensive income will be reclassified to profit or loss in the event of a disposal of the business, or the Group no longer has control or significant influence.

Revenue recognition

Revenue primarily arises from the development and application of virtual queuing technologies, eCommerce ticketing and sales in relation to point of sale and guest management software licences, and related hardware.

Revenue is recognized when the significant risks and rewards of ownership have been transferred to the customer, the amount of revenue can be reliably estimated, and recovery of consideration is probable. Revenue is measured net of discounts and service credits.

Notes to the consolidated financial statements (continued)
for the financial year ended 31 December 2016

Revenue recognition (continued)

In relation to virtual queuing, customers principally consist of theme park and water park operators, who offer the technology or service to their guests and share the revenue or profit generated by the technology with the Group. The Group's contracts are either a profit-share, where the Group and the park split the profit of the operation, or a revenue-share, where the Group receives a percentage of revenue of sales at the park. Under both types of contracts, revenue is recognised when the guest utilises the technology.

Where the contract is a profit-share, revenue represents the total payment by the park guest, net of sales taxes, to utilise the technology. The Group is generally responsible for the operation within the customer's attraction, including sales, operation, maintenance of the equipment and facility, and guest relations.

In a revenue-share contract, the Group's share of the revenue generated by the technology, as per the customer agreement, is recognised as revenue. The Group generally does not influence operation of the product, sales, maintenance, guest relations, or employees.

Ticketing revenue is generated from owners or operators of venues utilising the Group technology and is earned either by a per-ticket fee or as a percent of the total transaction of ticket purchases by guests or visitors of the venue. It is recognised at the time of the sale to the guest or visitor and the fee collected for the sale of the ticket is not refundable to the customer.

Revenue in relation to point of sale and guest management software licences is earned via installing software onto a customer's owned hardware and giving the customer the ability to use the software. While installations often occur over a period of time, no revenue is recognized until installation is complete and accepted by the customer. The revenue related to the license fee for the software purchased by the customer is recognized at the time installation is complete, as at the time of the installation, the Group has fulfilled its obligation to provide the customer the software and there is no recourse for revenue to be refunded. Any revenue relating to an on-going support obligation is deferred and recognised over the period of such obligation.

Customers of point-of-sale and guest management software are also charged an annual maintenance and support fee, calculated as a percentage of the original cost of the software, each year they remain a customer. This revenue is recognized rateably over 12 months. If the customer cancels during any 12-month period, the Group is entitled to retain the full amount of the annual consideration.

Interest expense recognition

Expense is recognised as interest accrues, using the effective interest method, to the net carrying amount of the financial liability.

Employee benefits

Share-based payment arrangements
The Group issues equity-settled share-based payments to full time employees. Equity-settled share-based payments are measured at the fair value at the date of grant, with the expense recognized over the vesting period, with a corresponding increase in equity. The amount recognised as an expense is adjusted to reflect the Group's estimate of shares that will eventually vest, such that the amount recognised is based on the number of awards that meet the service and non-market performance conditions at the vesting date.

The fair value of Enterprise Management Incentive (EMI) and unapproved share options is measured by use of a Black-Scholes model, and share options issued under the Long Term Incentive Plan (LTIP) are measured using the Monte Carlo method due to the market-based conditions upon which vesting is dependent. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations.

The LTIP awards contain market-based vesting conditions. Market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether the market vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition or where a non-vesting condition is not satisfied.

Pension costs
Contributions to the Group's defined contribution pension schemes are charged to the Consolidated statement of comprehensive income in the period in which they become due.

Commitments under leases

Where substantially all of the risks and rewards incidental to ownership are not transferred to the Group (an "operating lease"), the total rentals payable under the lease are charged to the consolidated statement of comprehensive income on a straight-line basis over the lease term. The aggregate benefit of lease incentives is recognised as a reduction of the rental expense over the lease term on a straight-line basis.

Where substantially all of the risks and rewards incidental to ownership of a leased asset have been transferred to the Group (a "finance lease"), the asset is treated as if it had been purchased outright. The amount initially recognised as an asset is the lower of the fair value of the leased property and the present value of the minimum lease payments payable over the term of the lease. The corresponding lease commitment is shown as a liability.

Finance lease payments are analysed between capital and interest. The interest element is charged to the consolidated statement of comprehensive income over the period of the lease and is calculated so that it represents a constant proportion of the lease liability. The capital element reduces the balance owed to the lessor.

Property, plant and equipment

Items of property, plant and equipment are stated at cost of acquisition or production cost less accumulated depreciation and impairment losses.

Depreciation is charged so as to write off the cost of assets, less residual value, over their estimated useful lives, using the straight-line method, on the following bases:

Plant, machinery, and office equipment	20.0 - 33.3% of the original costs each year
Installed systems	25 - 33.3%, or life of contract, of the original costs each year
Furniture and fixtures	20% of the original costs each year
Leasehold Improvements	Shorter of useful life of the asset or time remaining within the lease contract of the original costs each year

Inventories

The Group's inventories consist of parts used in the manufacture and maintenance of its virtual queuing product, along with peripheral items that enable to the product to function within a park.

Inventories are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. Inventories are calculated on a first in, first out basis.

Park installations are valued on the basis of the cost of inventory items and labour plus attributable overheads. Net realisable value is based on estimated selling price less additional costs to completion and disposal.

Deferred tax

Deferred tax assets and liabilities are recognised where the carrying amount of an asset or liability in the consolidated and company statements of financial position differs from its tax base, except for differences arising on:

- the initial recognition of goodwill;
- the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting or taxable profit; and
- investments in subsidiaries and jointly controlled entities where the Group is able to control the timing of the reversal of the difference and it is probable that the difference will not reverse in the foreseeable future.

Recognition of deferred tax assets is restricted to those instances where it is probable that taxable profit will be available against which the difference can be utilised.

The amount of the asset or liability is determined using tax rates that have been enacted or substantively enacted by the reporting date and are expected to apply when the deferred tax liabilities / (assets) are settled / (recovered).

Notes to the consolidated financial statements (continued)
for the financial year ended 31 December 2016

Deferred tax (continued)

Deferred tax assets and liabilities are offset when the Group has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority on either:

- the same taxable Group company; or
- different Group entities which intend either to settle current tax assets and liabilities on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax assets or liabilities are expected to be settled or recovered.

Current income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Goodwill and intangible assets

Goodwill is carried at cost less any provision for impairment. Intangible assets are valued at cost less amortisation and any provision for impairment.

Goodwill arising on business combinations (representing the excess of fair value of the consideration given over the fair value of the separable net assets acquired) is capitalised, and its subsequent measurement is based on annual impairment reviews, with any impairment losses recognised immediately in the income statement. Direct costs of acquisition are recognised immediately in the income statement as an expense.

Externally acquired intangible assets

Intangible assets are capitalised at cost and amortised to nil by equal annual instalments over their estimated useful economic life.

Intangible assets are recognised on business combinations if they are separable from the acquired entity. The amounts ascribed to such intangibles are arrived at by using appropriate valuation techniques (see note 14). The significant intangibles recognised by the Group and their useful economic lives are as follows:

- Brand name over 3 years
- Customer relationships over 10 to 15 years
- Intellectual property over 5 to 7 years

Internally generated intangible assets (research and development costs)

Expenditure on internally developed products is capitalised if it can be demonstrated that:

- It is technically feasible to develop the product for it to be sold;
- Adequate resources are available to complete the development;
- There is an intention to complete and sell the product;
- The Group is able to sell the product;
- Sale of the product will generate future economic benefits; and
- Expenditure on the project can be measured reliably.

Capitalised development costs are amortised over the periods the Group expects to benefit from selling the products developed, which is estimated to be 3 to 5 years. The amortisation expense is included within administrative expenses in the consolidated income statement.

Notes to the consolidated financial statements (continued)
for the financial year ended 31 December 2016

Internally generated intangible assets (research and development costs) (continued)

Development expenditure not satisfying the above criteria and expenditure on the research phase of internal projects is recognised in the consolidated income statement as incurred.

Research and development

In accordance with IAS 38 'Intangible Assets', expenditure incurred on research and development is distinguished as either to a research phase or to a development phase.

All advanced research phase expenditure is charged to the income statement. For development expenditure, this is capitalised as an internally generated intangible asset, only if it meets criteria noted above.

Development expenditure is capitalised and amortised within administrative expenses on a straight line basis over its useful economic life, which is considered to be up to a maximum of 5 years. The Group has contractual commitments for development costs of $nil (2015: $nil).

Intellectual property rights and patents

Intellectual property rights comprise assets acquired, being external costs, relating to know how, patents, and licences. These assets have been capitalised at the fair value of the assets acquired and are amortised within administrative expenses on a straight line basis over their estimated useful economic life of 5 to 9 years.

Financial assets

The Group classifies all its financial assets into one of the following categories, depending on the purpose for which the asset was acquired. The Group's accounting policy for each category is as follows:

- ***Loans and receivables*** are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (trade receivables), but also incorporate other types of contractual monetary asset.

- ***Trade receivables*** are initially recognised by the Group and carried at original invoice amount less an allowance for any uncollectible or impaired amounts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Debts are written off when they are identified as being uncollectible. Other receivables are recognised at fair value.

- ***Cash and cash equivalents*** in the statement of financial position comprise cash at bank, cash in hand and short term deposits with an original maturity of three months or less. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purposes of the consolidated cash flow statement.

- ***Impairment*** is recognised if there is objective evidence that the balance will not be recovered.

The Group’s loans and receivables comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

Financial liabilities

The Group treats its financial liabilities in accordance with the following accounting policy:

- ***Trade payables*** and other short-term monetary liabilities are recognised at fair value and subsequently at amortised cost.

- ***Bank borrowings and finance leases*** are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the statement of financial position. "Interest expense" in this context includes initial transaction costs and premiums payable on redemption, as well as any interest payable while the liability is outstanding.

Notes to the consolidated financial statements (continued)
for the financial year ended 31 December 2016

Equity instruments

Equity instruments are recorded at the proceeds received, net of direct issue costs.

Employee benefit trust (EBT)

As the company is deemed to have control of its EBT, it is treated as a subsidiary and consolidated for the purposes of the consolidated financial statements. The EBT's assets (other than investments in the company's shares), liabilities, income, and expenses are included on a line-by-line basis in the consolidated financial statements. The EBT's investment in the company's shares is deducted from equity in the consolidated statement of financial position as if they were treasury shares.

Restatement of goodwill and deferred tax

The consolidated statement of financial position as at 31 December 2014 and 31 December 2015 has been restated in relation to the acquisition of accesso LLC. Initially, a deferred tax asset of $4.6m was recognised in relation to the acquisition. Management determined that the deferred tax asset was overstated, and goodwill understated by $4.6m as at 31 December 2014 and 31 December 2015. Accordingly, the deferred tax asset was reclassified as goodwill within the consolidated statement of financial position as at 31 December 2014 and 31 December 2015. The restatement has no effect on net assets, cash flow, or reported earnings in prior periods, nor the current period.

Restatement of Group and company equity balances

In addition to the above, management identified that a number of capital and reserve balances were being retranslated each year for presentation purposes through the foreign currency translation reserve, when they should have been carried at the historical exchange rate. As a result, the statements of financial position and statements of changes in equity for the years ended 31 December 2014 and 31 December 2015 have been restated to remove this foreign exchange movement. The effect of the restatement is set out below:

Group	Share capital $000	Share premium $000	Retained earnings $000	Merger relief reserve $000	Other reserves $000	Own shares held in trust $000	Translation reserve $000	Attributable to equity holders $000
Balance at 31 December 2014 (as previously reported)	342	25,229	16,236	14,540	2,593	(2,076)	22	56,886
Restatement	10	1,262	566	-	(49)	(60)	(1,729)	-
Balance at 31 December 2014 (restated)	352	26,491	16,802	14,540	2,544	(2,136)	(1,707)	56,886

Group	Share capital $000	Share premium $000	Retained earnings $000	Merger relief reserve $000	Other reserves $000	Own shares held in trust $000	Translation reserve $000	Attributable to equity holders $000
Balance at 31 December 2015 (as previously reported)	326	24,313	21,033	13,810	3,427	(1,971)	2,624	63,562
Restatement	27	2,528	1,136	730	43	(165)	(4,299)	-
Balance at 31 December 2015 (restated)	353	26,841	22,169	14,540	3,470	(2,136)	(1,675)	63,562

Notes to the consolidated financial statements (continued)
for the financial year ended 31 December 2016

Restatement of Group and company equity balances (continued)

Company	Share capital $000	Share premium $000	Retained earnings $000	Merger relief reserve $000	Other reserves $000	Translation reserve $000	Attributable to equity holders $000
Balance at 31 December 2014 (as previously reported)	342	25,229	11,672	14,540	1,831	(88)	53,526
Restatement	10	1,262	267	-	75	(1,614)	-
Balance at 31 December 2014 (restated)	352	26,491	11,939	14,540	1,906	(1,702)	53,526

Company	Share capital $000	Share premium $000	Retained earnings $000	Merger relief reserve $000	Other reserves $000	Translation reserve $000	Attributable to equity holders $000
Balance at 31 December 2015 (as previously reported)	326	24,313	13,384	13,810	2,475	- 354	53,954
							-
Restatement	27	2,528	884	730	168	- 4,337	
Balance at 31 December 2015 (restated)	353	26,841	14,268	14,540	2,643	- 4,691	53,954

The restatement has no effect on net assets, cash flow, or statement of comprehensive income in prior periods, nor the current period.

5. Critical judgments and key sources of estimation uncertainty

In preparing these consolidated financial statements, the Group makes judgements, estimates and assumptions concerning the future that impact the application of policies and reported amounts of assets, liabilities, income and expenses.

The resulting accounting estimates calculated using these judgements and assumptions are based on historical experience and expectations of future events, and may not equal the actual results. Estimates and underlying assumptions are reviewed on an ongoing basis, and revisions to estimates are recognised prospectively.

The judgements and key sources of assumptions and estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are discussed below.

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in these consolidated financial statements are below:

Agent vs. principal
As identified in note 4, revenue in respect of the Group's queuing contracts is recognised on either a gross or net basis. When analysing whether the Group is acting as a principal or agent in a given arrangement, this requires management to consider several judgemental factors. These factors include whether the Group has the ability to influence operating hours, employees, and prices, whether it bears significant credit and inventory risk, and whether it has primary responsibility for providing the goods or services to the ultimate customer (the park guest or venue).

When revenue is recognised on a gross basis, management has determined that the Group is operating the product with enough autonomy and control over the outcome that is bears significant risk and responsibility that it is acting as the principal. The Group

Judgements (continued)

is generally responsible for the operation within the customer's attraction, including sales, operation, employee management (including hiring), maintenance of the equipment and facility and guest relations.

When revenue is recognised on a net basis, management does not view the Group's participation in the operation as significant enough to influence the factors noted above, including operation of the product, sales, maintenance, guest relations, or employee management. Revenue is generally recognised on a net basis in a revenue-share contract, as the Group's responsibility would not extend significantly beyond initial installation of the system and annual upkeep.

Capitalised development costs
*T*he Group capitalises development costs in line with IAS 38, *Intangible Assets*. Management applies judgement in determining if the costs meet the criteria, and are therefore eligible for capitalisation. Significant judgements include the technical feasibility of the development, recoverability of the costs incurred, and economic viability of the product and potential market available considering its current and future customers. See Research and Development within note 4 for details on the Group's capitalisation and amortisation policies, and Intangible Assets, note 15 for the carrying value of capitalised development costs.

Point-of-sale and guest management software license and maintenance revenue
As detailed in note 4, revenue relating to a point-of-sale and guest management software license consists of both an up-front license fee in the first year of a contract (or when an additional license is purchased in subsequent years), and maintenance revenue spread over a 12 month period. The Group determines the split between the license and maintenance by allocating the fair value of the contract between the two components.

Determining the fair value of the license requires management to exercise judgement. Significant judgements include determining the expected level of support required by the customer, the extent of and type of updates to the software that are made available to the customer, and the value of the license for the software. Managements value of each of these and allocation across the consideration received is based upon historical experience, which may or may not reflect the reality of the individual client.

Determination of fair values of intangible assets acquired in business combinations
Intangible assets acquired in business combinations are important to the revenue generating capacity of the Group. The recognition of goodwill as the result of a business combination is dependent upon the allocation of the purchase price to the fair value of identifiable assets acquired and liabilities assumed.

The fair values are based on management's judgement of the acquiree's business and how the assets and liabilities will be utilized, and the value attributed directly impacts the value of goodwill. The fair value of these intangible assets is based on a method appropriate to the specific intangible asset, and reflect assumptions and estimates that have a material effect on the carrying value of the asset.

Key assumptions and estimates made in valuing the acquired intangible assets include:

- Cash flow forecasts prepared at the time of acquisition, which involve estimating future business volumes;
- The discount rate applied to the forecasted future cash flows; and
- The costs to recreate the asset.

The nature and inherent uncertainty relating to these assumptions and estimates means that the actual cash flow may be materially different from the forecast, and would therefore have led to a different asset value. See note 4 for the useful lives and amortisation policies regarding intangible assets acquired in business combinations.

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in material adjustments in the following year are:

Impairment of non-financial assets (excluding inventories and deferred tax assets)
Impairment tests on goodwill are subject to yearly review. Other non-financial assets are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable.

Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the smallest group of assets to which it belongs for which there are separately identifiable cash flows; its cash generating units

Notes to the consolidated financial statements (continued)
for the financial year ended 31 December 2016

Assumptions and estimation uncertainties (continued)

('CGUs'). Goodwill is allocated on initial recognition to each of the Group's CGUs that are expected to benefit from the synergies of the combination giving rise to the goodwill.

Management must make estimates of the pre-tax discount rate, operating margin, and terminal growth rate when testing for impairment. These inputs are based upon historical data and estimates of future events which can be difficult to predict, and actual results could vary from the estimate. See note 15 for management's assumptions used in testing for impairment.

Useful lives of intangible assets
Intangible assets are amortised over their estimated useful lives with the charge recorded in administrative expenses. Useful lives are based on management's estimates of the period that the assets will generate revenue, which are periodically reviewed for continued appropriateness, and reflect current technological and economic developments that could impact the usability of the asset. See note 15 for more details, including carrying values.

6. Financial risk management

Overview:

The Group's use of financial instruments exposes it to a number of risks including:

- Liquidity risk;
- Interest rate risk;
- Credit risk; and
- Market risk.

This note presents information about the Group's exposure to each of the above risks and the Group's policies and processes for measuring and managing these risks. The risks are managed centrally following Board-approved policies, and by regularly monitoring the business and providing ongoing forecasts of the impact on the business. The Group operates a centralised treasury function in accordance with Board-approved policies and guidelines covering funding and management of foreign exchange exposure and interest rate risk. Transactions entered into by the treasury function are required to be in support of, or as a consequence of, underlying commercial transactions.

Other than short-term trade receivables and trade payables that arise directly from operations, as detailed in notes 19 and 20, the Group's financial instruments comprise cash. The fair values of these instruments are not materially different to their book values. The objective of holding financial instruments is to finance the Group's operations and manage related risks.

Liquidity risk

The Group closely monitors its access to bank and other credit facilities in comparison to its outstanding commitments to ensure it has sufficient funds to meet its obligations as they fall due. The Group finance function produces regular forecasts that estimate the cash inflows and outflows for the next 12 months, so that management can ensure that sufficient financing is in place as it is required. The Group's objective is to maintain a balance between continuity of funding, and flexibility through the use of banking arrangements in place.

Maturity analysis

The following table analyses the Group's liabilities on a contractual gross basis based on amount outstanding at the balance sheet date up to date of maturity:

31 December 2016	Note	Less than 6 months $000	Between 6 months and 1 year $000	Between 1 and 5 years $000	Over 5 Years $000	Total $000
Group						
Financial liabilities	21	**11,101**	**99**	**-**	**-**	**11,200**
Finance lease	22	**27**	**27**	**9**	**-**	**63**
Bank loan	23	**-**	**-**	**9,434**	**-**	**9,434**
Total		**11,128**	**126**	**9,443**	**-**	**20,697**

Notes to the consolidated financial statements (continued)
for the financial year ended 31 December 2016

Maturity analysis (continued)

31 December 2016	Note	**Less than 6 months $000**	**Between 6 months and 1 year $000**	**Between 1 and 5 years $000**	**Over 5 Years $000**	**Total $000**
Company						
Financial liabilities	21	**1,277**	**-**	**-**	**-**	**1,277**
Bank loan	23	**-**	**-**	**9,434**	**-**	**9,434**
Total		**1,277**	**-**	**9,434**	**-**	**10,711**

31 December 2015	Note	Less than 6 months $000	Between 6 months and 1 year $000	Between 1 and 5 years $000	Over 5 Years $000	Total $000
Group						
Financial liabilities	21	9,022	72	-	-	9,094
Finance lease	22	25	26	63	-	114
Bank loan	23	-	-	14,700	-	14,700
Total		9,047	98	14,763	-	23,908
Company						
Financial liabilities	21	1,235	-	-	-	1,235
Bank loan	23	-	-	14,700	-	14,700
Total		1,235	-	14,700	-	15,935

The Group would normally expect that sufficient cash is generated in the operating cycle to meet the contractual cash flows as disclosed above through effective cash management.

Interest rate risk

The Group's interest rate risk arises mainly from interest on its bank loan facility, which is subject to a floating interest rate, and as such, exposes the entity to cash flow risk if prevailing interest rates were to increase.

The Group regularly reviews its funding arrangements to ensure they are competitive with the marketplace.

The table below shows the Group's and company's financial assets and liabilities that could be affected by the fluctuation in interest rates split by those bearing fixed and floating rates and those that are non-interest bearing:

31 December 2016	Note	**Fixed rate $000**	**Floating rate $000**	**Non-interest bearing $000**	**Total assets $000**	**Total liabilities $000**
Group						
Financial assets	20	**-**	**-**	**8,715**	**8,715**	**-**
Cash	19	**-**	**-**	**5,866**	**5,866**	**-**
Total		**-**	**-**	**14,581**	**14,581**	**-**
Bank loan	23	**-**	**(9,434)**	**-**	**-**	**(9,434)**
Finance lease	22	**(63)**	**-**	**-**	**-**	**(63)**
Total		**(63)**	**(9,434)**	**-**	**-**	**(9,497)**

Notes to the consolidated financial statements (continued)
for the financial year ended 31 December 2016

Interest rate risk (continued)

31 December 2016	Note	**Fixed rate $000**	**Floating rate $000**	**Non-interest bearing $000**	**Total assets $000**	**Total liabilities $000**
Company						
Financial assets	20	**-**	**-**	**15,920**	**15,920**	**-**
Cash	19	**-**	**-**	**1,303**	**1,303**	**-**
Total		**-**	**-**	**17,223**	**17,223**	**-**
Bank loan	23	**-**	**(9,434)**	**-**	**-**	**(9,434)**
Total		**-**	**(9,434)**	**-**	**-**	**(9,434)**

31 December 2015	Note	Fixed rate $000	Floating rate $000	Non-interest bearing $000	Total assets $000	Total liabilities $000
Group						
Financial assets	20	-	-	7,807	7,807	-
Cash	19	-	-	5,307	5,307	-
Total		-	-	13,114	13,114	-
Bank loan	23	-	(14,700)	-	-	(14,700)
Finance lease	22	(114)	-	-	-	(114)
Total		(114)	(14,700)	-	-	(14,814)
Company						
Financial assets	20	-	-	18,165	18,165	-
Cash	19	-	-	1,734	1,734	-
Total		-	-	19,899	19,899	-
Bank loan	23	-	(14,700)	-	-	(14,700)
Total		-	(14,700)	-	-	(14,700)

Credit risk exposure

Credit risk predominantly arises from trade receivables, cash and cash equivalents, and deposits with banks. Credit risk is managed on a Group basis. External credit checks are obtained for larger customers. In addition, the credit quality of each customer is assessed internally before accepting any terms of trade. Internal procedures take into account a customers' financial position, their reputation in the industry, and past trading experience. As a result, the Group's exposure to bad debts is not significant due to the nature of its trade and relationships with customers.

Indeed, the Group, having considered the potential impact of its exposure to credit risk, and having due regard to both the nature of its business and customers, do not consider this to have a materially significant impact to the results. Credit risk also arises from cash and cash equivalents and deposits with banks and financial institutions that have acceptable credit ratings.

	Note	**Group** **2016** **$000**	Group 2015 $000	**Company** **2016** **$000**	Company 2015 $000
Financial assets	20	**8,715**	7,807	**15,920**	18,165
Cash	19	**5,866**	5,307	**1,303**	1,734
Estimated irrecoverable amounts		**(75)**	(198)	**-**	-
		14,506	12,916	**17,223**	19,899

The maximum exposure is the carrying amount as disclosed in trade and other receivables. The average credit period taken by customers is 31 days (2015: 31 days). The allowance for estimated irrecoverable amounts has been made based upon the

Notes to the consolidated financial statements (continued)
for the financial year ended 31 December 2016

Credit risk exposure (continued)

knowledge of the financial circumstances of individual trade receivables at the balance sheet date. The Group holds no collateral against these receivables at the balance sheet date.

The following table provides an analysis of trade and other receivables that were past due at 31 December 2016 and 31 December 2015, but against which no provision has been made. The Group believes that the balances are ultimately recoverable based on a review of past payment history and the current financial status of the customers.

	Group		**Company**	
	2016	2015	**2016**	2015
	$000	$000	**$000**	$000
Up to 3 months	**3,542**	3,639	**505**	75
3 to 6 months	**515**	353	**2**	-
	4,057	3,992	**507**	75

Capital risk management

The Group considers its capital to comprise its ordinary share capital, share premium, own shares held in trust, other reserves, accumulated retained earnings and borrowings as disclosed in the Consolidated statement of financial position. Further details of the Group’s borrowing facilities are included in note 22. The Group manages its capital structure in the light of changes in economic conditions and financial markets generally and regularly evaluates its compliance with covenants applicable to their borrowing facilities.

The Group’s objectives when managing capital are to safeguard the Group’s ability to continue as a going concern in order to provide returns for current and future shareholders and benefits for other stakeholders, and to maintain an optimal capital structure to minimise the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or increase or reduce debt.

The Group does not seek to maintain any specific debt to capital ratio, but considers investment opportunities on their merits and funds them in what it considers to be the most effective manner.

Foreign currency exposure

The Group primarily has operations or customers in the UK, USA, Canada, Italy, Germany, Australia, Brazil, and Mexico, and, as such, is exposed to the risk of foreign currency fluctuations. The main operating currencies of its operations are in sterling, US dollars, Canadian dollars, and euros. The Group's currency exposure comprises the monetary assets and liabilities of the Group that are not denominated in the operating or 'functional' currency of the operating unit involved. At the period end accesso Technology Group plc and accesso, LLC. held monetary assets in currencies other than its local currency, sterling and US dollars, respectively. Balances at 31 December 2016 are:

accesso Technology Group plc
- $279,925 (2015: $156,804) denominated in US dollars
- AUD$79,587 (2015: AUD$14,436) denominated in Australian dollars
- €109,112 (2015: €81,235) denominated in euros
- Kr419,095 (2015: Kr nil) denominated in Danish krone

Accesso, LLC.
- CAD$16,207 (2015: CAD$10,550) denominated in Canadian dollars
- €24,019 (2015: €32,220) denominated in euros
- £nil (2015: £3,386) denominated in sterling

The Group manages risk by its subsidiaries matching revenue and expenditure in their local currency wherever possible. The Group tries to keep foreign intercompany balances as low as possible to avoid translation adjustments. Given the nature of the Group’s operations and their management of foreign currency exposure, they limit the potential down side risk as far as practicably possible.

The Group considers the volatility of currency markets over the year to be representative of the potential foreign currency risk it is exposed to. The main currency the Group’s results were exposed to was sterling and over the year the average rate for 1GBP = 1.345USD (2015: 1GBP = 1.526USD). If sterling had been an average of 5% stronger than the dollar through the year, then it would

Foreign currency exposure (continued)

have increased Group profit before tax by $323,695 (3.20%). If sterling had been an average of 5% weaker than the dollar through the year then it would have decreased Group profit before tax by $323,695 (3.20%).

The impact on revenue of these movements would be insignificant.

Fair Value Measurement

The Group does not have any level 2 or 3 financial assets or liabilities that have unobservable inputs that require disclosure.

7. Business and geographical segments

Segmental analysis

The Group's operating segments under IFRS have been determined with reference to the information presented in the management accounts reviewed by the Board of directors.

The principle revenue generating activity of the Group is the provision of technology solutions to the global attractions and leisure industry. All of the Group's revenue is generated via business-to-business channels with operators within this market segment.

The Board consider the Group in its current form to consist of one Operating Segment, and appraises the entity's performance as a whole. The Group's revenues, costs, assets, liabilities, currency exposure, and cash flows are therefore totally attributable to the single Operating Segment.

The ticketing and queuing operations of the Group are evolving and continually merging, and the Group is now serviced through a single sales team, transferable staff, and is appraised on a Group basis in terms of incentive arrangements. Additionally, similar economic characteristics, including customers, markets, and operating margins, are shared by the revenue generating activities of the Group. As the business gains more scale, large shared customers are becoming increasingly common. Allocation of resources is driven by customer needs across the Group as a whole.

The segments will be assessed as the Group develops and continues to make acquisitions.

Analyses of the Group's external revenues and non-current assets (excluding deferred tax) by geographical location are detailed below:

	Revenue		**Non-current assets**	
	2016 $000	2015 $000	**2016 $000**	2015 $000
UK	**4,384**	2,807	**7,459**	2,987
Other Europe	**2,053**	1,543	**86**	42
Australia	**765**	373	**93**	-
USA and Canada	**92,993**	86,411	**77,353**	76,532
Central and South America	**2,316**	2,035	**115**	75
	102,511	93,169	**85,106**	79,636

Revenue generated in each of the geographical locations is generally in the local currency of the venue based in that location.

Major customers

The Group has entered into agreements with theme parks, theme park groups, and attractions to operate its technology in single or multiple theme parks or attractions within the theme park group.

The majority of the ultimate revenue of the business is derived from guest rentals of the Group's virtual queuing technology or tickets purchased by guests via the Group's ecommerce technology, but no single guest forms a significant proportion of the revenue of the Group. However, the ability to generate guest rentals or ticket related revenue is fully dependant on the Group maintaining and developing agreements with theme parks or attraction owners to operate its technology.

Major customers (continued)

The customers of one of the park operators with which the Group has a contractual relationship accounts for $51.3m of Group revenue for 2016 (2015: $48.6m).

8. Revenue

Management categorises revenue based upon the likelihood it will be repeatable.

Transactional revenue is repeatable revenue earned as either a fixed amount per sale of an item by the customer or as a percent of the total sale (e.g. ecommerce income, ticket sales). Other repeatable revenue is repeatable revenue, excluding transactional revenue, that is expected to be earned each year of a customer's contract (e.g. annual license fees, maintenance support). Non-repeatable revenue is revenue that occurs one-time (e.g. up-front license fees) or is not repeatable based upon the current contract (e.g. billable hours) and is unlikely to be repeatable without additional sales activity. Other revenue consists of hardware sales and other revenue that may be repeatable with no sales activity if customer behaviour is consistent.

	2016 $000	2015 $000
Transactional revenue	**84,912**	77,792
Other repeatable revenue	**7,942**	6,959
Non-repeatable revenue	**5,415**	5,279
Other revenue	**4,242**	3,139
	102,511	93,169

See note 4 for a description of revenue recognition policies, and note 7 for a geographical breakdown of revenue.

9. Employees and directors

	2016 $000	2015 $000
Wages and salaries	**28,725**	25,791
Social security costs	**2,464**	1,836
Defined contribution pension costs	**750**	548
Share based payment transactions	**987**	629
	32,926	28,804

In respect of directors' remuneration, the disclosures required by Schedule 5 to Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 are included in the detailed disclosures in the report of the directors.

The average monthly number of employees during the year was made up as follows:

	2016	2015
Operations	**131**	113
Research & development	**140**	113
Sales	**26**	20
Finance & administration	**47**	42
Marketing	**7**	2
Seasonal staff	**398**	420
	749	710

Notes to the consolidated financial statements (continued)
for the financial year ended 31 December 2016

10. Expenses by nature

	2016 $000	2015 $000
Park operating costs (i)	**44,274**	43,259
Staff costs, less costs associated with research and development	**21,050**	17,405
Legal and professional costs	**3,067**	2,051
Travel	**1,621**	1,407
Marketing	**1,733**	1,164
Inventories and consumables	**678**	540
Other costs	**5,035**	5,958
Other operating leases	**1,229**	998
Depreciation - owned assets	**1,345**	1,312
Depreciation - finance leased assets	**48**	48
Amortisation	**6,221**	5,521
Research and development	**17,869**	12,004
Research and development capitalized to balance sheet	**(11,591)**	(6,224)
Foreign exchange differences	**(582)**	18

(i) Park operating costs include an amount payable to the park when the Group is acting as the principal in the contract, along with the Group's other park operating costs, regardless of whether it is principal or agent. See notes 4 and 5 for details on how the Group recognises revenue and determines whether principal or agent treatment is appropriate.

Auditor's remuneration

During the period the following services were obtained from the Group's auditor at a cost detailed below:

	2016 $000	2015 $000
Audit services		
Fees payable to the company's auditor of the parent company and consolidated accounts	**175**	114
Fees payable to the company's auditor for the audit of subsidiaries	**-**	84
Non audit services		
Tax compliance	**8**	72
Tax advisory	**20**	33
Corporate finance services	**-**	8
Interim agreed upon procedures	**-**	9
Other non-audit services	**96**	2
	299	322

Notes to the consolidated financial statements (continued)
for the financial year ended 31 December 2016

11. Finance income and expense

The table below details the finance income and expense for the current and prior periods:

	2016	2015
	$000	$000
Bank interest received	**4**	3
Finance costs:		
Bank interest	**(360)**	(481)
Amortisation of capitalised refinance costs	**(48)**	-
Finance lease	**(6)**	(10)
Total finance costs	**(414)**	(491)
Net finance expense	**(410)**	(488)

12. Tax

The table below provides an analysis of the tax charge for the periods ended 31 December 2016 and 31 December 2015:

	2016	2015
	$000	$000
UK corporation tax		
Current tax on income for the period	**179**	466
Adjustment in respect of prior periods	**(113)**	(134)
	66	332
Overseas tax		
Current tax on income for the period	**1,432**	1,181
Adjustment in respect of prior periods	**129**	-
	1,561	1,181
Total current taxation	**1,627**	1,513
Deferred taxation		
Original and reversal of temporary difference - for the current period	**831**	268
Original and reversal of temporary difference - for the prior period	**118**	70
	949	338
Total taxation charge	**2,576**	1,851

Notes to the consolidated financial statements (continued)
for the financial year ended 31 December 2016

Tax (continued)

The differences between the actual tax charge for the period and the theoretical amount that would arise using the applicable weighted average tax rate are as follows:

	2016 **\$000**	2015 \$000
Profit on ordinary activities before tax	**10,102**	7,220
Tax at United States tax rate of 40% (2015: 40.0%)	**4,041**	2,888
Effects of:		
Expenses not deductible for tax purposes	**60**	76
Additional deduction for patent box	**(104)**	(148)
Additional deduction for R&D expenditure – current period	**(200)**	(295)
Profit subject to foreign taxes at a lower marginal rate	**(1,197)**	(583)
Adjustment in respect of prior period – income statement	**134**	(134)
Deferred tax not recognized	**70**	47
Other including impact of rate differential	**(228)**	-
Total tax charge	**2,576**	1,851

Deferred taxation	**Restated*** **Asset** **\$000**	**Liability** **\$000**
Group		
At 31 December 2015	**1,377**	**(9,196)**
Charged to income	**(105)**	**(843)**
Credited directly to equity	**4,736**	**49**
At 31 December 2016	**6,008**	**(9,990)**
At 31 December 2014	1,407	(9,150)
Charged to income	(292)	(46)
Credited directly to equity	262	-
At 31 December 2015	1,377	(9,196)
Company		
At 31 December 2015	**283**	**(228)**
Charged to income	**(29)**	**(890)**
Credited directly to equity	**760**	**49**
At 31 December 2016	**1,014**	**(1,069)**
At 31 December 2014	195	(32)
Charged to income	15	(196)
Credited directly to equity	73	-
At 31 December 2015	283	(228)

*See note on restatement on page 35

Notes to the consolidated financial statements (continued)
for the financial year ended 31 December 2016

Tax (continued)

The following table summarises the recognised deferred tax asset and liability:

	2016	Restated* 2015
	$000	$000
Group		
Recognised asset		
Tax relief on unexercised employee share options	**5,796**	1,108
Short term timing differences	**180**	269
Net operating losses	**32**	-
Deferred tax asset	**6,008**	1,377
Recognised liability		
Depreciation in excess of capital allowances	**(4,116)**	(2,286)
Short term timing differences	**(257)**	(360)
Business combinations	**(5,617)**	(6,550)
Deferred tax liability	**(9,990)**	(9,196)
Company		
Recognised asset		
Tax relief on unexercised employee share options	**1,102**	280
Short term timing differences	**2**	3
Deferred tax asset	**1,014**	283
Recognised liability		
Depreciation in excess of capital allowances	**(1,069)**	(228)
Deferred tax liability	**(1,069)**	(228)

*See note on restatement on page 35

Tax rates in the UK will reduce from 20% to 19% with effect from 1 April 2017 and to 17% with effect from 1 April 2020. Deferred tax assets and liabilities have been measured at rates of 17% and 40% in the UK and US respectively (2015: 18% and 40% respectively). There are no material unrecognised deferred tax assets.

13. Profit of parent company

As permitted by Section 408 of the Companies Act 2006, the profit and loss account of the parent company is not presented as part of these financial statements. The parent company's profit for the financial year ended 31 December 2016 was $6,095,725 (2015: $2,329,072).

14. Earnings per share

Basic earnings per share is calculated by dividing the earnings attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period.

Diluted earnings per share is calculated by dividing the net profit attributable to ordinary shareholders after adjustments for instruments that dilute basic earnings per share by the weighted average of ordinary shares outstanding during the period (adjusted for the effects of dilutive instruments).

Earnings for adjusted earnings per share, a non-GAAP measure, are defined as profit before tax before the deduction of amortisation related to acquisitions, acquisition costs and costs related to share based payments less tax at the effective rate.

Notes to the consolidated financial statements (continued)
for the financial year ended 31 December 2016

Earnings per share (continued)

The following reflects the income and share data used in the total basic, diluted, and adjusted earnings per share computations.

	2016	2015
Profit attributable to ordinary shareholders ($000)	**7,526**	5,369
Basic EPS		
Denominator		
Weighted average number of shares used in basic EPS	**22,169**	21,942
Basic earnings per share (cents)	**33.95**	24.47
Diluted EPS		
Denominator		
Weighted average number of shares used in basic EPS	**22,169**	21,942
Effect of dilutive securities		
Options	**1,332**	911
Weighted average number of shares used in diluted EPS	**23,501**	22,853
Diluted earnings per share (cents)	**32.02**	23.49
Adjusted EPS		
Profit attributable to ordinary shareholders ($000)	**7,526**	5,369
Adjustments for the period related to:		
Amortisation relating to acquired intangibles from acquisitions	**4,227**	4,235
Share-based compensation and social security costs on unapproved options	**987**	629
	12,740	10,233
Tax related to the above adjustments (2016: 25.5%, 2015: 25.6%):		
Amortisation relating to acquired intangibles from acquisitions	**(1,078)**	(1,084)
Share based compensation and social security costs on unapproved options	**(252)**	(161)
Adjusted profit attributable to ordinary shareholders ($000)	**11,410**	8,988
Adjusted basic EPS		
Denominator		
Weighted average number of shares used in basic EPS	**22,169**	21,942
Adjusted basic earnings per share (cents)	**51.48**	40.96
Adjusted diluted EPS		
Denominator		
Weighted average number of shares used in diluted EPS	**23,501**	22,853
Adjusted diluted earnings per share (cents)	**48.55**	39.33

Notes to the consolidated financial statements (continued)
for the financial year ended 31 December 2016

15. Intangible assets

The cost and amortisation of the Group's intangible fixed assets are detailed in the following table:

	Goodwill – restated* $000	Customer relationships $000	Trademarks $000	Internally developed technology $000	Patent costs $000	IPR costs $000	Development costs $000	Totals $000
Cost								
At 31 December 2014 as previously stated	38,973	10,240	470	20,280	687	249	7,811	78,710
Prior year adjustment	4,635	-	-	-	-	-	-	4,635
At 31 December 2014 as restated	43,608	10,240	470	20,280	687	249	7,811	83,345
Foreign currency translation	-	-	-	-	(29)	(12)	(260)	(301)
Additions	254	-	-	-	-	-	6,224	6,478
At 31 December 2015 as restated	43,862	10,240	470	20,280	658	237	13,775	89,522
Foreign currency translation	-	-	**(1)**	-	(93)	(39)	(989)	(1,122)
Additions	-	-	-	-	84	-	11,591	11,675
At 31 December 2016	**43,862**	**10,240**	**469**	**20,280**	**649**	**198**	**24,377**	**100,075**
Amortisation								
At 31 December 2014	-	794	93	2,924	356	221	3,239	7,627
Foreign currency translation	-	-	-	-	(14)	(12)	(159)	(185)
Charged	-	882	148	3,205	74	25	1,187	5,521
At 31 December 2015	-	**1,676**	**241**	**6,129**	**416**	**234**	**4,267**	**12,963**
Foreign currency translation	-	-	-	-	(58)	(39)	(624)	(721)
Charged	-	882	142	3,205	62	3	1,927	6,221
At 31 December 2016	**-**	**2,558**	**383**	**9,334**	**420**	**198**	**5,570**	**18,463**
Net book value								
At 31 December 2016	**43,862**	**7,682**	**86**	**10,946**	**229**	**-**	**18,807**	**81,612**
At 31 December 2015	43,862	8,564	229	14,151	242	3	9,508	76,559

*See note on restatement on page 35

Notes to the consolidated financial statements (continued)
for the financial year ended 31 December 2016

Intangible assets (continued)

The cost and amortisation of the company's intangible fixed assets are detailed in the following table:

	Patent costs	IPR costs	Development costs	Totals
	$000	$000	$000	$000
Cost				
At 31 December 2014	580	248	5,170	5,998
Foreign currency translation	(29)	(12)	(260)	(301)
Additions	-	-	1,027	1,027
At 31 December 2015	551	236	5,937	6,724
Foreign currency translation	(93)	(38)	(988)	(1,119)
Additions	84	-	4,883	4,967
At 31 December 2016	**542**	**198**	**9,832**	**10,572**
Amortisation				
At 31 December 2014	269	221	3,152	3,642
Foreign currency translation	(14)	(10)	(158)	(182)
Charged	74	24	738	836
At 31 December 2015	329	235	3,732	4,296
Foreign currency translation	(57)	(38)	(622)	(717)
Charged	62	1	504	567
At 31 December 2016	**334**	**198**	**3,614**	**4,146**
Net Book Value				
At 31 December 2016	**208**	**-**	**6,218**	**6,426**
At 31 December 2015	**222**	**1**	**2,205**	**2,428**

Prior period acquisition of VisionOne Worldwide Ltd.

On 28 November 2014, the Group acquired 100% of the voting equity of VisionOne Worldwide Ltd., a leading US ticketing and e-commerce provider to the entertainment sector. Further details and disclosures relating to the acquisition, including the provisional fair value of identifiable assets and liabilities acquired, purchase consideration and goodwill are included within the 2014 Annual report and financial statements.

The principal reason for this acquisition was to take advantage of the complimentary opportunities available within the sector in which the Group operates.

The revenue included in the consolidated statement of comprehensive income for the period ended 31 December 2014 is that from 28 November 2014. The amount contributed by VisionOne Worldwide Ltd. and its subsidiaries was $0.7m and contributed gross profit of $0.18m over the same period.

Had VisionOne Worldwide Ltd. and its subsidiaries been consolidated from 1 January 2014 the consolidated statement of comprehensive income would have included revenue of approximately $8.4m and gross profit of $7.7m. Acquisition related costs of $0.72m were incurred in relation to this acquisition and are included within administrative expenses ($0.56m) and finance costs ($0.16m) within the statement of comprehensive income in 2014.

Details of the final fair value of identifiable assets and liabilities acquired, purchase consideration and goodwill together with the provisional fair values are below:

Notes to the consolidated financial statements (continued)
for the financial year ended 31 December 2016

Intangible assets (continued)

	Book value $000		Adjustment $000	Final fair value $000	Provisional fair value $000
Identifiable intangible assets					
Internally developed technology	1,526		9,850	11,376	11,376
Customer relationships	-		4,459	4,459	4,459
Trademarks	-		205	205	205
Property, plant and equipment	198			198	198
Receivables and other debtors	1,656		(180)	1,476	1,656
Payables and other liabilities	(956)		-	(956)	(956)
Cash	693		-	693	693
Deferred tax Liability	(622)		(5,806)	(6,428)	(6,428)
Total net assets	2,495		8,528	11,023	11,203
Cash paid at completion	18,781		-	18,781	18,781
Equity instruments (1,519,364 ordinary shares)	14,610	(1)	-	14,610	14,610
Working capital true-up	293		-	293	219
Total consideration	33,684		-	33,684	33,610
Goodwill on acquisition				22,661	22,407

(1) In accordance with IFRS 3 Business Combinations (revised 2008), the consideration paid in shares is based on the share price at the date on which the company obtained control of VisionOne Worldwide Ltd. The price determined in the Membership Interest Purchase Agreement for calculating the number of shares to be issued to the vendors is based on an average price of 577.5p. Shares are subject to certain lock-up restrictions, namely that one third is fully restricted until twelve months after the completion date; a further one third is fully restricted until 24 months after the completion date; and the final one third is fully restricted until 36 months after the completion date.

The main factors leading to the recognition of goodwill are the presence of certain intangible assets, such as the assembled workforce of the acquired entity and the expected synergies of the enlarged Group, which do not qualify for separate recognition.

The fair value uplift of intangible assets recognised does not attract tax deductions under applicable local tax jurisdictions.

The net cash outflow in each year in respect of acquisition comprised:

	2015 $000	2014 $000	Total $000
Cash paid	(293)	(18,781)	(19,074)
Net cash acquired	-	693	693
Total cash outflow in respect of acquisition	(293)	(18,088)	(18,381)

The Group is required to test, on an annual basis, whether goodwill has suffered any impairment. The recoverable amount is determined based on value in use calculations. The use of this method requires the estimation of future cash flows and the determination of a discount rate in order to calculate the present value of the cash flows.

Notes to the consolidated financial statements (continued)
for the financial year ended 31 December 2016

Intangible assets (continued)

Details of goodwill allocated to acquired cash generating units (CGUs) is as follows:

	2016 $000	Restated* 2015 $000
Goodwill carrying amount		
Acquired cash generating unit: accesso, LLC & Siriusware, Inc. (CGU 1)	**21,201**	21,201
Acquired cash generating unit: VisionOne Worldwide Limited and its subsidiaries (CGU 2)	**22,661**	22,661
Recoverable amount of CGU's		
Acquired cash generating unit: accesso, LLC & Siriusware, Inc. (CGU 1)	**81,176**	65,120
Acquired cash generating unit: VisionOne Worldwide Limited and its subsidiaries (CGU 2)	**38,761**	33,668
Excess of recoverable value of CGU above carrying value		
Acquired cash generating unit: accesso, LLC & Siriusware, Inc. (CGU 1)	**48,608**	20,019
Acquired cash generating unit: VisionOne Worldwide Limited and its subsidiaries (CGU 2)	**1,212**	184

*See note on restatement of goodwill on page 35

The recoverable amounts of all the CGUs have been determined from value in use calculations based on cash flow projections using budget and forecast projections and assumes a perpetuity based terminal value.

The key assumptions used for value in the calculations in 2016 and 2015 are as follows:

	2016		**2015**	
	CGU 1	**CGU 2**	**CGU 1**	**CGU 2**
Pre-tax discount rate (%)	15.5	15.5	14.5	14.5
Average operating margin (%)	19.1	35.8	16.0	25.6
Average EBITDA growth rate	8.0% - 20.0%	11.0% - 15.0%	5.0% - 20.0%	8.0% - 9.0%
Terminal growth rate (%)	3	3	3	3
Forecast period (years)	5	5	8	8

Operating margins have been based on past experience, where possible, and future expectations in the light of anticipated economic and market conditions. Discount rates are based on the Group's WACC adjusted to reflect market participant's expected capital structure. Growth rates beyond the formally budgeted period are based on economic data pertaining to the region concerned.

In respect of CGU 1, if any one of the changes indicated below were made to the above key assumptions, the carrying amount and recoverable amount would be equal.

	Per test **%**	**Change** **%**
Pre-tax discount rate	15.5	+14.1
Average operating margin	19.1	-

If the operating margin of the CGU was nil, the recoverable value would still be above the carrying value.

In respect of CGU 2, if any one of the changes indicated below were made to the above key assumptions, the carrying amount and recoverable amount would be equal.

	Per test **%**	**Change** **%**
Pre-tax discount rate	15.5	+0.3
Average operating margin	35.8	(2.9)

Management continues to review the CGUs and believes the convergence into one CGU is likely in the near term.

Notes to the consolidated financial statements (continued)
for the financial year ended 31 December 2016

16. Property, plant and equipment

The cost and depreciation of the Group's tangible fixed assets are detailed in the following table:

	Installed systems	Plant, machinery and office equipment	Furniture & fixtures	Leasehold improvements	Totals
	$000	$000	$000	$000	$000
Cost					
At 31 December 2014	4,978	3,266	1,082	1,017	10,343
Foreign currency translation	(242)	(52)	(13)	-	(307)
Additions	699	421	568	97	1,785
At 31 December 2015	5,435	3,635	1,637	1,114	11,821
Foreign currency translation	(683)	(88)	(105)	-	(876)
Additions	361	859	573	155	1,948
Disposals	(104)	(1,087)	(93)	(8)	(1,292)
At 31 December 2016	**5,009**	**3,319**	**2,012**	**1,261**	**11,601**
Depreciation					
At 31 December 2014	3,502	2,963	558	587	7,610
Foreign currency translation	(169)	(46)	(11)	-	(226)
Charged	846	256	187	71	1,360
At 31 December 2015	4,179	3,173	734	658	8,744
Foreign currency translation	(500)	(209)	(34)	-	(743)
Charged	671	337	242	143	1,393
Disposals	(104)	(1,087)	(92)	(4)	(1,287)
At 31 December 2016	**4,246**	**2,214**	**850**	**797**	**8,107**
Net book value					
At 31 December 2016	**763**	**1,105**	**1,162**	**464**	**3,494**
At 31 December 2015	1,256	462	903	456	3,077

Notes to the consolidated financial statements (continued)
for the financial year ended 31 December 2016

Property, plant and equipment (continued)

The cost and depreciation of the company's tangible fixed assets are detailed in the following table:

	Installed systems	Plant, machinery and office equipment	Furniture & fixtures	Leasehold improvements	Totals
	$000	$000	$000	$000	$000
Cost					
At 31 December 2014	4,484	454	229	-	5,167
Foreign currency translation	(240)	(23)	(12)	-	(275)
Additions	20	78	420	-	518
At 31 December 2015	4,264	509	637	-	5,410
Foreign currency translation	(683)	(85)	(105)	-	(873)
Additions	224	473	250	-	947
At 31 December 2016	**3,805**	**897**	**782**	**-**	**5,484**
Depreciation					
At 31 December 2014	3,206	393	191	-	3,790
Foreign currency translation	(167)	(20)	(10)	-	(197)
Charged	613	37	35	-	685
At 31 December 2015	**3,652**	**410**	**216**	**-**	**4,278**
Foreign currency translation	(587)	(68)	(36)	-	(691)
Charged	418	56	70	-	544
At 31 December 2016	**3,483**	**398**	**250**	**-**	**4,131**
Net book value					
At 31 December 2016	**322**	**499**	**532**	**-**	**1,353**
At 31 December 2015	612	99	421	-	1,132

17. Investments

Investment in subsidiaries

	$000
Cost	
At 31 December 2015	45,614
Foreign currency translation	(7,808)
At 31 December 2016	**37,806**

Notes to the consolidated financial statements (continued)
for the financial year ended 31 December 2016

Investments in subsidaries (continued)

At 31 December 2014	47,948
Additions	74
Foreign currency translation	(2,408)
At 31 December 2015	45,614
Net book value	
At 31 December 2015	45,614
At 31 December 2016	**37,806**

Name	Country of incorporation	% Ownership interest	% Voting Rights
Lo-Q, Inc. (1)	United States of America	100	100
Lo-Q Service Canada Inc (1)	Canada	100	100
Lo-Q (Trustees) Limited (2)	United Kingdom	100	100
accesso, LLC. (3)	United States of America	100	100
Siriusware, Inc. (4)	United States of America	100	100
Lo-Q Limited (5)	United Kingdom	100	100
VisionOne Worldwide Limited (6)	British Virgin Islands	100	100
VisionOne, Inc. (7)	United States of America	100	100
VisionOne S.A. de C.V. (8)	Mexico	100	100
ShoWare do Brazil Ltda (9)	Brazil	100	100
VisionOne do Brazil Ltda (9)	Brazil	100	100
Accesso Australia PTY Limited (10)	Australia	100	100

As required by the Companies Act, the registered address of the businesses are:

(1) Registered address of 420 Thornton Rd, Suite 109, Lithia Springs, GA, USA
(2) Registered address of Unit 5, The Pavilions, Ruscombe Park, Twyford, Berksire RG 10 9NN, UK
(3) Registered address of 1025 Greenwood Blvd, Suite 500, Lake Mary, FL, USA
(4) Registered address of 302 Camino de la Placita, Taos, NM, USA
(5) Registered address of Unit 5, The Pavilions, Ruscombe Park, Twyford, Berksire RG 10 9NN, UK
(6) Registered address of Geneva Place, PO Box 3469, Waterfront Drive, Road Town, British Virgin Islands
(7) Registered address of 6781 N Palm Ave, #120, Fresno, CA 93704, USA
(8) Registered address of Montecito #38, Piso 30 Oficinas 26 y 27, Colonia Napoles, 03810, Mexico City, Mexico, D.F.
(9) Registered address of Rua Joaquim Floriano, no. 888, Suite 1003, Itaim Bibi, CEP 04534-003, Sao Paulo, Sao Paulo, Brazil
(10) Registered address of 135 King Street, Floor 13, Sydney City, 2000, NSW, Australia

accesso, LLC, Siriusware, Inc. and VisionOne, Inc. are 100% owned by Lo-Q, Inc. VisionOne do Brazil Ltda and VisionOne do Mexico Ltda are 100% owned by VisionOne Worldwide Ltd. Showare Do Brazil Ltda is 100% owned by VisionOne do Brazil Ltda.

The trade for both Lo-Q, Inc. and Lo-Q Service Canada Inc is that of the application of virtual queue technologies. The trade of accesso, LLC, Siriusware, Inc. and the VisionOne subsidiaries is that of ticketing and point-of-sale software solutions. The economic characteristics of the entities are similar, including customer bases, and operating margins, and therefore they are classified as one segment.

Lo-Q (Trustees) Limited operates an employee benefit trust on behalf of accesso Technology Group plc to provide benefits in accordance with the terms of a joint share ownership plan. Further details of this can be found on page 18.

Notes to the consolidated financial statements (continued)
for the financial year ended 31 December 2016

18. Inventories

	Group		Company	
	2016	2015	**2016**	2015
	$000	$000	**$000**	$000
Stock	**478**	561	**303**	360
Park installation	**13**	-	**-**	-
	491	561	**303**	360

The amount of inventories recognised as an expense and charged to cost of sales for the year ended 31 December 2016 was $1,878,066 (2015: $1,796,084). Park installation balances includes equipment installed at a theme or water park on a trial basis or during the phase prior to a new or updated operation commencing.

19. Cash and cash equivalents

	Group		Company	
	2016	2015	**2016**	2015
	$000	$000	**$000**	$000
Petty cash	**2**	1	**1**	1
Bank accounts	**5,864**	5,306	**1,302**	1,733
	5,866	5,307	**1,303**	1,734

20. Trade and other receivables

	Group		Company	
	2016	2015	**2016**	2015
	$000	$000	**$000**	$000
Trade debtors	**5,903**	6,407	**970**	413
Accrued income	**2,812**	1,400	**129**	51
Amounts owed by Group undertakings	**-**	-	**14,821**	17,701
Financial assets	**8,715**	7,807	**15,920**	18,165
Social security and other taxes	**-**	18	**-**	1
Other debtors	**190**	85	**38**	31
VAT	**(1)**	140	**4**	138
Prepayments	**1,328**	1,030	**344**	327
	10,232	9,080	**16,306**	18,662

The Group's financial assets are short term in nature. In the opinion of the directors, the book values equate to their fair value.

21. Trade and other payables

	Group		Company	
	2016	2015	**2016**	2015
	$000	$000	**$000**	$000
Trade creditors	**1,281**	2,493	**150**	220
Other creditors	**519**	159	**(1)**	44
Deferred revenue	**4,050**	4,152	**-**	-
Accruals	**5,350**	2,290	**1,128**	971
Financial liabilities	**11,200**	9,094	**1,277**	1,235
Social security and other taxes	**42**	87	**(19)**	12
	11,242	9,181	**1,258**	1,247

The Group's financial liabilities are short-term in nature. In the opinion of the directors the book values equate to their fair value.

Notes to the consolidated financial statements (continued)
for the financial year ended 31 December 2016

22. Finance lease

Certain office equipment in one of the Group's properties is classified as a finance lease, and included within the Group's tangible fixed assets disclosed in note 16, which have a net book value of $3.5m, are assets with a net book value of $0.1m held under finance lease arrangements. The depreciation charged in the year in respect of these assets was $0.05m.

Future lease payments are due as follows:

	Minimum lease payments $000	Interest $000	Present Value $000
Not later than one year	57	3	**54**
Repayable between one and five years	10	1	**9**
	67	**4**	**63**
Current liabilities			**54**
Non-current liabilities			**9**
			63

At 31 December 2015, the future lease payments were as follows:

	Minimum lease payments $000	Interest $000	Present Value $000
Not later than one year	57	6	51
Repayable between one and five years	67	4	63
	124	10	114
Current liabilities			51
Non-current liabilities			63
			114

23. Borrowings

	Group		Company	
	2016 $000	2015 $000	**2016 $000**	2015 $000
Bank loans	**9,434**	14,700	**9,434**	14,700
Arrangement fees, less amortised cost	**(136)**	-	**(136)**	-
	9,298	14,700	**9,298**	14,700

On 7 November 2014 the Group entered into an amendment and restatement agreement with Lloyds Bank plc in relation to a Revolving Loan Facility dated 4 December 2013.

On 14 March 2016, the Group amended the facility. The amended facility extends it to allow a drawdown facility of $25m, with no step downs, at an improved drawdown rate of 1.35% above LIBOR, and an improved commitment rate. The renewed facility terminates on 14 March 2019 with the possibility for this to extend for a further 24 months in two separate 12 month extensions.

Notes to the consolidated financial statements (continued)
for the financial year ended 31 December 2016

24. Called up share capital

Ordinary shares of 1p each	**2016 Number**	**2016 $000**	2015 Number	Restated* 2015 $000
Opening balance	**21,984,321**	**353**	21,924,537	352
Issued in relation to exercised share options	**293,310**	**4**	59,784	1
Closing balance	**22,277,631**	**357**	21,984,321	353

*See note on restatement on pages 35 to 36

During the period, 293,310 shares, with a nominal value $4,134, were allotted following the exercise of share options.

On 28 November 2014, the Group issued 1,519,364 shares, with a nominal value of $23,686, in respect of the acquisition of VisionOne Worldwide Ltd., with a fair value of $14.6m ($9.62 per share). Shares are subject to certain lock-up restrictions, namely that one third is fully restricted until twelve months after the completion date; a further one third is fully restricted until 24 months after the completion date; and the final one third is fully restricted until 36 months after the completion date.

Following the adoption of new Articles of Association on 12 April 2011 the company no longer has an authorised share capital limit.

All issued share capital is fully paid, except for 426,909 treasury shares registered in the name of Lo-Q (Trustees) Limited, a wholly owned subsidiary of the company on behalf of the Lo-Q Employee Benefit Trust.

Share option schemes

At 31 December 2016 the following share options were outstanding in respect of the ordinary shares:

Scheme	Number of shares	Period of Option	Price per share
EMI Scheme	1,850	25 June 2010 to 24 June 2019	57.5p
	22,235	24 June 2013 to 23 June 2021	179p
	16,231	30 November 2014 to 29 November 2022	323.5p
	10,000	25 April 2015 to 25 April 2023	600p
	12,000	23 January 2017 to 22 January 2024	697.5p
	18,800	15 April 2018 to 15 April 2025	557.5p
	20,050	29 April 2019 to 28 April 2026	1105p
US Scheme	100,000	10 March 2012 to 9 March 2021 (1)	156p
	19,700	24 June 2013 to 23 June 2021	179p
	13,984	30 November 2014 to 29 November 2022	323.5p
	15,000	26 March 2014 to 25 March 2022	292.5p
	88,250	25 April 2015 to 25 April 2023	600p
	158,750	23 January 2017 to 22 January 2024	697.5p
	194,900	15 April 2018 to 15 April 2025	557.5p
	2,008	14 January 2018 to 14 January 2026	851p
	220,550	29 April 2019 to 28 April 2026	1105p
	2,262	23 May 2019 to 22 May 2026	1061p
UK unapproved Scheme	110,000	10 March 2012 to 9 March 2021	156p
Long term incentive plan	182,205	8 July 2017	-p (2)
	40,400	27 October 2017	-p (2)
	277,534	15 April 2018	-p (2)
	306,974	14 March 2019	-p (2)

(1) Options may only be exercised when the share price is above £1.82.

(2) Vesting is conditional on achievement of certain market based conditions (see note 28).

Notes to the consolidated financial statements (continued)
for the financial year ended 31 December 2016

25. Reserves

The following describes the nature and purpose of each reserve within equity:

Reserve	*Description and purpose*
Share premium:	Amount subscribed for share capital in excess of nominal value
Own shares held in trust:	Weighted average cost of own shares held by the EBT
Other reserve:	Reserve to account for share option equity based transactions
Merger relief reserve:	The merger relief reserve represents the difference between the fair value and nominal value of shares issued on the acquisition of subsidiary companies, where the company has taken advantage of merger relief
Retained earnings:	All other net gains and losses and transactions not recognised elsewhere
Translation reserve:	Gains/losses arising on retranslating the net assets of overseas operations into US dollars

26. Pension commitments

The Group operates defined contribution pension schemes in the UK and US. The assets of each scheme are held separately from those of the Group in an independently administered fund. The pension charge represents contributions payable by the Group to the fund and amounted to $749,803 (2015: $548,044). Contributions amounting to $56,326 (2015: $48,647) were payable to the fund and are included in creditors.

27. Related party disclosures

Ultimate controlling party

There is no ultimate controlling party.

Subsidiaries

All intercompany revenues, expenses, and balances are eliminated upon consolidation.

Other related parties

Rockspring, a company in which David Gammon, an accesso Technology Group plc director, is a director invoiced the company in respect of directors fees $43,357 (2015: $44,256), of which $7,032 (2015: $3,578) was outstanding at year end.

Matt Cooper, who resigned as an accesso Technology Group plc director on 18 March 2016, invoiced the company in respect of directors fees $8,774 (2015: $44,256), of which $nil (2015: $3,578) was outstanding at year end.

Maven Creative, LLC., a company in which Steve Brown, an accesso Technology Group plc director, is a director and has a 33% interest, invoiced the Group $197,627 (2015: $100,928) in respect of marketing services, of which $164 (2015: $3,082) was outstanding at year end.

All of the above outstanding amounts are included within trade creditors.

Key management compensation

The key management of the company staff are considered to be the Executive directors and their remuneration is as follows:

	2016	2015
	$000	$000
Executive director’s remuneration	**1,987**	1,785
Executive director's contribution to retirement scheme	**27**	55
Employer’s social security costs	**166**	126
Share-based payments	**198**	115
	2,378	2,081

Included in employer’s social security costs is an amount of $nil related to the exercise of unapproved share options by directors (2015: $nil).

Notes to the consolidated financial statements (continued)
for the financial year ended 31 December 2016

28. Share-based payment transactions

Equity settled share option schemes

For details of share option schemes in place during the period see note 24. Details of the number of share options and the weighted average exercise price (WAEP) outstanding during the period are as follows:

	2016		2015	
	Number	**WAEP (pence)**	Number	WAEP (pence)
Outstanding at beginning of year	**1,591,300**	**289.10**	1,178,200	313.21
Granted during the year	**558,345**	**496.39**	527,334	264.09
Exercised during the year	**(293,310)**	**321.29**	(59,784)	388.58
Leavers, lapsed & other	**(32,651)**	**683.64**	(54,450)	626.43
Outstanding at end of the year	**1,823,634**	**340.04**	1,591,300	289.10
Exercisable at the end of the year	**387,250**	**289.02**	676,060	300.95
Weighted average share price at date of exercise for share options exercised during the year:		**1,092.3**		795.80

The exercise price of options outstanding at 31 December 2016 range between £nil and 1,105p (2015: £nil and 697.5p) and their weighted average contractual life was 4.7 years (2015: 5.4 years).

The weighted average share price at the date of exercise for share options exercised during the period was £1,092.3 (2015: £7.95).

The fair value of options granted during the period were calculated using the Black-Scholes valuation method. The inputs to the model were as follows:

	2016	2015
Weighted average exercise price of options issued during the period (pence)	**1,102.58**	575.5
Expected volatility (%)	**31.47**	27.63
Expected life beyond vesting date (years)	**2.00**	2.00
Risk free rate (%)	**1.00**	1.00
Dividend yield (%)	**-**	-

The Group did not enter into any share-based payment transactions with parties other than employees during the current or previous period.

Expected volatility was determined by calculating the historic volatility of the Group's share price over the previous twelve-month period. Expected life is based on the Group's assessment of the average life of the option following the vesting period. The market vesting condition was factored into the valuation of shares issued under the LTIP as explained on page 18.

Long term incentive plan

In addition to those above, on 14 March and 14 September 2016 the Group granted conditional share awards ("Awards") over a total of 306,974 ordinary shares of 1 penny under the Long Term Incentive Plan ("LTIP"), which was approved by shareholders on 27 May 2014.

During 2014 and 2015, the company granted Awards over 222,206 and 277,534 ordinary shares of 1 penny under the LTIP, respectively.

All Awards vest three years from the date of grant, are required to be held for a further six months, and are subject to certain performance conditions.

Notes to the consolidated financial statements (continued)
for the financial year ended 31 December 2016

Long term incentive plan (continued)

The fair values of the Awards at the dates of grant were calculated using the Monte Carlo statistical modelling approach to reflect the market conditions within the Award conditions. The inputs to this model were as follows:

	14 March 2016	**14 September 2016**	2015
Expected volatility (%)	**28.0**	**28.0**	30.0
Expected life years	**3.00**	**2.5**	3.00
Risk free rate (%)	**0.73**	**0.16**	0.60
Dividend yield (%)	**-**	**-**	-

29. Reconciliation of net cash flow to movements in net funds and analysis of net funds

The amounts disclosed on the cash flow statement in respect of cash and cash equivalents are in respect of these balance sheet amounts.

	2015 $000	Cash Flow $000	Exchange movement $000	**2016 $000**
Group				
Cash in hand & at bank	5,307	832	(273)	**5,866**
	5,307	832	(273)	**5,866**
Company				
Cash in hand & at bank	1,734	(207)	(224)	**1,303**
	1,734	(207)	(224)	**1,303**

	2014 $000	Cash Flow $000	Exchange movement $000	2015 $000
Group				
Cash in hand & at bank	5,693	(146)	(240)	5,307
	5,693	(146)	(240)	5,307
Company				
Cash in hand & at bank	1,309	491	(66)	1,734
	1,309	491	(66)	1,734

Group net debt reconciliation

	Note	**2016 $000**	2015 $000
Borrowings	23	**9,298**	14,700
Less: Cash in hand & at bank	19	**(5,866)**	(5,307)
Net debt		**3,432**	9,393

Notes to the consolidated financial statements (continued)
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30. Commitments under operating leases

Total of future minimum operating lease payments under non-cancellable operating leases:

	2016	2015
	$000	$000
Group		
Land & buildings		
Less than one year	**935**	720
Within one to five years	**3,123**	3,495
Greater than five years	**1,003**	1,871
	5,061	6,086
Other		
Less than one year	**39**	47
Within one to five years	**34**	87
Greater than five years	**-**	-
	73	134

	2016	2015
	$000	$000
Company		
Land & buildings		
Less than one year	**100**	93
Within one to five years	**365**	604
Greater than five years	**-**	817
	465	1,514
Other		
Less than one year	**39**	47
Within one to five years	**34**	87
Greater than five years	**-**	-
	73	134

Operating leases within ‘Land & buildings’ include the leases of company and Group offices. Leasing arrangements from the respective lessors can be viewed as standard. Leases within ‘Other’ include office equipment and a vehicle. Terms can be viewed as standard.