Registered number 03959429

accesso Technology Group plc

2018 Annual report and financial statements

Contents of the consolidated financial statements
for the financial year ended 31 December 2018

Company information
for the financial year ended 31 December 2018

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Introduction and key financial highlights
for the financial year ended 31 December 2018

Highlights

- Continued growth with revenue of $118.7m representing an increase of 15.5% on 2017 revenue (proforma for IFRS 15) of $102.8m.
- Gross profit has increased 20.2% to $88.2m from $73.4m in 2017.
- Adjusted Operating Profit up 25.5% to $25.1m and adjusted EBITDA up 36.5%, against proforma comparatives, to $34.8m.
- Organic revenue growth, which excludes the impact of the 2017 acquisitions, of 7.8% reflects continued strong Ticketing and Distribution performance, which was up 18.3%, offset by an 11% decline in Guest Experience revenue due to weather and changing park visitation patterns.
- Transactional and Repeatable revenues grew 15.1% to $88.4m or 74.4% of total revenues.
- Major client activity continued with a significant contract win with Marriott Hotels, renewal of our agreement with Cedar Fair and a strategic partnership with Village Roadshow Theme Parks.
- Current addressable market opportunity for the group identified estimated to be in the region of $3.4bn.
- Decision taken to accelerate the investment required to evolve and broaden our range of solutions, unlocking additional cross-sell and up-sell potential within our installed base and allowing for more efficient development, support and service delivery.
- For 2019 we expect further strong growth in our transactional and repeatable revenues, partly offset by headwinds from non-recurring revenues, resulting in high single digit overall organic revenue growth, similar to 2018.

	Year ended 31 Dec 18	Year ended 31 Dec 17 (proforma)[1]	Δ reported	Year ended 31 Dec 17
	IFRS15 $m	IFRS15 $m	IFRS15	IAS18 $m
Revenue[7]	**118.7**	102.8	15.5%	133.4
Operating profit[7]	**6.3**	10.1	(37.6%)	9.2
Adjusted operating profit [2]	**25.1**	20.0	25.5%	19.1
Adjusted EBITDA[3]	**34.8**	25.5	36.5%	24.6
Underlying cash conversion[4]	**74.7%**	83.1%		86.2%
Net cash[5,7]	**0.5**	12.5	(12.0)	12.5
Earnings per share – basic (cents) [7]	**12.23**	41.06	(70.2%)	40.83
Adjusted Earnings per share – basic (cents)[6]	**73.58**	59.45	23.8%	56.73

[1]*Unaudited information that adjusts the audited 2017 results to be comparable with 2018 as a result of the adoption of IFRS 15. Reconciliation included within the Financial Review*

[2]*Operating profit measures are based on reported profit numbers excluding acquisition expenses, amortisation of acquired intangibles, charges relating to any contingent element of acquisition consideration, and share based payments(page 15)*

[3]*Adjusted operating profit before depreciation and amortisation*

[4]*Adjusted cash generated from operations (cash from operations, adjusted for non-underlying items) as a percentage of Adjusted EBITDA*

[5]*Cash less Borrowings (Note 28)*

[6]*Adjusted for acquisition expenses, amortisation of acquired intangibles, charges relating to any contingent element of acquisition consideration, share based payments, net of tax effect, and the revaluation of US deferred tax assets and liabilities (Note 15)*

[7]*Audited number; all other numbers are unaudited.*

Introduction and key financial highlights
for the financial year ended 31 December 2018 *(continued)*

Commenting on the results, Paul Noland, Chief Executive Officer of *accesso*, said:

"2018 has been another year of global expansion at Accesso. Our progress continues to be driven by the variety of solutions we have to offer and our relentless focus on delivering excellent service and support.

We continue to integrate the 2017 acquisitions of TE2 and Ingresso, along with identifying and executing opportunities for integration across the Group's entire portfolio of solutions. As hoped, we saw increased demand for multiple applications at individual sites and have made positive strides in that direction.

Our customers are asking us to bring even more flexibility, integration and scalability to the products and services we offer. As such, and in order to accelerate future growth, we will invest where necessary to maintain our market leadership and to ensure we capitalise on customer demand for our products, as either an integrated or as an individual solution."

Chief Executive's Statement

These 2018 annual results represent the first fiscal year end since I joined *accesso* last spring. During my time at *accesso*, I have developed an increased appreciation that this is a business with an industry-leading technology proposition that serves a truly impressive set of clients. We are succeeding in a competitive landscape due in no small part to the efforts of the amazing staff that I have come to know and appreciate.

Our stated strategy has been to make the most of demand for our technology within our installed base, increase penetration within our existing verticals, and diversify our business through expansion across adjacent markets. I firmly believe that 2018 has been a year of positive progress against each of these goals.

All businesses experience headwinds and we've had our share this past year. We witnessed several events that impacted our clients, and therefore *accesso*, including attendance fluctuations due to weather and changing park visitation patterns. We were also unable to complete a well-advanced acquisition opportunity which was terminated in October 2018. It is a tribute to our strength as an organisation that we have grown through these challenges.

We start the year with renewed determination to continue to expand and evolve. As such, an important part of our go-forward strategy is to ensure we are applying our resources in the most efficient way given the growth in demand for solutions that combine our technology offerings.

We have affirmed the positive potential of our strategy and see a clear path toward improving our already successful solutions. We look forward to the year ahead with the enthusiasm that comes from knowing where we need to go and a clear plan on how to get there.

2018 in Review

Financial Performance

As set out in the Interim results of 19 September 2018, the Group adopted IFRS 15 Revenue from Contracts with Customers from 1 January 2018, using the cumulative effect method, with the effect of applying this standard recognized at the date of adoption. Accordingly, information presented for 2017 has not been restated. However, the Group has provided, where relevant, pro-forma data for the comparative period that shows the metric that would have been reported had IFRS15 been adopted for 2017 together with a full reconciliation from the statutory 2017 numbers.

The Group's financial results in 2018 demonstrates continued progress. In terms of headlines, revenue for the year was $118.7m, up from a proforma revenue of $102.8m in 2017, while adjusted operating profit grew to $25.1m from a proforma $20.0m in 2017. This represents growth of 15.5% and 25.5% respectively. Furthermore, adjusted EBITDA was $34.8m representing 36.5% growth on proforma 2017 of $25.5m and while 2018 benefited from having a full year of the two acquisitions undertaken in 2017, it represents a strong top and bottom line.

Evolving our Reporting

The growth in *accesso's* size, our additional acquisitions, and subsequent changes to our organisational structure led the Board to review the reporting of its operating segments. This review concluded we should present more granularity around our individual product lines as they pertain to *accesso's* two main activities: 'Ticketing & Distribution' and 'Guest Experience'. A number of acquisitions, each of which has broadened our horizons and helped us better-address our market opportunity, have added new revenue models and new market dynamics, and now make additional disclosure appropriate.

Our Ticketing and Distribution segment consists of *accesso Passport* ™, *accesso Siriusware*℠, *accesso ShoWare*℠ and *Ingresso* ™; while our Guest Experience segment consists of *accesso LoQueue*℠ and *TE2* ™. These groupings align products with similar financial, technological and go-to-market characteristics with the strategic thrusts of our business: on the one hand selling and distributing tickets, and on the other, providing in-venue technology that helps guests get more out of their visits to attractions. In our view, these changes have three main benefits. First, they will ensure our financial reporting better reflects the way we see ourselves and run our business. Second, they will better enable our followers to discern the moving parts within *accesso* and fully understand the dynamics driving our performance. Finally, they will help followers differentiate between organic and inorganic revenue, clarifying our underlying performance as we integrate our 2017 acquisitions. All in all, we hope to paint a more detailed and representative picture as we look towards the future.

Chief Executive's Statement (Continued)

A View of our Market Opportunity

In 2018, *accesso* engaged an external firm to support our efforts to estimate our total addressable market. We were interested in understanding not only the total potential but also how it relates to geographies and identified verticals. The result was a detailed analysis of *accesso's* opportunities by market segment. We estimate our current total addressable market opportunity is approximately $3.4bn, with Ticketing and Distribution representing an addressable market opportunity of $1.9bn and Guest Experience representing an addressable market opportunity of approximately $1.5bn. Given the Group's current level of revenue, this represents a significant opportunity with material room for further growth. Beyond the market statistics, *accesso* has been able to successfully showcase the value of digitizing the guest journey to be universal across the leisure, entertainment and hospitality space, providing significant opportunities. Expansion of this kind remains a key part of our strategy, increasing our potential with every step into a new geography or industry vertical.

Operational Highlights

Established Verticals

accesso views its traditional verticals as theme park, water park and attraction operators. We are proud to have many of the largest operators in this area as clients, deploying multiple product offerings across what remains a vital and growing part of our business.

Key among this year's achievements was the near-completion of our *accesso Passport* roll-out across Merlin Entertainment's global estate. We are now present with Merlin in 30 countries, each of which presents a significant opportunity to expand by leveraging the localized footprints and technologies we have established. Our strong relationship with Merlin is also enabling expansion beyond *accesso Passport*, and we were extremely pleased to announce the first same-site integration of *accesso Passport*, *accesso LoQueue*, *TE2* and *Prism*^{SM} at The Bear Grylls Adventure in the UK during Q4.

We also signed a contract extension with long-term partner Cedar Fair and announced a further *TE2* / *accesso Passport* integration at their Knotts Berry Farm theme park. With respect to *TE2*, we have now deployed the first version of a new Food & Beverage capability within the platform which enables personalisation and pre-ordering, enhancing spend-per-customer for those engaging with the platform.

TE2 also played its part in the November 2018 announcement of a material expansion to our existing relationship with Village Roadshow Theme Parks, Australia's largest theme park operator. This marks the first holistic integration of four of *accesso's* solutions – *accesso Passport*, *accesso LoQueue*, *accesso ShoWare* and *TE2* will be integrated and installed across its Gold Coast Properties - Warner Bros. Movie World, Wet'n'Wild Gold Coast and Sea World (Australia).

This agreement is representative of *accesso*'s rapid growth in the APAC region during the year, with the business now supporting operations for 22 venues in 7 countries there. We have a number of additional roll-outs in this region scheduled for 2019.

In our queuing business, we continued to replace legacy *Qbot*^{SM} devices with new and improved technology, including deployment of *Qsmart*^{SM} across our European client base and seeing our state-of-the-art *Prism* wearable device complete its first full season as the premium queuing device at a tier-1 US park. While a more mature market than some of the others in which we operate, our long-term relationships with large operators in the queuing space continues to provide an excellent foundation for our business and a tangible entry point for the cross and up-sell of additional *accesso* technologies.

This part of the business also continues to make progress addressing the challenge that has arisen in recent years from a significant increase in the proportion of guests who gain admission to the venue as part of a season pass or membership program. The visitation behaviour of this proportion of guests flattens attendance on both a daily basis and across a season and reduces demand for an all-day queuing product. Actions to address this headwind are ongoing and include offering our clients increased options for guests to purchase and access our queuing solution and these efforts continue to gain traction.

Chief Executive's Statement (Continued)

Adjacent Verticals

accesso's adjacent verticals are those that accompanied the acquisitions of *accesso Siriusware* and *accesso ShoWare* in 2013 and 2014 respectively. The solutions these acquisitions delivered have provided the opportunity for *accesso* to break out beyond its traditional markets into ski resorts, cultural attractions, tours and live event ticketing.

We have continued to make good progress against our stated aim of expanding our penetration in these new markets, with *accesso Passport* and *accesso Siriusware* now working in tandem in twelve locations across four industry verticals, including a maiden combined deployment in the Ski Industry. Our continued progress in the Ski market was also boosted by our agreement with Alterra Mountain Company to deploy *TE2's* platform.

We continued to make similarly good progress in the Live Entertainment, Cultural Attractions and Live Sports markets. Noteworthy new wins for the *accesso ShoWare* solution included Vibes International Music Festival in Fort Lauderdale, along with strides made in sports with the Brampton Beast and Nanaimo Clippers Hockey teams, and NOLA Gold and Austin Elite - both teams in Major League Rugby.

Lastly, *TE2's* partnership with Carnival Corporation also delivered success in 2018. For the last 3.5 years, *TE2* has been, and will continue to be, a key guest experience technology partner for Carnival's Medallion Class enabled cruise ships. Guests are enjoying an extensive portfolio of Ocean Medallion-enabled features, specifically designed to enhance their vacation experience. The successful completion of the initial phase with Carnival contributed to an expected reduction in license and implementation income that reduced *TE2* revenues by 30.8% in 2018 when compared to the whole of 2017 and including the pre-acquisition ownership period. We greatly value our ongoing partnership with Carnival.

Overall our progress in adjacent markets continues to confirm that the characteristics of the digital guest journey are universal irrespective of industry vertical or geography. We therefore expect our outward expansion to continue during 2019.

Greenfield Opportunities

The 2017 acquisitions of *Ingresso* and *TE2* brought a range of new capabilities to *accesso* and, in addition to supporting our product offerings in our existing verticals, the Group has made strides into greenfield areas including ticketing distribution and continues to evaluate the opportunity within the Healthcare vertical.

We continue to see strong demand from ticketing inventory aggregators for our *Ingresso* platform and have delivered significant contract wins or partnerships with the likes of Reserve with Google, Groupon and Yplan, as well undertaking a considerable degree of work during the year to internationalize *Ingresso* to offer global capability.

Ingresso grew revenues by 11.1% on a full year basis, including the pre-acquisition ownership period, despite the loss of their largest client when Amazon UK exited the ticketing space early in the year. We expect the impact of the new contract wins and partnerships together with the work we have done on the supply side of the business will help us take advantage of this material distribution network. We remain at the start of an extremely exciting opportunity in large scale global leisure venue ticketing distribution and have seen pleasing momentum which gives us confidence for the year to come.

In July 2018 our *accesso ShoWare* solution went live in four of Marriott International's Gaylord Hotels, a new client, which along with the Alterra Mountain Company, represents exciting progress in the hospitality space.

Prioritising our Security Infrastructure

accesso aspires to be the premier technology solutions provider to the verticals it serves, and as a result, we continue to invest in ensuring our technology offering leads the market. An increasingly critical focus of our clients, and therefore the Group, is around data security and compliance against an evolving global landscape where intrusion threats become more sophisticated and regulations covering the handling of data demand that compliance is at the forefront of our business.

accesso has recently appointed a Chief Information Officer who leads a team dedicated to the security of *accesso* and client data and global compliance with data hosting legislation. *accesso* is acutely aware of the importance of security to the Group's clients and their guests and has continued to implement state-of-the-art systems to mitigate risk across the group. With the introduction of GDPR and other global privacy initiatives, compliance has given renewed focus across the business and *accesso* has maintained pace with all relevant developments.

Chief Executive's Statement (Continued)

Brexit

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 outside of the EU. It is recognized that depending on the specific exit arrangements that are agreed and how these are implemented, there could be an impact to consumer spending within the UK or EU and this could impact attendance at certain venues or investment decisions by leisure operators. Additionally, there could be an impact on exchange rates which could alter international visitation patterns.

People

During 2018 we continued the consolidation of our US offices, by bringing staff together in three centres of excellence located in Lake Mary, Florida; San Diego, California; and Fresno, California and by expanding our long running ability to accommodate remote working arrangements. Our Lake Mary office is now our largest and continues to expand with the arrival of new colleagues who can now collaborate under one roof. We were also named number four on The Best Places to Work list for large companies by the Orlando Business Journal. In addition, we implemented an *accesso* culture guide for the first time. During the year *accesso*'s headcount increased by approximately 10% on the number at 31 December 2017 to just over 550 people, with turnover below the market norm.

2019 and beyond

Investing in the Digital Guest Journey

accesso has brought together a product set that now stretches across the whole waterfront of the evolving digital guest journey, which the Group helped to define, from queuing and ticketing to distribution and in-venue experience. This unique collection of assets is not matched by other providers within our market. While our portfolio was assembled as individual products, in many cases secured via acquisition, the positive client response to the breadth of our offerings has driven cross and up-selling opportunities of our products to our clients that have in-turn led to increasing technology integration across our portfolio. Clients are benefitting from our ability to offer multi-product solutions, delivering significant economic benefits for their business through combining our technology offerings.

Thus far, our approach to integrated business opportunities, such as The Bear Grylls adventure and the Knotts Berry Farm project mentioned above, has been to provide a series of unique installations for specific operators or venues. While this delivery is both effective and prudent in satisfying individual clients and testing market appetite for various combinations of our products and services, it is clear that there are alternative approaches that will be faster and more efficient to scale and will offer the opportunity to unlock a larger market opportunity.

It is becoming clear that there is significant opportunity with operators that choose to buy or build parts of the technology they require and do not wish to utilize the whole of our offerings. For these operators or venues, a platform that allows the opportunity to integrate their solutions, our solutions and those from third party providers would, we believe, be a compelling and unique proposition.

Therefore, to make the most of these market-led opportunities, we now need to introduce a more unified, efficient and flexible architecture which allows existing and prospective clients to be selective not just around which solutions they implement, but how, and to what extent they deploy them, including the ability to integrate their own or other, third party applications. This shift will ultimately also offer to *accesso* the opportunity to realize material efficiency gains and reduce the overall cost of supporting, maintaining and improving our current product portfolio. This is the direction of our industry and the future of our business.

We started along this path in 2017 focused on evolving *accesso Passport*, *accesso Siriusware* and *accesso ShoWare* to provide a single, functionally rich ticketing offering. We now believe we need to expand and accelerate this project to fully and properly incorporate the functionality offered by *TE2*, *accesso LoQueue* and *Ingresso* as well as offering the opportunity for clients and third parties to use the platform itself as a foundation for their own systems. This is a fundamental but critical shift for *accesso.* Whereas in the past we have always offered comprehensive end-to-end solutions, we will now be free to offer our solutions individually, in combination, as a platform upon which systems can be built, or with which other systems can be integrated.

The case for technological and organisational evolution is clear and compelling, but to deliver it will require investment over the course of the next two to three years. Accurately estimating the required investment at this stage of the project is difficult and likely to change but will lead to an incremental increase in development expenditure in the near term.

Chief Executive's Statement (Continued)

2019 and beyond (continued)

As elements of this development and rationalisation project are deployed, the Group's evolved technology platform will generate numerous benefits including:

- Faster time to market
- Easier to sell and deploy multiple solutions
- Open platform that will appeal to clients that want control over the interfaces and other elements of their system
- Ability for third parties to integrate with the accesso platform and vice versa
- Reduced setup and configuration costs for the client
- More efficient development, implementation and support organisation
- Improved ability to scale both up and down market and therefore increase penetration within our available markets

Building on the work begun in 2017, the use of micro services technologies, agile development and a largely SaaS (software as a service) deployment model, will allow for a rapid pace of development and distribution. Initial focus will be on delivering features that will be attractive to clients running our existing software, as our choice of architecture will support operation in tandem or integrated with other systems, including our own. This will allow us to sell and evolve our current products, continuing to build our customer base, while we evolve our next generation solution. We anticipate being able to sell and deploy parts of the evolved solution to new and existing clients as early as 2020 with the remaining elements being delivered over the next two to three years. The architecture of the platform will allow for continuous development and improvement for the foreseeable future with the ability to grow the client base and associated revenue from early on in the project.

Expanding our ability to market and sell

The exercise in quantifying *accesso's* total addressable market also revealed an opportunity to find additional growth through further investment in our sales and marketing efforts. As a part of this we will be increasing the Group's sales and marketing spend to the level required to fully pursue the expansive market opportunity we have identified across traditional, adjacent and greenfield opportunities. We estimate this incremental investment to be in the region of $2.5m in 2019 with an intention to continue to scale expenditure in absolute terms as the business grows.

The Board expect these initiatives to be funded from within the Group's existing financial facilities.

Building on strength

The fundamentals of *accesso's* business model provide a solid foundation from which to move forward. The unique and complementary nature of the technology assets we possess already provides the ability to support the requirements of our client base and our emphasis has been on building strong relationships and a repeatable revenue stream backed by long term agreements. Our willingness to recognise the requirements of our markets, and to proactively pursue change set us apart over recent years and our planned technological path will provide a stronger foundation for our future success.

Outlook

Although it is still early in the year, trading for 2019 has started in line with our expectations.

In terms of revenue guidance for 2019, we expect to see organic growth in line with that achieved in 2018. Growth within Ticketing and Distribution is expected to be in line with the mid-teens percentage growth achieved in 2018. Guest Experience revenues overall are expected to be broadly flat, with queuing revenues expected to reverse the trend experienced in 2018, and the evolution of repeatable platform revenues within *TE2* largely offsetting the expected reduction of $2.9m of license revenue related to a single customer that will not repeat. We expect the accelerated investment in development and marketing spend in 2019 to build the platform for accelerating growth in 2020 and beyond.

Total development expenditure in 2019 is expected to increase to between $36m to $39m (2018: $29.3m), but with a reduced level of capitalisation within the range 60% and 65%. This expenditure includes incremental investment as referenced above. Looking further ahead, we expect there will progressively be opportunities to absorb further incremental expenditure within our ongoing development effort and we are focused on delivering material reductions in total development expenditure as a proportion of revenues and a reduction in the level of capitalisation.

Chief Executive's Statement (Continued)

2018 Financial Review

accesso's financial performance continues to be underpinned by its highly repeatable and highly visible revenue stream, supplemented by a high-quality professional services component, delivering organic growth through long-term and transactional agreements with many of the world's largest attraction operators. The Group is also diversifying its revenue stream as it expands across industry verticals and geographies, reducing customer concentration and lessening its dependence on weather conditions and regional macroeconomic factors.

Reflecting the increased scale of *accesso* and its revised management organisational structure, the Board have updated its operational and financial reporting which will allow a greater level of understanding of the organic growth of the business within a period and the factors which drive growth, the amount and nature of development expenditure and increased granularity generally in relation to its cost base.

Alternative Performance Measures

The Board utilizes alternative performance measures ("APMs") in evaluating and presenting the results of the business and views these APMs as more representative of the Group's performance.

The historic strategy of enhancing its technology offerings via acquisitions, as well as an all employee share option arrangement necessitate the making of adjustments to statutory metrics to remove certain items which are not reflective of the underlying business. These adjustments include acquisition expenses, amortisation related to acquired intangibles, deferred and contingent payments related to acquisitions, changes to earn-out considerations, share-based payment and exceptional items.

These APMs help ensure the Group is focused on translating sales growth into profit. By consistently making these adjustments, the Group provides a better period to period comparison and is more readily comparable against a business that does not have the same acquisition history and equity award policy.

APMs include adjusted EBITDA, adjusted cash EBITDA, adjusted operating profit, adjusted net debt, and adjusted cash from operations. A reconciliation of these measures from IFRS 15 is also provided within this Financial Review.

Segments

The Board revised its segmental information during 2018 to align with an updated organisational structure, consistent with our investment plans outlined above, and that reflects how the Board now review and make decisions about resources to be allocated to each segment. The Board considers the group to consist of two reportable operating segments:

- Ticketing and Distribution
- Guest Experience

Ticketing and Distribution

We have formed a single ticketing group, headed by the President of Ticketing. This group is made up of our *accesso Passport*, *accesso Siriusware*, *accesso ShoWare* and *Ingresso* products. All of these technologies were acquired by the Group with the strategic intention of providing operators with best-of-breed point of sale, ticketing and eCommerce technologies, together with the opportunity to participate in a global distribution platform. As the strategy has progressed, the technology and the teams that develop and support it, have become increasingly inter-dependent and the formation of this group is reflective of the objective to formally merge and align the ticketing related activities of the group to allow increased penetration of the markets serviced and to leverage the synergies that exist in their solutions, technological capabilities and pooled expertise.

Chief Executive's Statement (Continued)

Guest Experience

This segment consists of the Group's virtual queuing solution (*accesso LoQueue*) and experience management platform (*TE2*) each of which are headed by their respective Presidents. These two distinct but complementary operating segments share similar economic characteristics, customers and markets; the solutions are often heavily tailored, technology and software intensive in their delivery and are directly targeted at improving a guest's experience of an attraction or entertainment venue, whilst providing cross selling opportunities and increased revenues to the venues. Management therefore conclude that they meet the aggregation criteria for reporting purposes.

The Board monitors the results of the operating segments prior to central costs and charges for interest, depreciation, tax, amortisation and exceptional items. The Group's central costs are not segment specific and therefore not allocated. These costs have therefore been excluded from segment profitability and presented as a separate line below segment profit.

The Group's assets and liabilities are reviewed on a group basis and therefore segmental information is not provided for the statements of financial position of the segments. Prior year segmental information has been restated to provide comparability.

Adoption of IFRS 15

As detailed earlier in this statement the Group adopted IFRS 15 Revenue from Contracts with Customers from 1 January 2018.

The most significant impact from the adoption of IFRS 15 relates to revenue recognition in respect of certain *accesso LoQueue* agreements. Under the previous revenue recognition standard (IAS 18), management determined the Group was acting as the principal in such agreements, revenue was recognised on a gross basis and amounts due to the operator were recorded as an expense within cost of sales.

IFRS 15 introduces revised criteria for determining the principal or agent relationship, focusing on control of the goods or services provided by the Group under the terms of the agreement. Management has determined that, under IFRS 15, the Group acts as the agent in its queuing contracts, and consequently now recognises the net revenue portion of the sale as revenue, rather than the full amount of the guest payment for the service.

There is no impact on profit of the Group due to the revised assessment of agent vs principal and therefore the Group will present improved operating margins in the current year and looking forward.

The adoption of IFRS 15 has increased 2018 and 2017 operating profit by $3.3m and $0.9m respectively.

References to 2017 proforma data presented within this Financial Review have been provided as additional information to the statutory reported requirements to better illustrate the performance of the business. This information is unaudited and does not form part of the audited annual financial statements. Reconciliations between the statutory audited 2017 and 2017 proforma numbers are included as an appendix to this Financial Review.

Further details relating to the adoption of IFRS 15 are included in Note 3 of the financial statements.

Chief Executive's Statement (Continued)

Key Financial Metrics

Revenue

On an IFRS 15 consistent basis total revenue increased by 15.5% to $118.7m (2017 Proforma: $102.8m) and includes $38.7m (2017: $28.6m) from the 2017 acquisitions. Statutory reported revenue reduced by 11% from $144.4m to $118.7m. Segmental information has been revised in 2018 and 2017, with the information from the comparative period being extracted from management accounts and is unaudited. The impact of currency movements during the period was not significant on revenue or earnings.

	2018 (audited) IFRS 15 $000	2017 (proforma) IFRS 15 $000	2017 IAS 18 $000
Ticketing and distribution	**78,550**	64,418	63,536
Guest Experience	**40,197**	38,424	69,893
Total revenue	**118,747**	102,842	133,429

	2018 (audited) IFRS 15 $000	2017 (proforma) IFRS 15 $000	2017 IAS 18 $000
Ticketing and distribution – excluding 2017 acquisition *Ingresso*)	**56,435**	47,700	46,818
Guest Experience – excluding 2017 acquisition (*TE2*)	**23,581**	26,495	57,964
Total revenue – excluding 2017 acquisitions	**80,016**	74,195	104,782
Ingresso	**22,115**	16,718	16,718
TE2	**16,616**	11,929	11,929
Total revenue attributable to 2017 acquisitions	**38,731**	28,647	28,647
Total revenue	**118,747**	102,842	133,429

Removing the benefit of the 2017 acquisitions, revenue increased to $80.0m (2017 Proforma: $74.2m) reflecting growth of 7.8%. This growth included a strong performance within ticketing and distribution, which delivered growth of 18.3%, offset by an 11.0% reduction in Guest Experience revenues. This is principally attributable to 2017 benefiting from $2.5m of non-repeatable implementation revenue from a significant queuing solution to a major US operator, and 2018 continuing to address the headwind discussed within the Operational Review relating to the proportion of guests who gain admission to the venue as part of a season pass or membership program Repeatable revenues within guest experience, excluding the 2017 acquisition and significant implementation revenue, were broadly flat.

Ticketing and distribution revenue growth was driven by a strong performance from existing venues coupled with the introduction of additional venues from the roll out of the Merlin Entertainments agreement and new customers implemented in the year. An element of this growth was derived from a higher than usual proportion of revenues from up front point of sale licenses, which are unlikely to be repeated to a similar level in 2019. We estimate that this mix benefit to revenue in 2018 was approximately $2m.

Chief Executive's Statement (Continued)

Key Financial Metrics (continued)

Revenue: 2017 acquisitions

During 2017, the group completed the acquisitions of *Ingresso* and *TE2* in March 2017 and July 2017 respectively.

In March 2018, we announced the decision of Amazon UK to immediately exit the UK ticketing distribution space. This was a significant customer of *Ingresso* but this decision does not impact the strategic opportunity that the group expects to derive from this technology, and was mitigated by new and potentially larger distribution arrangements. It did however negatively impact management revenue expectations in the shorter-term. Notwithstanding the impact of Amazon, full year pro-forma revenues including the pre-acquisition period in 2017, rose by 11.1% to $22.1m (2017: $19.9m).

TE2 revenues continue to be largely focused on the ongoing delivery of professional services to Carnival in support of the roll out of its Medallion Class program, the initial part of which was formally launched by that operator at the end of 2017. The focus required to successfully execute on the delivery of these services did impact the planned development of the platform element of this business. Full year revenues on a pro-forma basis, including the pre-acquisition period in 2017, fell by 30.8% to $16.6m (2017: $24.0m). This reduction reflects significant professional services activity in the pre and post-acquisition periods of 2017 together with the full year benefit of license fee recognition revenue relating to a single customer of $4.6m in 2017. While we expect to continue to generate professional services revenues from the ongoing relationship with this customer, the remaining portion of this license was recognized in the current reporting period and represented $2.9m of 2018 TE2 revenues.

Revenue Visibility

	2018 (audited) IFRS 15 $000	2017 (proforma) IFRS 15 $000	2017 (audited) IAS 18 $000
Transactional revenue	**79,665**	67,719	99,188
Other repeatable revenue	**8,698**	9,045	9,045
Non-repeatable revenue	**26,487**	18,179	17,297
Other revenue	**3,897**	7,899	7,899
	118,747	102,842	133,429

Transactional revenue is defined as revenue earned as either a fixed amount per sale of an item, such as a ticket sold by a customer or as a percent of revenue generated by a venue operator. Normally this revenue is repeatable where a multi-year agreement exists and purchasing patterns by venue guests do not significantly change. Other repeatable revenue is defined as revenue, excluding transactional revenue, that is expected to be earned through each year of a customer's agreement, such as maintenance support revenue without the need for additional sales activity. Non-repeatable revenue is revenue that occurs one-time (e.g. up-front license fees) or is not repeatable based upon the current agreement (e.g. billable professional services hours) and is unlikely to be repeatable without additional successful selling execution by *accesso*. Other revenue consists of hardware sales and other revenue that may or may not be repeatable with limited sales activity if customer behaviour remains consistent.

We estimate that for 2018 74.4% (2017 Proforma: 74.6%) of Group revenue is repeatable in nature (transactional revenue plus other repeatable). There is an expectation that the repeatable % will increase as *TE2* repeatable platform revenues evolve at a greater rate than their non-repeatable professional services revenues.

Gross Margin

The gross profit margin in 2018 was 74.3%, compared to a 2017 reported margin of 55.0% (pre-adoption of IFRS 15), and a 2017 Proforma margin of 72.3% in 2017. There were no significant beneficial or adverse margin changes and the slight increase in margin is principally related to mix, with a higher proportion of ticketing revenues in the year.

Chief Executive's Statement (Continued)

Key Financial Metrics (continued)

Administrative Expenses

	2018 $000	2017 $000
Development expenditure gross expenditure	**29,403**	20,025
Less capitalized development expenditure	**(21,100)**	(12,395)
Development expenditure included in administrative expenses	**8,303**	7,630
Sales and marketing	**4,893**	3,848
Other operating expenditure	**40,253**	37,363
Underlying administrative expenses (excluding depreciation)	**53,449**	48,841
Amortisation and depreciation (excluding acquired intangibles)	**9,624**	5,531
Underlying administrative expenses (including depreciation)	**63,073**	54,372
Acquisition and aborted acquisition expenses	**1,703**	1,249
Deferred and contingent payments	**3,176**	2,131
Amortisation related to acquired intangibles	**11,740**	8,591
Profit recognized on reduction of earn-out liability	**-**	(3,228)
Share based payments	**2,245**	1,089
Administrative expenses per the income statement	**81,937**	64,204

Administrative expenses were up 27.6% to $81.9m (2017: $64.2m), as the group absorbed a full year of the enlarged Group and the related full year amortisation of the 2017 acquired intangibles, and employment related consideration together with increased share-based payment charges. Development expenditure, net of capitalisation increased to $8.3m (2017: $7.6m). A $2.7m reduction in expenditure was recorded in respect of year-end director and staff bonuses, which totalled $1.5m (2017: $4.2m), with executive directors and the senior leadership team not accruing any bonus for the year. Finally, an expense of $1.7m was incurred relating to professional fees associated with a significant and well-advanced acquisition opportunity, which was ultimately terminated by the Board of *accesso* in October 2018.

Underlying administrative expenses, which exclude acquisition expenses, amortisation of acquired intangibles, charges relating to any contingent element of acquisition consideration, and share based payments were $53.4m, representing an increase of 9.4% on 2017 ($48.8m) and driven primarily by a full year of the 2017 acquisitions and continued increase in headcount and operational infrastructure to support short and longer-term growth.

Adjusted EBITDA and operating profit

Adjusted EBITDA of $34.8m was up 41.5% (2017: $24.6m) and 36.5% from a 2017 Proforma of $25.5m.

Operating Profit for 2018 was $6.3m, down from a reported $9.2m in 2017, and a Proforma of $10.1m, as the increase in the underlying profitability of the group was unable to absorb the full year of the amortisation on the 2017 acquired intangibles, employment-related consideration, increased share-based payment charges and the additional acquisition related expenses (including aborted acquisition expense). 2017 had also included a one-time non-underlying $3.2m benefit relating to the reduction in the expected earn-out payable to the sellers of *Ingresso.*

Adjusted operating profit, which the Board considers a key underlying metric, was $25.1m in 2018, equating to 25.5% growth when compared to a 2017 Proforma adjusted operating profit of $20.0m. Adjusted operating margin increased to 21.1% for 2018 (2017 Proforma: 19.5%).

Chief Executive's Statement (Continued)

Key Financial Metrics (continued)

Adjusted EBITDA and Operating Profit (continued)

The tables below set out a reconciliation between operating profit and adjusted EBITDA:

	2018	2017 (proforma)	2017
	IFRS 15	IFRS 15	IAS 18
	$000	$000	$000
Operating profit	**6,267**	10,124	9,241
Add: Acquisition expenses (including aborted acquisition)	**1,703**	1,249	1,249
Add: Deferred and contingent payments	**3,176**	2,131	2,131
Add: Amortisation related to acquired intangibles	**11,740**	8,591	8,591
Less: Profit recognised on reduction of earn-out liability	**-**	(3,228)	(3,228)
Add: Share based payments	**2,245**	1,089	1,089
Adjusted operating profit	**25,131**	19,956	19,073
Add: Amortisation and depreciation (excluding acquired intangibles)	**9,624**	5,531	5,531
Adjusted EBITDA	**34,755**	25,487	24,604

The following is an analysis of the Group's adjusted EBITDA by reportable segment.

	2018	2017 (proforma)	2017
	IFRS 15	IFRS 15	IAS 18
	$000	$000	$000
Ticketing and distribution	**30,805**	23,772	22,890
% of ticketing and distribution segment revenue	***39.2%***	*36.9%*	*36.0%*
Guest Experience	**19,256**	18,224	18,224
% of guest experience segment revenue	***47.9%***	*47.4%*	*26.1%*
Central unallocated costs	**(15,306)**	(16,509)	(16,510)
Adjusted EBITDA	**34,755**	25,487	24,604
% of total revenue	***29.3%***	*24.8%*	*18.4%*

Profit before tax of $5.2m was down from $7.2m in 2017 as the income statement absorbed the increase in non-cash charges related to the acquisition strategy that the Group has followed over recent years, together with the increase in acquisition expenses incurred in the period.

Financing costs totalled $1.1m (2017: $2.1m) and included net interest payable of $0.7m (2017: $0.7m) together with amortisation of capitalised finance costs and the interest costs associated with contingent and deferred compensation of $0.4m (2017: $1.4m).

Chief Executive's Statement (Continued)

Key Financial Metrics (continued)

Development Expenditure

Development expenditure by segment	**2018 $000**	2017 $000
Ticketing and distribution	**16,182**	14,067
% of ticketing and distribution segment IFRS 15 revenue	*20.6%*	*21.8%*
Guest Experience	**13,221**	5,958
% of guest experience segment IFRS 15 revenue	*32.9%*	*15.5%*
Total development expenditure	**29,403**	**20,025**
% of total IFRS 15 revenue	*24.8%*	*19.5%*

Development expenditure – organic and acquisition related	**2018 $000**	2017 $000
Ticketing and distribution – excluding 2017 acquisitions	**15,099**	13,378
% of segment IFRS 15 revenue – excluding 2017 acquisitions	*26.8%*	*28.0%*
Guest Experience – excluding 2017 acquisitions	**1,904**	2,161
% of segment IFRS 15 revenue – excluding 2017 acquisitions	*8.1%*	*8.2%*
Total – excluding 2017 acquisitions	**17,003**	15,539
% of total IFRS 15 revenue – excluding 2017 acquisitions	*21.2%*	*20.9%*
Ingresso	*1,083*	*690*
% of Ingresso IFRS 15 revenue	*4.9%*	*4.1%*
TE2	*11,317*	*3,796*
% of TE2 IFRS 15 revenue	*68.1%*	*31.8%*
Total development expenditure	**29,403**	20,025
% of total IFRS 15 revenue	*24.8%*	*19.5%*

Total development expenditure, before capitalisation, during 2018 was $29.4m (2017: $20m). The principal driver of this increase was the additional $7.9m related to a full year of the 2017 acquisitions. Both acquisitions represent businesses that were less mature than the group they joined and accordingly the total expenditure represented 24.8% of 2018 revenue (2017: 19.5%). Excluding the acquisitions, development expenditure represented 21.2% of revenues (2017: 20.9%).

Development expenditure remains a significant but critically important element of the cost base of the business and the table above demonstrates the significant development resources that are deployed within ticketing and *TE2* parts of the business. The group undertakes development primarily in response to revenue enhancing, customer led initiatives and limits exposure to research type work.

The expenditure within ticketing includes such customer led enhancements to functionality, the continued globalisation of the product and, new in 2018, initial expenditure in relation to an internal project to re-engineer the product platform to more readily execute on revenue opportunities and to more efficiently develop, maintain and support on a forward-looking basis, as discussed earlier in this review.

Expenditure in relation to *TE2* represents the ongoing development of its platform, while dovetailing with the broader re-engineering project of the accesso platform referenced above. It also includes a modest investment in relation to our initial work to understand the opportunity within the adjacent healthcare market.

The group capitalizes elements of development expenditure, where it is appropriate and in accordance with IAS 38 'Intangible assets'. Capitalised development expenditure was $21.1m (2017: $12.4m) representing 71.8% (2017: 61.9%) of total development expenditure. The net benefit of development capitalisation less related amortisation increased to $13.0m from $8.2m in 2017.

Chief Executive's Statement (Continued)

Key Financial Metrics (continued)

Taxation

On a statutory basis, the Group had a tax charge of $1.9m (2017: tax credit $2.7m).

The effective tax rate of the group of 36.4% is inflated by certain items of expenditure, which are not deductible for tax purposes such as aborted acquisition costs, charges related to the accounting for acquisition consideration that is linked to continued employment and therefore deemed to be compensation from an IFRS perspective, together with share based payments.

On an adjusted basis, the Group's effective tax rate on its adjusted earnings, was 18.8%. This rate includes the benefit of credits relating to prior periods of approximately $1.0m. The group maintains its forward-looking guidance in respect of the effective tax rate on adjusted earnings as being between 21% and 23%.

Tax is covered in more detail within Note 13.

Profit after tax was $3.3m (2017: $9.9m). In addition to the full year of the amortization on the 2017 acquired intangibles and employment related consideration, increased share-based payment charges and the additional acquisition related expenses (including aborted acquisition expense) the prior period benefited from the $2.7m tax credit.

As a result, earnings per share (basic) were 12.23 cents for 2018, a decrease of 70% (2017: 40.83 cents).

Adjusted basic and fully diluted earnings per share were 73.58 cents and 70.61 cents respectfully for 2018, with increases of 23.8% and 27.6% on 2017 Proforma basis of 59.45 cents and Proforma fully diluted of 55.36 cents.

Net Debt and Cash Generated from Operations

	2018 **$000**	2017 $000
Underlying cash from operations (see below)	25,954	21,246
Tax	(452)	(224)
Capitalised development costs	(21,100)	(12,395)
Other capital expenditure	(1,959)	(936)
Underlying free cash flow	**2,443**	**7,691**
(Less)/ plus: *TE2* option cash movement in period	(3,992)	5,500
(Less)/ plus: movement in *Ingresso* short term cash	(2,403)	7,600
Share issues	1,906	77,112
Acquisition related payments (including costs)	(9,269)	(79,733)
Interest	(541)	(741)
Other	(192)	(1,469)
Movement in net debt in year	**(12,048)**	15,960
Opening net cash/ (debt)	12,528	(3,432)
Closing net cash	**480**	12,528

Our closing net cash balance was $0.5m (2017: $12.5m). Within the financial review for the year ended 31 December 2017, we disclosed that the net cash position at that date included balances of approximately $16.5m in respect of cash paid back to the Group by the sellers of *TE2* to make payments to employees in lieu of a pre-acquisition option scheme over a three year period and cash balances held by the Group to make near term settlements to venue operators in respect of the *Ingresso* platform. We took the conservative view that these balances should be viewed as non-cash and movements in these balances ignored when looking at the underlying cash generation within the business.

Chief Executive's Statement (Continued)

Key Financial Metrics (continued)

Net Debt and Cash Generated from Operations

The *TE2* balance at 31 December 2018, of $1.5m (2017: $5.5m) is expected to outflow from the business over an 18-month period from 31 December 2018. The cash balances in relation to *Ingresso* of $8.6m at 31 December 2018 (2017: $11.0m) represent cash received from ticket distributors or direct ticket sales that includes both ticket commissions, which are recognized as revenue by *Ingresso* and the ticket value payable to the venues. This ticket value element does not form part of *accesso's* revenue or expenses and, by its nature, is difficult to model at any point in time.

Both the *TE2* and *Ingresso* balances are beneficially owned by the Group, and while there are no restrictions on their use, they have been excluded from our current definition of net debt and the movements on these balances. Adjusting for these items results in an adjusted net debt position of $10.0m at 31 December 2018 (2017: $4.0m).

Cash Generated from Operations

	2018	2017
	$000	$000
Cash flow from operating activities	**17,825**	33,097
Add: Acquisition related expenses (including debt arrangement)	**392**	1,249
Add: Payment of deferred consideration to employees (Ingresso)	**1,342**	-
Plus/ (less): *TE2* option cash movement in period	**3,992**	(5,500)
Plus/ (less): Increase in *Ingresso* short term cash	**2,403**	(7,600)
Adjusted cash from operations	**25,954**	21,246

Cash generated from operations of $17.8m (2017: $33.1m) includes a $6.4m outflow in relation to these *TE2* and *Ingresso* balances (2017: $13.1m inflow). Adjusted cash generated from operations was $26m for the year ended 31 December 2018, per the table above, an increase of 22.6% from 2017 ($21.2m).

This represents an underlying cash conversion from adjusted EBITDA of 74.7% (2017: 83.1% on IFRS consistent basis). The reduction from 2017 reflects a higher level of multi-year licenses where, under IFRS 15, revenue is recognized in the period of deployment with cash flows received over the term of the agreement and a lower level of payables at 31 December 2018.

Looking forward, we expect the underlying cash conversion percentage from adjusted EBITDA to be close to that in 2017.

The increase in capital expenditure in the period has not been matched by a corresponding increase in cash generated from operations and therefore underlying free cash flow reduced to $2.4m in the current year (2017: $7.7m).

Financing and Investing Activities

During the year, a final payment of $9.3m was made to the sellers of Ingresso Group Limited, which was based on the results of that business for the year ended 31 December 2017 and was recognized as a liability when the fair value of that acquisition was disclosed within the 2017 annual report. There are no further contingent or non-contingent acquisition related payments due.

Borrowing Facility

The Group maintains a borrowing facility with Lloyds Bank plc. This facility currently provides the Group with the ability to draw down a total of $50m, denominated in either US dollars, GB Pound Sterling or Euros, and expires in 2021. The facility is at an agreed rate of 140 basis points above LIBOR at a borrowing to EBITDA ratio of less than 1.5 times, rising to a maximum 190 basis points if the borrowing to EBITDA ratio is greater than 2.25 times. It provides an additional accordion mechanism allowing for a further $10m relating to future acquisitions and includes a commitment interest on undrawn funds of 35% of the relevant interest rates above. The total available for drawdown is subject to a reduction of US$10m on 30 March 2019 and a further reduction of $10m on 30 March 2020.

Cash balances at 31 December 2018 totalled $20.7m (2017: $28.7m) while borrowings at 31 December 2018 totalled $20.2m ($16.1m), versus the current facility of $50m.

The Board believes that the Group remains in a strong financial position at the period end, with good access to debt finance on attractive terms.

Chief Executive's Statement (Continued)

Dividend

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

Paul Noland
Chief Executive Officer
27 March 2019

2017 Pro-forma Data

The proforma information presented below has been provided as additional information to the statutory reported requirements to illustrate the performance of the business. The statutory reported results for 2018 and 2017 are not directly comparable due to the fact that IFRS 15 was adopted from 1 January 2018 and was not applied retrospectively. This information is unaudited and does not form part of the audited annual financial statements.

Selected income statement information has been extracted from the Group's management accounts for the two comparative years to present this proforma information.

IFRS 15 impact 1: Certain *accesso LoQueue* revenues now recognized on a net basis (previously gross)

Under IAS 18, certain queuing contracts were recognised on a gross basis where management determined the company was acting the principal in the agreement.

IFRS 15 contains different criteria for determining who is the principal in an agreement, focusing on control of the goods or services. Management have determined the Group is acting as the agent in all queuing contracts, and therefore only recognises its portion of the sale as revenue, rather than the full amount of the guest payment.

IFRS 15 Change 2 – Term and annual licenses

a) **Point-of-sale (POS) licenses and support revenue**: Under IAS 18, the license revenue was recognised equally over the term of the agreement, reflecting the pattern of availability to the customer. IFRS 15 considers these licenses to be recognised at a point in point in time which is determined to be when the customer has been provided the software. These licences provide the customer with the right of use of the POS software as it exists, it is at the customers discretion to accept any updates to the software, it is fully functional from the date it is provided to the customer and considered a distinct performance obligation. Support revenue is carved out of the total consideration using an estimate that best reflects its stand-alone selling price and is continued to be recognised rateably as the customer receives the benefit of the support. Accordingly, the license revenue is recognised sooner under IFRS 15, with support revenue, equal to a percentage of the license fee, continuing to be recognised over the term of the agreement. The impact of these changes on items other than revenue is an increase in net assets in the form of a contract asset.

b) **Software licenses and the related maintenance and support revenue:** Under IAS 18, these software licenses were recognised when accepted by the client, as there was a non-refundable right to payment. IFRS 15 considers right of use licenses to be recognised at a point in point in time which is determined to be when the customer has been provided with a functional software licence. The maintenance and support revenue is determined using an estimate that best reflects its stand-alone selling price and is continued to be recognised rateably as the customer receives the benefit of the maintenance and support. The option to renew each year's licence at a full discount by paying the annual maintenance and support is deferred and recognised at a future point in time when the customer renews. The amount that is deferred is dependent on the term of the contract. For example: on the inception of a three-year contract, two thirds of the licence fee consideration would be deferred and released equally on the first and second anniversary when the customer renews their maintenance and support. Perpetual licences are recognised in the same manner, with the exception being that the contract term is estimated to be five years. As such, the renewal discounts are deferred and spread over the remaining four years at each point the customer renews their maintenance and support. Accordingly, for these type of licenses the phasing of revenue has changed significantly with a smaller portion of the licence revenue being recognised on inception of a new contract, a renewal right to a discounted licence fee is deferred for between three and five years which is held as a contract liability, being recognised on each anniversary of the contract when a customer renews their maintenance and support.

2017 Pro-forma Data (continued)

Income Statement

	Statutory 2017 audited $000	IFRS 15 change 1 $000	IFRS 15 change 2 $000	**Proforma 2017 Unaudited $000**
Revenue	133,429	(31,469)	882	**102,842**
Cost of sales	(59,984)	31,469	-	**(28,515)**
Gross profit	73,445	-	882	**74,327**
Gross profit %	55.0%	-	-	**72.3%**
Administrative expenses	(64,204)	-	1	**(64,203)**
Operating profit	9,241	-	883	**10,124**

Total revenue by reportable segment

	Statutory 2017 $000	IFRS 15 change 1 $000	IFRS 15 change 2 $000	**Proforma 2017 Unaudited $000**
Ticketing and distribution	63,536	-	882	**64,418**
Guest Experience	69,893	(31,469)	**-**	**38,424**
Total revenue	133,429	(31,469)	882	102,842

Revenue by reportable segment demonstrating impact of 2017 acquisitions

	Statutory 2017 IAS 18 $000	IFRS 15 change 1 $000	IFRS 15 change 2 $000	**Proforma 2017 IFRS 15 $000**
Ticketing and distribution – excluding 2017 acquisitions	46,818	-	882	**47,700**
		-	-	
Guest Experience – excluding 2017 acquisitions	57,964	(31,469)	-	**26,495**
Total Revenue – excluding 2017 acquisitions	104,782	(31,469)	882	**74,195**
Ingresso	16,718	-	-	**16,718**
TE2	11,929	-	-	**11,929**
Total revenue attributable to 2017 acquisitions	28,647	-	-	**28,647**
Total revenue	133,429	(31,469)	882	**102,842**

Revenue Visibility

	Statutory 2017 audited IAS 18 $000	IFRS 15 change 1 $000	IFRS 15 change 2 $000	**Proforma 2017 Unaudited IFRS 15 $000**
Transactional revenue	99,188	(31,469)	-	**67,719**
Other repeatable revenue	9,045	-	-	**9,045**
Non-repeatable revenue	17,297	-	882	**18,179**
Other revenue	7,899	-	-	**7,899**
	133,429	(31,469)	882	**102,842**

2017 Pro-forma Data (continued)

Operating profit adjusted operating profit and adjusted EBITDA

	Statutory 2017 IAS 18 $000	IFRS 15 change 1 $000	IFRS 15 change 2 $000	**Proforma 2017 IFRS 15 $000**
Operating profit	9,241	-	883	**10,124**
Add: Acquisition expenses	1,249	-	-	**1,249**
Add: Deferred and contingent payments	2,131	-	-	**2,131**
Add: Amortisation related to acquired intangibles	8,591	-	-	**8,591**
Less: Profit recognised on reduction of earn-out liability	(3,228)	-	-	**(3,228)**
Add: Share based payments	1,089	-	-	**1,089**
Adjusted operating profit	19,073	-	883	**19,956**
Add: Amortisation and depreciation (excluding acquired intangibles)	5,531	-	-	**5,531**
Adjusted EBITDA	24,604	-	883	**25,487**

Revenue and adjusted EBITDA by reportable segment

	Statutory 2017 IAS 18 $000	IFRS 15 change 1 $000	IFRS 15 change 2 $000	**Proforma 2017 IFRS 15 $000**
Ticketing and distribution	22,890		882	**23,772**
% of segment revenue	*36.0%*	-	-	***36.9%***
Guest Experience	18,224	-	-	**18,224**
% of segment revenue	*26.1%*	-	-	***47.4%***
Central unallocated costs	(16,510)	-	1	**(16,509)**
Adjusted EBITDA	24,604	-	883	**25,487**
% of total revenue	*18.4%*			***24.8%***

The Board of directors
for the financial year ended 31 December 2018

Bill Russell, Non-Executive Chairman

Bill Russell was appointed as the Group's new Non-Executive Chairman, effective concurrently with Tom Burnet's move to the Non-Executive Director position on 1 March 2019.

Bill Russell has served in a variety of roles in both public and private technology company boards, in a career spanning several decades, including 23 years across a number of senior management roles at Hewlett Packard, including Vice President and General Manager of Hewlett Packard's multi-billion-dollar Enterprise Systems Group and its Software Solutions Group. Bill is currently Non-Executive Chairman at leading technology solutions provider Piksel Group and PROS Holdings, a provider of AI-powered solutions that optimize selling in the digital economy, and previously held roles at SABA Software, Inc., webMethods and Cognos. Bill is based in the United States

Andy Malpass, Non-Executive Director

Andy Malpass has over 30 years' experience in the software industry covering both private and public companies, including approximately 20 years as Group Finance Director of Fidessa Group plc. Andy also served as Company Secretary of Fidessa Group plc for many years. He is currently an Independent Non-Executive Director and Chair of the Audit Committee at Kainos Group plc. Andy graduated with a BA (Hons) in Accounting and Finance from Lancaster University and is a Fellow of the Chartered Institute of Management Accountants.

Andy joined *accesso* on 26 June 2018 as Independent Non-Executive Director, Andy is the Chair of the Audit Committee and became a member of the Remuneration Committee in March 2019.

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. In 2017 David was elected as an Honorary Fellow of the Royal Academy of Engineering and in 2018 was elected as a member of the Scale Up Institute. In 2019 he became a member of the industrial advisory board to IQ Capital Partners Limited.

Previous experience includes non-executive director and advisor at artificial general intelligence company DeepMind Technologies Limited. Earlier in his career David worked as an investment banker for over 15 years.

David joined *accesso* in November 2010 as a Non-Executive Director. David is a member of the remuneration and audit committees and performed the role of audit committee Chair from 18 March 2016 to until 26 June 2018.

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 modelling.

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.

The Board of directors
for the financial year ended 31 December 2018 (continued)

Karen Slatford, Senior Independent Director

Karen Slatford has significant experience working in the global technology and business arenas, serving currently as Senior Independent Director and Micro Focus International plc, Chair of Draper Esprit and Senior Independent Director of Alfa Financial Software Holdings. Between 1983 and 2001 Karen worked at Hewlett Packard where in 2000 she became Vice President and General Manager Worldwide Sales & Marketing for Business Customers.

Karen joined *accesso* on 24 May 2016 and is a member of *accesso*'s audit committee and is the Chair of the remuneration committee.

Paul Noland, Chief Executive Officer

Paul Noland joined *accesso* as Chief Executive Officer in April 2018, guiding the company's growth and day-to-day operations as it serves more than 1,000 venues in over 30 countries.

Paul has built an impressive resume as a leader in the international attractions and entertainment industries. Prior to joining *accesso*, Paul served as President and CEO of the International Association of Amusement Parks and Attractions (IAAPA) from 2013 to 2018, helping the organization continue its growth as the largest international trade association for amusement facilities and attractions worldwide. He also served for 16 years in senior executive roles with Walt Disney Parks and Resorts where he championed major growth initiatives across the company's domestic theme parks and resorts and oversaw the financial planning, revenue management and pricing functions at Walt Disney World Resort. Prior to Disney, he spent more than a dozen years in leadership roles with Marriott International where he focused on optimizing revenue across the company's then 900 hotels.

Paul earned a Master of Business Administration from the College of William and Mary in Williamsburg, Virginia, and a Bachelor of Science in Journalism and Speech Communication from Radford University in Radford, Virginia.

Tom Burnet, Non-Executive Director

Tom Burnet joined *accesso* as the Chief Executive Officer in late 2010. Tom fulfilled the role of Executive Chairman through 2018 until 1 March 2019 when he stepped down as Executive Chairman and is now a Non-Executive Director with the provision of strategic and acquisition support. 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.

Strategic report
for the financial year ended 31 December 2018

Our strategy

accesso's purpose is a simple one. It is to partner with the operators of leisure attractions around the world and to help them deploy technology solutions to engage with their guests to deliver better guest experiences. We look to establish long-term agreements with our customers – our technology is typically a key part of their enterprise software stack. Importantly, we look to find mutually beneficial participative revenue models where we are paid for our services as a percentage of the profit or revenue that our systems deliver, underpinning our group revenues for many years to come.

Our strategy has been to identify technology solutions that can engage with guests as they journey through their visit – from their early online research, their arrival and enjoyment of the attraction and the post visit follow ups. Over the last 7 years we have both developed technology in house and acquired businesses which add value to operators along the journey. In addition to operators, our strategy of promoting long term value for shareholders is supported by the management incentive plans being aligned with the interests of investors.

Looking ahead, we find ourselves in an enviable situation. No other vendor in the attractions and leisure market has anything like the scale or breadth of competency that we have. Our opportunity is to maximise the cross and upsell opportunity for our products globally by combining core elements of each of our platforms into one unified system. Our plan is to deliver this over the next 2 years at which time we should be uniquely positioned to capture a significant share of what we believe is a $3.4bn global market.

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 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 customer base, 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, euros, the Australian dollar, 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 outside of the EU.

Strategic report
for the financial year ended 31 December 2018

Principal risks and uncertainties (continued)

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. 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.

Cyber security is a primary concern at *accesso*. We have a team led by our Chief Information Officer focused on the security of our operations and platforms. *accesso* takes a multi-layer approach to security employing many solutions to protect our systems at every level including vulnerability management, intrusion detection and endpoint protection to name just a few. We conduct aggressive penetration testing throughout the year and against all of our platforms. All of the above is built upon an ever-expanding set of policies that govern our approach to engagement, security and response.

We also recognize that the first, and most likely, point of attack is against our people and go to great lengths to provide training on the types of attacks they may encounter and vulnerabilities to which they are subject. This includes, but is not limited to, regular phishing simulations at varying degrees of sophistication followed up by additional training and clarification. As attacks become more sophisticated and customized, our staff need to understand how to recognize and respond as they are the last line of defense when something slips through our various protections.

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.

Key performance indicators and alternative performance measures

Key performance indicators are used to measure and control both financial and operational performance. Ticket volumes, revenues, margins, costs, cash and sales pipeline are trended to ensure plans are on track and corrective actions taken where necessary. See the Chief Executive's Statement on pages 5 to 19 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 and repeatable revenue. 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 items which are not reflective of the underlying business, including acquisition expenses, amortisation related to acquired intangibles, deferred and contingent payments related to acquisitions, changes to earn-out considerations and share-based payments. The APMs help ensure the Group is focused on translating sales growth into profit. By making these adjustments, 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 2018

Reconciliation of APMs

	2018	2017
Adjusted operating profit and adjusted EBITDA	**$000**	$000
Operating profit	**6,267**	9,241
Add: Acquisition expenses	**1,703**	1,249
Add: Deferred and contingent payments	**3,176**	2,131
Add: Amortisation related to acquired intangibles	**11,740**	8,591
Less: Profit recognised on reduction of earn-out liability	**-**	(3,228)
Add: Share-based payments	**2,245**	1,089
Adjusted operating profit	**25,131**	19,073
Add: Amortisation and depreciation (excluding acquired intangibles)	**9,624**	5,531
Adjusted EBITDA	**34,755**	24,604
Adjusted administrative expenses		
Administrative expenses	**81,937**	64,204
Net adjustments detailed above	**(28,488)**	(15,363)
Adjusted administrative expenses	**53,449**	48,841
Net cash/ (debt) and adjusted net cash/ (debt)		
Cash and cash equivalents	**20,704**	28,668
Less: Borrowings	**(20,224)**	(16,140)
Net cash	**480**	12,528
Less: TE2 option cash	**(1,508)**	(5,500)
Less: Ingresso near term settlements treated as non-cash	**(8,598)**	(11,000)
Adjusted net debt	**(9,626)**	(3,972)

Definitions of APMs

- Adjusted operating profit: operating profit before the deduction of amortisation related to acquisitions, acquisition costs, deferred and contingent payments, profit recognised on the reduction of the earn-out liability, and costs related to share-based payments
- Adjusted EBITDA: operating profit before the deduction of amortisation, depreciation, acquisition costs, deferred and contingent payments, profit recognised on the reduction of the earn-out liability, and costs related to share-based payments
- Adjusted administrative expenses: Administrative expenses adjusted for the items in adjusted operating profit
- 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 (see page 13)
- Adjusted EPS: earnings per share after adjusting operating profit for amortisation on acquired intangibles, deferred and contingent payments, profit recognised on the reduction of the earn-out liability, acquisition costs, finance charges relating to refinance for acquisition purposes and share-based payments, net of tax at the effective rate for the period (see page 85)

On behalf of the Board:

John Alder
Chief Financial Officer
27 March 2019

Directors Remuneration Report
for the financial year ended 31 December 2018

Introduction

As Chair of the Remuneration Committee, I am pleased to present our report setting out *accesso*'s remuneration policy and practice and activities over the previous year. The Remuneration Policy is intended to incentivise and motivate the leadership team to achieve the Company's strategic goals.

Although a full remuneration report is not a requirement of an AIM listed company, the Committee has decided that a more comprehensive report is good practice and aids shareholder information.

This report is in three parts. The Annual Statement gives an overview of the year. This is followed by the Remuneration Policy. Finally, the Annual Report on Remuneration, on pages 35 to 40, provides greater detail of the amounts paid in 2018 and how the remuneration policy will be implemented in the 2019 financial year.

During the year the company adopted the Quoted Companies Alliance's Corporate Governance Code (the 'QCA Code'), and the report has been prepared in accordance with the principles of the QCA Code. The content of this report is unaudited unless otherwise stated.

We hope you find the information in this report helpful to you as a shareholder.

Membership

Chair	Members
Karen Slatford	David Gammon
	Andy Malpass (appointed 21 March 2019)

Committee membership is limited to independent Non-Executive Directors of the Company unless there is an insufficient number of appointed Non-Executive Directors at any point, in which case an Executive Director will be appointed. Martha Bruce, the Company Secretary, or her designate acts as secretary to the Committee.

Role of the Committee

The Committee's primary role is to determine and agree with the Board, the remuneration policy for the Executive Directors. Within the terms of the policy it also approves performance-related and discretionary awards to Executive Directors. The Committee's full Terms of Reference may be viewed on *accesso's* website. Senior members of accesso's management team may attend by invitation but will not be present when their own remuneration is discussed.

Appointment of external advisors

The Committee has not appointed any external advisors.

Principal activities in 2018

The principal activities undertaken by the Committee during 2018 were as follows:

- Reviewed and agreed the remuneration and related terms for the new CEO;
- Reviewed and approved the bonus awards in respect of the 2017 performance year and salary increases with effect from January 2018;
- Reviewed and approved the LTIP grants for 2018;
- Approved the grant of Special Option Awards to key staff;
- Reviewed the annual bonus targets for the Executive Directors for the financial year 2018 and measured performance against them;
- Agreed the annual bonus targets for the Executive Directors for the financial year 2019;
- Reviewed and approved the terms of reference of the Committee.

Directors Remuneration Report
for the financial year ended 31 December 2018 (continued)

Remuneration policy overview

The principal objectives of the Company's remuneration policy are to attract, retain and motivate the Company's Executive Directors and Senior Management and provide incentives that align with, and support, the Company's business strategy.

The Remuneration Committee oversees the implementation of this policy and seeks to ensure that the Executive Directors are fairly rewarded for the Company's performance over the short, medium and long-term. Taking typical practice within the sector into account, the Committee has decided that a significant proportion of potential total remuneration should be performance-related.

In order to align salaries and total compensation with the market, the Committee approved salary increases 2.8% for the Executive Chairman and 7% for the Chief Financial Officer with effect from 1 January 2018. The Committee will continue closely monitor the salary and total remuneration for Executive Directors and reserves the right to make an increase in excess of typical market practice if it considers it necessary and appropriate.

Focus for 2019

In the coming year the Remuneration Committee will consider a number of matters including:

- assessment of Group performance against 2018 budget and determination of bonus awards in conjunction with the company's strategy and risk appetite;
- approval of bonus performance measures and targets for 2019;
- approval of performance conditions and awards under the Company's Long-Term Incentive Plan for 2019;
- assessment of the ongoing appropriateness of the remuneration arrangements in light of remuneration trends and market practice;

The Committee believes that the total remuneration package for each Executive Director represents an appropriate balance between fixed and variable remuneration. It will reward personal and corporate outperformance whilst ensuring overall awards remain competitive.

Resolutions at the AGM

Shareholders will not be asked to vote on our Remuneration Policy as such a vote is not required for AIM listed companies. The policy has been prepared only for information and to give shareholders full background on the Company's approach to remuneration.

Directors remuneration policy

This section sets out *accesso's* Remuneration Policy for Executive and Non-Executive Directors. The policy is not subject to a separate shareholder vote and is included for information only.

The Policy explains the purpose and principles underlying the structure of remuneration packages and how the Policy links remuneration to the achievement of sustained high performance and long-term value creation.

Overall remuneration is structured and set at levels to enable accesso to recruit and retain high calibre executives necessary for business success whilst ensuring that:

- our reward structure, performance measures and mix between fixed and variable elements is comparable with similar organisations,
- rewards are aligned to the support the implementation of strategy and aims of the business, and effective risk management for the medium to long-term
- the right behaviours, values and culture are encouraged and rewarded; and
- the approach is simple to communicate to participants and shareholders.

Directors Remuneration Report
for the financial year ended 31 December 2018 (continued)

Fixed Elements of remuneration for Executive Directors

Element of Remuneration	Link to Company Strategy	Operation	Maximum Opportunity
Salary	Provides a set level of remuneration sufficient to attract and retain Executives with the appropriate experience and expertise.	The Committee takes into account a number of factors when setting and reviewing salaries, including: • Scope and responsibility of the role; • Any changes to the scope or size of the role; • The skills and experience of the individual; • Salary levels for similar roles within appropriate comparators; and • Value of the remuneration package as a whole.	There is no set maximum to salary levels or salary increases. Account will be taken of increases applied to colleagues as a whole when determining salary increases for the Executive Directors, however the Committee retains the discretion to award higher increases where it considers it appropriate.
Benefits	Provides benefits sufficient to attract and retain Executives with the appropriate experience and expertise.	Executive Directors are eligible for the following benefits; • Healthcare • Life Insurance • Critical Illness cover	The Committee recognises the need to maintain suitable flexibility in the benefits provided to ensure it is able to support the objective of attracting and retaining personnel in order to deliver the Company strategy. The maximum will be set at the cost of providing the benefits described. One-off payments such as legal fees or outplacement costs may also be paid if it is considered appropriate.
Retirement Schemes	Provides retirement scheme contributions sufficient to attract and retain Executives with the appropriate experience and expertise.	Directors are eligible to receive employer contributions to the Company's pension plan(s) (which are defined contribution plan) or a salary supplement in lieu of pension benefits.	4% of salary per annum for the CEO and CFO and 8% of salary per annum for the Executive Chairman, subject to an annual maximum for the type of scheme per local tax and/or retirement regulations.

Directors Remuneration Report
for the financial year ended 31 December 2018 (continued)

None of the fixed elements of remuneration are subject to performance metrics.

Variable Elements of Remuneration for Executive Directors

Element of Remuneration	Link to Company Strategy	Operation	Maximum Opportunity	Performance Metrics
Annual Bonus	Variable remuneration that rewards the achievement of annual financial, operational and individual objectives integral to Company strategy.	Objectives are set annually based on the achievement of strategic goals. At the end of the year, the Committee meets to review performance against the agreed objectives and determines payout levels. Awards are made in cash.	Up to 150% salary for the Executive Chairman and CEO and up to 120% salary for the CFO.	Awards are based on financial, operational and individual goals set at the start of the year. Up to 50% of the award will be assessed against the Company's financial performance in that year. The remainder of the award will be based on achievement against specific personal and strategic objectives. The Committee reserves the right to make an award of a different amount produced by achievement against the measures if it believes the outcome is not a fair reflection of Company or personal performance. The split between these performance measures will be determined annually by the Committee and exceptionally during the year if there is a compelling reason to do so.
Long-Term Incentive Plan (LTIP)	Variable remuneration designed to incentivise and reward the achievement of long-term targets aligned with shareholder interests. The LTIP also provides flexibility in the retention and recruitment of Executive Directors.	Awards granted under the LTIP vest subject to achievement of performance conditions measured over a three-year period. LTIPs may be made as conditional share awards or in other forms (e.g. nil cost options) if it is considered appropriate. Accrued dividends may be paid in cash or shares, to the extent that awards vest. The plan also allows for Share Options to be granted, subject to a six-month exercise period. The Committee may adjust and amend awards in accordance with the LTIP rules.	Overall maximum of 200% salary in any one year, including any Share Option Plan awards.	Performance measures are currently related to TSR. The Committee reserves the right to adjust the measures before awards are granted to reflect relevant strategic targets. The Committee reserves the right to exercise discretion to adjust the outcome produced by achievement against the measures if it believes the outcome is not a fair reflection of Company performance.

Directors Remuneration Report
for the financial year ended 31 December 2018 (continued)

Variable Elements of Remuneration for Executive Directors (continued)

Element of Remuneration	Link to Company Strategy	Operation	Maximum Opportunity	Performance Metrics
Company Share Option Plan (CSOP)	Variable remuneration designed to incentivise and reward the achievement of long-term targets aligned with shareholder interests. The CSOP also provides flexibility in the retention and recruitment of Executive Directors.	Awards granted under the CSOP become exercisable subject to such timings and performance conditions as may be set by the Committee. Options are granted at market value or the nominal share price if higher. Accrued dividends may be paid in cash or shares, to the extent that awards vest. The Committee may adjust and amend awards in accordance with the CSOP rules.	Overall maximum of 200% salary in any one year, including any LTIP awards	The CSOP will be used for Executive Directors if the Remuneration Committee feel it is advantageous to do so, and on such terms as they regard as appropriate and in shareholder's interests.

Notes to the Policy Table

All LTIP, CSOP and bonus awards made to Executive Directors are subject to Malus and Clawback provisions. The Committee may, in its absolute discretion, determine to reduce the number of shares to which an award or option relates or cancel it altogether. Alternatively, the Committee could impose further conditions on the vesting or exercise of an award or option. At any time within 2 years of an award vesting the Committee may require the Executive Director to transfer to the Company a number of shares or a cash amount in:

- any circumstances justifying summary dismissal of a participant from his office or employment with any Group Company including, but not limited to, dishonesty, fraud, misrepresentation or breach of trust;
- any material breach of a participant's terms and conditions of employment;
- any material violation of Company policy, rules or regulations;
- any material failure of risk management; and/or
- any inaccurate reporting of any accounts, financial data or such other similar information resulting in such accounts, financial data or other information or any future accounts, financial data or other information having to include material write-downs, adjustments or other corrective items

Remuneration Policy for Other Employees
As with the Executive Directors, salary for other employees is set at a level sufficient to attract and retain them, taking into account their experience and expertise. Annual bonus for other employees is normally payable as a percentage of salary and is set annually, based on the achievement of strategic or personal goals.

Selected employees may be invited to participate in *accesso's* LTIP and/or CSOP to aid retention and motivation. Pension arrangements are consistent across the UK and US workforce including Executive Directors.

Executive Directors' service contracts
Each of the Executive Directors has entered into rolling service contracts terminable by either party on six months' notice. Each Executive Director receives life insurance, the benefit of which amounts to a maximum of four times or two times basic annual salary dependant on whether the Executive Director is UK or US based. Each Executive Director is entitled to reimbursement of reasonable expenses incurred by them in the performance of their duties. The service contracts for Executive Directors make no provision for termination payments, other than for payment in lieu of salary.

Recruitment Policy

The Committee will seek to align a new Executive Director's remuneration package to the Company's remuneration policy as set out above. In determining remuneration for a new Executive Director, the Committee will consider all relevant factors, including the requirements of the role, the external market and internal relativities, while ensuring it does not pay more than is necessary to appoint the preferred candidate. Benefits will be limited to those outlined in the remuneration policy, with relocation assistance provided where appropriate. Awards under the LTIP rules and/or CSOP rules that may be awarded to a new Executive Director will be limited to 200% of salary and bonus limited to 200% of salary. Within these limits, the Committee may include any element included within the approved policy, or any other element which the Committee considers is appropriate given the particular circumstances. The Committee may buy out remuneration a new hire has had to forfeit on joining the Group if it considers the cost can be justified and is in the best interests of the Company. Any such buyout would be in addition to the limits set out above. Any such buyout awards will be of comparable commercial value and reflect as closely as practicable the form and structure of the forfeited awards, including timing of vesting, performance conditions and the probability of those conditions being met. The fair value of any bought-out awards will be no higher than that of those forfeited. Where appropriate, the Committee retains the discretion to use the provisions provided in the Listing Rules for the purpose of making such an award, or to utilise any other incentive plan operated by the Group.

Where an Executive Director is appointed from within the Group, any legacy arrangements would be honoured in line with the original terms and conditions as long as these do not cause a material conflict with the remuneration policy. If an Executive Director is appointed following an acquisition of, or merger with, another Company, legacy terms and conditions that are of higher value than provided in the Policy would normally be honoured.

Termination of office policy

If the employment of an Executive Director is terminated, any compensation payable will be determined by reference to the terms of the service contract in force at the time. As variable pay awards are not contractual, treatment of these awards is determined by the relevant rules. The Committee may structure any compensation payments beyond the contractual notice provisions in the contract in such a way as it deems appropriate.

The Company may at its discretion make termination payments in lieu of notice calculated only on base salary. Service agreements may allow for garden leave during any notice period.

There is no entitlement to a bonus in any year. The Committee retains discretion to award bonuses for leavers taking into account the circumstances of departure. Any bonus would normally be subject to performance, deferral and time pro-rating as appropriate.

Treatment of share awards is governed by the plan rules. If an Executive Director ceases to be a director or employee of a Group Company before (i) the release date of an award granted as a conditional share award or (ii) the date on which an award granted as an option becomes capable of exercise by reason of death or any other reason other than for cause, the award shall be released or become exercisable to the participant. The release or exercise will be subject to the extent that any relevant performance condition has been satisfied over the relevant period, which may be determined by the Board. Any part of the Award which remains unvested as at the date of cessation, office or employment shall lapse immediately.

If a participant ceases to be a director or employee of a Group Company for cause, all awards shall lapse immediately.

The Committee has discretion regarding whether to pro-rate the bonus based on the proportion of the year worked. The Committee's intention is that it will pro-rate the bonus for time, taking performance measures up to that time into account. The Committee anticipates it would only use its discretion to not pro-rate only where there is an exceptional business case, which would be explained in full to shareholders.

Change of Control policy

The rules of the equity incentive plans provide that the number of shares that vest shall be determined by the Committee, taking into account the extent to which any performance conditions have been satisfied and, unless the Committee determines otherwise, pro-rating to reflect the period from the start of the performance period to the date of the change of control. Where an award is in the form of an option, this will then be exercisable for a period of one month and will then lapse. The rules also provide for awards to be exchanged for equivalent awards which relate to shares in a different company.

The rules provide that the number of options that vest shall be determined by the Committee, taking into account the extent to which any performance conditions have been satisfied and, unless the Committee determines otherwise, pro-rating to reflect the period from the start of the performance period to the date of the change of control. The option will then be exercisable for a period of one month and will then lapse. The rules also provide for awards to be exchanged for equivalent awards which relate to shares in a different company.

Directors Remuneration Report
for the financial year ended 31 December 2018 (continued)

Other considerations

In making remuneration decisions, the Committee takes into account the pay and employment conditions elsewhere in the Group although employees were not formally consulted prior to setting the remuneration policy for Executive Directors. Employees within the Group receive base salary, benefits, pension and an annual bonus subject to appropriate eligibility conditions. The terms and value of these elements vary based on seniority. The Committee appreciates the importance of understanding the views of the Company's shareholders. The Committee is open to listening to the views of our shareholders and engaging in ongoing dialogue with them on executive remuneration matters. The Committee also takes full account of the guidelines of investor bodies and shareholder views in determining the remuneration arrangements in operation within the Group. Shareholders should also note that a significant proportion of the Company's workforce are based in the USA and their remuneration reflects that market.

External Appointments

Executive Directors may hold external directorships if the Board determines that such appointments do not cause any conflict of interest. Where such appointments are approved and held, it is a matter for the Board to agree whether fees paid in respect of the appointment are retained by the individual or paid to the Company.

Non-Executive Director Remuneration

Element of Remuneration	Link to Company Strategy	Operation	Maximum Opportunity
Non-Executive Director Fees	Fees are set at a level to reflect the amount of time and level of involvement required in order to carry out their duties as members of the Board and its committees and to attract and retain Non-Executive Directors of the highest calibre with relevant commercial and other experience.	The fees paid to the Non-Executive Directors are determined by the Board as a whole.	Fee levels are set by reference to Non-Executive Director fees at companies of similar size and complexity and general increases for salaried employees within the Company.

Appointment of Non-Executive Directors

All the Non-Executive Directors have letters of appointment with the Company. Appointment is terminable on written notice. The appointment letters for the Non-Executive Directors provide that no compensation is payable upon termination of employment. Letters of appointment are available for inspection at the Company's registered offices. Each of the Non-Executive Directors are subject to annual re-election by the Company.

Directors Remuneration Report
for the financial year ended 31 December 2018 (continued)

The Annual Report sets out how the Directors' Remuneration Policy of the Company has been applied during 2018 and how the Committee intends to apply the policy going forward. The Committee will review the Policy on an annual basis. No shareholder resolution to approve this report will be proposed at the AGM as this report is for information only.

Single total figure of remuneration (audited information)

The following tables set out the aggregate emoluments earned by the Directors in the years ended 31 December 2018 and 2017 respectively.

	2018						2017	2018	2017
	Salary	Fees	Bonus	Share-based payments	Other Benefits	Total	Total	Retirement Contributions	
	$000	$000	$000	$000	$000	$000	$000	$000	$000
Non - Executive Directors									
David Gammon (1) (6)	-	57	-	-	-	57	52		-
Andy Malpass (2) (6)	-	29	-	-	-	29	0		-
Karen Slatford (6)	-	60	-	-		60	52		-
John Weston (3) (6)	-	41	-	-	-	41	77		-
Executive Directors									
John Alder	335	-	-	144	21	500	768	11	9
Steve Brown (4)	114	-	-	33	14	161	942	-	-
Tom Burnet (6)	410	-	-	196	3	609	1,029	13	13
Paul Noland (5)	256	-	-	65	13	334	0	6	-
Total	**1,115**	**187**	**-**	**438**	**51**	**1,791**	**2,920**	**30**	**22**

(1) Fee payments were paid to Rockspring (family office of the Gammon family)
(2) Appointed 26 June 2018
(3) Resigned 26 June 2018
(4) Resigned 9 April 2018
(5) Appointed 9 April 2018
(6) Salary or fees payable in GBP and converted at the applicable monthly exchange rate

(i) **Annual salary and fees** – corresponds to the amount received during the relevant financial year, either as base salary for executives or fees for non-executives.

(ii) **Annual bonus** – corresponds to the amount earned in respect of the relevant financial year. Details of how this was calculated are set out below.

(iii) **Benefits** – corresponds to the taxable value of benefits received during the relevant financial year and principally includes life assurance and permanent health insurance.

(iv) **Share-based payment** – corresponds to the amount charged against current financial year earnings for equity awards to the Executive Directors in the current or previous financial year.

(v) **Retirement Contributions** – corresponds to the amount contributed to a defined contribution retirement plan. The Executive Directors received a retirement plan contribution of between 4% and 8% of salary as detailed earlier in this report.

Directors Remuneration Report
for the financial year ended 31 December 2018 (continued)

2018 Annual bonus

The 2018 annual bonus performance measures were selected to reflect *accesso's* annual and long-term objectives and reflect financial and strategic priorities, as appropriate. Performance targets are set to be stretching but achievable, taking into account a range of reference points including financial performance versus budget and achievement of certain strategic milestones.

In respect of the year ended 31 December 2018, the Remuneration Committee reviewed corporate performance and decided that no bonuses should be paid to the Executive Directors.

Statement of Directors' shareholding and scheme interests (audited information)

The share option and LTIP awards of the directors are set out below:

	31 December 2017	Exercised in the period	Granted in the period	31 December 2018	Exercise price	Date from which exercisable	Expiry Date
Share Options							
John Alder (1)	100,000	(100,000)	-	-	156p	10 Mar 12	9 Mar 21
David Gammon (2)	40,000	(40,000)	-	-	156p	10 Mar 12	9 Mar 21
LTIP (3)							
John Alder	29,818	(29,818)	-	-	1p	8 July 2018	-
	42,127	-	-	42,127	1p	15 Apr 2018	-
	59,731	-	-	59,731	1p	14 Mar 2019	-
	-	-	15,308	15,308	1p	16 Feb 2021	-
Steve Brown	32,027	(32,027)	-	-	1p	8 July 2018	-
	42,463	(42,463)	-	-	1p	15 Apr 2018	-
	69,653	-	-	69,653	1p	14 Mar 2019	-
Tom Burnet	45,395	(45,395)	-	-	1p	8 July 2018	-
	47,805	-	-	47,805	1p	15 Apr 2018	-
	82,960	-	-	82,960	1p	14 Mar 2019	-
	-	-	20,416	20,416	1p	16 Feb 2021	-
Paul Noland	-	-	32,028	32,028	1p	16 Feb 2021	-

(1) Options may only be exercised when the share price is above £1.82
(2) Held by Rockspring
(3) LTIP awards represent the maximum award if the performance conditions are fully met

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 the directors of Lo-Q (Trustees) Limited.

On 5 April 2018, Tom Burnet terminated his interest in 226,909 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 the directors of Lo-Q (Trustees) Limited.

Directors Remuneration Report
for the financial year ended 31 December 2018 (continued)

Long-Term Incentive Plan (LTIP) Awards

There have been five awards to the executive Directors since the introduction of the LTIP scheme in 2014. The performance conditions are identical for each executive director subject to the award.

Date of Award	Vesting Period (months)	Period stock to be held following exercise (months)	Performance Conditions
8 July 2014	36	6	Compound Annual Growth Rate (CAGR) of share price, from date of award to vesting date, for maximum vesting of award: 15% CAGR of share price for partial vesting: 10% 100% of the maximum number of Ordinary Shares pursuant to the Award shall vest and become exercisable if the average share price during the thirty days prior to the Release Date (“ASP”) is 803.40 pence or more. The Award shall vest in respect of 30% of the maximum number of Ordinary Shares comprised in it if the ASP is 748.37 pence. An ASP between 748.37 pence and 803.40 pence, shall result in the partial vesting on a straight-line basis between 30% and 100%. The Awards shall not vest at all if the ASP is less than 748.37 pence.
15 April 2015	36	6	CAGR of share price for maximum vesting of award: 15% CAGR of share price for partial vesting: 10% 100% of the maximum number of Ordinary Shares pursuant to the Award shall vest and become exercisable if the average share price during the thirty days prior to the Release Date (“ASP”) is 864.37 pence or more. The Award shall vest in respect of 30% of the maximum number of Ordinary Shares comprised in it if the ASP is 805.16 pence. An ASP between 805.16 pence and 864.37 pence, shall result in the partial vesting on a straight-line basis between 30% and 100%. The Awards shall not vest at all if the ASP is less than 805.16 pence.
14 September 2016	30	6	CAGR of share price for maximum vesting of award: 20% CAGR of share price for partial vesting: 10% 100% of the maximum number of Ordinary Shares pursuant to the Award shall vest and become exercisable if the average share price during the thirty days prior to the Release Date (“ASP”) is 1583 pence or more. An ASP between 1219 pence and 1583 pence, shall result in the partial vesting on a straight-line basis between 57% and 100% The Awards shall not vest at all if the ASP is less than 1219 pence.

Directors Remuneration Report
for the financial year ended 31 December 2018 (continued)

Long-Term Incentive Plan (LTIP) Awards (continued)

Date of Award	Vesting Period (months)	Period stock to be held following exercise (months)	Performance Conditions
16 Feb 2018	36	6	Compound Annual Growth Rate (CAGR) of share price, from date of award to vesting date, for maximum vesting of award: 15% CAGR of share price for partial vesting: 10% 100% of the maximum number of Ordinary Shares pursuant to the Award shall vest and become exercisable if the average share price during the thirty days prior to the Release Date ("ASP") is 3335 pence or more. The Award shall vest in respect of 30% of the maximum number of Ordinary Shares comprised in it if the ASP is 2919 pence. An ASP between 2919 pence and 3335 pence, shall result in the partial vesting on a straight-line basis between 30% and 100%. The Awards shall not vest at all if the ASP is less than 2919 pence.
9 April 2018	34	6	Compound Annual Growth Rate (CAGR) of share price, from date of award to vesting date, for maximum vesting of award: 15% CAGR of share price for partial vesting: 10% 100% of the maximum number of Ordinary Shares pursuant to the Award shall vest and become exercisable if the average share price during the thirty days prior to the Release Date ("ASP") is 3462 pence or more. The Award shall vest in respect of 30% of the maximum number of Ordinary Shares comprised in it if the ASP is 3029 pence. An ASP between 3029 pence and 3462 pence, shall result in the partial vesting on a straight-line basis between 30% and 100%. The Awards shall not vest at all if the ASP is less than 3029 pence.

Employee share ownership

Widespread share ownership has always been and remains an integral part of our culture. All of our employees contribute to the achievement of our strategy and we believe that extending share ownership throughout the company enhances loyalty and engagement. In keeping with this ethos, the Committee approved share awards to the vast majority of employees during 2018.

Payments for loss of office (audited information)

There were no payments for loss of office during the year.

Payments to past directors (audited information)

Following the resignation of Steve Brown on 9 April 2018, Steve Brown remained with the business as an employee until 31 December 2018 in order to facilitate an orderly handover of duties and as an advisor to Paul Noland and the *accesso* Board of directors. Steve Brown was paid for his post director services at a salary of $84,000 per annum and retained his health insurance cover. No retirement contributions were made.

Directors Remuneration Report
for the financial year ended 31 December 2018 (continued)

Unaudited Section of the Remuneration Report

External appointments

Executive Directors may accept appointments outside the Company, with the prior approval of the Board. Any fees may be retained by the Director, although this is at the discretion of the Board. Executive Directors hold external appointments for which they receive a fee as follows:

Tom Burnet – Kainos Group plc, PCMS Group and Ballie Gifford

Fees for the Non-Executive Directors

A summary of current fees is shown below:

	Basic fee (1)	
	$	
David Gammon	58,960	
Andy Malpass	58,960	Chair of the Audit Committee
Karen Slatford	67,000	Senior Independent Director, Chair of the Remuneration Committee

(1) Payable in GBP and converted at an average GBP/USD exchange rate of 1.34

Implementation of the Remuneration Policy for the year ended 31 December 2019

2018 Executive Directors' base salary
The table below shows the salaries for the Executive Directors as at 1 January 2019 in comparison to base salary at 1 January 2018;

	1 January 2018 or date of appointment	1 January 2019	% change
	$	$	
Tom Burnet (1)	411,174	411,174	0%
Paul Noland (2)	360,000	360,000	0%
John Alder	335,178	344,395	2.8%

(1) Payable in GBP and converted at an average GBP/USD exchange rate of 1.34
(2) Appointed 9 April 2018

Implementation of Policy for 2019

Salaries for Executive Directors are reviewed each year taking into account the Remuneration Policy set out in this report. Increases for John Alder was approved from 1 January 2019 as shown in the table above.

Annual bonus and LTIP performance measures are selected annually to reflect *accesso's* annual and long-term objectives and reflect financial and strategic priorities, as appropriate. Performance targets are set to be stretching and achievable, taking into account a range of reference points including the strategic plan and broker forecasts, as well as the Group's strategic priorities and the external context.

In respect of the annual bonus, the following measures have been agreed:

- Profit before tax;
- Revenue;
- Meeting the relevant 2019 targets in the Company's long-term plan; and
- Staff Retention, turnover calculated over a rolling 12-month period.

Each measure has a target. Achieving a maximum percentage of target will usually result in the maximum bonus being awarded under the formula. Falling below the set targets will ordinarily result in no award being made in respect of that measure. The final determination on bonus awards is however made by the Committee talking all available factors into account.

The Committee will set appropriate performance conditions for LTIP awards made to Executive Directors in 2019. These will be shown in the 2019 report.

Directors Remuneration Report
for the financial year ended 31 December 2018 (continued)

2019 Non-Executive Director remuneration

No increase to Non-Executive Director Fees had been determined at the time of this report. If any increases are determined during 2019 they will be disclosed in the 2019 report.

Karen Slatford
Chair of the Remuneration Committee
26 March 2019

Report of the directors
for the financial year ended 31 December 2018

The directors present their report with the financial statements of the company and the Group for the financial year ended 31 December 2018.

Dividends

No dividends will be proposed for the financial year ended 31 December 2018 (31 December 2017: none).

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 2018 the Group invested $21.1m into research and development (year ended 31 December 2017: $12.4m).

Directors

The directors during the period under review and to the date of approval of the financial statements were:

Tom Burnet, Non-Executive (Executive Chairman until 1 March 2019)
Bill Russell, Non-Executive Chairman (Appointed 1 March 2019)
John Alder, Executive
Steve Brown, Executive (Resigned 9 April 2018)
Paul Noland, Executive (Appointed 9 April 2018)
David Gammon, Non-Executive
Andy Malpass, Non-Executive (Appointed 26 June 2018)
Karen Slatford, Senior Independent Director
John Weston, Senior Independent Director (Resigned 26 June 2018)

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 2018 in the issued share capital of the company were as follows:

Ordinary share capital £0.01 shares	As at 31 December 2018	As at 1 January 2018
Tom Burnet, Non-Executive (1)	224,158	426,909
John Alder, Executive	37,913	6,612
David Gammon, Non-Executive	48,000	48,000
Paul Noland, Executive	-	-
Andy Malpass, Non-Executive	4,352	-
Karen Slatford, Non-Executive	-	-

(1) Shares held by the employee benefit trust of the Company

Details of the directors' share options are disclosed within the Directors' remuneration report.

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 7 to the financial statements.

Report of the directors
for the financial year ended 31 December 2018 (continued)

Substantial shareholdings

As at 26 March 2019 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
Canaccord Genuity Group Inc	2,706,545	9.90%
Aberdeen Standard Investments	2,686,807	9.83%
Liontrust Investment Partners LLC	1,365,223	5.00%
Allianz Global Investors	1,340,982	4.91%
BlackRock Investment Management*	1,301,689	4.76%
The Capital Group Companies, Inc	1,279,385	4.68%

*Holding as of 31 January 2019

Annual general meeting

The annual general meeting of the company will be held on Tuesday, 21st May 2019. The notice convening the meeting is enclosed with these financial statements.

Branch registration

The company operates branches in Germany and Italy.

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 has good revenue visibility and strong cash generation, continues to perform well, a confident Group outlook for 2019, and a strong balance sheet and cash position and significant headroom to its borrowing facility. 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.

Report of the directors (continued)
for the financial year ended 31 December 2018

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.

Auditor

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

Other Information

An indication of likely future developments in the business and particulars of significant events which have occurred since the end of the financial year have been included in the Strategic Report on page 25.

On behalf of the Board

John Alder
Chief Financial Officer
27 March 2019

Corporate Governance report
for the financial year ended 31 December 2018

The Board of Directors (the 'Board') is committed to achieving high standards of corporate governance within the Company and its subsidiaries, which it seeks to demonstrate by adopting and being fully compliant with the principles of the Quoted Companies Alliance's Corporate Governance Code (the 'QCA Code'). The Board has chosen to adopt the QCA Code as it considers it is relevant and appropriate for the Company as the ten principles of the QCA Code focus on 'pursuit of medium to long-term value for shareholders without stifling the entrepreneurial spirit in which the Company was created.'

accesso adheres to a high standard of ethics, values and corporate social responsibility and these principles underpin our governance procedures and the strategic and management decisions that we make. Accordingly, the Board ensures the Company has a strong governance framework embedded within its culture and applies the principles of the QCA Code. The Board periodically reviews the governance framework and, as the Company evolves, will make such improvements as considered necessary.

The Board is primarily responsible for the strategic direction of *accesso* and comprises the chairman, two executive directors and four non- executive directors. The Board is satisfied that its overall composition has an appropriate level of independence.

Bill Russell
Non-Executive Chairman
27 March 2019

The Board

Board composition
The Board of directors comprises two executive directors, the chairman and four non-executive directors, three of whom are independent. Full details of the directors are on pages 23 to 24.

During the year the Board appointed Paul Noland as chief executive officer following the resignation of Steve Brown. Andy Malpass was appointed as a non-executive director and chair of the audit committee following John Weston's retirement from the Board. Bill Russell was appointed Non-Executive Chairman from 1 March 2019. All directors are subject to election by shareholders at their first annual general meeting after their appointment to the Board and seek re-election at each annual general meeting thereafter.

Each of the directors brings a mix of skills and experience and knowledge, the balance of which enables the Board to discharge its duties effectively. Upon joining the Board, directors receive an induction on various aspects of the Company. The directors receive updates from the company secretary and other various external advisers on legal requirements and regulations, remuneration matters and corporate governance best practice.

Three of the Non-Executive Directors are deemed by the Board to be independent. Tom Burnet, who was previously Chief Executive Officer and Executive Chairman, was appointed to a Non-Executive Director role from 1 March 2019, following the appointment of Bill Russell as Non-Executive Chairman. The Board acknowledges that Tom Burnet whilst not independent, brings a wealth of experience and knowledge that he can continue to contribute to the Group and the overall composition of the Board has an appropriate level of independent members appointed. He does not serve on either the audit or the remuneration committee.

The Board will continue to look to build further diversity into leadership and across the business recognising the value of building and developing a diverse workforce at all levels. Succession planning is a continuous strategic process and the Board has continued over the year to focus on both long-term and short succession both for board and senior management succession.

Corporate Governance report (continued)
for the financial year ended 31 December 2018

The role of the Board
The Board is responsible for the overall leadership of the Company and setting the Company's vision, purpose, values and standards. It approves the Group's strategic aims and objectives and the annual operating and capital expenditure budgets and ensures maintenance of a sound system of internal control and risk management. There is a formal schedule of matters reserved for the Board.

The executive directors have day to day responsibility for the operational management of the Groups' activities. The non-executive directors are responsible for bringing independent and objective judgement to Board decisions. The chairman is responsible for overseeing the running of the Board, ensuring that no individual or group dominates the Board's decision making and ensuring the non-executive directors are properly briefed on matters. The chief executive officer has responsibility for implementing the strategy of the Board, alongside the chairman, and managing the day to day activity of the Group. The company secretary is responsible for ensuring that Board procedures are followed, and applicable rules and regulations are complied with. All directors have access to the company secretary and are permitted to obtain independent professional advice at the Company's expense where they consider it necessary for them to effectively discharge their duties.

The Board has established an Audit Committee and Remuneration Committee to assist the Board in fulfilling its responsibilities. Both board committees have separate terms of reference, which along with the Board's schedule of matters reserved are reviewed on a regular basis. 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.

The Board has appointed Karen Slatford as the Senior Independent Director who regularly engages with investors on behalf of the Company.

Board and Committee meetings 2018
The Company holds board meetings regularly throughout the year. Eleven scheduled board meetings were held during the year, as well as three audit committee meetings and two remuneration committee meetings. Attendance by board members is shown below.

Number of meetings held	Board	Audit Committee	Remuneration Committee
	11	3	2
Executive board members			
Tom Burnet (Note 1)	11	-	-
John Alder	10	-	-
Steve Brown (Note 2)	3	-	-
Paul Noland (Note 3)	8	-	-
Non-executive board members			
David Gammon	10	3	2
Andy Malpass (Note 4)	6	2	-
Karen Slatford	11	3	2
John Weston (Note 5)	4	-	-

Notes to attendance table:

(1) Tom Burnet held the position of Executive Chairman during the year. He was appointed a Non-Executive Director from 1 March 2019. Bill Russell was appointed to the Board from 1 March 2019 and was therefore not eligible to attend meetings during 2018.
(2) Steve Brown resigned from the Board with effect from 9 April 2018.
(3) Paul Noland was appointed to the Board with effect from 9 April 2018 and was eligible to attend 8 board meetings.
(4) Andy Malpass was appointed to the Board with effect from 26 June 2018 and was eligible to attend 6 board meetings and 2 audit committee meetings.
(5) John Weston retired from the Board with effect from 26 June 2018.

Corporate Governance report (continued)
for the financial year ended 31 December 2018

Board and Committee meetings 2018 (continued)

In the event that Board approval is required between Board meetings, Board members are emailed the details, including supporting information in order to make a decision. The decision of each Board member is communicated and recorded at the following Board meeting. Board members are aware of the time commitment required when joining the Board.

The Board agenda for each meeting is collated by the chairman in conjunction with the company secretary. The agenda ensures that adequate time is spent on operational and financial issues as well as strategic matters. During the course of the year, the topics subject to Board discussion at formal scheduled board meetings included:

- Strategic plan and annual forecast and budget
- Financial performance and budget
- Business operations and project updates
- Succession planning
- Acquisitions and group structure changes
- Share structure and capital
- Market and competitor reports
- Risk and internal controls
- Approval of annual and half year reports
- Investor engagement
- Reports from the audit and remuneration committees

Detailed proposal papers, management reports, a risk register, progress on key initiatives and routine matters such as financial reports and a statement on current trading are produced in advance of meetings to enable proper consideration and debate of matters by the Board in its meetings. Major strategic initiatives involving significant cost or perceived risk are only undertaken following their full evaluation by the Board. Matters of an operational nature are delegated to executive management. The Board also receives management information on a regular basis between formal meetings.

The Chairman, the CEO and CFO are invited to attend the Audit and Remuneration Committee meetings if appropriate. Minutes of all board and committee meetings are recorded by the Company Secretary.

Audit Committee

The audit committee is chaired by Andy Malpass and both David Gammon and Karen Slatford are members. Andy Malpass became chair of the audit committee when joining the Board with effect from June 2018. David Gammon stepped down from the chair's position but remained a member of the committee.

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 responsible for monitoring and reviewing the financial reporting of the Group from information provided by the management and the auditor. As part of this it reviews both the financial information and the narrative reporting within the externally published announcements and company reports. It also considers the objectivity, independence and cost effectiveness of the external auditor. The committee keeps under review the effectiveness of the Group's system of internal control on behalf of the Board. As part of this role it reviews the Group's controls and procedures for the evaluation, monitoring and management of risks, advises the Board on the Group's risk strategy. The executive directors are closely involved with the management and review of business operations.

The committee considers the objectivity, independence and cost effectiveness of the external auditor, taking into account the views of management. Non-audit/tax advisory services are benchmarked by management to ensure value for money, auditor objectivity and independence of advice.

During the year the committee worked with the group auditors, KPMG on the findings of the 2017 audit as well as reviewing the company's full year and half year results on behalf of the Board. It considered significant accounting policies, ensured compliance with accounting standards and considered reports from the CFO and external auditor on accounting topics of a judgemental nature requiring attention. Several members of the Committee over the year, had separate discussions with the auditor without management being present on the adequacy of controls and any judgemental areas, as well as feedback on the 2017 audit.

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

Corporate Governance report (continued)
for the financial year ended 31 December 2018

Remuneration Committee

The full Remuneration Committee report is on pages 28 to 40 which includes full details of the composition and terms of reference of the committee.

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 and the company holds capital market days as appropriate. 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 2019 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.

Board performance evaluation

The Board commenced a formal review of its own performance, the performance of the Boards committees and of the chairman at the start of 2019. The review was conducted internally by the company secretary and consisted of written responses to a standard questionnaire. Views and recommendations were consolidated into a report which is due to be presented to the Board. It is intended that issues raised by the evaluation exercise will be used to improve the effectiveness of the Board and to introduce improvements to Board processes.

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 Group and parent Company 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. Under the AIM rules of the London Stock Exchange they are required to prepare the Group financial statements in accordance with International Financial Reporting Standards as adopted by the European Union (IFRSs as adopted by the EU) and applicable law and they 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, relevant and reliable;
- state whether they have been prepared in accordance with IFRSs as adopted by the EU;
- assess the Group and parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

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 are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and 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.

Under applicable law and regulations, the directors are also responsible for preparing a Strategic Report and a Directors' Report that complies with that law and those regulations.

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
27 March 2019

Independent auditor's report

to the members of accesso Technology Group plc

1. Our opinion is unmodified

We have audited the financial statements of accesso Technology Group plc ("the Company") for the year ended 31 December 2018 which comprise the Consolidated Statement of Comprehensive Income, Consolidated Statement of Financial Position, Company Statement of Financial Position, Consolidated Statement of Cash Flow, Company Statement of Cash Flow, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, and the related notes, including the accounting policies in note 4

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 2018 and of the Group's profit for the year then ended;

— the Group financial statements have been properly prepared in accordance with International Financial Reporting Standards as adopted by the European Union (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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Group in accordance with, UK ethical requirements including the FRC Ethical Standard as applied to listed entities. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Overview		
Materiality: group financial statements as a whole	$1,000,000 (2017: $360,000) 0.8% of revenue (2017: 4.3% of Group profit before tax and exceptional items)	
Coverage	87% (2017:91%) of revenue	
Key audit matters		**vs 2017**
Recurring risks	Capitalisation of development spend	◄►
	Recoverability of parent company's investment in subsidiaries	◄►

2. Key audit matters: our assessment of risks of material misstatement

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In arriving at our audit opinion above, the key audit matters, in decreasing order of audit significance, were as follows (unchanged from 2017):

	The risk	Our response
Capitalisation of development spend Group ($21.1million; 2017: $12.4million) Parent Company ($1,3million; 2017 $1.6million) *Refer to page 68 (accounting policy) and page 86 (financial disclosures).*	**Subjective judgement:** Eligible costs in respect of software developers and contractors working to develop new software products are capitalised if they meet the relevant criteria, which materially impacts the groups' profitability. There is judgement involved in determining whether costs incurred meet the criteria for capitalisation as the future financial and technical feasibility of new products is often uncertain.	Our procedures included: — **Tests of detail:** For a sample of capitalised costs we assessed the allocation of time to development projects with reference to the developers' timesheets — **Tests of detail:** For a sample of capitalised costs we vouched the cost capitalised to supporting documentation such as payslips and invoices — **Test of detail:** For a sample of development projects where costs were capitalised we challenged the directors' analysis that the six criteria within IAS38 have been met. For completed projects we vouched that the project had been completed to supporting documentation such as customer release notifications and third party sales. For projects on-going as at the year end we vouched to evidence the project was in progress such as project plans and internal communications. — **Assessing transparency:** We assessed the adequacy of the disclosures in respect of the judgements made in relation to capitalised development costs.

We continue to perform procedures over the recoverability of Group goodwill. However, following the significant increase in headroom in management's value in use calculations, we have not assessed this as one of the most significant risks in our current year audit and, therefore, it is not separately identified in our report this year.

3. Our application of materiality and an overview of the scope of our audit

The materiality for the Group financial statements as a whole was set at $1,000,000 (2017: $360,000) determined with reference to a benchmark of revenue (2017:group profit before tax normalised to exclude acquisition related costs, deferred and contingent payments and profit recognised on reduction of earn out liability incurred in the year) of $118,747,000 (2017: $8,280,000) of which it represents 0.8% (2017:4.3%). We consider total revenue to be the most appropriate benchmark as it provides a more stable measure year on year than group profit before tax.

Materiality for the parent company financial statements as a whole was set at $900,000 (2017: $131,000), determined with reference to a benchmark of company total assets, of which it represents 0.5% (2017: 1% of revenue). We consider total assets to be the most appropriate benchmark as it supports the function of the entity as a holding company.

In addition, we applied materiality of $100,000 to revenue, cost of sales, operating expenses, intangible assets, property plant and equipment, contract assets, trade and other receivables, cash and cash equivalents, inventory, trade and other payables, contract liabilities, income tax payable, deferred tax liability and borrowings for which we believe misstatements of lesser amounts than materiality for the financial statements as a whole could be reasonably expected to influence the company's members' assessment of the financial performance of the parent company.

We agreed to report to the Audit Committee any corrected or uncorrected identified misstatements exceeding $50,000 (2017 $18,000), in addition to other identified misstatements that warranted reporting on qualitative grounds.

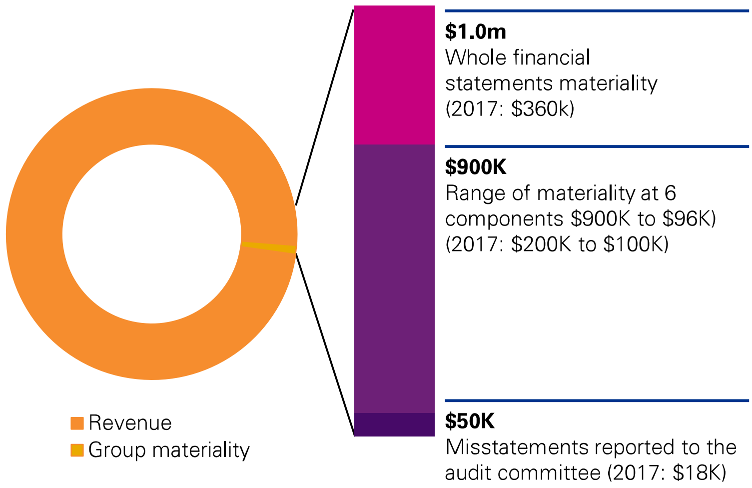
Of the group's 19 (2017: 19) reporting components, we subjected 6 (2017: 6) to full scope audits for group reporting purposes. The components within the scope of our work accounted for the percentages illustrated opposite.

The remaining 13% (2017:9%) of total group revenue, 5% (2017: 20%) of total profits and lossess that made up group profit before tax and 6% (2017: 4%) of total group assets is represented by 13 (2017: 13) reporting components, none of which individually represented more than 7% (2017: 5%) of any total group revenue, group profit before tax or total group assets. For these remaining components, we performed analysis at an aggregated group level to re-examine our assessment that there were no significant risks of material misstatement within these.

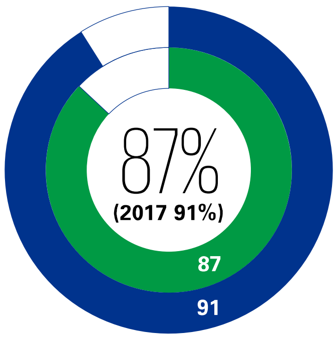
The Group audit engagement team performed the work on all components, including the parent company. The Group audit team determined the component materialities, which ranged from $96,000 to $900,000 (2017: $100,000 to $200,000), having regard to the mix of size and risk profile of the Group across the components.

Revenue
$118.7m (2017: $133.4m)

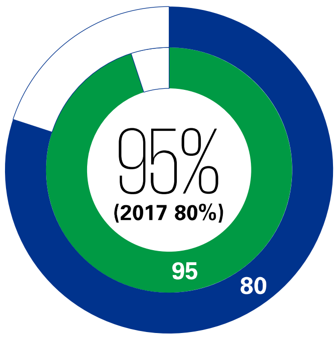
Group Materiality
$1.0m (2017: $360k)



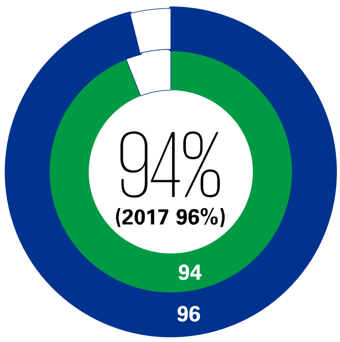
Group revenue



Total profit and losses that make up gross profit before tax



Group total assets



- Full scope for group audit purposes 2017
- Full scope for group audit purposes 2018
- Residual components

4. We have nothing to report on going concern

The Directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or the Group or to cease their operations, and as they have concluded that the Company's and the Group's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

Our responsibility is to conclude on the appropriateness of the Directors' conclusions and, had there been a material uncertainty related to going concern, to make reference to that in this audit report. However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the Group and the Company will continue in operation.

In our evaluation of the Directors' conclusions, we considered the inherent risks to the Group's and Company's business model, including the impact of Brexit, and analysed how those risks might affect the Group's and Company's financial resources or ability to continue operations over the going concern period. We evaluated those risks and concluded that they were not significant enough to require us to perform additional audit procedures.

Based on this work, we are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements.

We have nothing to report in these respects, and we did not identify going concern as a key audit matter.

5. We have nothing to report on the other information in the Annual Report

The directors are responsible for the other information presented in the Annual Report together with the financial statements. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

Strategic report and directors' report

Based solely on our work on the other information:

— we have not identified material misstatements in the strategic report and the directors' report;

— in our opinion the information given in those reports for the financial year is consistent with the financial statements; and

— in our opinion those reports have been prepared in accordance with the Companies Act 2006.

6. We have nothing to report on the other matters on which we are required to report by exception

Under the Companies Act 2006, we are required to report to you if, in our opinion:

— adequate accounting records have not been kept by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or

— the parent Company financial statements are not in agreement with the accounting records and returns; or

— certain disclosures of directors' remuneration specified by law are not made; or

— we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

7. Respective responsibilities

Directors' responsibilities

As explained more fully in their statement set out on page 48, the directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group and parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

8. The purpose of our audit work and to whom we owe our responsibilities

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.

Simon Haydn-Jones
(Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
Arlington Business Park
Reading
RG7 4SD
27 March 2019

KPMG

Consolidated statement of comprehensive income
for the financial year ended 31 December 2018

	Notes	2018 $000	2017 $000
Revenue	9	**118,747**	133,429
Cost of sales		**(30,543)**	(59,984)
Gross profit		**88,204**	73,445
Administrative expenses (including credit of nil during 2018 (2017: $3,228k) related to reversal of Ingresso earn-out liability – see Note 21)		**(81,937)**	(64,204)
Operating profit		**6,267**	9,241
Finance expense	12	**(1,127)**	(2,099)
Finance income	12	**37**	24
Profit before tax		**5,177**	7,166
Income tax (expense)/ benefit	13	**(1,887)**	2,735
Profit for the period		**3,290**	9,901
Other comprehensive income			
Items that will be reclassified to income statement			
Exchange differences on translating foreign operations		**(2,291)**	166
Total comprehensive income		**999**	10,067
All profit and comprehensive income is attributable to the owners of the parent			
Earnings per share expressed in cents per share:			
Basic	15	**12.23**	40.83
Diluted (2017 restated – see note 15)	15	**11.74**	38.02

All activities of the company are classified as continuing
The accompanying notes on pages 61 to 102 form part of these consolidated financial statements

Consolidated statement of financial position
as at 31 December 2018

Registered Number: 03959429	Notes	31 December 2018 $000	31 December 2017 $000
Assets			
Non-current assets			
Intangible assets	16	**197,332**	198,298
Property, plant and equipment	17	**3,723**	3,400
Contract assets	9	**5,141**	-
Deferred tax assets	13	**5,346**	8,937
		211,542	210,635
Current assets			
Inventories	19	**1,083**	506
Contract assets	9	**3,337**	-
Trade and other receivables	20	**18,833**	19,761
Income tax receivable		**1,961**	-
Cash and cash equivalents		**20,704**	28,668
		45,918	48,935
Liabilities			
Current liabilities			
Trade and other payables	21	**28,856**	49,874
Finance lease liabilities		**-**	9
Contract liabilities	9	**7,093**	-
Income tax payable		**1,440**	613
		37,389	50,496
Net current assets / (liabilities)		**8,529**	(1,561)
Non-current liabilities			
Deferred tax liabilities	13	**15,435**	14,629
Contract liabilities	9	**2,412**	-
Other non-current liabilities	21	**543**	3,024
Borrowings	22	**20,224**	16,140
		38,614	33,793
Total liabilities		**76,003**	84,289
Net assets		**181,457**	175,281
Shareholders' equity			
Called up share capital	23	**421**	411
Share premium		**107,103**	105,207
Own shares held in trust		**(665)**	(1,163)
Retained earnings		**60,486**	54,273
Merger relief reserve		**19,641**	19,641
Translation reserve		**(5,529)**	(3,088)
Total shareholders’ equity		**181,457**	175,281

The financial statements were approved by the Board of directors on 27 March 2019 and were signed on its behalf by:

Paul Noland
Chief Executive Officer

The accompanying notes on pages 61 to 102 form part of these consolidated financial statements

Company statement of financial position
as at 31 December 2018

Registered Number: 03959429	Notes	31 December 2018 $000	31 December 2017 $000
Assets			
Non-current assets			
Intangible assets	16	**6,396**	7,375
Investments in subsidiaries	18	**69,112**	73,353
Property, plant and equipment	17	**1,128**	1,309
Contract assets	9	**3,723**	-
Deferred tax asset	13	**-**	353
		80,359	82,390
Current Assets			
Inventories	19	**339**	279
Contract assets	9	**1,186**	-
Trade and other receivables	20	**99,401**	91,634
Income tax receivable		**8**	-
Cash and cash equivalents		**3,311**	1,909
		104,245	93,822
Liabilities			
Current liabilities			
Trade and other payables	21	**4,055**	11,412
Contract liabilities	9	**282**	-
Income tax payable		**1,346**	1,614
		5,683	13,026
Net current assets		**98,562**	80,796
Non-current liabilities			
Deferred tax	13	**327**	-
Contract liabilities	9	**616**	-
Borrowings	22	**20,224**	16,140
		21,167	16,140
Total liabilities		**26,850**	29,166
Net assets		**157,754**	147,046
Shareholders' equity			
Called up share capital	23	**421**	411
Share premium		**107,103**	105,207
Retained earnings		**45,903**	31,944
Merger relief reserve		**19,641**	19,641
Translation reserve		**(15,314)**	(10,157)
Total shareholders' equity		**157,754**	147,046

The profit for the financial year for the Company was $6.743m (2017: profit of $4.44m).

The financial statements were approved by the Board of directors on 27 March 2019 and were signed on its behalf by:

Paul Noland
Chief Executive Officer

The accompanying notes on pages 61 to 102 form part of these consolidated financial statements

Consolidated statement of cash flow
for the financial year ended 31 December 2018

	Notes	2018 $000	2017 $000
Cash flows from operations			
Profit for the period		**3,290**	9,901
Adjustments for:			
Depreciation	17	**1,519**	1,321
Amortisation on acquired intangibles	16	**11,740**	8,591
Amortisation on development costs	16	**8,067**	4,166
Amortisation on other intangibles	16	**38**	44
Share-based payment	10	**2,245**	1,089
Finance expense	12	**1,127**	2,099
Finance income	12	**(37)**	(24)
Loss on disposal of fixed assets	17	**-**	12
Payment of deferred consideration to employees		**(1,342)**	-
Foreign exchange gain		**(304)**	(241)
Income tax expense / (benefit)	13	**1,887**	(2,735)
		28,230	24,223
Increase in inventories		**(577)**	(15)
Decrease / (increase) in trade and other receivables		**928**	(2,792)
Increase in contract assets/ contract liabilities		**666**	-
(Decrease) / increase in trade and other payables		**(11,422)**	11,681
Cash generated from operations		**17,825**	33,097
Tax paid		**(452)**	(224)
Net cash inflow from operating activities		**17,373**	32,873
Cash flows from investing activities			
Purchase of subsidiary, net of cash acquired	16	**-**	(78,074)
Deferred consideration settlement	21	**(6,962)**	-
Capitalised internal development costs	16	**(21,100)**	(12,395)
Purchase of property, plant and equipment	17	**(1,959)**	(936)
Acquisition of other intangible assets		**(2)**	
Interest received		**37**	24
Net cash used in investing activities		**(29,986)**	(91,381)
Cash flows from financing activities			
Share issue		**1,906**	77,112
Interest paid		**(1,833)**	(741)
Payments to finance lease creditors		**(9)**	(54)
Cash paid to refinance	22	**-**	(410)
Proceeds from borrowings		**15,530**	31,376
Repayments of borrowings		**(10,089)**	(26,037)
Net cash generated from financing activities		**5,505**	81,246
Increase in cash and cash equivalents		**(7,108)**	22,738
Cash and cash equivalents at beginning of year		**28,668**	5,866
Exchange gain / (loss) on cash and cash equivalents		**(856)**	64
Cash and cash equivalents at end of year		**20,704**	28,668

The accompanying notes on pages 61 to 102 form part of these consolidated financial statements

Company statement of cash flow
for the financial year ended 31 December 2018

	Notes	2018 $000	2017 $000
Cash flows from operations			
Profit for the period		**6,743**	4,442
Adjustments for:			
Amortisation	16	**1,865**	1,323
Depreciation	17	**396**	468
Share-based payment		**387**	289
Finance expense		**1,135**	1,890
Finance income		**(4,787)**	(3,944)
Foreign exchange loss		**(39)**	79
Income tax (benefit) / expense		**(1,180)**	2,028
		4,520	6,575
(Increase) / decrease in inventories		**(60)**	24
Decrease / (increase) in trade and other receivables		**1,690**	(64,971)
Decrease in contract assets/ liabilities		**(898)**	-
Increase / (decrease) in trade and other payables		**1,278**	(1,624)
Cash generated / (used in) from operations		**6,530**	(59,996)
Tax paid		**(619)**	(79)
Net cash inflow / (outflow) operating activities		**5,911**	(60,075)
Cash flows from investing activities			
Investment in subsidiary	18,16	**(50)**	(18,736)
Payment of deferred acquisition consideration		**(8,635)**	-
Capitalised internal development costs	16	**(1,279)**	(1,642)
Purchase of property, plant and equipment	17	**(277)**	(307)
Interest received		**12**	2
Net cash used in investing activities		**(10,229)**	(20,683)
Cash flows from financing activities			
Share Issue		**1,906**	77,112
Interest paid		**(1,502)**	(741)
Cash paid to refinance	22	**-**	(410)
Proceeds from borrowings		**15,530**	31,376
Repayments of borrowings		**(10,089)**	(26,037)
Net cash generated from financing activities		**5,845**	81,300
Increase in cash and cash equivalents		**1,527**	542
Cash and cash equivalents at beginning of year		**1,909**	1,303
Exchange (loss) / gain on cash and cash equivalents		**(125)**	64
Cash and cash equivalents at end of year		**3,311**	1,909

The accompanying notes on pages 61 to 102 form part of these consolidated financial statements.

Consolidated statement of changes in equity
for the financial year ended 31 December 2018

	Share capital $000	Share premium $000	Retained earnings $000	Merger relief reserve $000	Own shares held in trust $000	Translation reserve $000	Total $000
Balance at 31 December 2017 as previously reported	**411**	**105,207**	**54,273**	**19,641**	**(1,163)**	**(3,088)**	**175,281**
Adjustment in respect of IFRS 15, net of tax	**-**	**-**	**398**	**-**	**-**	**(150)**	**248**
Adjusted balance at 1 January 2018	**411**	**105,207**	**54,671**	**19,641**	**(1,163)**	**(3,238)**	**175,529**
Comprehensive income for the year							
Profit for period	-	-	3,290	-	-	-	3,290
Other comprehensive income							
Exchange differences on translating foreign operations	-	-	-	-	-	(2,291)	(2,291)
Total comprehensive income for the year	-	-	3,290	-	-	(2,291)	999
Contributions by and distributions to owners							
Issue of share capital	10	1,896	-	-	-	-	1,906
Share-based payments	-	-	2,245	-	-	-	2,245
Equity-settled deferred consideration	-	-	2,824	-	-	-	2,824
Reduction of shares held in trust	-	-	(107)	-	498	-	391
Share option tax charge - deferred	-	-	(4,621)	-	-	-	(4,621)
Share option tax charge - current	-	-	2,184	-	-	-	2,184
Total contributions by and distributions by owners	10	1,896	2,525	-	498	-	4,929
Balance at 31 December 2018	**421**	**107,103**	**60,486**	**19,641**	**(665)**	**(5,529)**	181,457
Balance at 31 December 2016	357	28,150	39,161	14,540	(1,163)	(3,254)	77,791
Comprehensive income for the year							
Profit for period	-	-	9,901	-	-	-	9,901
Other comprehensive income							
Exchange differences on translating foreign operations	-	-	-	-	-	166	166
Total comprehensive income for the year	-	-	9,901	-	-	166	10,067
Contributions by and distributions to owners							
Issue of share capital	54	77,057	-	5,101	-	-	82,212
Share-based payments	-	-	1,089	-	-	-	1,089
Equity-settled deferred consideration	-	-	1,314	-	-	-	1,314
Change in tax rates	-	-	(2,213)	-	-	-	(2,213)
Share option tax credit	-	-	5,021	-	-	-	5,021
Total contributions by and distributions by owners	54	77,057	5,211	5,101	-	-	87,423
Balance at 31 December 2017	411	105,207	54,273	19,641	(1,163)	(3,088)	175,281

The accompanying notes on pages 61 to 102 form part of these consolidated financial statements.

Company statement of changes in equity
for the financial year ended 31 December 2018

	Share capital $000	Share premium $000	Retained Earnings $000	Merger relief reserve $000	Translation reserve $000	Total $000
Balance at 31 December 2017 as previously reported	**411**	**105,207**	**31,944**	**19,641**	**(10,157)**	**147,046**
Adjustment in respect of IFRS 15, net of tax	**-**	**-**	**3,113**	**-**	**(143)**	**2,970**
Adjusted balance at 1 January 2018	**411**	**105,207**	**35,057**	**19,641**	**(10,300)**	**150,016**
Comprehensive income for the year						
Profit for period	-	-	6,743	-	-	6,743
Other comprehensive income						
Exchange differences	-	-	-	-	(5,014)	(5,014)
Total comprehensive income for the year	-	-	6,743	-	(5,014)	1,729
Contributions by and distributions by owners						
Issue of share capital	10	1,896	-	-	-	1,906
Share-based payments	-	-	2,245	-	-	2,245
Equity-settled deferred consideration	-	-	2,824	-	-	2,824
Share option tax charge - deferred	-	-	(966)	-	-	(966)
Total contributions by and distributions by owners	10	1,896	4,103	-	-	6,009
Balance at 31 December 2018	**421**	**107,103**	**45,903**	**19,641**	**(15,314)**	**157,754**
Balance at 31 December 2016	357	28,150	24,803	14,540	(14,726)	53,124
Comprehensive income for the year						
Profit for period	-	-	4,442	-	-	4,442
Other comprehensive income						
Exchange differences	-	-	-	-	4,569	4,569
Total comprehensive income for the year	-	-	4,442	-	4,569	9,011
Contributions by and distributions by owners						
Issue of share capital	54	77,057	-	5,101	-	82,212
Share-based payments	-	-	1,089	-	-	1,089
Equity-settled deferred consideration	-	-	1,314	-	-	1,314
Share option tax credit	-	-	296	-	-	296
Total contributions by and distributions by owners	54	77,057	2,699	5,101	-	84,911
Balance at 31 December 2017	411	105,207	31,944	19,641	(10,157)	147,046

Notes to the consolidated financial statements
for the financial year ended 31 December 2018

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, licensing and operation of virtual queuing solutions and providing a personalised experience to customers within the attractions and leisure industry. The eCommerce technologies are generally licensed to operators of venues, enabling the online sale of tickets, guest management, and point-of-sale ("POS") transactions. The virtual queuing solutions and personalised experience platforms are installed by the Group at a venue, and managed and operated by the Group directly or licensed to the operator for their operation.

2. Basis of accounting

These consolidated financial statements have been prepared in accordance with IFRS. They were authorised for issue by the Company's board of directors on 27 March 2019.

The consolidated financial statements have been prepared on the historical cost basis except for contingent consideration and acquired intangible assets arising on business combinations, which are measured at fair value.

Details of the Group's accounting policies are included in Notes 3 and 4.

This is the first set of the Group's annual financial statements in which IFRS 15 *Revenue from Contracts with Customers* and IFRS 9 Financial Instruments have been applied. Changes to significant accounting policies are described in Note 3.

3. Changes to significant accounting policies

The Group has initially adopted IFRS 15 *Revenue from Contracts with Customers* and IFRS 9 *Financial Instruments* from 1 January 2018, details of the impact are set out below. The adoption of IFRS 9 did not have a material impact on the company. A number of other new standards are also effective from 1 January 2018 but they do not have a material effect on the Group's financial statements.

Revenue from contracts with customers

Due to the transition method chosen by the Group in applying IFRS 15, comparative information throughout these financial statements has not been restated to reflect the requirements of the new standard.

IFRS 15 provides a single, principles based five step model to be applied to all sales contracts as outlined below. It is based on the transfer of control of goods and services to customers and replaces the separate models for goods and services.

1. Identify the contract(s) with a customer
2. Identify the performance obligations in the contract
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations in the contract
5. Recognise revenue when or as the entity satisfies its performance obligations.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be measured reliably. The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies.

Notes to the consolidated financial statements *(continued)*
for the financial year ended 31 December 2018

Changes to significant accounting policies *(continued)*
Revenue from contracts with customers (continued)

Type of product/service	Nature of the performance obligations and significant payment terms	Nature of change in accounting policy
a. Point-of-sale (POS) licenses and support revenue	Customers obtain control of the POS license once it is installed on their hardware for terms between one and three years. They have access to ongoing support which is typically for a twelve-month period, this support is not necessary for the functionality of the licence, support revenue is therefore a distinct performance obligation from the licence performance obligation. With agreements longer than one year, invoices are generated either quarterly or annually, usually payable within thirty days. Although payments are made over the term of the agreement, the agreement is binding for the negotiated term. The total transaction price is payable over the term of the agreement via the annual or quarterly instalments.	Under IAS 18 *Revenue*, the license revenue was recognised equally over the term of the agreement, reflecting the pattern of availability to the customer. IFRS 15 considers these licenses to be recognised at a point in time which is determined to be when the customer has been provided the software. These licences provide the customer with the right of use of the POS software as it exists, it is at the customers discretion to accept any updates to the software, it is fully functional from the date it is provided to the customer and considered a distinct performance obligation. Support revenue is carved out of the total consideration using an estimate that best reflects its stand-alone selling price and is continued to be recognised rateably as the customer receives the benefit of the support. Accordingly, the license revenue is recognised sooner under IFRS 15, with support revenue, equal to a percentage of the license fee, continuing to be recognised over the term of the agreement. The impact of these changes on items other than revenue is an increase in net assets in the form of a contract asset.
b. Software licenses and the related maintenance and support revenue	Certain software licenses are installed on a customer's hardware in a fully functional state together with support and maintenance for a twelve-month term. The software licence does not require the maintenance and support to operate, providing the customer with control of the licence for a twelve-month term and representing a separate performance obligation. Whilst the maintenance and support revenue must be paid annually to be granted a licence for the next twelve-months, the performance obligation is considered distinct from the licence. Contract terms are typically either three years or perpetual whereby on each anniversary of the contract the customer is required to pay the annual support and maintenance to be granted the annual software licence at a 100% discount from the selling price. This option to renew is considered a material right under IFRS 15 and represents a separate performance obligation.	Under IAS 18, these software licenses were recognised when accepted by the client, as there was a non-refundable right to payment. IFRS 15 considers right of use licenses to be recognised at a point in time which is determined to be when the customer has been provided with a functional software licence. The maintenance and support revenue is determined using an estimate that best reflects its stand-alone selling price and is continued to be recognised rateably as the customer receives the benefit of the maintenance and support. The option to renew each year's licence at a full discount by paying the annual maintenance and support is deferred and recognised at a future point in time when the customer renews. The amount that is deferred is dependent on the term of the contract. For example: on the inception of a three-year contract, two thirds of the licence fee consideration would be deferred and released equally on the first and second anniversary when the customer renews their maintenance and support. Perpetual licences are recognised in the same manner, with the exception being that the contract term is estimated to be five years. As such, the renewal discounts are deferred and spread over the remaining four years at each point the customer renews their maintenance and support. Accordingly, for these type of licenses the phasing of revenue has changed significantly with a smaller portion of the licence revenue being recognised on inception of a new contract, a renewal right to a discounted licence fee is deferred for between three and five years which is held as a contract liability, being recognised on each anniversary of the contract when a customer renews their maintenance and support.

Notes to the consolidated financial statements *(continued)*
for the financial year ended 31 December 2018

Changes to significant accounting policies *(continued)*
Revenue from contracts with customers (continued)

Type of product/service	Nature of the performance obligations and significant payment terms	Nature of change in accounting policy
c. Virtual queuing system	Virtual queuing systems are installed at a client's location, and revenue is recognised when the park guest uses the service. The Group's performance obligation is either to provide a license to and maintain a system in the park or operate the system within the park.	Under IAS 18, certain queuing contracts were recognised on a gross basis where management determined the company was acting the principal in the agreement. IFRS 15 has different criteria for determining who is the principal in an agreement, focusing on control of the goods or services. Management have determined the Group is acting as the agent in all queuing contracts, and therefore only recognises its portion of the sale as revenue, rather than the full amount of the guest payment. There is no impact on profit of the Group due to this change, the Group's revenue continues to be driven by park attendance.
d. Ticketing and eCommerce revenue	Revenue is recognised at the time the ticket is sold or the transaction takes place. Invoices are issued monthly and generally payable within thirty days.	IFRS 15 did not have a significant impact on the Group's accounting policies.
e. Professional services	Professional services revenue is typically providing customised software development and in general is agreed with the customer and billed at each month end. Certain contracts span longer time periods whereby the Group carry out customisation and deliver software releases to customers at predetermined milestones, in these situations the Group has enforceable rights to revenue in the event of cancellation and therefore is able to recognise the revenue over time using the input method (hours/total budgeted hours) which best depicts the group's performance of transferring control.	IFRS 15 did not have a significant impact on the Group's revenue recognition.
f. Hardware sales	On certain contracts customers request that the group procure hardware on their behalf which the group has determined to be a distinct performance obligation. This revenue is recognised at the point the customer obtains control of the hardware which is considered to be the point of delivery when legal title passes.	IFRS 15 did not have a significant impact on the Group's revenue recognition.

Contract assets and contract liabilities

Upon implementation of IFRS 15 the group now separately recognises contract assets and contract liabilities. Where these assets or liabilities mature in periods beyond 12 months of the balance sheet date they are recognised within non-current assets or non-current liabilities as appropriate.

Contract assets represent licence fees which have been recognised at a point in time but where the consideration is contractually payable over time, professional service revenue whereby control has been passed to the customer and deferred contract commissions incurred in obtaining a contract which are recognised in line with the recognition of the revenue. Contract assets for point in time licence fees and unbilled professional service revenue represent financial assets and are considered for impairment on an expected credit loss model, these assets have historically had immaterial levels of bad debt and are with credit worthy customers, and consequently the group has not recognised any impairment provision against them.

Notes to the consolidated financial statements (continued)
for the financial year ended 31 December 2018

Changes to significant accounting policies (continued)
Revenue from contracts with customers (continued)

Contract assets and contract liabilities (continued)

Contract liabilities represent discounted renewal options on licence arrangements whereby a customer has the right to renew their licence at a full discount subject to the payment of annual support and or maintenance fees on each anniversary of the contract. Contract liabilities are recognised as income when a customer exercises their renewal right on each anniversary of the contract and pays their annual maintenance and support. In the situation of a customer terminating their contract all unexercised deferred renewal rights would be recognised as income, representing a lapse of the renewal right options. The licence fees related to these contract liabilities are non-refundable.

The following table summarises the impact, net of tax, of transition to IFRS 15 on retained earnings at 1 January 2018.

Retained Earnings	Impact of adopting IFRS 15 at 1 January 2018 $000
License fees recognised up front at point in time	4,522
License fees recognised on customer renewals in future periods at point in time	(4,428)
Deferred contract commissions	267
Related tax	37
Impact at 1 January 2018	398

If reporting under IAS 18 for the period, revenue would have been $29.4m higher, and operating profit $3.3m lower. There was no material impact on the Group's statement of cash flows for the year ended 31 December 2018.

Impact on the consolidated statement of financial position – all figures in $000s

As at 31 December 2018	As reported	Adjustments	Amounts without adoption of IFRS 15
Assets			
Non-current assets	206,401	-	206,401
Contract assets – non-current	5,141	(5,141)	-
Total non-current assets	211,542	(5,141)	206,401
Trade and other receivables	42,581	1,531	44,112
Contract assets	3,337	(3,337)	-
Total Current assets	45,918	(1,806)	44,112
Total assets	257,460	(6,947)	250,513
Liabilities			
Non-current liabilities	36,202	-	36,202
Contract liabilities – non-current	2,412	(2,412)	-
Total non-current liabilities	38,614	(2,412)	36,202
Trade and other payables	30,296	4,648	34,944
Contract liabilities	7,093	(7,093)	-
Total current liabilities	37,389	(2,445)	34,944
Total liabilities	76,003	(4,857)	71,146
Total net assets	181,457	(2,090)	179,367
Equity			
Retained earnings	60,486	(2,703)	57,783
Other equity	120,971	613	121,584
Total equity	181,457	(2,090)	179,367

Notes to the consolidated financial statements (continued)
for the financial year ended 31 December 2018

Changes to significant accounting policies (continued)
Revenue from contracts with customers (continued)

Impact on the consolidated statement of comprehensive income – all figures in $'000s

For the year ended 31 December 2018	As reported	Adjustments	Amounts without adoption of IFRS 15
Revenue	118,747	29,445	148,192
Cost of sales	(30,543)	(32,725)	(63,268)
Gross profit	88,204	(3,280)	84,924
Administrative expenses	(81,937)	(67)	(82,004)
Operating profit	6,267	(3,347)	2,920
Profit before tax	5,177	(3,347)	1,830
Income tax expense	(1,887)	828	(1,059)
Profit for the period	3,290	(2,519)	771
Total comprehensive income for the period	999	(2,519)	(1,520)

4. Significant accounting policies

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 (see Note 3).

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 2018 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 18.

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.

Notes to the consolidated financial statements (continued)
for the financial year ended 31 December 2018

Significant accounting policies (continued)

Foreign operations
The assets and liabilities of foreign operations, including goodwill, are translated into 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, or appropriate averages.

Foreign currency differences on translating the opening net assets at an opening rate and the results of operations at actual rates are recognised in other comprehensive income 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 from contracts with customers

Information about the Group's accounting policies relating to contracts with customers and the effect of initially applying IFRS 15 is described in Note 3.

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 recognised 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.

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 - 33.3%
Installed systems	25 - 33.3%, or life of contract
Furniture and fixtures	20%
Leasehold Improvements	Shorter of useful life of the asset or time remaining within the lease contract

Notes to the consolidated financial statements (continued)
for the financial year ended 31 December 2018

Significant accounting policies (continued)

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 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).

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 or benefit 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. See note 13 for further discussion on provisions related to tax positions.

Goodwill

Any 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 is recognised in the Consolidated Statement of Financial Position as goodwill and is not amortised.

After initial recognition, goodwill is stated at cost less any accumulated impairment losses, with the carrying value being reviewed for impairment, at least annually and whenever events or changes in circumstances indicate that the carrying value may be impaired.

Where the recoverable amount of the cash-generating unit is less than its carrying amount including goodwill, an impairment loss is recognised in the Consolidated Statement of Profit or Loss.

Significant accounting policies (continued)

Externally acquired intangible assets

Intangible assets are capitalised at cost and amortised to nil by equal 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 16). The significant intangibles recognised by the Group and their useful economic lives are as follows:

- Trademarks over 3 years
- Patents over 20 years
- Customer relationships and supplier contracts over 1 to 15 years
- Intellectual property over 5 to 7 years

Internally generated intangible assets and research and development

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.

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

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 from the date the intangible asset goes into use. The amortisation expense is included within administrative expenses in the Consolidated income statement.

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 the criteria noted above.

The Group has contractual commitments for development costs of $nil (2017: $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 7 years.

Fair value of contingent consideration

Contingent consideration payable in cash in connection with acquisitions is measured at its fair value as of the reporting date and classified as a financial liability with subsequent re-measurement through profit and loss.

Equity settled contingent consideration that results in either a fixed number of equity instruments or no issue of equity where the employment condition is not met is treated as equity settled. Equity settled contingent consideration is fair valued at the acquisition date, it is not re-measured at each reporting date and its subsequent settlement is accounted for within equity.

Where cash or equity consideration is contingent on the continued employment of the sellers the fair value of the expense is recognised as a remuneration expense in the statement of comprehensive income over the deferral period, where the employment condition does not apply and the consideration is in respect of a business combination it is included within cost of investment.

Notes to the consolidated financial statements (continued)
for the financial year ended 31 December 2018

Significant accounting policies (continued)

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:

- *Trade and loan receivables:* 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. Contract assets and other receivables are recognised at fair value. Loan 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. Impairment of a financial asset is recognised if there is objective evidence that the balance will not be recovered**.**

- *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 statement of cash flow.

Financial liabilities

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

- *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.

- The group had a contingent consideration liability relating to the acquisition of Ingresso Group Limited as at 31 December 2017. This was included in cost at its acquisition date fair value and is classified as a financial liability, re-measured at fair value subsequently through profit or loss.

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.

New standards and interpretations not yet adopted

A number of new standards, amendments to standards, and interpretations are either not effective for 2018 or not relevant to the group, and therefore have not been applied in preparing these accounts. The effective dates shown are for periods commencing on the date quoted.

IFRS 16 *Leases*

IFRS 16 was issued in January 2016 and it replaces IAS 17 *Leases*, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases-Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under IAS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (eg personal computers) and short-term leases (ie leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (ie the lease liability) and an asset representing the right to use the underlying asset during the lease term (ie the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Notes to the consolidated financial statements (continued)
for the financial year ended 31 December 2018

Significant accounting policies (continued)

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (eg a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

IFRS 16 is effective for annual periods beginning on or after 1 January 2019. Early application is permitted, but not before an entity applies IFRS 15. A lessee can choose to apply the standard using either a full retrospective or a modified retrospective approach. The standard's transition provisions permit certain reliefs.

The Group has entered into a number of long-term leases in respect of land and buildings. The Group has assessed the leases under IFRS 16 and expects an impact as the right of use assets and lease liabilities will come onto the consolidated statement of financial position for the first time in respect of its current operating leases. The Group expects that IFRS 16 will have a material impact on the financial statements of the Group, however the Group are currently assessing the impact. To see the volume of operating leases please see Note 29 to the Group's consolidated financial statements for the year ended 31 March 2018 for more information.

The Group plans to apply the practical expedient to grandfather the definition of a lease on transition. This means that it will apply IFRS 16 to all contracts entered into before 1 January 2019 and identified as leases in accordance with IAS 17 and IFRIC 4.

IFRIC 23

IFRIC 23, "Uncertainty over Income Tax Treatments" clarifies how to apply the recognition and measurement requirements in IAS 12 when there is uncertainty over income tax treatments. In such a circumstance, an entity shall recognise and measure its current or deferred tax asset or liability applying the requirements in IAS 12 based on taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates determined applying this interpretation. This interpretation is effective for annual periods beginning on or after 1 January 2019, subject to EU endorsement.

Annual improvements 2017

Annual Improvements 2017 includes amendments to IFRS 3, *"Business combinations",* IFRS 11*, "Joint arrangements"* and IAS 12*, "Income taxes*" applies for periods beginning on or after 1 January 2019, subject to EU endorsement.

Amendments to References to the Conceptual Framework in IFRS Standards –

Amendments to IFRS 2, IFRS 3, IFRS 6, IFRS 14, IAS 1, IAS 8, IAS 34, IAS 37, IAS 38, IFRIC 12, IFRIC 19, IFRIC 20, IFRIC 22, and SIC-32 to update those pronouncements with regard to the revised Conceptual Framework, effective 1 January 2020, subject to EU endorsement.

The impact of IFRS 16 is discussed above. The impact of the other standards, amendments and interpretations listed above are not expected to have a material impact on the consolidated financial statements.

5. Functional and presentation currency

The presentation currency of the Group is US dollars (USD). Items included in the financial statements of each of the Group's entities are measured in the functional currency of each entity. The Group used the local currency as the functional currency including the parent company, where the functional currency is sterling. The Group's choice of presentation currency reflects its significant dealings in that currency.

6. 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.

Notes to the consolidated financial statements (continued)
for the financial year ended 31 December 2018

Critical judgments and key sources of estimation uncertainty (continued)

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:

Capitalised development costs
The 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 internally generated intangible assets and research and development within note 4 for details on the Group's capitalisation and amortisation policies, and Intangible Assets, note 16, for the carrying value of capitalised development costs.

Agent versus principal
Management have determined that under IFRS 15 the Group is acting as the agent in all queuing contracts, and therefore only recognises its portion of the sale as revenue, rather than the full amount of the guest payment. When analysing whether the Group is acting as a principal or agent in a given arrangement, this requires management to consider several judgemental factors.

The main factor is whether the Group has control over the goods and services to be provided within the contract, with indicators of control including whether the entity is primarily responsible for fulfilling the promise to the customer, the entity has inventory risk, and the entity has discretion over pricing. These factors are different than those under IAS 18 Revenue, which focused more on the risks and rewards of the generating the revenue.

Selection of reporting segments and aggregation of accesso LoQueue and The Experience Engine ('TE2') reporting segments
During 2018 management have organised their business into three operating segments and now monitor goodwill at this level, comprising Ticketing and Distribution, accesso LoQueue and The Experience Engine ('TE2'). This represents a change from 2017 whereby goodwill was monitored at a group level.

Judgement is applied in the assessment of whether the operating segments of *accesso LoQueue* and *TE2* meet the aggregation criteria as set out in IFRS 8 *'Operating Segments'* and therefore can be presented as a single reportable segment within Guest Experience. This assessment has been made following consideration of economic characterises, nature of the products and services, the type of customers and nature of businesses. Principally the products of each segment are directly targeted at improving a guest's experience of an attraction or entertainment venue, whilst also providing cross-selling opportunities and increased revenues to the venues, both of which are heavily underpinned by a focus on product development investment activities.

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:

Goodwill testing and goodwill allocated to cash generating units
The goodwill arising on the respective ticketing entities enhances the value of only the Ticketing and Distribution group of CGUs and has therefore been monitored at a Ticketing and Distribution segment level for impairment testing. *accesso LoQueue* has no underlying goodwill for consideration of reallocation. $52.4m of goodwill arising on the acquisition of *TE2* was identified at the acquisition date as being expected to drive synergies in Ticketing and Distribution and *accesso LoQueue*, this goodwill has been allocated to Ticketing and Distribution and *accesso LoQueue* respectively ($28.5m and $6.5m) in line with the apportionment set out at acquisition leaving $17.4m within *TE2's* CGU. This allocation has been based on a relative proportion of the EBITDA synergies of the respective CGUs which is considered the most accurate reflection of where the value of the synergies of the goodwill will be driven.

Notes to the consolidated financial statements (continued)
for the financial year ended 31 December 2018

7. 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 20 and 21, the Group's financial instruments comprise cash, borrowings, and finance leases. 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 2018	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	**23,229**	**543**	**-**	**-**	**23,772**
Bank loan	22	**-**	**-**	**20,466**	**-**	**20,466**
Total		**23,229**	**543**	**20,466**	**-**	**44,238**
Company						
Financial liabilities	21	**2,258**	**-**	**-**	**-**	**2,258**
Bank loan	22	**-**	**-**	**20,466**	**-**	**20,466**
Total		**2,258**	**-**	**20,466**	**-**	**22,724**

31 December 2017	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	18,123	1,240	3,024	-	22,387
Finance lease		9	-	-	-	9
Bank loan	22	-		16,462	-	16,462
Total		18,132	1,240	19,486	-	38,858
Company						
Financial liabilities	21	583	-	-	-	583
Bank loan	22	-	-	16,462	-	16,462
Total		583	-	16,462	-	17,045

Notes to the consolidated financial statements (continued)
for the financial year ended 31 December 2018

Financial risk management (continued)

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 2018	Note	**Fixed rate $000**	**Floating rate $000**	**Non-interest bearing $000**	**Total assets $000**	**Total liabilities $000**
Group						
Financial assets – trade and other receivables	20	-	-	**16,559**	**16,559**	-
Financial assets – contract assets	9			**8,143**	**8,143**	
Cash		-	**4,271**	**16,433**	**20,704**	-
Total		-	**4,271**	**41,135**	**45,406**	-
Bank loan	22	-	**20,466**	-	-	**20,466**
Total		-	**20,466**	-	-	**20,466**
Company						
Financial assets – trade and other receivables	20	**83,710**	-	**15,206**	**98,9161**	-
Financial assets – contract assets	9			**4,909**	**4,909**	
Cash		-	-	**3,311**	**3,311**	-
Total		**83,710**	-	**23,426**	**107,136**	-
Bank loan	22	-	**20,466**	-	-	**20,466**
Total		-	**20,466**	-	-	**20,466**

31 December 2017	Note	Fixed rate $000	Floating rate $000	Non-interest bearing $000	Total assets $000	Total liabilities $000
Group						
Financial assets	20	-	-	17,141	17,141	-
Cash		-	-	28,668	28,668	-
Total		-	-	45,809	45,809	-
Bank loan	22		(16,462)	-	-	(16,462)
Finance lease		(9)	-	-	-	(9)
Total		(9)	(16,462)	-	-	(16,471)
Company						
Financial assets	20	79,819	-	10,954	90,773	-
Cash		-	-	1,909	1,909	-
Total		79,819	-	12,863	92,682	-
Bank loan	22	-	(16,462)	-	-	(16,462)
Total		-	(16,462)	-	-	(16,462)

Notes to the consolidated financial statements (continued)
for the financial year ended 31 December 2018

Financial risk management (continued)

Credit risk exposure

Credit risk predominantly arises from trade receivables, contract assets, 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 customer's financial position, their reputation in the industry, and past trading experience. As a result, the Group's exposure to bad debts is generally 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.

		Group		Company	
		2018	2017	**2018**	2017
	Note	**$000**	$000	**$000**	$000
Financial assets – trade and other receivables	20	**16,559**	17,141	**98,916**	90,773
Financial assets – contract assets	9	**8,143**	-	**4,909**	-
Cash	28	**20,704**	28,668	**3,311**	1,909
Estimated irrecoverable amounts	**20**	**(236)**	(222)	**-**	-
		45,170	45,587	**107,136**	92,682

The maximum exposure is the carrying amount as disclosed in trade and other receivables. The average credit period taken by customers is 48 days (2017: 31 days). The allowance for estimated irrecoverable amounts has been made based upon the 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 2018 and 31 December 2017, 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	
	2018	2017	**2018**	2017
	$000	$000	**$000**	$000
Up to 3 months	**3,659**	10,173	**661**	644
3 to 6 months	**559**	612	**438**	59
	4,218	10,785	**1,099**	703

Capital risk management

The Group considers its capital to comprise its ordinary share capital, share premium, own shares held in trust, 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.

Notes to the consolidated financial statements (continued)
for the financial year ended 31 December 2018

Financial risk management (continued)

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, 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, Group companies held monetary assets in currencies other than their local currency. Balances at 31 December 2018 are (in ’000s):

$742 (2017: $714) denominated in US dollars
AUD$9 (2017: AUD$9) denominated in Australian dollars
€307 (2017: €85) denominated in euros
Kr1,654 (2017: Kr856) denominated in Danish krone

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 = 1.3359USD (2017: 1GBP = 1.2906USD). In light of the UK’s scheduled departure from the EU on 29 March 2019 the directors have considered the risk of greater volatility in sterling to USD to assess the potential impact on the Group’s profitability, If sterling had been an average of 5% stronger than the dollar through the year, then it would have increased Group profit before tax by $252,060 (4.87%). 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 $252,060 (4.87%).

Fair Value Measurement

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

8. Business and geographical segments

Segmental analysis
The Group’s operating segments under IFRS have been determined with reference to the financial information presented to the Board of directors. The Board of the Group is considered the Chief Operating Decision Maker (“CODM”) as defined within IFRS 8, as it sets the strategic goals for the Group and monitors its operational performance against this strategy.

The Board have revised its segmental disclosure during 2018 to align with its new organisational structure and how the CODM now review and make decisions about resources to be allocated to the segments. During 2018 the ticketing group was reorganised and is now headed by a President of Ticketing who is identified as the segment manager. The segment manager maintains regular contact with the CODM to discuss operating activities, financial results, forecasts, or plans for the ticketing segment as a whole. This change is reflective of the continued objective to merge and align the ticketing entities of the group to leverage the synergies that exist in their solutions, technological capabilities and pooled expertise.

The Group’s Ticketing operating segment comprises the following solutions:

- *accesso Passport* ticketing suite using our hosted proprietary technology offering to maximise up selling, cross selling and selling greater volumes.
- *accesso Siriusware* software solutions providing modules in ticketing & admissions, memberships, reservations, resource scheduling, retail, food service, gift cards, kiosks and eCommerce.
- The *accesso ShoWare* ticketing solution for box office, online, kiosk, mobile, call centre and social media sales.
- *Ingresso* operate a consolidated distribution platform which connects venues and distributors, opening up a larger global channel for clients to sell their event, theatre and attraction tickets.

The Group’s virtual queuing solution (*accesso LoQueue*) and experience management platform (The Experience Engine ‘*TE2*’) are headed by their respective Presidents who act as segment managers and discuss the operating activities, financial results, forecasts and plans of their respective segments with the CODM. These two distinct operating segments share similar economic characteristics, customers and markets; the products are heavily bespoke, technology and software intensive in their delivery and are directly targeted at improving a guest’s experience of an attraction or entertainment venue, whilst providing cross-selling opportunities and increased revenues to the venues. Management therefore conclude that they meet the aggregation criteria.

Notes to the consolidated financial statements (continued)
for the financial year ended 31 December 2018

Business and geographical segments (continued)

The Group's Guest Experience operating segment comprises the following aggregated segments:

- *accesso LoQueue* providing leading edge virtual queuing solutions to take customers out of line, improve guest experience and increase revenue for theme parks
- The Experience Engine ("*TE2*") experience management platform which delivers personalised real time immersive customer experiences at the right time elevating the guest's experience and loyalty to the brand

The Group's assets and liabilities are reviewed on a group basis and therefore segmental information is not provided for the statements of financial position of the segments. The prior year segmental information has been restated to provide comparability.

The CODM monitors the results of the operating segments prior to charges for interest, depreciation, tax, amortisation and exceptional items. The Group has a significant amount of central unallocated costs which are not segment specific. These costs have therefore been excluded from segment profitability and presented as a separate line below segment profit.

The following is an analysis of the Group's revenue and results from the continuing operations by reportable segment which represents revenue generated from external customers.

	2018 $000	2017 $000
Ticketing	**78,550**	63,393
Guest Experience	**40,197**	70,036
Total revenue	**118,747**	133,429

Year ended 31 December 2018	**Ticketing $000**	**Guest Experience $000**	**Central unallocated costs $000**	**Group $000**
Adjusted EBITDA (1)	30,805	19,256	(15,306)	34,755
Depreciation and amortisation (excluding acquired intangibles)				(9,624)
Acquisition expenses				(1,703)
Deferred and contingent payments				(3,176)
Amortisation related to acquired intangibles				(11,740)
Share-based payments				(2,245)
Finance income				37
Finance expense				(1,127)
Profit before tax				5,177

Year ended 31 December 2017	**Ticketing $000**	**Guest Experience $000**	**Central unallocated costs $000**	**Group $000**
Adjusted EBITDA (1)	22,890	18,224	(16,510)	24,604
Depreciation and amortisation (excluding acquired intangibles)				(5,531)
Acquisition expenses				(1,249)
Deferred and contingent payments				(2,131)
Amortisation related to acquired intangibles				(8,591)
Profit recognised on reduction of earn-out liability				3,228
Share-based payments				(1,089)
Finance income				24
Finance expense				(2,099)
Profit before tax				7,166

Notes to the consolidated financial statements (continued)
for the financial year ended 31 December 2018

Business and geographical segments (continued)

(1) Adjusted EBITDA: operating profit before the deduction of amortisation, depreciation, acquisition costs, deferred and contingent payments, profit recognised on the reduction of the earn-out liability, and costs related to share-based payments

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

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

	Revenue		Non-current assets	
	2018	2017	**2018**	2017
	$000	$000	**$000**	$000
UK	**29,962**	22,701	**37,616**	38,788
Other Europe	**2,901**	2,138	**3**	67
Australia/South Pacific	**4,569**	1,565	**169**	637
USA and Canada	**77,595**	103,294	**163,046**	162,048
Central and South America	**3,720**	3,731	**221**	158
	118,747	133,429	**201,055**	201,698

Revenue in 2017 presented above on a comparable basis with 2018 under IFRS 15 would be $102.8m (unaudited).

Revenue generated in each of the geographical locations is generally in the local currency of the venue or operator 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 customers of one of the park operators within the Guest Experience segment with which the Group has a contractual relationship accounts for $13.3m of Group revenue for 2018 (2017: $43.9m on IAS18 basis/ 2017: $13.8m on IFRS15 basis). A further customer within the Guest Experience segment accounted for $12.0m of group revenue in 2018 (2017: $8.3m).

9. Revenue

The revenue recognition accounting policies and the effect of initially applying IFRS 15 on the Group's revenue from contracts with customers is described in Note 3. Due to the transition method chosen in applying IFRS 15, comparative information has not been restated to reflect the new requirements.

Revenue primarily arises from the operation and licensing of virtual queuing solutions, the development and application of eCommerce ticketing, professional services, and license sales in relation to point-of-sale and guest management software and related hardware. All revenue of the group is from contracts with customers.

Disaggregated revenue

The Group has disaggregated 2018 revenue into various categories in the following table which is intended to depict the nature, amount, timing and uncertainty of revenue recognition and to enable users to understand the relationship with revenue segment information provided in note 8. Comparative information has not been provided as permitted when adopting IFRS 15 using the cumulative catch up method of adoption.

Notes to the consolidated financial statements (continued)
for the financial year ended 31 December 2018

Revenue (continued)

Year ended 31 December 2018	Ticketing $000	Guest Experience $000	Group $000
Primary geographic markets			
UK	27,463	2,500	29,963
Other Europe	938	1,962	2,900
Australia/South Pacific/Asia	4,277	291	4,568
USA and Canada	42,331	35,264	77,595
Central and South America	3,541	180	3,721
	78,550	40,197	118,747
Product type			
Licence fees	6,623	2,963	9,586
Support and maintenance	8,393	-	8,393
Virtual queuing	-	21,637	21,637
Ticketing and eCommerce	57,100	980	58,080
Professional services	4,014	12,672	16,686
Hardware	1,533	-	1,533
Other	887	1,945	2,832
	78,550	40,197	118,747
Timing of transfer of goods and services			
Point in time licence fees	6,623	2,963	9,586
Point in time virtual queuing/ticketing/hardware/other	57,100	22,617	79,717
Over time maintenance, support and professional services	14,827	14,617	29,444
	78,550	40,197	118,747
Revenue included within point in time licence fees above related to the exercise or lapse of renewal rights	1,953	-	1,953

Contract balances

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers.

	Group		Company	
	Contract assets $000	Contract liabilities $000	Contract assets $000	Contract liabilities $000
At 1 January 2018	4,790	4,428	4,593	790
At 31 December 2018	8,478	9,505	4,909	898
Breakdown of Contract assets at 31 December 2018				
Unbilled income	**8,143**	-	**4,909**	-
Contract commissions	**335**	-	-	-
	8,478	-	**4,909**	-

Transfers of contract liabilities to revenue during the period were $10m (Company $266k).

Notes to the consolidated financial statements (continued)
for the financial year ended 31 December 2018

Revenue (continued)

The contract assets primarily relate to the Group's rights to consideration for license fees or professional services recognised but not billed. The contract assets are transferred to receivables when the rights become unconditional. This usually occurs when the Group issues an invoice to the customer. The Group also capitalises commissions paid in connection with obtaining a contract and recognises the expense over the term of the agreement, testing for impairment annually.

The contract liabilities primarily relate to material rights customers of the Group's guest management software receive at the time contract is signed, which allows them to renew at a discount in subsequent years. The revenue is recognised when the customer renews over the term of the contract or 5 years for contracts that do not have a term. The balance also consists of support services to be provided for POS licenses and guest management software, and the revenue for the support is recognised over the terms of the agreements.

No revenue was recognised in the period ended 31 December 2018 from performance obligations satisfied (or partially satisfied) in previous periods.

Remaining performance obligations

No information is provided about remaining performance obligations at 31 December 2018 that have an original expected duration of one year or less, as allowed by IFRS 15.

The amount of revenue that will be recognised in future periods on contracts with material rights over future discounted licence fees is analysed as follows:

	Less than 1 year	**Between 1 and 5 years**
	$000	**$000**
Material rights over discounted licence fee renewal	2,097	1,651

10. Employees and directors

	2018	2017
	$000	$000
Wages and salaries	**47,555**	39,028
Deferred compensation related to acquisitions	**3,176**	2,131
Social security costs	**4,075**	2,600
Defined contribution pension costs	**1,348**	904
Share-based payment transactions	**2,245**	1,089
	58,399	45,752

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 Directors' Remuneration report.

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

	2018	2017
Operations	**170**	169
Research & development	**227**	200
Sales & marketing	**62**	34
Finance & administration	**59**	60
Seasonal staff	**406**	418
	924	881

Notes to the consolidated financial statements (continued)
for the financial year ended 31 December 2018

Employees and directors (continued)

Key management compensation

The key management of the company in 2018 are considered to be the Executive directors and the three respective presidents of Ticketing and Distribution, *accesso LoQueue* and The Experience Engine (*TE2*). Their remuneration is as follows. In 2017 key management were considered to be the Executive Directors.

	2018 $000	2017 $000
Salary	**1,879**	2,283
Short term-non-monetary benefits	**97**	37
Contribution to retirement scheme	**62**	22
Employer's social security costs	**561**	229
Share-based payments	**513**	324
Deferred compensation treated as remuneration expense	**2,247**	-
	5,359	2,895

Directors emoluments are disclosed on page 35 in the directors' remuneration report.

11. Expenses by nature

	2018 $000	2017 $000
Park operating costs	**6,557**	38,806
Other operating leases	**1,917**	1,675
Depreciation - owned assets	**1,519**	1,277
Depreciation - finance leased assets	**-**	44
Amortisation of intangible assets	**19,845**	12,801
Foreign exchange differences	**304**	206
Research and development gross spend	**29,403**	20,025
Research and development capitalized to balance sheet (note 16)	**(21,100)**	(12,395)
Research and development recognized in operating profit	**8,303**	7,630

Park operating costs for the period ended 31 December 2017 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. The factors in determining whether the Group is acting as an agent or principal in an agreement have changed under IFRS 15 resulting in net presentation in 2018 and a decrease in park operating costs. See notes 6 and 9 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:

	2018 $000	2017 $000
Audit services		
Fees payable to the company's auditors of the parent company and consolidated accounts	**132**	148
Fees payable to the company's auditors for the audit of subsidiaries	**136**	138
Non-audit services		
Tax compliance	**6**	32
Tax advisory	**104**	291
Tax other	**-**	5
Corporate finance	**530**	203
Audit-related assurance services	**9**	29
	917	846

Notes to the consolidated financial statements (continued)
for the financial year ended 31 December 2018

12. Finance income and expense

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

	2018 $000	2017 $000
Finance income:		
Bank interest received	**23**	5
Interest received from customers	**14**	19
Total finance income	**37**	24
Finance costs:		
Bank interest	**(687)**	(741)
Amortisation of capitalised refinance costs	**(110)**	(224)
Interest expense associated with contingent and deferred compensation	**(330)**	(1,131)
Finance lease	**-**	(3)
Total finance costs	**(1,127)**	(2,099)
Net finance expense	**(1,090)**	(2,075)

13. Tax

The table below provides an analysis of the tax charge for the periods ended 31 December 2018 and 31 December 2017:

	2018 $000	2017 $000
UK corporation tax		
Current tax on income for the period	**2,498**	1,012
Adjustment in respect of prior periods	**(457)**	154
	2,041	1,166
Overseas tax		
Current tax on income for the period	**607**	1,289
Adjustment in respect of prior periods	**(537)**	(707)
	70	582
Total current taxation	**2,111**	1,748
Deferred taxation		
Original and reversal of temporary difference - for the current period	**(670)**	382
Impact on deferred tax rate changes	**(483)**	(5,094)
Original and reversal of temporary difference - for the prior period	**929**	229
	(224)	(4,483)
Total taxation charge/(benefit)	**1,887**	(2,735)

Notes to the consolidated financial statements (continued)
for the financial year ended 31 December 2018

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:

	2018 $000	2017 $000
Profit on ordinary activities before tax	**5,177**	7,166
Tax at United States tax rate of 24% (2017: 40.0%)	**1,242**	2,866
Effects of:		
Expenses not deductible for tax purposes	**1,269**	1,380
Additional deduction for patent box	**(25)**	(175)
Additional deduction for R&D expenditure – current period	**-**	(130)
Profit subject to foreign taxes at a lower marginal rate	**(137)**	(1,050)
Adjustment in respect of prior period – income statement	**(64)**	(324)
Deferred tax not recognised	**-**	1
Impact of rate changes	**(483)**	(5,094)
Withholding tax credit	**(61)**	-
Share options	**35**	-
Other	**111**	(209)
Total tax charge/(benefit)	**1,887**	(2,735)

Deferred taxation

	Asset $000	Liability $000
Group		
At 31 December 2016	6,008	(9,990)
Charged to income	(5,056)	9,539
Credited directly to equity	2,793	(181)
Acquired from business combinations	5,192	(13,997)
At 31 December 2017	**8,937**	**(14,629)**
Charged to income	**1,030**	**(806)**
Debited directly to equity	**(4,621)**	**-**
At 31 December 2018	**5,346**	**(15,435)**
Company		
At 31 December 2016	1,014	(1,069)
Charged to income	(62)	(115)
Credited directly to equity	585	-
Acquired from business combinations	(1,184)	1,184
At 31 December 2017	**353**	**-**
IFRS 15 opening adjustment	**-**	**812**
Charged/(credited) to income	**1**	**(527)**
Debited directly to equity	**(966)**	**-**
Netted against the asset	**612**	**(612)**
At 31 December 2018	**-**	**(327)**

Notes to the consolidated financial statements (continued)
for the financial year ended 31 December 2018

Tax (continued)

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

	2018 $000	2017 $000
Group		
Recognised asset		
Tax relief on unexercised employee share options	**2,443**	6,977
Short term timing differences	**658**	974
Net operating losses & tax credits	**2,245**	986
Deferred tax asset	**5,346**	8,937

	2018 $000	2017 $000
Recognised liability		
Capital allowances in excess of depreciation	**(6,052)**	(3,078)
Short term timing differences	**(506)**	(272)
Business combinations	**(8,877)**	(11,279)
Deferred tax liability	**(15,435)**	(14,629)
Company		
Recognised asset		
Tax relief on unexercised employee share options	**623**	1,535
Short term timing differences	**2**	2
Offset against Company deferred tax asset	**(625)**	(1,184)
Deferred tax asset	**-**	353
Recognised liability		
Capital allowances in excess of depreciation	**(952)**	(1,184)
Offset against Company deferred tax asset	**625**	1,184
Deferred tax liability	**(327)**	-

Tax rates in the UK will reduce from 19% to 17% with effect from 1 April 2020. Tax rates in the US were reduced from 35% to 21%, before state taxes, with effect from 1 January 2018. As both rate changes had been substantively enacted during the previous period, deferred tax assets and liabilities were measured at a rate of 17% and 21% plus state taxes in the UK and US, respectively. The same rates were in effect for 2018. The significant reduction in the US corporate rate will also reduce the Group's effective tax rate in future periods. There are no material unrecognised deferred tax assets.

Taxation and transfer pricing
The Group is an international technology business and, as such, transfer pricing arrangements are in place to cover funding arrangements, management costs and the exploitation of IP between Group companies. Transfer prices and the policies applied directly affect the allocation of Group-wide taxable income across a number of tax jurisdictions. While transfer pricing entries between legal entities are on an arm's length basis, there is increasing scrutiny from tax authorities on transfer pricing arrangements. This could result in the creation of uncertain tax positions.

The Group provides for anticipated risks, based on reasonable estimates, for tax risks in the respective countries in which it operates. The amount of such provisions can be based on various factors, such as experience with previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible authority. Uncertainties exist with respect to the evolution of the Group following international acquisitions holding significant IP assets, interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income.

Given the wide range of international business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded.

Uncertainties in relation to tax liabilities are provided for within income tax payable to the extent that it is considered probable that the Group may be required to settle a tax liability in the future. Settlement of tax provisions could potentially result in future cash tax payments; however, these are not expected to result in an increased tax charge as they have been fully provided for in accordance with management's best estimates of the most likely outcomes.

Notes to the consolidated financial statements (continued)
for the financial year ended 31 December 2018

Tax (continued)

Ongoing tax assessments and related tax risks
The Group has undertaken a review of potential tax risks and current tax assessments, and whilst it is not possible to predict the outcome of any current or future tax enquiries, adequate provisions are considered to have been included in the Group accounts to cover any expected estimated future settlements.

In common with many international groups operating across multiple jurisdictions, certain tax positions taken by the Group are based on industry practice and external tax advice or are based on assumptions and involve a significant degree of judgement. It is considered possible that tax enquiries on such tax positions could give rise to material changes in the Group's tax provisions.

The Group is consequently, from time to time, subject to tax enquiries by local tax authorities and certain tax positions related to intercompany transactions may be subject to challenge by the relevant tax authority.

The Group has recognised provisions where it is not probable that tax positions taken will be accepted, totalling $0.5m (2017: $0.5 million) in relation to transfer pricing risks and $0.3 million (2017: $0.5 million) in relation to availability of tax losses and international R&D claims.

14. 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 2018 was (in $'000) $6,743 (2017: $4,442).

15. 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, deferred and contingent consideration, credits to the income statement from the reversal of the earn-out liability, and costs related to share-based payments, less tax at the effective rate.

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

	2018	2017
Profit attributable to ordinary shareholders ($000)	**3,290**	9,901
Basic EPS		
Denominator		
Weighted average number of shares used in basic EPS	**26,905**	24,250
Basic earnings per share (cents)	**12.23**	40.83
Diluted EPS		
Denominator		
Weighted average number of shares used in basic EPS	**26,905**	24,250
Effect of dilutive securities		
Options	**709**	1,337
Deferred share consideration on business combinations	**421**	454
Weighted average number of shares used in diluted EPS	**28,035**	26,041
Diluted earnings per share (cents)	**11.74**	38.02

Notes to the consolidated financial statements (continued)
for the financial year ended 31 December 2018

Earnings per share (continued)

	2018	2017
Adjusted EPS		
Profit attributable to ordinary shareholders ($000)	**3,290**	9,901
Adjustments for the period related to:		
Amortisation relating to acquired intangibles from acquisitions	**11,740**	8,591
Interest expense related to deferred and contingent liabilities	**331**	1,131
Acquisition expenses (including debt arrangement fees)	**1,703**	1,474
Deferred and contingent consideration linked to employment	**3,176**	2,131
Profit recognised on reduction of earn-out liability	**-**	(3,228)
Share-based compensation and social security costs on unapproved options	**2,245**	1,089
US tax code – tax credit from revaluation of US deferred balances	**-**	(4,450)
	22,485	16,639
Net tax related to the above adjustments (2018: 18.8%, 2017: 25.5%):	**(2,689)**	(2,880)
Adjusted profit attributable to ordinary shareholders ($000)	**19,796**	13,759

*The 2017 weighted average number of shares for diluted EPS has been restated to include the dilutive effect of the TE2 deferred shares which are contingent on future employment from the date of the agreement.

	2018	2017
Adjusted profit attributable to ordinary shareholders ($000)	**19,796**	13,759
Adjusted basic EPS		
Denominator		
Weighted average number of shares used in basic EPS	**26,905**	24,250
Adjusted basic earnings per share (cents)	**73.58**	56.73
Adjusted diluted EPS		
Denominator		
Weighted average number of shares used in diluted EPS	**28,035**	26,041
Adjusted diluted earnings per share (cents)	**70.61**	52.84

137,432 LTIP awards were not included in the calculation of diluted EPS because their exercise is contingent on the satisfaction of certain criteria that had not been met as at 31 December 2018.

Notes to the consolidated financial statements (continued)
for the financial year ended 31 December 2018

16. Intangible assets

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

	Goodwill $000	Customer relationships & supplier contracts $000	Trademarks $000	Internally developed technology $000	Patent & IPR costs $000	Development costs $000	Totals $000
Cost							
At 31 December 2016	43,862	10,240	469	20,280	649	24,377	99,877
Foreign currency translation	1,533	129	109	834	51	993	3,649
Additions	-	-	-	-	-	12,395	12,395
Acquired with acquisition	71,942	8,046	1,349	32,522	64	-	113,923
At 31 December 2017	117,337	18,415	1,927	53,636	764	37,765	229,844
Foreign currency translation	**(1,193)**	**(101)**	**(86)**	**(655)**	**(34)**	**(839)**	**(2,908)**
Additions	**-**	**-**	**-**	**-**	**2**	**21,100**	**21,102**
At 31 December 2018	**116,144**	**18,314**	**1,841**	**52,981**	**732**	**58,026**	**248,038**
Amortisation							
At 31 December 2016	-	2,558	383	9,334	420	5,570	18,265
Foreign currency translation	-	8	3	55	33	381	480
Charged	-	1,837	170	6,585	43	4,166	12,801
At 31 December 2017	-	4,403	556	15,974	496	10,117	31,546
Foreign currency translation	**-**	**(25)**	**(14)**	**(206)**	**(27)**	**(413)**	**(685)**
Charged	**-**	**2,818**	**146**	**8,776**	**38**	**8,067**	**19,845**
At 31 December 2018	**-**	**7,196**	**688**	**24,544**	**507**	**17,771**	**50,706**

Notes to the consolidated financial statements (continued)
for the financial year ended 31 December 2018

Intangible assets (continued)

	Goodwill $000	Customer relationships & supplier contracts $000	Trademarks $000	Internally developed technology $000	Patent & IPR costs $000	Development costs $000	Totals $000
Net book value							
At 31 December 2018	**116,144**	**11,118**	**1,153**	**28,437**	**225**	**40,255**	**197,332**
At 31 December 2017	117,337	14,012	1,371	37,662	268	27,648	198,298

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

	Patent costs $000	Development costs $000	Totals $000
Cost			
At 31 December 2016	542	9,832	10,374
Foreign currency translation	51	995	1,046
Additions	-	1,642	1,642
At 31 December 2017	593	12,469	13,062
Foreign currency translation	**(35)**	**(781)**	**(816)**
Additions	**2**	**1,277**	**1,279**
At 31 December 2018	**560**	**12,965**	**13,525**
Amortisation			
At 31 December 2016	334	3,614	3,948
Foreign currency translation	33	383	416
Charged	43	1,280	1,323
At 31 December 2017	410	5,277	5,687
Foreign currency translation	**(26)**	**(397)**	**(423)**
Charged	**37**	**1,828**	**1,865**
At 31 December 2018	**421**	**6,708**	**7,129**
Net Book Value			
At 31 December 2018	**139**	**6,257**	**6,396**
At 31 December 2017	183	7,192	7,375

Capitalised development costs are not treated as a realised loss for the purpose of determining the Company's distributable profits as the costs meet the conditions requiring them to be treated as an asset in accordance with IAS 38.

Prior period acquisition of Ingresso Group Limited

On 30 March 2017, the Group acquired 100% of the voting equity of Ingresso Group Limited ("Ingresso"), a provider of live access to ticketed events worldwide across multiple platforms, languages and currencies, for initial cash consideration of £14.8m ($18.5m), plus a potential earn-out payment, capped at £10.5m ($13.1m). The total aggregate consideration was capped at £28.0m ($35.0m), assuming the earn-out was achieved in full. A true-up of working capital brought the total cash investment to $18.7m.

Notes to the consolidated financial statements (continued)
for the financial year ended 31 December 2018

Intangible assets (continued)

The acquisition of *Ingresso* is expected to further deepen the Group's ability to help its customers drive efficiency and realise greater value from their ticketing operations. Additionally, it will open up a significantly larger global distribution channel through which existing Group customers can seek to sell their event and attraction tickets, along with providing *Ingresso* with a significant opportunity to grow its business via access to the Group's expansive ticket inventory, eCommerce expertise, infrastructure and global relationships. Finally, *Ingresso* allows the Group to address significant inefficiencies it has identified within the travel and leisure industry, and help clients generate more revenue from third-party distribution channels.

The final agreed earn-out was paid in cash during 2018 at $9.1m which was accrued at 31 December 2017 this was based on the financial performance of *Ingresso* for the year ended 31 December 2017 exceeding its financial performance in 2016.

Due to the full earn-out not being achieved a credit was recorded to the Consolidated and company statement of comprehensive income of $3.2m during the year ended 31 December 2017. In addition to the contingent earn-out based consideration, up to $1.8m of further consideration was payable to employees of the acquired company which was contingent on their continued employment, this is treated as a compensation expense, rather than deferred consideration. The Group's income statement contains $0.4m (2017: $1.0m) of compensation expense due to this treatment within administrative expenses, and $0.3m (2017: $0.2m) of interest expense related to this treatment.

To fund the acquisition, the Group entered into an amendment and restatement agreement in relation to its Lloyds Bank facility dated 14 March 2016, extending the facility to allow for the ability to draw down $60m, denominated in US dollars, GB Pound Sterling, or Euros. The agreement has a four-year term, with a $10m reduction in the total available for drawdown on the first, second and third anniversaries of the restatement. There is an option to extend the agreement for a further 12 months at the end of the first year, and an accordion mechanism allowing for a further $10m related to future acquisitions.

The drawdown rate is 140 basis points above LIBOR at a borrowing to EBITDA ratio of less than 1.5 times, rising to 190 basis points if the borrowing to EBITDA ratio is greater than 2.25 times. Commitment interest on the undrawn funds is 35% of margin.

Acquisition related costs of $0.7m were incurred in relation to this acquisition, excluding capitalised finance costs ($0.4m), and are included within administrative expenses within the Statement of comprehensive income for the period ended 31 December 2017. Finance costs are amortised over the life of the agreement and presented netted against bank loans within borrowings in the statement of financial position.

During 2017, Ingresso contributed $16.7m to revenue and $0.06m to profit before tax from the date of acquisition.

Details of the fair value of identifiable assets and liabilities acquired, purchase consideration, and goodwill are below as of the acquisition date:

	Book value $000	Adjustment $000	Fair value $000
Identifiable intangible assets			
Internally developed technology	514	9,835	10,349
Customer relationships	-	674	674
Supplier contracts	-	931	931
Trademarks	-	1,349	1,349
Property, plant and equipment	49	-	49
Receivables and other debtors	3,129	-	3,129
Payables and other liabilities	(11,630)	-	(11,630)
Cash	5,744	-	5,744
Deferred tax asset	582	-	582
Deferred tax liability	(20)	(2,406)	(2,426)
Total net assets	(1,632)	10,383	8,751
Cash paid at completion	18,528	-	18,528
Contingent consideration	9,553	-	9,553
Working capital true-up	208	-	208
Total consideration	28,289	-	28,289
Goodwill on acquisition			19,538

Notes to the consolidated financial statements (continued)
for the financial year ended 31 December 2018

Intangible assets (continued)

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 which will benefit the ticketing operation of the enlarged Group. These do not qualify for separate recognition, including the ability to integrate into the Group's current product mix and enable increased sales through third party channels to existing customers, which is not available to other market participants.

The net cash outflow in respect of the acquisition comprised:

	$000
Cash paid	18,736
Net cash acquired	(5,744)
Total cash outflow in respect of acquisition	12,992

Prior period acquisition of Blazer and Flip Flops Inc DBA The Experience Engine ("TE2")

On 20 July 2017, the Group acquired 100% of the voting equity of Blazer and Flip Flops, Inc, a privately-owned developer of software solutions which enables leading enterprises to offer a highly-personalised guest experience to their customers, primarily in the leisure, hospitality, entertainment and retail sectors. The acquisition was for an enterprise value of $80 million and was funded by the issue of $14.5 million in new Ordinary shares of the Group to the Vendors, and an underwritten vendor and cash placing of $75.6 million.

Management believe that *TE2's* cloud-based solution offers market-leading personalisation capabilities and data orchestration technologies which capture, model and anticipate guest behaviour and preferences not only pre- and post-visit online, but in the physical in-venue environment. The acquisition of *TE2* will greatly complement and enhance the Group's existing offerings in Ticketing and Virtual Queuing, which help its enterprise customers both improve and monetise their customers' experiences.

Using the Group's greater scale, customer relationships, sales and delivery capability, established reputation and capital resources will help accelerate adoption of *TE2's* solution among new and existing customers.

Acquisition related costs of $0.5m were incurred in relation to this acquisition and are included within administrative expenses within the Statement of comprehensive income for the period ended 31 December 2017.

During 2017, TE2 contributed $11.9m to revenue and $1.8m to profit before tax from the date of acquisition.

Details of the fair value of identifiable assets and liabilities acquired, purchase consideration and goodwill are below:

	Book value $000		Adjustment $000	Fair value $000
Identifiable intangible assets				
Internally developed technology	-		22,173	22,173
Customer relationships	-		4,981	4,981
Customer relationships - backlog	-		1,460	1,460
Property, plant and equipment	195		-	195
Receivables and other debtors	3,608		-	3,608
Payables and other liabilities	(7,676)		-	(7,676)
Cash	4,108		-	4,108
Deferred tax liability	(80)		(11,446)	(11,526)
Deferred tax asset	4,565		-	4,565
Total net assets	4,720		17,168	21,888
Cash paid at completion	69,753		-	69,753
Equity instruments (245,128 ordinary shares)	5,101	(1)	-	5,101
Working capital true-up	(563)		-	(563)
Total consideration	74,291		-	74,291
Goodwill on acquisition				52,403

(1) In accordance with IFRS 3 *'Business Combinations'*, the consideration paid in shares is based on the share price at the date on which the company obtained control of *TE2*. The price determined in the Purchase Agreement for calculating the number of shares to be issued to the vendors is based on an average price of $20.81. The amount is booked to the Merger Relief Reserve within the consolidated statement of financial position.

Notes to the consolidated financial statements (continued)
for the financial year ended 31 December 2018

Intangible assets (continued)

Deferred consideration consisting of 454,547 shares is to be issued to certain key employees of *TE2*, contingent upon their continued employment, over 36 months with the cost being recognised as a compensation expense. Shares will be issued in 3 separate tranches: one-third was scheduled 12 months after the completion date however this did not complete until 2019; a further one-third 24 months after the completion date; and the final one-third is released rateably over 12 months from the 25th to 36th month after the completion date. A credit in relation to this of $2.8m (2017: $1.3m) is booked directly to Retained Earnings. Two of the key employees left during 2018 and accordingly 33,401 shares will not be issued.

The main factors leading to the recognition of goodwill are the presence of certain intangible assets, such as the assembled work force of the acquired entity and the expected synergies that will benefit the enlarged Group, which do not qualify for separate recognition. Expected synergies include the ability to drive increased sales via additional data collection on users of the Group's current products, and enhanced relationships with current customers.

The net cash outflow in respect of the acquisition comprised:

	$000
Cash paid	69,190
Net cash acquired	(4,108)
Total cash outflow in respect of acquisition	65,082

Had *Ingresso* and *TE2* been part of the Group for the full period ended 31 December 2017, revenue would have been $148.7m, with profit before tax of $10.8m.

Impairment testing of goodwill
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.

During 2018 management have organised their business into three operating segments and now monitor goodwill at this level, comprising Ticketing and Distribution, *accesso LoQueue* and The Experience Engine ('*TE2*'). This represents a change from 2017 whereby goodwill was monitored at a group level.

The goodwill arising on the respective ticketing entities enhances the value of only the Ticketing and Distribution group of CGUs and has therefore been monitored at a Ticketing and Distribution segment level for impairment testing. *accesso LoQueue* has no original goodwill. $52.4m of goodwill arising on the acquisition of *TE2* was identified at the acquisition date as being expected to drive synergies in Ticketing and Distribution, this goodwill has been allocated to Ticketing and Distribution and accesso LoQueue respectively ($28.5m and $6.5m) in line with the apportionment set out at acquisition leaving $17.4m within *TE2's* CGU. This allocation has been based on a relative proportion of the EBITDA synergies of the respective CGUs which is considered the most accurate reflection of where the value of the synergies of the goodwill will be driven.

The carrying amount of goodwill is allocated as follows:

	2018	2017
	$000	$000
Group	**n/a**	117,337
Ticketing and Distribution *	**70,241**	n/a
LoQueue **	**28,500**	n/a
The Experience Engine TE2	**17,403**	n/a
	116,144	117,337

* Comprises accesso, LLC, Siriusware, Inc., VisionOne Worldwide Limited & its subsidiaries and Ingresso Group Limited & subsidiaries and *accesso Passport*/ *accesso Showare* trading within Accesso Australia PTY Limited

** Comprises the *accesso LoQueue* trading within accesso Technology Group plc, Lo-Q, Inc., Lo-Q Service Canada Inc and Accesso Australia PTY Limited

Notes to the consolidated financial statements (continued)
for the financial year ended 31 December 2018

Intangible assets (continued)

Development cost assets not yet available for use reside in the CGUs as follows and are considered annually for impairment in line with the goodwill attached to those CGUs. These capitalised costs relate to development projects which have not been put into use as at the year-end:

	2018 $000	2017 $000
accesso, LLC & Siriusware, Inc. (CGU 1)	**1,790**	3,286

The key assumptions used for value in the calculations in 2018 and 2017 are as follows:

	2018	2017
Pre-tax discount rate (%)		
accesso, LLC & Siriusware, Inc. (CGU 1)	**11.7**	9.1
VisionOne Worldwide Limited and its subsidiaries (CGU 2)	**11.7**	9.1
Ingresso Group Limited and subsidiaries (CGU 3)	**10.2**	10.1
The Experience Engine (CGU 4)	**11.7**	12.5
LoQueue ** (CGU 5)	**11.7**	n/a
Average EBITDA growth rate during forecast period (average %)		
accesso, LLC & Siriusware, Inc. (CGU 1)	**18.5**	11.5
VisionOne Worldwide Limited and its subsidiaries (CGU 2)	**7.9**	15.5
Ingresso Group (CGU 3)	**68.2**	19.7
The Experience Engine (CGU 4)	**31.2**	105.8
LoQueue ** (CGU 5)	**8.4**	n/a
Terminal growth rate (%)		
accesso, LLC & Siriusware, Inc. (CGU 1)	**3**	3
VisionOne Worldwide Limited and its subsidiaries (CGU 2)	**3**	3
Ingresso Group (CGU 3)	**3**	3
The Experience Engine (CGU 4)	**3**	3
LoQueue ** (CGU 5)	**3**	n/a
Period on which detailed forecasts based (years)		
accesso, LLC & Siriusware, Inc. (CGU 1)	**5**	5
VisionOne Worldwide Limited and its subsidiaries (CGU 2)	**5**	5
Ingresso Group (CGU 3)	**5**	5
The Experience Engine (CGU 4)	**5**	5
LoQueue ** (CGU 5)	**5**	n/a

** Comprises the *accesso LoQueue* trading within accesso Technology Group plc, Lo-Q, Inc., Lo-Q Service Canada Inc and Accesso Australia PTY Limited

Operating margins have been based on 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 a market participant's expected capital structure. Growth rates beyond the formally budgeted period are based on economic data pertaining to the region concerned.

Notes to the consolidated financial statements (continued)
for the financial year ended 31 December 2018

Intangible assets (continued)

Sensitivity analysis

If any of the following changes were made to the following key assumptions the carrying value and recoverable amount would be equal as at 31 December 2018. The Board concluded that the sensitivities set out below were not reasonably possible and that there was no impairment of goodwill.

	Ticketing and distribution*	accesso LoQueue**	The Experience Engine
Pre-tax discount rate	Increase by 14.9%	Increase by 11.2%	Increase by 4.5%
EBITDA Growth rate during detailed forecast period (average)	Reduce by 42.5%	Reduce by 39.2%	Reduce by 28.3%
Terminal growth rate	Reduce by 18%	Reduce by 16.2%	Reduce by 4.7%
Excess over carrying value ($000)	$323,790	$66,336	$37,941

* Comprises accesso, LLC, Siriusware, Inc., VisionOne Worldwide Limited & its subsidiaries and Ingresso Group Limited & subsidiaries and *accesso Passport*/ *accesso Showare* trading within Accesso Australia PTY Limited

** Comprises the LoQueue trading within accesso Technology Group plc, Lo-Q, Inc., Lo-Q Service Canada Inc and Accesso Australia PTY Limited

In 2017 a reasonable change in the key assumptions of the terminal growth rate and EBITDA growth did not significantly impact the recoverable value of the pooled goodwill allocated to the collective CGUs.

Notes to the consolidated financial statements (continued)
for the financial year ended 31 December 2018

17. 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 2016	5,009	3,319	2,012	1,261	11,601
Foreign currency translation	364	104	74	-	542
Additions	146	705	64	21	936
Acquired with acquisition	-	195	100	-	295
Disposals	(30)	(301)	(35)	-	(366)
At 31 December 2017	5,489	4,022	2,215	1,282	13,008
Foreign currency translation	**(242)**	**(83)**	**(56)**	**-**	**(381)**
Additions	**600**	**782**	**330**	**247**	**1,959**
Disposals	**(1,160)**	**(807)**	**(297)**	**(102)**	**(2,366)**
At 31 December 2018	**4,687**	**3,914**	**2,192**	**1,427**	**12,220**
Depreciation					
At 31 December 2016	4,246	2,214	850	797	8,107
Foreign currency translation	343	48	28	-	419
Charged	473	461	284	103	1,321
Acquired with acquisition	-	95	20	-	115
Disposals	(27)	(298)	(29)	-	(354)
At 31 December 2017	5,035	2,520	1,153	900	9,608
Foreign currency translation	**(238)**	**(53)**	**(33)**	**-**	**(324)**
Charged	**269**	**684**	**290**	**276**	**1,519**
Disposals	**(1,154)**	**(786)**	**(265)**	**(101)**	**(2,306)**
At 31 December 2018	**3,912**	**2,365**	**1,145**	**1,075**	**8,497**
Net book value					
At 31 December 2018	**775**	**1,549**	**1,047**	**352**	**3,723**
At 31 December 2017	**454**	**1,502**	**1,062**	**382**	**3,400**

Notes to the consolidated financial statements (continued)
for the financial year ended 31 December 2018

Property, plant and equipment (continued)

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

	Installed systems $000	Plant, machinery and office equipment $000	Furniture & fixtures $000	Totals $000
Cost				
At 31 December 2016	3,805	897	782	5,484
Foreign currency translation	364	94	73	531
Additions	6	292	9	307
At 31 December 2017	4,175	1,283	864	6,322
Foreign currency translation	**(242)**	**(76)**	**(52)**	**(370)**
Additions	**228**	**37**	**12**	**277**
Disposals	**(999)**	**(157)**	**(187)**	**(1,343)**
At 31 December 2018	**3,162**	**1,087**	**637**	**4,886**
Depreciation				
At 31 December 2016	3,483	398	250	4,131
Foreign currency translation	343	44	27	414
Charged	221	161	86	468
At 31 December 2017	4,047	603	363	5,013
Foreign currency translation	**(237)**	**(45)**	**(26)**	**(308)**
Charged	**94**	**203**	**99**	**396**
Disposals	**(999)**	**(157)**	**(187)**	**(1,343)**
At 31 December 2018	**2,905**	**604**	**249**	**3,758**
Net book value				
At 31 December 2018	**257**	**483**	**388**	**1,128**
At 31 December 2017	128	680	501	1,309

18. Investments

Investment in subsidiaries
The investment balance on the company's books at 31 December 2018 is as detailed below:

	$000
Cost	
At 31 December 2017	73,353
Capital contribution to Chinese subsidiary	50
Foreign currency translation	(4,291)
At 31 December 2018	**69,112**
At 31 December 2016	37,806
Purchase of subsidiaries	28,289
Foreign currency translation	7,258
At 31 December 2017	73,353
Net book value	
At 31 December 2017	73,353
At 31 December 2018	**69,112**

Notes to the consolidated financial statements (continued)
for the financial year ended 31 December 2018

Investments (continued)

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 Brazil Ltda (9)	Brazil	100	100
VisionOne do Brazil Ltda (9)	Brazil	100	100
Accesso Australia PTY Limited (10)	Australia	100	100
Blazer and Flip Flops Inc (11)	United States of America	100	100
TE2 Ireland (12)	Ireland	-	-
Ingresso Group Limited (13)	United Kingdom	100	100
accesso Netherlands NV (14)	Netherlands	100	100
Accesso China (15)	China	100	100
Ingresso US Inc (16)	United States of America	100	100

All shares owned are ordinary shares.

As required by the Companies Act, the registered addresses of each business are:

(1) Registered address of 1025 Greenwood Blvd, Suite 500, Lake Mary, FL USA
(2) Registered address of Unit 5, The Pavilions, Ruscombe Park, Twyford, Berkshire RG10 9NN, UK
(3) Registered address of 1025 Greenwood Blvd, Suite 500, Lake Mary, FL, USA
(4) Registered address of 1025 Greenwood Blvd, Suite 500, Lake Mary, FL, USA
(5) Registered address of Unit 5, The Pavilions, Ruscombe Park, Twyford, Berkshire RG10 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
(11) Registered address of 4660 La Jolla Village Dr, Suite 620, San Diego, CA 92122
(12) Closed during 2018
(13) Registered address of Unit 5, The Pavilions, Ruscombe Park, Twyford, Berkshire RG10 9NN, UK
(14) Registered address of Butterwick 1, London, W6 8DL, UK
(15) Registered address of No.778, Chuangxin West Road, FTA, Shanghai, China
(16) Registered address of 19C Trolley Square, Wilmington, Delaware, DE 19806, USA

accesso, LLC, Siriusware, Inc. and VisionOne, Inc. and Blazer and Flip Flops 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, Accesso Australia PTY Limited includes in part the virtual queuing customers pertaining to that region. The trade of accesso, LLC, Siriusware, Inc., the VisionOne subsidiaries, Accesso Australia PTY Limited, Ingresso Group Limited and Blazer and Flip Flops Inc is primarily that of ticketing, point-of-sale and experience management technology solutions. 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 36.

19. Inventories

	Group		Company	
	2018 $000	2017 $000	**2018 $000**	2017 $000
Stock	**888**	443	**339**	279
Park installation	**195**	63	**-**	-
	1,083	506	**339**	279

The amount of inventories recognised as an expense and charged to cost of sales for the year ended 31 December 2018 was (in thousands) $1,032 (2017: $2,468). 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.

Notes to the consolidated financial statements (continued)
for the financial year ended 31 December 2018

20. Trade and other receivables

	Group		Company	
	2018	2017	**2018**	2017
	$000	$000	**$000**	$000
Trade debtors	**15,806**	15,013	**3,223**	1,533
Accrued income	**-**	1,428	**-**	108
Social security and other taxes	**1**	17	**-**	17
Other debtors	**516**	683	**67**	137
Amounts owed by Group undertakings	**-**	-	**95,626**	88,978
Financial assets	**16,323**	17,141	**98,916**	90,773
Prepayments	**2,510**	2,620	**485**	861
	18,833	19,761	**99,401**	91,634

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

Included within Trade debtors are amounts owed to the Group from ticket sales, equating to the total value of the ticket and the commission earned by the Group. The value of the ticket, less the commission, is payable to the supplier of the ticket, and is not revenue to the Group.

21. Trade and other payables

	Group		Company	
	2018	2017	**2018**	2017
	$000	$000	**$000**	$000
Current				
Trade creditors	**20,270**	14,212	**2,096**	585
Current other creditors	**2,959**	5,151	**162**	(2)
	23,229	19,363	**2,258**	583
Non-current other creditors	**543**	3,024	**-**	-
Financial liabilities	**23,772**	22,387	**2,258**	583
Social security and other taxes	**712**	1,934	**464**	175
Accruals	**4,915**	28,577	**1,333**	10,654
	29,399	52,898	**4,055**	11,412

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

Included within trade creditors are amounts payable to ticket suppliers. In certain agreements, the Group receives the total cash from the sale of the ticket.

Included within current other creditors and non-current other creditors is a balance related to the *TE2* acquisition owed to employees in lieu of a pre-acquisition option scheme. The Group holds cash of $1.5m at 31 December 2018 (2017: $5.5m) in respect of this liability, which was cash paid to the Group by the sellers of Blazer and Flip Flops Inc to make the payments over a three-year period.

Notes to the consolidated financial statements (continued)
for the financial year ended 31 December 2018

Trade and other payables (continued)

Included within accruals for the Group and company are amounts owed related to contingent and deferred consideration resulting from the acquisition of *Ingresso* (2018: $nil, 2017: $9.1m). The movement on deferred consideration treated as a liability during the period is set out below:

	Balance at 1 January 2018 $000	**Recognised at acquisition $000**	**Fair value adjustment $000**	**Deferred compensation expense accrued in the period $000**	**Unwinding of discount $000**	**OCI adjustment $000**	**Settlement of liability $000**	**At 31 December 2018 $000**
Deferred cash consideration	**9,092**	**-**	**-**	**351**	**331**	**(178)**	**9,596***	**-**

	Balance at 1 January 2017 $000	Recognised at acquisition $000	Fair value fair value adjustment $000	Deferred compensation expense accrued in the period $000	Unwinding of discount $000	OCI adjustment $000	Settlement of liability $000	At 31 December 2017 $000
Deferred cash consideration	-	9,553	(3,228)	1,037	961	769	-	9,092

*Includes $961k of accrued interest expense.

22. Borrowings

	Group		**Company**	
	2018 $000	2017 $000	**2018 $000**	2017 $000
Bank loans	**20,466**	16,462	**20,466**	16,462
Arrangement fees, less amortised cost	**(242)**	(322)	**(242)**	(322)
	20,224	16,140	**20,224**	16,140

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 30 March 2017, in conjunction with the purchase of Ingresso Group Ltd, the Group entered into an amendment and restatement agreement in relation to the facility dated 14 March 2016, extending the facility to allow for the ability to draw down $60m, denominated in US dollars, GB Pound Sterling, or Euros. The agreement has a four-year term, with a $10m reduction in the total available for drawdown on the first, second and third anniversaries of the restatement. There is an option to extend the agreement for a further 12 months at the end of the first year, and an accordion mechanism allowing for a further $10m related to future acquisitions. Financial covenants are attached to the facility in respect of interest cover and leverage which are both tested on a quarterly basis. The group was operating within the covenants with significant headroom during 2018.

The drawdown rate is 140 basis points above LIBOR at a borrowing to EBITDA ratio of less than 1.5 times, rising to 190 basis points if the borrowing to EBITDA ration is greater than 2.25 times. Commitment interest on the undrawn funds is 35% of margin. The Facility had an arrangement fee of $0.4m.

Notes to the consolidated financial statements (continued)
for the financial year ended 31 December 2018

23. Called up share capital

	2018		2017	
Ordinary shares of 1p each	**Number**	**$000**	Number	$000
Opening balance	**26,375,748**	**411**	22,277,631	357
Issued in relation to exercised share options	**719,277**	**9**	189,962	2
Issued in relation to Ingresso share subscription	**22,970**	**1**	-	-
Issued in relation to acquisitions	-	-	3,908,155	52
Closing balance	**27,117,995**	**421**	26,375,748	411

During the period, 719,277 shares, with a nominal value $9,494, were allotted following the exercise of share options.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

On 3 May 2018, under the terms of the subscription agreement as set out in the in connection with the acquisition of Ingresso Group Limited, Bart Van Schriek, Chief Executive Officer of Ingresso Group Limited, committed to applying 40% of his net earn-out proceeds to subscribing to further new ordinary shares of 1 pence in the company. A total of 22,970 new ordinary shares were issued for a total cash payment of $0.5m ($20.51 per share). These Subscription Shares will be subject to restrictions on disposal for a period of two years, whereby Bart Van Schriek, is prohibited from making any disposal of two thirds of the stock for the first 12 months, with half of such shares being released from the restriction at the end of each 12-month period from the date issued.

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 200,000 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.

24. 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
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

25. 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. The amounts related to the charge in the period and payable at period end are:

	2018	2017
	$000	$000
Pension charge in the period	**1,348**	904
Payable to the fund (included within other creditors)	**176**	85

Notes to the consolidated financial statements (continued)
for the financial year ended 31 December 2018

26. Related party disclosures

Ultimate controlling party

There is no ultimate controlling party.

Subsidiaries

All intercompany revenues, expenses, and balances between group companies, which are related parties, have been eliminated on consolidation and have not been included in this note.

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 director's fees $45,510 (2017: $51,625), of which $3,600 (2017: $4,254) was outstanding at year end.

Siriusware Inc, a subsidiary of the Group, is party to a property lease, in respect of a corporate office of the Group, with B Sirius LLC and lease payments totaling $80,400 (2017: $80,400) were payable in 2018 to B Sirius LLC, of which $nil (2017: $nil) was outstanding at year end. An officer of Siriusware Inc is a member of B Sirius LLC, this transaction is undertaken at an arms length.

All the above outstanding amounts are included within trade creditors.

27. Share-based payment schemes and transactions

Share option schemes

At 31 December 2018 the following share options were outstanding in respect of the ordinary shares:

Scheme	Number of shares	Period of Option	Price per share
EMI Scheme	1,350	25 June 2010 to 24 June 2019	57.5p
	18,235	24 June 2013 to 23 June 2021	179p
	6,714	30 November 2014 to 29 November 2022	323.5p
	8,000	25 April 2015 to 25 April 2023	600p
	4,500	23 January 2017 to 22 January 2024	697.5p
UK CSOP Scheme	27,500	30 March 2020 to 22 March 2028	2270p
	46,700	22 March 2021 to 22 March 2028	2270p
UK unapproved Scheme	9,800	15 April 2018 to 15 April 2025	557.5p
	16,800	29 April 2019 to 28 April 2026	1105p
US Scheme	2,500	24 June 2013 to 23 June 2021	179p
	9,789	30 November 2014 to 29 November 2022	323.5p
	43,500	25 April 2015 to 25 April 2023	600p
	66,850	23 January 2018 to 22 January 2024	697.5p
	92,550	15 April 2018 to 15 April 2025	557.5p
	2,008	14 January 2018 to 14 January 2026	851p
	183,450	29 April 2019 to 28 April 2026	1105p
	2,262	23 May 2019 to 22 May 2026	1061p
	45,000	12 July 2020 to 21 March 2028	2270p
	226,500	22 March 2021 to 22 March 2028	2270p
Other schemes	5,000	26 March 2014 to 25 March 2022	292.5p
	12,800	22 March 2021 to 22 March 2028	2270p
	18,600	22 March 2021 to 22 March 2028	2270p
Long-term incentive plan	89,932	15 April 2018	1p (1)
	296,124	13 March 2019	1p (1)
	85,112	16 February 2021	1p (1)
	29,935	21 March 2021	1p (1)
	22,385	16 February 2021	1p (1)
	2,471	1 May 2021	1p (1)

(1) Vesting is conditional on achievement of certain market-based conditions.

Notes to the consolidated financial statements (continued)
for the financial year ended 31 December 2018

Share-based payment schemes and transactions (continued)

Equity-settled share option schemes

Details of the number of share options and the weighted average exercise price (WAEP) outstanding during the period are as follows:

	2018		2017	
	Number	**WAEP (pence)**	Number	WAEP (pence)
Outstanding at beginning of year	**1,607,333**	**309.90**	1,823,684	340.04
Granted during the year	**553,496**	**1,639.12**	18,851	.01
Exercised during the year	**(719,277)**	**142.55**	(189,962)	449.64
Leavers, lapsed & other	**(65,185)**	**1,868.39**	(45,240)	834.14
Outstanding at end of the year	**1,376,367**	**870.86**	1,607,333	309.90
Exercisable at the end of the year	**360,728**	**416.15**	365,488	394.30
Weighted average share price at date of exercise for share options exercised during the year:		**2,263.62**		1,737.04

The exercise price of options outstanding at 31 December 2018 range between £.01 and 2,270p (2017: £.01 and 1,105p) and their weighted average contractual life was 7.55 years (2017: 3.3 years).

The weighted average share price at the date of exercise for share options exercised during the period was 2,263.62p (2017: 1,737.04p). Options were granted in the period and the inputs to the model for options issued in the current period were as follows:

	2018
Weighted average exercise price of options issued during the period (pence)	22.7
Expected volatility (%)	29.9
Expected life beyond vesting date (years)	2
Risk free rate (%)	1.0
Dividend yield (%)	-

There were no options issued in the prior period.

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 37 to 38.

Long-term incentive plan

During the current and prior period, the Group granted conditional share award ("Awards") over ordinary shares of 1 penny under the Long-Term Incentive Plan, which was approved by shareholders on 27 May 2014. All Awards vest three years from the date of grant, except those granted in April 2018 which have a thirty-four month vesting period, are required to be held for a further six months and are subject to certain performance conditions.

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 award dates, number of awards granted assuming the performance conditions are fully met, and inputs to the valuation model were as follows:

	1 May 2018	**9 April 2018**	**21 March 2018**	**16 February 2018**	30 March 2017
Awards issued	**2,471**	**22,385**	**29,935**	**99,105**	18,851
Expected volatility (%)	**30.0**	**30.0**	**30.0**	**30.0**	30.0
Expected life years	**2.9**	**2.8**	**2.9**	**2.9**	3.0
Risk free rate (%)	**0.83**	**0.91**	**0.98**	**0.85**	0.16
Dividend yield (%)	-	-	-	-	-

Notes to the consolidated financial statements (continued)
for the financial year ended 31 December 2018

28. 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.

	2017 $000	Acquired with acquisitions $000	Cash Flow $000	Exchange movement $000	**2018** **$000**
Group					
Cash in hand & at bank	28,668	-	(7,114)	(850)	**20,704**
Company					
Cash in hand & at bank	1,909	-	1,527	(125)	**3,311**

	2016 $000	Acquired with acquisitions $000	Cash Flow $000	Exchange movement $000	2017 $000
Group					
Cash in hand & at bank	5,866	9,852	12,886	64	28,668
Company					
Cash in hand & at bank	1,303	-	542	64	1,909

Reconciliation of net cash flow to movements in net funds and analysis of net funds (continued)

Group net debt reconciliation

	Note	**2018** **$000**	2017 $000
Borrowings (including capitalised finance costs)	22	**20,224**	16,140
Less: Cash in hand & at bank		**(20,704)**	(28,668)
Net cash		**(480)**	(12,528)

Below we set out the breakdown of cash and non-cash movements on the Group's borrowings:

	Note	**2018** **$000**	2017 $000
At beginning of period		**16,140**	9,298
Cash flows			
Drawings on loan		**15,530**	31,376
Repayments of drawings		**(10,089)**	(26,037)
Capitalised finance costs		**-**	(350)
Non-cash movements			
Effects of foreign exchange		**(1,467)**	1,628
Release of capitalised finance costs		**110**	225
At end of period		**20,224**	16,140

Notes to the consolidated financial statements (continued)
for the financial year ended 31 December 2018

29. Commitments under operating leases

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

	2018 $000	2017 $000
Group		
Land & buildings		
Less than one year	**1,343**	1,306
Within one to five years	**3,872**	3,147
Greater than five years	**941**	436
	6,156	4,889
Other		
Less than one year	**23**	48
Within one to five years	**19**	28
Greater than five years	**-**	-
	42	76
Company		
Land & buildings		
Less than one year	**145**	154
Within one to five years	**122**	308
Greater than five years	**-**	-
	267	462
Other		
Less than one year	**-**	37
Within one to five years	**-**	-
Greater than five years	**-**	-
	-	37

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.