Registered number 03959429

accesso Technology Group plc

2019 Annual report and financial statements

Contents of the consolidated financial statements
for the financial year ended 31 December 2019

Company information
for the financial year ended 31 December 2019

Directors:	Bill Russell, Non-Executive Chairman Andy Malpass, Non-Executive Director David Gammon, Non-Executive Director John Alder, Executive Karen Slatford, Senior Independent Director Steve Brown, Executive Tom Burnet, Non-Executive Director
Secretary:	Martha Bruce Bruce Wallace Associates Limited 118 Pall Mall London SW1Y 5ED
Registered office:	Unit 5, The Pavilions Ruscombe Park Twyford Berkshire RG10 9NN
Registered number:	03959429 (England and Wales)
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Introduction and key highlights
for the financial year ended 31 December 2019

Financial highlights

- Revenue of $117.2m (2018: $118.7m) was below previous guidance due to lower than anticipated new customer wins and a reduction in non-repeatable revenue recognized in the year.
  - Repeatable revenues *(1)* in constant currency *(9)* grew 10.8% to $95.5m which represents 81.5% of total revenue, continuing trend of overall revenue mix improvement.
  - Non-repeatable *(1)* in constant currency *(9)* revenue reduced by 30.0% to $18.3m (2018: $26.3m) driven by a single material licence fee recognized in 2018 and an expected reduction in professional services revenue
- Cash EBITDA *(8)*, now the Group's principal operating metric, decreased to $7.1m (2018: $13.7m) reflecting reduced revenue and continued investment in product development and systems integration along with higher overheads.
- Net cash $0.4m *(4)* (2018: $0.5m) with current facility extended by 12 months to March 2022.
- Adjusted EBITDA *(2)* $28.2m (2018: $34.8m *(6)*)
- Adjusted basic EPS *(3)* 30.78 cents per share (2018: 66.27 cents per share *(7)*), basic loss per share of (184.26) cents per share (2018: Earnings of 1.38 cents per share *(7)*)
- Statutory loss before tax $57.6m (2018: profit $4.2m*(5 & 7)*) principally reflecting non-cash asset impairment charge of $53.6m against the carrying value of goodwill, acquired intangibles and development costs related to the 2017 acquisitions of *The Experience Engine™ (TE2)* and *Ingresso*.

Operational and strategic highlights

- Significant progress made on product development and integration at a cost marginally better than the predicted range at $33.5m (2018: $29.4m) of which $22.0m was capitalised (2018: $21.1m).
- Major multi-product reference installation now complete, increasing scalability of product offering and validating the potential value in the Group's multi-product strategy
- Record performance from eCommerce ticketing and virtual queuing products with overall eCommerce ticket volume up by 14% and virtual queuing revenue showing growth of 15.3% year-on-year on a constant currency basis *(9).*
- Implemented a total of 99 new customer venues within our Ticketing & Distribution segment, including 19 cross-sell deployments
- Integration of *Ingresso* with all *accesso* product lines now in place. 42 supply partners and 15 distribution partners also added including Google Reserve and TripAdvisor
- *TE2 Marketplace* product development completed, serving as a sales engine for clients to offer third party travel experiences through *Ingresso*
- Steve Brown, Founder of accesso, and prior Group COO and CEO reappointed CEO in January 2020
- Cost efficiency measures have been implemented since the period end

Non-cash asset impairment

- $53.6m impairment recognized relating to the carrying value of goodwill, acquired intangibles and development costs related to the 2017 acquisitions
- Statutory operating loss before tax adjusted to omit $53.6m of impairment charges was $2.7m (2018: profit of $5.3m *(7)*)

Outlook and guidance

Our focus through 2020 will continue to be on building our recurring revenue base, further integration of our product suite, and supporting our customers in what is undoubtedly an uncertain and challenging environment in the context of the COVID-19 situation. We will combine all this with a keen focus on operational efficiency to ensure that we are concentrating our resources where they are most productive.

Introduction and key highlights
for the financial year ended 31 December 2019 *(continued)*

Trading for the first two months of 2020 was in line with management's expectations, taking into account typical seasonal activity during the European and North American winter months. Beginning mid-March, COVID-19 is now significantly impacting guest visitation across the majority of our customers and therefore *accesso's* transactional based revenue. The Group has undertaken immediate cost savings measures including mandatory salary reductions across all US staff and voluntary salary reductions for non-US based staff, elimination of discretionary expenses and suspension of the company's matching contribution to the 401K program for US based staff. The objective of these measures is to offset the anticipated revenue shortfall through May 2020. Should the impacts from COVID-19 extend if the outbreak continues into the European and North American summers, an extension of these measures along with additional actions will be required. Given the extreme fluidity of this situation, and given the Group's busiest trading period lies ahead, the Group refrains from providing a definitive trading outlook for the current financial year at this time.

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

"Without question, 2019 was a challenging year for accesso with overall results falling short of our expectations. Challenges were faced in realising the full potential of the Group's product set and overheads increased disproportionately to revenue growth.

Reassuringly, key performance metrics showed positive momentum. Transactional revenues continue to grow double-digit and now account for more than 80% of our total. While overall performance fell short, the group realized strong results in eCommerce transactional revenue and virtual queuing sales.

In rejoining accesso as CEO, I have come back to a company which is a technology leader in a market full of long-term opportunity. With customers now deploying multiple accesso solutions on an integrated basis and a lengthy company sale process in the rear-view mirror, I am generally optimistic about the future. We are now focused on delivering a clear product roadmap, improving operational efficiencies, continuing to reduce costs appropriately and renewing our emphasis on customer success to maximise the opportunity ahead.

We will continue to monitor the impact of COVID-19 and do all we can to support our business, its people and our customers at this time."

Footnotes

(1) Repeatable revenue consists of transactional revenue such as a ticket sold by a customer or as a percent of revenue generated by a venue operator and recurring maintenance, support and platform revenue. Non-repeatable revenue is revenue that occurs one-time (e.g. up-front licence 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 sales execution by accesso (See page 10).

(2) Adjusted EBITDA is calculated as operating profit before the deduction of amortisation, impairment of intangible assets, depreciation, acquisition costs, deferred and contingent payments, and costs related to share-based payments (See page 13)

(3) Adjusted basic earnings per share is calculated after adjusting operating profit for impairment of intangible assets, amortisation on acquired intangibles, deferred and contingent consideration linked to continued employment, acquisition and aborted sale expenses, finance charges relating to deferred and contingent liabilities and share-based payments, net of tax at the effective rate for the period on the taxable adjusted items (see page 823)

(4) Net cash is calculated as cash and cash equivalents less borrowings (see page 97)

(5) The 2018 profit before tax has been restated by $1.1m of additional charge in respect of deferred consideration (see page 101)

(6) Adjusted EBITDA for 2018 includes the operating lease cost for property of $1.5m, in 2019, Adjusted EBITDA has benefitted from an equivalent cost of $1.5m which has been recorded within depreciation and interest as required by IFRS 16 Leases (see page 98 for further details)

(7) Restated figures, refer to note 30.

(8) Cash EBITDA is calculated as adjusted EBITDA less capitalised development costs paid in cash as per the consolidated cash flow statement.

(9) Revenue metrics for the year ended 31 December 2019 have been prepared on a constant currency basis with the year ended 31 December 2018 to assist with assessing the underlying performance of the revenue streams. Average monthly rates from 2018 were used to translate the monthly 2019 results into a constant currency using the range of currencies as set out below:

a. GBP sterling - $1.27 - $1.41
b. Euro - $1.14 - $1.23
c. Canadian dollars - $0.74- $0.80
d. Australian dollar - $0.71-$0.79
e. Mexican pesos - $0.05 - $0.06
f. Brazilian real - $0.24 – $0.31

Chief Executive's Statement

While 2019 was a challenging year on many fronts, *accesso's* underlying foundation of innovative technology, world-class clients and a dedicated team of 500+ staff positions it to move forward with a revitalised approach and a keen focus on restoring operating efficiency and long-term strength. Since returning at the end of January, I have been working hard to reacquaint myself with the business. In the recent weeks it has been refreshing to see first-hand the staff's deep commitment as well as the continued support from our customers and shareholders.

The distraction of a protracted sale process and less than acceptable financial performance in 2019 should be considered alongside many underlying accomplishments made in the year. Significant progress was made towards cross-product integration, as well as continued positive momentum in selling combined solutions in the marketplace and the broader technological investment made towards the future.

These successes have been achieved in a market that is changing. To maintain our industry leadership, we need a keener focus on our customers than ever before. Guest behaviours and preferences are developing and becoming more complex. The increasing demand for digital interaction between operator and guest, combined with the need for operators to drive higher yields from those interactions means the quality of experience they provide needs to improve. This is both a challenge and an opportunity for *accesso*. We are responding to the challenge by developing a more adaptable and scalable platform, increasing our operational efficiency and ensuring our market-leading products can enable the next generation of digital guest experiences. In terms of the opportunity, these evolutions will bring an increased number of customer touchpoints which in turn become revenue opportunities for *accesso* and operator alike.

Despite real progress in 2019, we have considerable work ahead to devise a clear, actionable product roadmap. Doing so will allow us to further differentiate our offering and maintain the innovative, market-leading position our customers have come to expect from *accesso*. Hand in hand with the product strategy, the path forward must deliver growth, must be operationally efficient, and must deliver quality results to the bottom line.

As we continue to invest in the opportunities presented by our Group product strategy, our near-term reported growth will be restricted. During that time, our progress will be more visible in customer adoption success, the growth in our high-quality transactional revenue stream, and our ability to drive Cash EBITDA growth. We'll focus closely on this metric, a measure showing our ability to drive efficiencies from the both the technology development and operational process improvements we are making. These metrics are all lead-indicators of the business we are building and will give a true sense of our performance over years ahead.

During the past few weeks, I have often been asked why I chose to return to the business. The answer to that question is quite simple. I believe in the technology, the talented team behind it, and their ability to deliver innovative market-leading solutions to our customers.

<u>2019 in review</u>

Financial Performance

During 2019 the Group's financial performance was marginally below guidance given at the half year of $118-$121m, or $120-123m at constant currency (using the average monthly rates of exchange from 2018, see ranges on page 10). Revenue was $117.2m or $119.5m in constant currency, representing an approximately flat result year-over-year. Despite this underperformance at the reported profit and revenue level, the Group's transactional revenue stream (virtual queuing, ticketing and eCommerce) grew $8.0m in constant currency, or 10.1%. This helped the Group's repeatable revenue stream reach 81.7% of its total at constant currency, up from 74.2% last year. The increased proportion of higher quality revenue in the Group's overall mix gives us a robust foundation for future growth at top and bottom line.

Our 2019 adjusted EBITDA was impacted materially by our product integration plan and costs from expanded staffing alongside lower than anticipated revenues, with adjusted EBITDA of $28.2m representing a year on year decline of 18.8%. Going forward, the business will focus on Cash EBITDA which was $7.1m in 2019, a decline of 47.7% year-on-year.

Chief Executive's Statement (Continued)

As required by accounting standards we conducted our annual impairment reviews of our goodwill and intangible assets and concluded that impairment charges of $46.6m and of $7.0m were necessary against our *TE2* goodwill and intangible assets, and *Ingresso* intangible assets respectively, following revised management forecasts. These included more cautious growth assumptions reflecting a revenue performance in those businesses that was below management expectations and increased discount rates as set out in our financial statements (see note 16). This resulted in a non-cash impairment charge of $53.6m to our reported administrative expenses which significantly impacted our operating loss of $56.3m (2018: restated operating profit of $5.3m).

Accomplishments

Product integration

Despite the challenging environment faced by the Group, during 2019 significant technical development progress was made to further enable cross-product integration, including base product improvements and new efforts in innovation.

The success of these efforts is evidenced by the 2019 delivery of a cornerstone implementation in Australia with Village Roadshow Theme Parks (VRTP) across their five theme parks and one show theatre. This remarkable engagement leverages 5 of accesso's 6 technologies in the most integrated manner to date, including the unique guest experience dimension provided by *TE2.* Demonstrating the value of a full cross-platform experience, VRTP utilises the *accesso Passport®* ticketing suite for onsite and online general admission ticketing, the *accesso ShoWare* box office ticketing solution for assigned seating at their Australian Outback Spectacular, the *Ingresso* ticket distribution platform for third party sales distribution, the *accesso LoQueue* SM virtual queuing suite for queue management and *TE2* for guest identity management and mobile app delivery. Referred to internally as *EDGE* (Enhanced Delivery of Guest Experiences), this was a significant accomplishment requiring integration and coordination across the group in a highly collaborative fashion.

More broadly, we have also cross-sold existing accesso products with improved precision and velocity. Of the Group's 99 new ticketing deployments in 2019, 19 also took additional *accesso* solutions. In addition to the six VRTP parks leveraging the EDGE suite of solutions, nine further deployments utilised the *accesso Passport* ticketing suite & *accesso Siriusware* solution*,* three utilised *accesso Passport* & *accesso ShoWare* ticketing suites *and one TE2 & Sirusware.* This brings the total number of customers using the *accesso Passport* & *accesso Siriusware* solutions in tandem to 21. The continued growth in demand for combined solutions along with the evolving development of our ability to operate these technologies alongside each other continues to validate and provide confidence in the types of assets that have been acquired as well as the potential long-term prospects from the Group's integration strategy.

Stand-alone success

Importantly, our efforts to provide integration optionality to customers have not led to a pause in our regular new business activity for each of the unique products themselves.

In Ticketing, 43 new or expanded contracts were realised during 2019, with new customers including ITV Broadcasting Limited, Mount Washington Cog Railway, The New York Botanical Garden and George Washington's Mount Vernon, among others. Renewals included agreements with several notable clients including Palace Entertainment, Washington State Fair, and Legends OWO, LLC. The contract renewals reflect the ongoing momentum and client loyalty towards the accesso product suite.

This activity, in combination with our integrated deployments, led to overall *accesso Passport* eCommerce ticket volumes increasing by 14% to more than 55 million; ticket sales via mobile devices represented 54% of the total, outpacing desktop sales for the first time. Crucial development work within *accesso Passport* was completed to allow for the migration of dedicated hosting to Amazon Web Services setting the stage for continued globalized growth at scale. Another major development initiative was also completed for *accesso Passport*, preparing for a full transition to third-party payment processing to replace our legacy in-house solution. This advancement will bring global access to over 100 card acquirers across more than 190 countries, streamline access to alternative payment options such as Apple Pay and Google Pay while also shifting to fully tokenized payments to enhance security and reduce sensitive data storage.

Chief Executive's Statement (Continued)

After the period end *accesso* also signed a five-year agreement with Ardent Leisure Ltd to deploy the *accesso Passport* at its Dreamworld theme park, the largest in Australia, for services including both onsite and online ticketing.

Substantial product enhancements were completed for the *accesso Siriusware* solution during 2019 with the release of Version 5.0. This update transitions the system's core control module to a web-based platform replacing underlying obsolete technology and incorporating a range of new features. The upgraded platform has been well received by existing customers and proven appealing to prospective buyers as well. These types of enhancements keep our storied products fresh and relevant in the rapidly changing marketplace.

The distribution capabilities offered by the *Ingresso* distribution platform continued to progress with the completion of integration efforts across the Group. The *accesso Passport*, *accesso ShoWare*, *accesso Siriusware* and *TE2* solutions are all now connected with *Ingresso* allowing customers utilizing those solutions to reach the broader market offered through the Ingresso platform. Further to the integration efforts, 42 supply partners and 15 distribution partners were brought online including the go-live of Google Reserve and Trip Advisor.

Queuing revenue showed strong gains over the prior year resulting from increased sales penetration of 11.9% from 2.9% to 3.3%, whilst maintaining similar revenues per guest. This performance marked a turning point as we adapted to changing guest visitation patterns as a result of significant increases in season pass visitation across recent years. During the year we fully retired the legacy *Qbot* device that was the foundation of the *accesso LoQueue* virtual queuing solution. We have now migrated all customers to either our *Qsmart*^{SM} mobile solution, the *accesso Prism*^{SM} wearable device or a combination of both. We also completed development of the *Prism 2.0* wearable device which includes enhanced capabilities such as a light for improved visibility in late night operations, a replaceable battery to reduce total cost across the life of the device and a colour-screen. The *accesso Prism* wearable device has proven valuable to our customers by offering the option to incorporate our innovative queuing solution alongside contactless payments and guest messaging as part of their overall guest experience.

We also continued to make strides with *TE2* during the year with a range of projects. Core development and readiness work was completed on the operator module behind the platform's targeted guest communication capabilities that are delivered through our mobile app platform which is offered on both the Apple and Android platforms. Our white label mobile app platform which is utilised by 20 venues was expanded to incorporate in-venue food and beverage ordering capabilities, allowing customers new and efficient means for their guests to purchase meals and snacks. A successful pilot was completed in H2 and deployment to five venues is anticipated in early 2020.

Another key initiative within the *TE2* product was the development of *Marketplace*. Through a connection with *Ingresso*, *Marketplace* allows *accesso* clients to offer their guests third-party travel experiences from a vast supply of activities, excursions, events, attractions and more. By leveraging guest information such as vacation dates, party size, and previous activities, *Marketplace* will have the capability to recommend complementary experiences to the end customer. This development reflects a growing demand for operators to provide additional experiences while capturing a new revenue opportunity and further demonstrates the symbiotic value across our array of products.

Security Infrastructure

accesso is viewed as a 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* is acutely aware of the importance of security to the Group's clients and their guests and continues to employ state-of-the-art systems to mitigate risk across the group. With the introduction of GDPR and other global privacy initiatives, compliance continues as a top priority across the business and *accesso* has maintained pace with all relevant developments.

Chief Executive's Statement (Continued)

Brexit

The Group continues to review its operations in light of the UK leaving 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 timing and nature of exit arrangements, 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 a positive or negative impact on exchange rates which could alter international visitation patterns.

COVID-19

The Board of accesso is monitoring the evolving Covid-19 outbreak extremely closely. We are particularly focused on how best to ensure the health and wellbeing of our colleagues, as well as working with our operator partners to take any actions they deem necessary to ensure the health and wellbeing of attraction visitors.

Trading for the first two months of 2020 was in line with management's expectations, taking into account typical seasonal activity during the European and North American winter months. Beginning mid-March, COVID-19 is now significantly impacting guest visitation across the majority of our customers and therefore accesso's transactional based revenue.

The Group is modelling the potential revenue and cost impacts of a reduction in transactional volumes within our business within each geographical region. The Group has undertaken immediate cost saving measures including mandatory salary reductions across all US staff and voluntary salary reductions for non-US based staff, elimination of discretionary expenses and suspension of the company's matching contribution to the 401K program for US based staff. Additionally, we have implemented an immediate headcount freeze and are reviewing opportunities where services, projects and other expenditure could be further reduced or eliminated. The objective of these measures is to offset the anticipated revenue shortfall through May 2020.

Should the impacts from COVID-1 extend into the European and North American summers, an extension of these measures along with additional actions will be required. Given the extreme fluidity of this situation, and given the Group's busiest trading period lies ahead, the Group refrains from providing a definitive trading outlook for the current financial year at this time.

People

During the year *accesso*'s headcount increased by just under 2% on the number at 31 December 2018 to approximately 570 (excluding seasonal staff) at 31 December 2019. The sale process negatively impacted overall staff morale and alongside an historically low level of unemployment and highly competitive market wages, the company saw significantly higher levels of staff attrition than in previous years. A staffing decision made in February 2020 resulted in a total reduction of 23 roles as well as the closure of a number of open positions across the Group as part of a cost reduction strategy.

Board

The Group today announces that Tom Burnet has chosen not to stand for re-election as a Non-Executive Director at Group's 2020 AGM. Tom has been with the Group as CEO, Executive Chairman and a Non-Executive Director since October 2010, joining a business with revenues of c.$12m (comparable accounting standards) 35 employees and 8 customers, and establishing the Group as a global leader in its field. The Board thanks Tom for his dynamic leadership and guidance during his time at *accesso* and wishes him all the best for the future.

On 5 February 2020 the Group announced that John Alder had notified the Board of his decision to step down as Chief Financial Officer of the Company with effect from 31 March 2020 at which point he will also stand down from the Board. John joined the Group in 2008, becoming CFO in 2009. The Board is grateful to John for his years of dedicated service. As previously announced the Company has commenced a search for a replacement Chief Financial Officer and will provide further updates to shareholders as appropriate.

The road ahead

With a comprehensive programme of work to future-proof our business now in motion, we are firm in our belief that the opportunity before us is as promising as ever. There is still plenty of work to do to reach our goals, but all our efforts are being directed into producing a more scalable, efficient, customer-centric *accesso* which delivers meaningfully for all of its stakeholders.

While the work we have done in 2019 to integrate our product suite has been extremely valuable, development of a further defined long-term roadmap is a key priority in 2020. Our repeatable revenues are already on a positive trend and we will continue to seize opportunities to reduce operating costs and improve efficiency to drive Cash EBITDA growth. These operational efficiency gains will allow us to increase operating leverage while maintaining a laser-focus on targeted R&D to ensure we maintain our all-important technology leadership.

2019 Financial review

Despite reported revenue falling by 1.3%, in 2019, *accesso* has overall demonstrated a solid revenue performance across the Group's two operating divisions. The Group entered 2019, in the knowledge that certain elements of 2018 revenue would not be repeatable. These elements included a significant *TE2* enterprise licence, where recognition concluded in 2018 and the fact that IFRS 15 dictated that the high level of multi-year POS SaaS deployments in 2018 were required to be recognised in the prior year period, as opposed to over the life of the deployment. These factors overshadowed the strong growth in transactional revenues but has resulted in a significant improvement in the quality of the Groups revenue as it enters 2020.

The Group remains focused on delivering its unified product strategy while implementing initiatives and delivering automated tools to support more efficient operations and rationalised spend levels across the Group, leading to an acceleration of cash generation.

Alternative performance measures

The Board continues to utilise consistent alternative performance measures ("APMs") internally and in evaluating and presenting the results of the business. The Board views these APMs to be more representative of the Group's underlying performance.

The historic strategy of enhancing *accesso's* 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 the Board does not believe are reflective of the underlying business. These adjustments include aborted acquisition or aborted sale related expenses, amortisation related to acquired intangibles, deferred and contingent consideration linked to continued employment, share-based payments and impairments.

By consistently making these adjustments, the Group provides a better period-to-period comparison and is more readily comparable against businesses that do not have the same acquisition history and equity award policy.

APMs include adjusted EBITDA, and adjusted cash from operations. Two additional APMs, cash EBITDA and revenue on a constant currency basis, are now being disclosed reflecting an increase in focus on demonstrating cash generation within the Group and to assist with assessing the underlying performance of the segments and revenue streams on constant currency rates with the comparative period. Cash EBITDA is defined as adjusted EBITDA less paid capitalised internal development costs.

The Group considers Cash EBITDA, which disregards any benefit to the income statement of capitalised development expenditure, as the principle operating metric.

Chief Executive's Statement (Continued)

Key financial metrics

Revenue quality

Reported Group revenue for 2019 was $117.2m (2018: $118.7m), a reduction of 1.3% on the prior year period. On a constant currency basis, revenue for 2019 would have been $119.5m, an increase of 0.6% on the prior year period.

The following is an analysis of the Group's revenue visibility. Transactional revenue consisting of Virtual Queuing and Ticketing and eCommerce 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, without the need for additional sales activity, such as maintenance and support revenue. Non-repeatable revenue is revenue that occurs one-time (e.g. up-front licence 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 sales 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.

	Year ended 31 December 2019	Constant currency year ended 31 December 2019 (1)	Year ended 31 December 2018	Constant currency vs 2018
	$000	$000	$000	%
Virtual queuing	24,687	24,944	21,637	15.3%
Ticketing and eCommerce	60,909	62,795	58,080	8.1%
Maintenance and support	8,742	8,764	8,393	4.4%
Platform fees	1,149	1,148	-	100%
Total Repeatable	95,487	97,651	88,110	10.8%
Licence revenue	3,496	3,537	9,586	(63.1%)
Professional services	14,787	14,844	16,686	(11.0%)
Non-repeatable revenue	18,283	18,381	26,272	(30.0%)
Hardware	2,499	2,499	3,210	(22.2%)
Other	913	920	1,155	(20.4%)
Other revenue	3,412	3,419	4,365	(21.7%)
Total revenue	117,182	119,451	118,747	0.6%
Total Repeatable as % of total	81.5%	81.7%	74.2%	

(1) *The year ended 31 December 2019 has been prepared on a proforma basis using consistent currency rates with the year ended 31 December 2018 to assist with assessing the underlying performance of the revenue streams. Average monthly rates from 2018 were used to translate the monthly 2019 results into a constant currency using the range of currencies as set out below*

- *GBP sterling - $1.27 - $1.41*
- *Euro - $1.14 - $1.23*
- *Canadian dollars - $0.74- $0.80*
- *Australian dollar - $0.71-$0.79*
- *Mexican pesos - $0.05 - $0.06*
- *Brazilian real - $0.24 – $0.31*

On a constant currency basis repeatable revenue increased by 10.8% year-on-year and demonstrates continued successful growth of the Group's core repeatable revenue streams. Increases were seen in both segments despite the impact of Amazon UK exiting the UK ticketing space in the prior period and the challenges of scaling the Distribution business.

The reduction in non-repeatable revenues of $7.9m (30.0%) on a constant currency basis was due to previously flagged known reductions in licence and professional services attributable to the end of the recognition of a significant enterprise licence in 2018, lower level of POS installations, where revenue is recognised at the point of deployment as we enter the final stages of the Merlin roll-out. In addition, there was a significant one-off sale of Prism bands that benefited hardware revenues in the prior period.

Revenue on a segmental basis was as follows:

		Constant currency year ended 31 December 2019 (2)	Year ended 31 December 2018	Constant currency vs 2018
	$000	$000	$000	%
Ticketing	58,237	59,451	56,435	5.3%
Distribution	21,097	21,911	22,115	(0.9%)
Ticketing and distribution	79,334	81,362	78,550	3.6%
Queueing	25,208	25,450	23,581	7.9%
Other guest experience	12,640	12,639	16,616	(23.9%)
Guest experience	37,848	38,089	40,197	(5.2%)
Total revenue	117,182	119,451	118,747	0.6%

(2) The year ended 31 December 2019 has been prepared on a constant currency basis using consistent currency rates with the year ended 31 December 2018 to assist with assessing the underlying performance of the segments and revenue streams. Average monthly rates from 2018 were used to translate the 2019 results into a constant currency using the range of currencies as set out below

- *GBP sterling - $1.27 - $1.41*
- *Euro between - $1.14 - $1.23*
- *Canadian dollars - $0.74- $0.80*
- *Australian dollar - $0.71-$0.79*
- *Mexican pesos - $0.05 - $0.06*
- *Brazilian real - $0.24 – $0.31*

The Ticketing and Distribution segment benefited from the strong organic growth as purchasing habits of guests continue the ongoing migration from front gate to eCommerce. This progress was however negatively impacted by challenges scaling the *Ingresso* distribution business despite the Group successfully growing both supply and distributor partnerships. In addition, 2018 ticketing revenues benefitted from a high level of POS licence revenue, where the applicable accounting standard (IFRS 15) requires an up-front multi-year recognition of revenue instead of recognition across the life of the contractual deployment.

The Guest Experience segment delivered strong transactional growth from our queuing business, offset by the non-repeating Prism hardware sale in 2018 of $1.6m.

Other Guest Experience, which consists of revenues generated by *TE2* finished the year with a $4.0m reduction from 2018, principally as a result of the final recognition of a significant perpetual licence in 2018 ($2.7m) and the expected reduction in the level of professional services revenue.

Chief Executive's Statement (Continued)

Customer concentration

The Group continues to be a trusted technology partner to leading leisure operators. The success of these partnerships does result in a level of revenue concentration. When the Group delivered its results for H1 2019 it committed to providing investors with an ongoing update regarding the level of concentration on a full year basis. For 2019 the top five customers accounted for 53.5% of revenue (2018: 51.7%). Top ten customers were 60.0% (2018: 60.1%).

Gross margin

The reported gross profit margin was 73.1% in 2019, compared to 74.2% in 2018. This reduction was primarily driven by mix changes across the revenue streams and a higher proportion of licence revenues recognized in the comparative period. Amortisation of development costs are recorded within administrative expenses.

Administrative expenses

Reported administrative expenses, including the non-cash expense related to intangible impairments, increased 71.2% to $141.9m (2018: $82.9m), while underlying administrative expenditure increased by 5.2% to $80.2m (2018: $76.3m). This increase was primarily driven by an increase in headcount, salary increases and increased bonus costs associated with staff retention efforts.

	Year ended 31 December 2019	**Year ended 31 December 2018 (Restated)**
	$000	**$000**
Administrative expenses as reported	141,906	82,892
Capitalised development expenditure *(2)*	21,064	21,100
Deferred equity settled acquisition consideration *(3)*	(1,416)	(4,131)
Amortisation related to acquired intangibles	(11,286)	(11,740)
Share based payments	(1,845)	(2,245)
Amortisation and depreciation *(4)*	(16,014)	(9,624)
IFRS 16 benefit in 2019 *(1)*	1,451	-
Impairment of *TE2* and *Ingresso*'s intangibles	(53,617)	-
Underlying administrative expenditure	80,243	76,252

(1) Administrative expenses in 2019 does not include property related lease costs, the expense has been recorded through depreciation and interest as required by IFRS 16 Leases.
(2) See consolidated cash flow statement
(3) See note 30 for details of prior year restatement.
(4) This excludes acquired intangibles but includes depreciation on right of use assets.

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

	2019 $000	**2018 $000**
Ticketing and distribution	34,056	30,805
% of ticketing and distribution segment revenue	42.9%	39.2%
Guest Experience	16,989	19,256
% of guest experience segment revenue	44.9%	47.9%
Central unallocated costs	(22,840)	(15,306)
Adjusted EBITDA	28,205	34,755
% of total revenue	24.1%	29.3%

Chief Executive's Statement (Continued)

Adjusted operating profit, adjusted EBITDA and cash EBITDA

Adjusted operating profit *(3)* reduced by 51.4% to $12.2m (2018: $25.1m); and adjusted EBITDA reduced by 18.8% to $28.2m (2018: $34.8m). These reductions reflect the impact of certain of the non-repeatable revenue items, together with the net increase in operating costs identified above.

The table below sets out a reconciliation between statutory operating profit, adjusted, adjusted EBITDA and cash EBITDA:

	Year ended 31 December 2019 $000	Year ended 31 December 2018 (restated) $000
Operating (loss)/profit	(56,278)	5,312
Add: Aborted sale/acquisition expenses	305	1,703
Add: Deferred equity settled acquisition consideration *(1)*	1,416	4,131
Add: Amortisation related to acquired intangibles	11,286	11,740
Add: Share based payments	1,845	2,245
Add: Impairment of intangible assets	53,617	-
Adjusted operating profit *(3)*	**12,191**	**25,131**
Add: Amortisation and depreciation (excluding acquired intangibles)	16,014	9,624
Adjusted EBITDA *(2)*	**28,205**	**34,755**
Capitalised internal development costs paid in cash	(21,064)	(21,100)
Cash EBITDA *(2)*	**7,141**	**13,655**

1) *Under IFRS 3, consideration paid to employees of the acquired entity, who must remain employees' post-acquisition in order to receive earn out or deferred consideration, is treated as compensation expense rather than consideration. The 2018 charge has been restated, see note 30 for details.*
2) *Adjusted EBITDA and Cash EBITDA in 2018 included $1.45m of operating lease costs in respect of commercial properties, the equivalent expense in 2019 has been recorded through depreciation and interest as required by IFRS 16 Leases.*
3) *Adjusted operating profit is calculated as operating (loss)/profit before aborted sale and acquisition expenses, deferred equity acquisition consideration, amortisation of acquired intangibles, share based payments and impairment of intangible assets.*

The group reported a statutory loss before tax of $57.6m (2018: restated profit of $4.2m). Adjusted basic EPS 30.78 cents per share (2018: 66.27 cents per share), basic loss per share of (184.26) cents per share (2018: Earnings of 1.32 cents per share)

Development expenditure

Development expenditure by segment	2019 $000	2018 $000
Ticketing and distribution	19,856	16,182
% of ticketing and distribution segment revenue	25.0%	20.6%
Guest Experience	13,689	13,221
% of guest experience segment revenue	36.2%	32.9%
Total development expenditure	33,545	29,403
% of total revenue	28.6%	24.6%

Total development expenditure for 2019 increased 14.1% to $33.5m, (2018: $29.4m). At the Group's 2018 preliminary results the business outlined plans to invest in the digital guest journey to provide an integrated product strategy with an expectation that total development expenditure for 2019 would be $36m to $39m. The reduction against the previous expectation reflects a more thoughtful integration and efficiency roadmap.

Chief Executive's Statement (Continued)

The group capitalizes elements of development expenditure, where it is appropriate and in accordance with IAS 38 Intangible assets. Capitalised development expenditure of $22.0m (2018: $21.1m), representing 65.7% (2018: 71.8%) of total development expenditure.

Cash and net cash

Cash generated from operations

	2019 $000	2018 $000
Cash flow from operating activities	24,567	17,825
Add: Acquisition related expenses	1,526	392
Add: Payment of deferred consideration to employees	-	1,342
Add: *Ingresso* short term cash movement/*TE2* option cash settlements	1,557	6,395
Less: Impact of IFRS16 (note 29)	(1,451)	-
Adjusted cash from operations	26,199	25,954

Cash generated from operations of $24.6m (2018: $17.8m) includes a $1.6m outflow (2017: $6.4m outflow) in relation to *Ingresso* cash balances. Cash is received from ticket distributors or from direct ticket sales and payable to venues within the *Ingresso* business that does not form part of Group revenue, in additioncash is paid to *TE2* share option holders relating to share options held before being acquired by accesso.

Adjusted cash generated from operations was $26.2m for the year ended 31 December 2019, per the table above, an increase of 1% from 2018 ($26.0m).

This represents an underlying cash conversion from adjusted EBITDA of 92.9% (2018: 74.7%). The increase from 2018 was expected and was primarily driven by cash flows from prior, multi-year licences where, under IFRS 15, revenue is recognized in the period of deployment and a higher bonus accrual at 31 December 2019.

	2019 $000	2018 $000
Underlying cash from operations (see above)	26,199	25,954
Tax received/(paid)	1,597	(452)
Capitalised development costs paid	(21,064)	(21,100)
Other capital expenditure	(1,945)	(1,959)
Underlying free cash flow	4,787	2,443

The increase in underlying cash from operations, similar levels of capital expenditure and a net tax refund has allowed the Group to report an increase in underlying free cash flow to $4.8m in the current year (2018: $2.4m) despite the reduction in profitability.

Net cash at 31 December 2019 was $0.4m, representing a net outflow of $0.1m from the position at 31 December 2018 of $0.5m net cash. The net cash position includes $9.1m (2018: $8.6m) representing cash received from ticket distributors or direct ticket sales and payable to venues within the *Ingresso* business. These balances are beneficially owned by the Group, and there are no restrictions on their use.

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 $40m and is subject to a reduction of $10m on 30 March 2020, denominated in either US dollars, GB Pound Sterling or Euros, and expires in March 2022, following the Group executing a 12 month extension to the original term on 6 March 2020. The facility also provides an additional accordion mechanism allowing for a further $10m relating to any future acquisitions.

Chief Executive's Statement (Continued

The Board feels its existing facilities provide sufficient headroom against reasonably foreseeable downside scenarios and continues to monitor carefully in the context of the fast-evolving macroeconomic circumstances.

Impairment

In line with relevant accounting standards, the Group reviews the carrying value of all intangible assets on an annual basis. As announced on 23 January 2020, this includes a detailed review of the carrying values of goodwill and intangibles attributable to historic acquisitions, based upon future discounted cash flows that can be directly attributed to the intangible assets linked to each acquisition. The Board maintains that the strategic rationale of its acquisitions will ultimately allow an increased penetration of its addressable market and enhances its overall offering. However, in relation to the March 2017 *Ingresso* and July 2017 *TE2* acquisitions, the Board has taken a more cautious view of projected cash flows that can be directly attributable to *Ingresso* and *TE2's* cash generating units (CGU), this is in response to these CGUs performing below management's expectations during 2019 and not achieving budget. Per the relevant accounting standard, the result of this review is that the current carrying value of certain intangibles related to those CGUs are not justified. Accordingly, the Group has recognised a non-cash impairment charges of $46.6m and $7.0m during the year against *TE2* and *Ingresso*, which has been disclosed separately within the consolidated statement of comprehensive income.

Taxation

The effective tax rate on loss before tax of $56,278k, excluding $17,403k of non-taxable goodwill impairment, being $38,875k was 18% (2018: 73%). The effective tax rate on statutory loss before tax for the full year was 12% (2018: 73% restated). The reduction from the 2018 effective rate of tax is primarily a result of the non-tax deductible impairment charges on goodwill; other impacts included profits subject to taxes at a lower rate, shares options lapsed in the year, uncertain tax provisions from the prior and current year and deferred tax not recognised in the prior year.

Accounting developments

IFRS 16 is the new lease accounting standard which was implemented on 1 January 2019 using the modified retrospective method being applied from 1 January 2019. The impact of the new accounting standard for assets in scope is the recognition of right of use assets within non-current assets and the recognition of lease liabilities within current and non-current liabilities; operating lease charges on those assets have been removed from administrative expense and replaced with depreciation charges on the right of use asset and interest expense on the lease liabilities.

The impact of adopting IFRS 16 at 1 January 2019 was to recognise a right of use asset of $5.9m and a lease liability of $6.1m. As a result of IFRS 16, the Group has recognised depreciation and interest costs instead of operating lease expense. During 2019, the Group recognised $1.3m of depreciation charges and $0.4m of interest costs from leases recognised following the adoption of IFRS 16.

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 continued product development and integration efforts supporting the Group's strategy.

Prior year adjustments

Deferred consideration expense linked to continued employment

On 20 July 2017, the Group acquired 100% of the voting equity of Blazer and Flip Flops, Inc (*'TE2'*). Deferred consideration consisting of 454,547 shares were issuable to certain key employees of *TE2*, contingent upon their continued employment, over 36 months with the cost being recognised as a compensation expense. Shares were scheduled to be issued in 3 separate tranches: one-third was scheduled 12 months after the completion date, 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. Per IFRS3, the consideration related to this deferred consideration should be allocated to the periods of continued employment. For 2017 and 2018, the Group allocated the total consideration, divided by 36, based on the relevant number of months of ownership in each reporting period. Following a further review of the detailed requirements of IFRS3, the Group has determined that the allocation should reflect a reducing charge as shares vest, which has the effect of front-loading the allocation. If this accounting treatment had been applied, additional expenses of $1.0m and $1.1m would have been recognized in 2017 and 2018 respectively. A prior year adjustment of $2.1m has therefore been applied in 2019. The Group has consistently carved out the expense related to this allocation when reporting its underlying earnings.

Current and deferred tax prior year restatements

It was identified that certain share options exercised during 2018 in respect of US and UK employees were not appropriately deducted in the tax provision calculations. Options relating to US based staff with a gross taxable gain of $8.2m were deducted in the UK current tax provision and omitted from the US current tax provision and tax losses available for recognition as a deferred tax asset. Further to this, 244,565 share options were exercised during 2018 that were omitted from the tax provision calculations in their entirety with a gross taxable gain available for deduction of $7.6m. The net impact on tax related balances as a result of these share option deduction misstatements resulted in a credit to the group's 2018 corporation tax liability of $0.8m, a debit to the group's deferred tax asset of $2.6m, a credit direct to equity of $1.6m and a credit to the group's tax expense of $0.2m.

It was also identified that deferred tax liabilities arising on capital allowances and temporary differences were misstated in 2018 and consequently a charge of $2.1m has been restated in 2018's deferred tax charge with a corresponding deferred tax liability of $2.1m.

Other restatements

Other prior year restatements have arisen in respect of share option accounting and the classification of non-current intercompany debtors, these restatements do not impact the group financial statements, see note 30 for details.

Steve Brown
Chief Executive Officer
18 March 2020

The Board of directors
for the financial year ended 31 December 2019

Bill Russell, Non-Executive Chairman

Bill Russell was appointed as the Group's new Non-Executive Chairman 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 served on the boards 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.

Karen Slatford, Senior Independent Director

Karen Slatford has significant experience working in the global technology and business arenas, serving currently as Senior Independent Director at Micro Focus International plc, Chair of Draper Esprit and Senior Independent Director of Softcat plc. 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.

The Board of directors
for the financial year ended 31 December 2019 (continued)

Tom Burnet, Non-Executive Director

Tom Burnet joined accesso as the Chief Executive Officer in late 2010. In 2016 he became Executive Chairman until March 2019 when he stepped down as Executive Chairman and is now a Non-Executive Director. He is currently also Independent Non-Executive Chairman at Kainos Group plc, Independent Non-Executive Chairman at the Baillie Gifford US Growth Trust plc and Non-Executive Chairman at Inspired Thinking Group.

He started his career as the UK's youngest Army Officer and has an MBA from the University of Edinburgh.

The Group today announces that Tom Burnet has chosen not to stand for re-election as a Non-Executive Director at Group's 2020 AGM.

Steve Brown

Steve founded the company's namesake accesso business in 2008, which became part of what is now *accesso Technology Group* plc when it was acquired from Brown in 2012. During a period of rapid expansion between 2013 and 2017, the company acquired Siriusware, ShoWare, Ingresso and TE2. Brown served as President and CEO from 2016 until 2018 when he departed the company. He stepped back into the CEO role in January 2020 to reinvigorate the company's strategic plan to fully leverage the range of assets within its portfolio and deliver value-enhancing solutions to the marketplace.

Steve Brown brings a strong operations and finance background to the *accesso* with extensive experience in ticketing, pricing strategy, eCommerce and revenue management. Brown's theme park career began during college at Walt Disney World Resort. Over the course of sixteen years, he held a variety of roles with increasing responsibility in financial planning and pricing strategy including Director, Walt Disney World Ticketing and Vice President, Revenue Management for Disneyland Resort, where he drove dramatic growth in park admissions and hotel revenues utilizing strategic and promotional pricing. Prior to joining *accesso*, Brown served as the corporate Vice President of Ticket Strategy and Sales for Six Flags.

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

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 and will step down on 31 March 2020.

Strategic report
for the financial year ended 31 December 2019

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 8 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.

Strategic report (continued)
for the financial year ended 31 December 2019

Principal risks and uncertainties (continued)

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 departure from 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.

The Board of *accesso* is monitoring the evolving COVID-19 outbreak extremely closely to ensure the health and wellbeing of our colleagues, as well as working with our Operator partners to take any actions they deem necessary to ensure the health and wellbeing of attraction visitors.

In terms of trading, the Group remains in the early part of its trading year. Typical seasonal characteristics always produce volatility at this time, with operator promotions and weekly weather variations affecting consumer behaviour.

These factors are now being joined by COVID-19-related impacts on guest visitation in certain areas. It is too early to draw any meaningful pattern from this occurrence, and potential public safety decisions of governments and healthcare policymakers could further alter the situation as we see it today.

We note that the impact to *accesso* would be greatest if the outbreak and its related effects continue into the European and North American summers, but we take some comfort from the current trend for large-scale event operators to move flagship events into June and July.

The Group has modelled out various contingency plans in response to the uncertainty of the COVID-19 impact including an assumption that a number of theatres, attractions and theme parks across the groups customer base could be closed for an 8 to 10 week period and consider there to be sufficient headroom in the forecasts to mitigate this downside risk. In response to this the group has undertaken a significant cost review exercise and has identified and implemented significant headcount related and suspended other discretionary spend. If the shutdowns were to extend beyond this the business would be able to generate further short-term savings by reducing operating costs more widely, however this could impact the profitability in the medium term.

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 take 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 defence when something slips through our various protections.

Strategic report (continued)
for the financial year ended 31 December 2019

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 16 and Company Highlights on page 3 for a discussion of the metrics, their definitions and reconciliation to IFRS statutory measures. 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.

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.

Section 172 compliance

See the Report of the Directors for details of the Group's compliance with Section 172 of the Companies Act.

On behalf of the Board:

John Alder
Chief Financial Officer
18 March 2020

Directors Remuneration Report
for the financial year ended 31 December 2019

Introduction

As Chair of the Remuneration Committee, I am pleased to present our report setting out *accesso*'s remuneration policy and practice and activities during the financial 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, as was the case last year, a more comprehensive report is good practice and aids shareholder information.

This report gives an overview of the year, the Remuneration Policy of the Company, provides detail of the amounts paid in 2019 and how the remuneration policy will be implemented in the 2020 financial year.

The company continued to comply with 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.

Committee membership

Chair	Members
Karen Slatford	David Gammon
	Andy Malpass (appointed on 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 2019

The principal activities undertaken by the Committee during 2019 were as follows:

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

Directors Remuneration Report
for the financial year ended 31 December 2019 (continued)

Activities undertaken between the end of the financial year and the date of this report:

- Approved the severance terms for the CEO (Paul Noland) and CFO (John Alder);
- Approved the employment terms for the new CEO (Steve Brown).

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 following a benchmarking exercise, the Committee approved salary increases of 33% for Paul Noland and 0% for the Chief Financial Officer with effect from 1 January 2019. The Committee also approved the salary and variable remuneration arrangements for Steve Brown as CEO with effect from 27 January 2020. The Committee will continue to 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 2020

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

- assessment of Group performance against 2019 budget and determination of bonus awards in conjunction with the company's strategy and risk appetite;
- approval of bonus performance measures and targets for 2020;
- approval of performance conditions and awards under the Company's Long-Term Incentive Plan for 2020;
- approval of performance conditions under the Company's Long-Term Incentive Plan and bonus targets for Steve Brown as CEO;
- approval of the employment terms following appointment of the CFO;
- assessment of the ongoing appropriateness of the remuneration arrangements in light of remuneration trends and market practice.

Resolutions at the AGM

Shareholders will not be invited to vote on our Remuneration Policy or the Remuneration Report votes are 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 Report
for the financial year ended 31 December 2019 (continued)

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.

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 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 2019 (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 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 2019 (continued)

Variable Elements of Remuneration for Executive Directors (continued)

Element of Remuneration	Link to Company Strategy	Operation	Maximum Opportunity	Performance Metrics
LTIP for the CEO	Variable remuneration designed to incentivise and reward the achievement of long-term targets aligned with shareholder interests. The LTIP was structured to facilitate the appointment of Steve Brown as CEO and to apply only to the CEO recognising the special circumstances.	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 rules applying to the LTIP plan for the CEO.	Award in the 2020 performance year of 6.2 x the CEO's salary. No awards will be made to the CEO in the performance years 2021 or 2022	Performance measures will be finalised after the 2019 financial results have been finalised, to ensure they align with shareholder interests, recognising the level of the award and the financial metrics. This report was prepared before the measures were finalised, but will be included in the RNS confirming the award when it is made.
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.

Directors Remuneration Report
for the financial year ended 31 December 2019 (continued)

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 and 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. Recognising the exceptional circumstances of the Company after deciding against a sale of the business, it was agreed to an exceptional LTIP award to the new CEO Steve Brown of 9x salary via a specific plan set up to reflect the one-off nature of the award.

Directors Remuneration Report
for the financial year ended 31 December 2019 (continued)

Within the usual limit of 200% salary, 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.

Directors Remuneration Report
for the financial year ended 31 December 2019 (continued)

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.

Stakeholder engagement

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.

Directors Remuneration Report
for the financial year ended 31 December 2019 (continued)

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.

The Annual Report sets out how the Directors' Remuneration Policy of the Company has been applied during 2019 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 2019 and 2018 respectively.

				2019			2018	2019	2018
	Salary	Fees	Bonus	Share-based payments	Other Benefits	Total	Total	Retirement Contributions	
	$000	$000	$000	$000	$000	$000	$000	$000	$000
Non - Executive Directors									
Tom Burnet (6) (7)	65	85	-	56	2	208	609	9	13
David Gammon (1) (6)	-	56	-	-	-	56	57	-	-
Andy Malpass (6)	-	56	-	-	-	56	29	-	-
Karen Slatford (6)	-	64	-	-	-	64	60	-	-
Bill Russell (3)	-	158	-	-	-	158	-	-	-
John Weston (2) (6)	-	-	-	-	-	-	41	-	-
Executive Directors									
John Alder	344	-	276	63	23	706	500	9	11
Steve Brown (4)	-	-	-	-	-	-	161	-	-
Paul Noland (5)	457	-	-	115	23	595	334	11	6
Total	**866**	**419**	**276**	**234**	**48**	**1,843**	**1,791**	**29**	**30**

(1) Fee payments were paid to Rockspring (family office of the Gammon family)
(2) Resigned 26 June 2018
(3) Appointed 1 March 2019
(4) Resigned 9 April 2018, reappointed 27 January 2020
(5) Resigned 27 January 2020
(6) Salary or fees payable in GBP and converted at the applicable monthly exchange rate
(7) Role change from Executive Director to Non-Executive Director 1 March 2019

(i) **Annual salary and fees** – correspond 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 2019 (continued)

2019 Annual bonus (Audited)

The 2019 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 2019, the Remuneration Committee reviewed corporate performance and decided that a bonus should be paid to the Chief Financial Officer in respect of the significant additional time and commitment required during the formal sale process, acknowledging that ultimately a sale was not agreed.

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

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

	31 December 2018	Exercised in the period	Lapsed in the period	Granted in the period	31 December 2019	Exercise price	Date from which exercisable
LTIP (1)							
John Alder	42,127	(42,127)		-	-	1p	-
	59,731	-	(59,731)	-	-	1p	-
	15,308	-		-	15,308	1p	16 Feb 2021
	-	-		46,605	46,605	1p	10 May 2022
Tom Burnet	47,805	(47,805)		-	-	1p	15 Apr 2018
	82,960	-	(82,960)	-	-	1p	-
	20,416	-	(20,416)	-	-	1p	-
Paul Noland	22,385	-		-	22,385	1p	16 Feb 2021
	-	-		82,999	82,999	1p	10 May 2022

(1) LTIP awards represent the maximum award if the performance conditions are fully met

The 42,127 and 47,205 LTIP awards exercised by John Alder and Tom Burnet resulted in pre-tax gains of £387,094 and £439,267 respectively.

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.

At 31 December 2019, Tom Burnet held an interest in 200,000 shares. (2018: 200,000)

Directors Remuneration Report
for the financial year ended 31 December 2019 (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
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. These awards lapsed in the period as the average share price during the 30 days prior to release was 927 pence.
16 February 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.

Directors Remuneration Report
for the financial year ended 31 December 2019 (continued)

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

Date of Award	Vesting Period (months)	Period stock to be held following exercise (months)	Performance Conditions
10 May 2019	36	6	25% of the performance condition for the 2019 Award is related to Total Shareholder Return (TSR) over the period from 10 May 2019 to 9 May 2022. If *accesso's* TSR is greater than the growth of the designated 'Peer Group' during the thirty days prior to 9 May 2022, 25% of the TSR element of the Award shall vest and be exercisable. If the *accesso* TSR is within the upper quartile of the 'Peer Group then 100% of the TSR element of the Award shall vest. 25% of the performance condition is related to adjusted Earnings Per Share (EPS). If the accesso adjusted EPS is greater than 59.3 cents for the year ending 31 December 2021, 15% of the shares pursuant to this element of the Award shall vest. 100% of the shares pursuant to element of the Award shall vest if the adjusted EPS is greater than 68.2 cents. If the adjusted EPS is between 59.3 cents and 68.2 cents then the shares pursuant to this element of the Award shall vest on a straight line basis between 15% and 100%. 50% of the performance condition for the Award is a related to continued employment. If the employee is employed on 27 June 2022, 50% of the Award shall become exercisable.

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 other than contractual commitments during the year. Paul Noland as CEO and John Alder as CFO remained as employees and Executive Directors during 2019, both Paul Noland and John Alder will be paid their contractual 6-month notice period during 2020.

Payments to past directors (audited information)

None in 2019.

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:

No executive director held an external appointment as at 31 December 2019.

Directors Remuneration Report
for the financial year ended 31 December 2019 (continued)

Fees for the Non-Executive Directors

A summary of current fees is shown below:

	Basic fee	
	$	
Bill Russell	158,333	Chairman
Tom Burnet (2) (1)	84,569	Non-Executive Director
David Gammon (1)	56,187	Non-Executive Director
Andy Malpass (1)	56,187	Chair of the Audit Committee
Karen Slatford (1)	63,848	Senior Independent Director, Chair of the Remuneration Committee

1) Payable in GBP and converted on monthly average rates
2) Moved from Executive Director to Non-Executive Director on 1 March 2019. The figures show fees as a Non-Executive Director only.

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

2019 Executive Directors' base salary
The table below shows the salaries for the Executive Directors as at 1 January 2020 in comparison to base salary at 1 January 2019;

	1 January 2019 or date of appointment	1 January 2020	% change
	$	$	
Tom Burnet (1)	411,174	N/a	N/a
Paul Noland (2)	360,000	480,000	33%
John Alder	344,395	351,283	2%

(1) Payable in GBP and converted at monthly average rates Moved from Executive Director to Non-Executive Director on 1 March 2019. The figures show annual salary as an Executive Director.
(2) Resigned 27 January 2020, Steve Brown appointed on annual remuneration of $400,000.

Implementation of Policy for 2020

Salaries for Executive Directors are reviewed each year taking into account the Remuneration Policy set out in this report.

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 2020 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 taking all available factors into account.

The Committee will set appropriate performance conditions for LTIP awards made to Executive Directors in 2020. These will be shown in the 2020 report.

2020 Non-Executive Director remuneration

No increase to Non-Executive Director Fees had been determined at the time of this report. If increases are determined during 2020 they will be disclosed in the 2020 report.

Karen Slatford
Chair of the Remuneration Committee
18 March 2020

Report of the directors
for the financial year ended 31 December 2019

The directors present their report with the financial statements of the company and the Group for the financial year ended 31 December 2019.

Dividends

No dividends will be proposed for the financial year ended 31 December 2019 (31 December 2018: 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 2019 the Group capitalised $22.0m into research and development (year ended 31 December 2018: $21.1m) and impaired $15.2m of development costs from its Guest Experience operating segment.

Directors

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

Bill Russell, Non-Executive Chairman (Appointed 1 March 2019)
John Alder, Executive
Steve Brown, Executive (Appointed 27 January 2020)
Paul Noland, Executive (Resigned 27 January 2020)
Tom Burnet, Non-Executive (Executive Chairman until 1 March 2019)
David Gammon, Non-Executive
Andy Malpass, Non-Executive
Karen Slatford, Senior Independent Director

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

The beneficial interests of the directors holding office on 31 December 2019 in the issued share capital of the company were as follows:

Ordinary share capital £0.01 shares	**As at 31 December 2019**	**As at 1 January 2019**
Tom Burnet, Non-Executive (1)	248,923	224,158
John Alder, Executive	60,540	37,913
David Gammon, Non-Executive (2)	48,000	48,000
Bill Russell	10,000	-
Paul Noland, Executive	6,000	-
Andy Malpass, Non-Executive	4,352	4,352
Karen Slatford, Non-Executive	11,835	-

(1) 200,000 Shares held by the employee benefit trust of the Company in both years
(2) Held in Rockspring Limited

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 2019 (continued)

As at 16 March 2020 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
The Capital Group Companies, Inc.	2,211,425	8.00%
M&G plc	2,066,282	7.47%
Liontrust Investment Partners LLP	1,706,581	6.17%
Jupiter Asset Management Ltd	1,541,500	5.57%
Canaccord Genuity Group Inc	1,461,611	5.29%
Metzler Asset Mgt	1,108,545	4.01%
Allianz Global Investors GmbH	996,948	3.76%
Quilter PLC	835,263	3.02%
FIL Investment International	832,860	3.01%

Annual general meeting

The annual general meeting of the company will be held on Tuesday, 19th May 2020. 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. The Group has modelled out various contingency plans in response to the uncertainty of the COVID-19 impact including an assumption that a number of theatres, attractions and theme parks across the groups customer base could be closed for an 8 to 10 week period and consider there to be sufficient headroom in the forecasts to mitigate this downside risk. In response to this the group has undertaken a significant cost review exercise and has identified and implemented significant headcount related and suspended other discretionary spend. If the shutdowns were to extend beyond this the business would be able to generate further short-term savings by reducing operating costs more widely, however this could impact the profitability in the medium term.

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.

Compliance with Section 172 of the Companies Act

A Director of the Company must act in accordance with a set of general duties. These duties are detailed in Section 172 of the Companies Act 2006, summarised as follows:

Report of the directors
for the financial year ended 31 December 2019 (continued)

The likely consequences of any decisions in the long-term

The Board has set a number of key strategic priorities for 2020, as detailed earlier in this report.

These priorities reflect the need to consider the interests of our staff and the need to keep pace with market initiatives and technological changes so the business is appropriately positioned to take best advantage of market conditions. The strategic priorities are cascaded down to individuals within the business through the Performance and Development Review process.

Engagement with 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. Engaged, enabled, empowered employees who contribute to the best of their potential are fundamental to the long-term success of the business. We employ and develop high calibre staff. We maintain oversight of their performance through an annual performance and development review process. We seek to offer appropriate levels of remuneration which we benchmark using market surveys. We value our employees' thoughts and ideas and two-way communication is actively sought and encouraged. An independent Staff Engagement Survey was conducted during the year, the results of which were considered in detail by management and helped to inform and guide subsequent strategic decisions that were made. Our expected standards of behaviour are set out in our Code of Business which all staff are expected to adhere to.

Business relationships with customers, supplier and others

accesso's customers are key to the long-term success of our business. We seek to grow and maintain our customer base. Our reputation needs to be preserved to protect our position as the leading technology provider of choice for tomorrow's attractions, venues and institutions to help us achieve our growth ambitions. They are key business partners and we set out our relationship in terms of business or service level agreements. We maintain oversight of these arrangements as well as making sure our customers receive appropriate level of disclosure.

We invest heavily in research and development because our industries demand it, our clients benefit from it and it makes a positive impact on the guest experience. Our innovative technology solutions allow venues to increase the volume and range of on-site spending and to drive increased transaction-based revenue through cutting edge ticketing, point-of-sale, virtual queuing, distribution and experience management software.

Many of our team members come from backgrounds working within the attractions and cultural industry. In this way, we are experienced operators who run a technology company serving attractions operators, versus a technology company that happens to serve the market. Our staff understand the day-to-day operations of managing complex venues and the challenges this creates, and together we strive to provide our clients and their guests with technology that empowers them to do more and enjoy more. From our agile development team to our dedicated client service specialists, every team member knows that their passion, integrity, commitment, teamwork and innovation are what drive our success.

Report of the directors
for the financial year ended 31 December 2019 (continued)

The impact of the company's operations on the community and environment

accesso is a responsible member of its community as it reflects our culture and matters to our staff and local community. *accesso* has a strong culture of supporting staff in both individual and group volunteering and fundraising initiatives. These now encompass encouraging staff to volunteer at local community projects and participate in local events; and providing corporate sponsorship of charitable activities.

The desirability of the company maintaining a reputation for high standards of business conduct

We have an on-going dialogue with shareholders through formal communication of financial results on a yearly and half yearly basis, we also provide periodic market updates and the required press releases to ensure compliance with the AIM rules. We engage with substantial shareholders to ensure that the strategic direction of the business is aligned with group objectives.

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 19.

On behalf of the Board

John Alder
Chief Financial Officer
18 March 2020

Corporate Governance report
for the financial year ended 31 December 2019

The Board of Directors (the 'Board') recognises the importance of achieving high standards of corporate governance within the Company and its subsidiaries, which it seeks to demonstrate by continuing to be fully compliant with the principles of the Quoted Companies Alliance's Corporate Governance Code (the 'QCA Code'). The Board believes the QCA Code provides the Company with a flexible but rigorous approach in which it can continue to develop its governance model to support the business.

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
18 March 2020

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 17 to 18.

During the year the Board appointed Bill Russell as Non-Executive Chairman after Tom Burnet stepped down from the position to become a Non-Executive Director and Steve Brown was appointed Chief Executive Officer on 27 January 2020 following the resignation of Paul Noland. John Alder has also notified the Board of his decision to step down as Chief Financial Officer of the Company with effect from 31 March 2020, at which point he will also stand down from the Board. Tom Burnet has notified the Board that he will not stand for re-election at the AGM. The Company has commenced a search for a replacement Chief Financial Officer and will provide further updates to shareholders as appropriate. 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.

Four of the Non-Executive Directors, including the Chairman, are deemed by the Board to be independent. David Gammon has served on the Board for nine years and continues to be determined as independent by the board. 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.

Corporate Governance report (continued)
for the financial year ended 31 December 2019

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.

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 2019

The Company holds board meetings regularly throughout the year. Eleven board meetings scheduled in advance were held during the year. However the Board also held a number of ad-hoc meetings throughout the year which were convened on short notice, primarily to address pressing matters in respect of the sales process that did not complete. The audit committee meetings held two meetings and six remuneration committee meetings were held. Attendance by board members is shown below.

Number of meetings held	**Board**	**Audit Committee**	**Remuneration Committee**
	11	2	6
Executive board members			
John Alder	11	-	-
Paul Noland (Note 1)	11	-	-
Non-executive board members			
Bill Russell (Note 2)	9		
Tom Burnet (Note 3)	11		
David Gammon	11	1	6
Andy Malpass	11	2	6
Karen Slatford	10	2	6

Notes to attendance table:

(1) Paul Noland resigned from the Board with effect from 27 January 2020. Steve Brown was appointed as his replacement on the same date and was therefore not eligible to attend meetings during 2019.
(2) Bill Russell was appointed to the Board from 1 March 2019 and was eligible to attend 9 Board meetings.
(3) Tom Burnet was appointed a Non-Executive Director from 1 March 2019.

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Corporate Governance report (continued)
for the financial year ended 31 December 2019

Board and Committee meetings 2019 (continued)

In the event that Board approval is required between Board meetings, Board members are provided with supporting information 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
- Management of the formal sale process,
- 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
- Board performance review

Detailed proposal papers, management reports, 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.

The committee met twice 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.

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 2019

Remuneration Committee

The full Remuneration Committee report is on pages 22 to 34 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 2020 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 was presented to the Board for review and discussion. Items requiring attention were considered and action points created to ensure that any areas needing improvement were prioritised and addressed. The evaluation exercise has been used to improve the effectiveness of the Board and to introduce improvements to Board processes on an on-going basis.

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
18 March 2020

KPMG

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 2019 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 2019 and of the Group's loss 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	$1.0million (2018:$1.0million) 0.85% (2018 0.84%) of revenue	
Coverage	87% (2018 :87%) of revenue	
Key audit matters		**vs 2018**
Recurring risks	Capitalisation and amortisation of development spend	◄►
	New: Recoverability of Ticketing goodwill and TE2 goodwill and intangible assets	▲
	New: Recoverability of parent company's investment	▲
Event driven risks	**New:** Going concern	▲

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:

	The risk	Our response
Capitalisation of development spend and determination of economic life Group: Additions in the year ($22.0million; 2018: $21.1million) Amortisation in the year ($24.3million; 2018 $19.8million) Parent Company: Additions in the year ($1.6million; 2018: $1.3million) Amortisation in the year ($2.2million; 2018 $1.9million) *Refer to, page 68 (accounting policy) and page 85 (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 projects meet the criteria for capitalisation as the future financial and technical feasibility of new products is often uncertain. There is estimation in determining the useful economic life of the development spend capitalised.	Our procedures included: **Tests of detail:** — We selected a sample of projects capitalised in the year based on the magnitude of development spend capitalised and risk indicators such as the project name and description For the projects selected: — We critically assessed the judgements made by the Group as to whether the development was a substantial enhancement to the underlying asset by inspecting the product roadmap and functionality being developed — We critically assessed the judgements made by the Group as to whether the development was technically feasible by performing a retrospective review of the success of past projects and the ability to generate future revenue — We critically assessed the judgements made by the Group as to whether the development was commercially feasible by agreeing to supporting documentation such as committed contracts, sales pipelines and external market data **Our sector experience:** — We performed a benchmarking exercise versus comparative development companies to ascertain a reasonable range for the useful economic life of capitalised development spend. **Assessing transparency:** — We assessed the adequacy of the disclosures in respect of the judgements made in relation to capitalised development costs.

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

	The risk	Our response
Recoverability of Ticketing goodwill, TE2 goodwill and intangible assets and Recoverability of parent company's investment in subsidiaries Group: ($70.2million; 2018: $1117.7million) Impairment charge: ($46.6million; 2018 $0.0m) Company: ($72.8million; 2018: $78.8million) Impairment charge: ($21.8million, 2018: $0.0million) *Refer to page 68 (accounting policy) and pages 85 and 92 (financial disclosures).*	**Forecast based valuation:** Goodwill and intangible assets in the Group and investments in the parent company are significant and at risk of irrecoverability due to the challenges of the market. Given the fall in share price in the year this has been identified as a key audit matter. The estimated recoverable amount is subjective due to the inherent uncertainty involved in forecasting and discounting future cashflows The effect of these matters is that, as part of our risk assessment, we determined that the value in use of goodwill has a high degree of estimation uncertainty, with a potential range of reasonable outcomes greater than our materiality for the financial statements as a whole.	Our procedures included: **Historical comparisons**: — We evaluated the track record of assumptions used versus actual results in order to assess the historical accuracy of the Group's forecasting process; **Benchmarking assumptions:** — We compared the short term revenue growth rate to external data such as market information and to internal data such as sales pipeline and committed contracts; — We used valuation specialists to evaluate the inputs and assumptions of the discount rate **Sensitivity analysis:** — We performed a sensitivity analysis by changing various key inputs and assessing the impact on the assumptions above; **Comparing valuations:** — We compared the sum of the discounted cash flows to the Group's market capitalisation to assess the reasonableness of those cash flows; and **Assessing transparency:** — Assessing whether the Group's disclosures about the sensitivity of the outcome of the impairment assessment to changes in key assumptions reflected the risks inherent in the valuation of goodwill. — We assessed whether the Group's disclosures about the impairment recorded was adequately disclosed.

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

	The risk	Our response
Going concern *Refer to page 68 (accounting policy)*	**Disclosure quality:** The financial statements explain how the Board has formed a judgement that it is appropriate to adopt the going concern basis of preparation for the group and parent company. That judgement is based on an evaluation of the inherent risks to the Group's and Company's business model and how those risks might affect the Group's and Company's financial resources or ability to continue operations over a period of at least a year from the date of approval of the financial statements. The risks most likely to adversely affect the Group's and Company's available financial resources over this period were: The impact of the Covid 19 virus on the key customers of the Group. The risk for our audit was whether or not those risks were such that they amounted to a material uncertainty that may have cast significant doubt about the ability to continue as a going concern. Had they been such, then that fact would have been required to have been disclosed.	Our procedures included: ***Funding assessment:*** — We obtained the amended financing agreement signed post the year end and confirmed the period of funding was extended to 31 March 2022. ***Sensitivity analysis:*** — We considered sensitivities over the level of available financial resources indicated by the Group's financial forecasts taking account of reasonably possible (but not unrealistic) adverse effects that could arise from these risks individually and collectively; — We critically assessed the level of sensitivities applied (including downside scenarios) for reasonableness based on our knowledge of the business and markets served, and we evaluated whether the Directors' plans to alleviate the downside risk evident from these scenarios were feasible in the circumstances. ***Assessing transparency:*** — We assessed the completeness and accuracy of the matters covered in the going concern disclosure, including whether they appropriately explain the judgements made by the Directors in assessing whether the going concern basis of preparation is appropriate.

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 (2018: $1,000,000) determined with reference to a benchmark of revenue (2018: revenue) of which it represents 0.85% (2018:0.84%). We consider total revenue to be the most appropriate benchmark as loss cannot be used without making significant adjustments and revenue is expected to provide a more stable measure year on year.

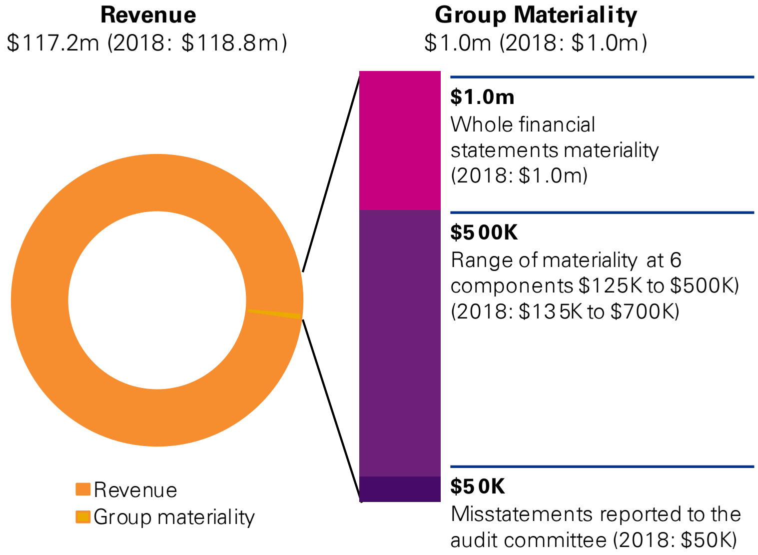
Materiality for the parent company financial statements as a whole was set at $125,000 (2018: $100,000), determined with reference to a benchmark of company revenue, of which it represents 1% (2018: 1%). We consider revenue to be the most appropriate benchmark as it provides a more stable measure year on year than profit or loss before tax.

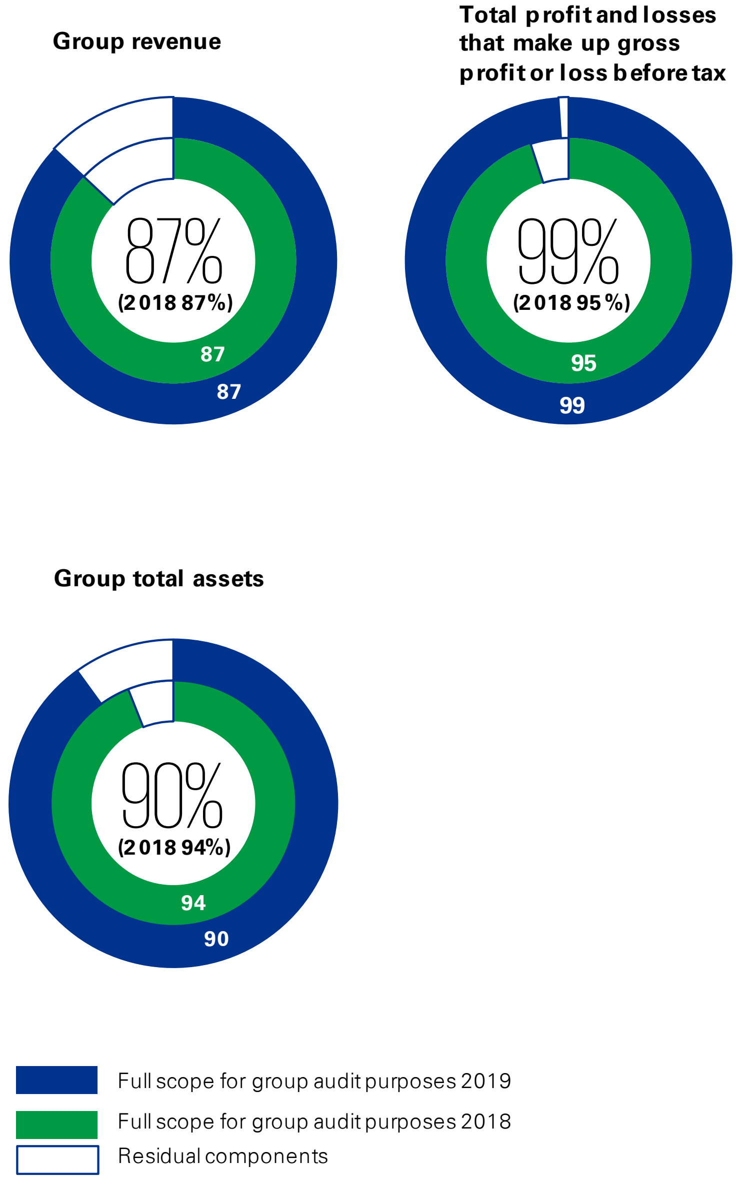
We agreed to report to the Audit Committee any corrected or uncorrected identified misstatements exceeding $50,000 (2018 $50,000), in addition to other identified misstatements that warranted reporting on qualitative grounds.

Of the group's 19 (2018: 19) reporting components, we subjected 6 (2018: 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% (2018:13%) of total group revenue, 1% (2018: 5%) of total profits and losses that made up group profit before tax and 10% (2018: 6%) of total group assets is represented by 13 (2018: 13) reporting components, none of which individually represented more than 8% (2018: 7%) 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 team performed the work on all components, including the parent company. The Group team determined the component materialities, which ranged from $125,000 to $500,000 (2018: $135,000 to $700,000), having regard to the mix of size and risk profile of the components across the Group.





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 or the company will continue in operation.

We identified going concern as a key audit matter (see section 2 of this report). Based on the work described in our response to that key audit matter, 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

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 44, 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.

KPMG

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.

Michael Froom

(Senior Statutory Auditor)

for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

2 Forbury Place

33 Forbury Road
Reading

RG1 3AD

18 March 2020

Consolidated statement of comprehensive income
for the financial year ended 31 December 2019

	Notes	**2019** **$000**	2018 Restated - see note 30 $000
Revenue	9	**117,182**	118,747
Cost of sales		**(31,554)**	(30,543)
Gross profit		**85,628**	88,204
Administrative expenses (Restated - see note 10)		**(141,906)**	(82,892)
Operating (loss) / profit before impairment of intangible assets		***(2,661)***	***5,312***
Impairment of intangible assets	*16*	*(53,617)*	-
Operating (loss) / profit		**(56,278)**	5,312
Finance expense	12	**(1,324)**	(1,127)
Finance income	12	**21**	37
(Loss) / Profit before tax		**(57,581)**	4,222
Income tax benefit / (expense)	13	**6,985**	(3,852)
(Loss) / Profit for the period		**(50,596)**	370
Other comprehensive income			
Items that will be reclassified to income statement			
Exchange differences on translating foreign operations		**611**	(2,291)
Total comprehensive (loss) / income		**(49,985)**	1,921
All profit and comprehensive income is attributable to the owners of the parent			
Earnings per share expressed in cents per share:			
Basic	15	**(184.26)**	1.38
Diluted	15	**(184.26)**	1.32

All activities of the company are classified as continuing
The accompanying notes on pages 57 to 105 form part of these consolidated financial statements

Consolidated statement of financial position
as at 31 December 2019

Registered Number: 03959429	Notes	31 December 2019 $000	31 December 2018 Restated – see note 30 $000
Assets			
Non-current assets			
Intangible assets	16	**142,456**	197,332
Property, plant and equipment	17	**3,766**	3,723
Right of use assets	29	**5,715**	-
Contract assets	9	**3,654**	5,141
Deferred tax assets	13	**8,647**	7,999
		164,238	214,195
Current assets			
Inventories	19	**1,004**	1,083
Contract assets	9	**5,926**	3,337
Trade and other receivables	20	**23,676**	18,833
Income tax receivable		**50**	1,961
Cash and cash equivalents		**16,205**	20,704
		46,861	45,918
Liabilities			
Current liabilities			
Trade and other payables	21	**31,811**	28,856
Finance lease liabilities	29	**1,307**	-
Contract liabilities	9	**7,299**	7,093
Income tax payable		**4,005**	2,275
		44,422	38,224
Net current assets		**2,439**	7,694
Non-current liabilities			
Deferred tax liabilities	13	**10,778**	17,596
Contract liabilities	9	**1,823**	2,412
Other non-current liabilities	21	**30**	543
Finance lease liabilities	29	**4,976**	-
Borrowings	22	**15,851**	20,224
		33,458	40,775
Total liabilities		**77,880**	78,999
Net assets		**133,219**	181,114
Shareholders' equity			
Called up share capital	23	**427**	421
Share premium	24	**107,403**	107,103
Own shares held in trust	24	**(665)**	(665)
Retained earnings	24	**11,331**	60,143
Merger relief reserve	24	**19,641**	19,641
Translation reserve	24	**(4,918)**	(5,529)
Total shareholders' equity		**133,219**	181,114

The financial statements were approved by the Board of directors on 18 March 2020 and were signed on its behalf by:

John Alder
Chief Financial Officer

The accompanying notes on pages 57 to 105 form part of these consolidated financial statements

Company statement of financial position
as at 31 December 2019

Registered Number: 03959429	Notes	31 December 2019 $000	31 December 2018 Restated - see note 30 $000	31 December 2017 Restated - see note 30 $000
Assets				
Non-current assets				
Intangible assets	16	**5,954**	6,396	7,375
Investments in subsidiaries	18	**72,798**	78,766	77,370
Property, plant and equipment	17	**787**	1,128	1,309
Right of use assets	29	**775**		-
Contract assets	9	**2,904**	3,723	-
Deferred tax asset	13	**-**	-	353
Amounts due from group undertakings	20	**82,950**	79,572	76,046
		166,168	169,585	162,453
Current Assets				
Inventories	19	**205**	339	279
Contract assets	9	**1,487**	1,186	-
Trade and other receivables	20	**6,686**	12,275	12,716
Income tax receivable		**17**	8	-
Cash and cash equivalents		**3,780**	3,311	1,909
		12,175	17,119	14,904
Liabilities				
Current liabilities				
Trade and other payables	21	**12,762**	4,055	11,412
Finance lease liabilities	29	**115**	-	-
Contract liabilities	9	**316**	282	-
Income tax payable		**3,422**	2,638	1,614
		16,615	6,975	13,026
Net current (liabilities) / assets		**(4,440)**	10,144	1,878
Non-current liabilities				
Deferred tax	13	**464**	327	-
Contract liabilities	9	**471**	616	-
Finance lease liabilities	29	**728**	-	-
Borrowings	22	**15,851**	20,224	16,140
		17,514	21,167	16,140
Total liabilities		**34,129**	28,142	29.166
Net assets		**144,214**	158,562	148,191
Shareholders' equity				
Called up share capital	23	**427**	421	411
Share premium	24	**107,403**	107,103	105,207
Retained earnings	24	**28,684**	46,711	33,089
Merger relief reserve	24	**19,641**	19,641	19,641
Translation reserve	24	**(11,941)**	(15,314)	(10,157)
Total shareholders' equity		**144,214**	158,562	148,191

The loss for the financial year for the Company was $20.96m (2018: Restated profit of $6.6m – see note 30).
The financial statements were approved by the Board of directors on 18 March 2020 and were signed on its behalf by:

John Alder
Chief Financial Officer

The accompanying notes on pages 57 to 105 form part of these consolidated financial statements

Consolidated statement of cash flow
for the financial year ended 31 December 2019

	Notes	2019 $000	2018 (Restated – see note 30) $000
Cash flows from operations			
(Loss) / Profit for the period		**(50,596)**	370
Adjustments for:			
Depreciation (excluding finance lease assets)	17	**1,694**	1,519
Depreciation on finance leased assets	29	**1,320**	-
Amortisation on acquired intangibles	16	**11,286**	11,740
Amortisation on development costs and other intangibles	16	**13,000**	8,105
Impairment of intangibles	16	**53,617**	-
Loss on disposal of property, plant and equipment		**114**	-
Share-based payment	10	**1,845**	2,245
Deferred consideration charge	10	**1,416**	(387)
Finance expense	12	**1,324**	1,127
Finance income	12	**(21)**	(37)
Foreign exchange gain		**(90)**	(304)
Income tax (benefit) / expense	13	**(6,985)**	3,852
		27,924	28,230
Decrease / (Increase) in inventories		**86**	(577)
(Increase) / Decrease in trade and other receivables		**(5,865)**	928
(Decrease) / Increase in contract assets/ contract liabilities		**(1,140)**	666
Increase / (Decrease) in trade and other payables		**3,562**	(11,422)
Cash generated from operations		**24,567**	17,825
Tax received / (paid)		**1,597**	(452)
Net cash inflow from operating activities		**26,164**	17,373
Cash flows from investing activities			
Deferred consideration settlement		**(1,017)**	(6,962)
Capitalised internal development costs		**(21,064)**	(21,100)
Purchase of property, plant and equipment	17	**(1,945)**	(1,959)
Acquisition of other intangible assets		**(4)**	(2)
Interest received		**21**	37
Net cash used in investing activities		**(24,009)**	(29,986)
Cash flows from financing activities			
Share issue		**306**	1,906
Interest paid		**(830)**	(1,833)
Payments on property lease liabilities	29	**(1,451)**	(9)
Proceeds from borrowings		**4,802**	15,530
Repayments of borrowings		**(9,728)**	(10,089)
Net cash (utilised) / generated from financing activities		**(6,901)**	5,505
Decrease in cash and cash equivalents		**(4,746)**	(7,108)
Cash and cash equivalents at beginning of year		**20,704**	28,668
Exchange gain / (loss) on cash and cash equivalents		**247**	(856)
Cash and cash equivalents at end of year		**16,205**	20,704

The accompanying notes on pages 57 to 105 form part of these consolidated financial statements

Company statement of cash flow
for the financial year ended 31 December 2019

	Notes	2019 $000	2018 (Restated see note 30) $000
Cash flows from operations			
(Loss) / Profit for the period		**(20,963)**	6,602
Adjustments for:			
Amortisation	16	**2,224**	1,865
Depreciation excluding finance leased assets	17	**428**	396
Depreciation on finance leased assets	29	**128**	-
Share-based payment		**160**	387
Impairment of investment in subsidiary	18	**21,810**	-
Loss on disposal of property, plant and equipment		**(11)**	-
Finance expense		**884**	1,135
Finance income		**(5,334)**	(4,787)
Foreign exchange loss		**174**	(39)
Income tax expense / (benefit)		**1,172**	(1,039)
		672	4,520
Decrease / (increase) in inventories		**142**	(60)
Decrease in trade and other receivables		**8,183**	1,690
Decrease / (Increase) in contract assets/ liabilities		**594**	(898)
(Decrease) / Increase in trade and other payables		**(1,258)**	1,278
Cash generated from operations		**8,333**	6,530
Tax paid		**(602)**	(619)
Net cash inflow from operating activities		**7,731**	5,911
Cash flows from investing activities			
Investment in subsidiary	18	**(99)**	(50)
Payment of deferred acquisition consideration		**-**	(8,635)
Capitalised internal development costs		**(1,523)**	(1,279)
Purchase of property, plant and equipment	17	**(178)**	(277)
Interest received		**9**	12
Net cash used in investing activities		**(1,791)**	(10,229)
Cash flows from financing activities			
Share Issue		**306**	1,906
Interest paid		**(743)**	(1,502)
Payments on property lease liabilities		**(146)**	-
Proceeds from borrowings		**4,802**	15,530
Repayments of borrowings		**(9,728)**	(10,089)
Net cash (utilised) / generated from financing activities		**(5,509)**	5,845
Increase in cash and cash equivalents		**431**	1,527
Cash and cash equivalents at beginning of year		**3,311**	1,909
Exchange gain /(loss) on cash and cash equivalents		**38**	(125)
Cash and cash equivalents at end of year		**3,780**	3,311

The accompanying notes on pages 57 to 105 form part of these consolidated financial statements.

Consolidated statement of changes in equity for the financial year ended 31 December 2019

	Share capital $000	Share premium $000	Retained earnings - Restated $000	Merger relief reserve $000	Own shares held in trust $000	Translation reserve $000	Total $000
Balance at 1 January 2019	**421**	**107,103**	**60,143**	**19,641**	**(665)**	**(5,529)**	181,114
Comprehensive income for the year							
(Loss) for period	-	-	(50,596)	-	-	-	(50,596)
Other comprehensive income							
Exchange differences on translating foreign operations	-	-	-	-	-	611	611
Total comprehensive income for the year	-	-	(50,596)	-	-	611	(49,985)
Contributions by and distributions to owners							
Issue of share capital	6	300	-	-	-	-	306
Share-based payments	-	-	1,845	-	-	-	1,845
Equity-settled deferred consideration	-	-	1,416	-	-	-	1,416
Share option tax charge - deferred	-	-	(1,584)	-	-	-	(1,584)
Share option tax charge - current	-	-	107	-	-	-	397
Total contributions by and distributions by owners	6	300	1,784	-	-	-	2,090
Balance at 31 December 2019	**427**	**107,403**	**11,331**	**19,641**	**(665)**	**(4,918)**	**133,219**
Balance at 31 December 2017	411	105,207	54,671	19,641	(1,163)	(3,238)	175,529
Comprehensive income for the year							
Profit for period as previously reported	-	-	*3,290*	-	-	-	*3,290*
Restatement (note 30)	-	-	*(2,920)*	-	-	-	*(2,920)*
Restated profit	-	-	370	-	-	-	370
Other comprehensive income							
Exchange differences on translating foreign operations	-	-	-	-	-	(2,291)	(2,291)
Total comprehensive income for the year	-	-	370	-	-	(2,291)	(1,921)
Contributions by and distributions to owners							
Equity-settled deferred consideration as previously reported	-	-	*2,824*	-	-	-	*2,824*
Restatement (note 30)	-	-	*955*	-	-	-	*955*
Restated Equity-settled deferred consideration	-	-	3,779	-	-	-	3,779
Issue of share capital	10	1,896	-	-	-	-	1,906
Share-based payments	-	-	2,245	-	-	-	2,245
Reduction of shares held in trust	-	-	(107)	-	498	-	391
Share option tax charge – deferred - Restated	-	-	(2,242)	-	-	-	(2,242)
Share option tax charge – current - Restated	-	-	1,427	-	-	-	1,427
Total contributions by and distributions by owners	10	1,896	5,102	-	498	-	7,506
Balance at 31 December 2018	**421**	**107,103**	**60,143**	**19,641**	**(665)**	**(5,529)**	181,114

The accompanying notes on pages 57 to 105 form part of these consolidated financial statements

Company statement of changes in equity
for the financial year ended 31 December 2019

	Share capital $000	Share premium $000	Retained earnings - restated $000	Merger relief reserve $000	Translation reserve $000	Total $000
Balance at 1 January 2019 previously reported	*421*	*107,103*	*45,903*	*19,641*	*(15,314)*	*157,754*
Prior year restatement (Note 30)	-	-	*808*	-	-	*808*
Balance at 1 January 2019 restated	**421**	**107,103**	**46,711**	**19,641**	**(15,314)**	**158,562**
Comprehensive income for the year						
Loss for year	-	-	(20,963)	-	-	(20,963)
Other comprehensive income						
Exchange differences	-	-	-	-	3,373	3,373
Total comprehensive income for the year	-	-	(20,963)	-	3,373	(17,590)
Contributions by and distributions by owners						
Issue of share capital	6	300	-	-	-	306
Share-based payments	-	-	1,845	-	-	1,845
Equity-settled deferred consideration	-	-	1,416	-	-	1,416
Share option tax charge - current			108			108
Share option tax charge - deferred	-	-	(433)	-	-	(433)
Total contributions by and distributions by owners	6	300	2,936	-	-	3,242
Balance at 31 December 2019	**427**	**107,403**	**28,684**	**19,641**	**(11,941)**	**144,214**
Balance at 31 December 2017 - previously reported	*411*	*105,207*	*31,944*	*19,641*	*(10,157)*	*147,046*
Restatements (note 30)	-	-	*1,145*	-	-	*1,145*
Adjustments in respect of IFRS 15, net of tax			*3,113*		*(143)*	*2,970*
Restated balance at 31 December 2017	411	105,207	36,202	19,641	(10,300)	151,161
Comprehensive income for the year						
Profit for year	-	-	6,743	-	-	6,743
Tax restatement (note 30)	-	-	*(141)*	-	-	*(141)*
Profit for year restated	-	-	6,602	-	-	6,602
Other comprehensive income						
Exchange differences	-	-	-	-	(5,014)	(5,014)
Total comprehensive income for the year	-	-	6,602	-	(5,014)	1,588
Contributions by and distributions by owners						
Equity-settled deferred consideration	-	-	*2,824*	-	-	*2,824*
Restatement (note 30)	-	-	*955*	-	-	*955*
Equity-settled deferred consideration restated	-	-	3,779	-	-	3,779
Issue of share capital	10	1,896	-	-	-	1,906
Share-based payments	-	-	2,245	-	-	2,245
Share option tax credit restated	-	-	(2,117)	-	-	(2,117)
Total contributions by and distributions by owners restated	10	1,896	3,907	-	-	5,813
Balance at 31 December 2018	**421**	**107,103**	**46,711**	**19,641**	**(15,314)**	**158,562**

The accompanying notes on pages 57 to 105 form part of these consolidated financial statements.

Notes to the consolidated financial statements
for the financial year ended 31 December 2019

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. The parent company financial statements are prepared in accordance with IFRS and the Companies Act. They were authorised for issue by the Company's board of directors on 18 March 2020.

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.

3. Changes to significant accounting policies

IFRS 16 Leases

The Group has transitioned to IFRS 16 under the modified retrospective method from 1 January 2019, comparative information throughout these financial statements have not been restated to reflect the requirements of the new standard and there is no impact on the opening retained earnings of the group. Additionally, the disclosure requirements in IFRS 16 have not been applied to comparative information.

Previously, the Group classified property leases as operating leases under IAS 17. The Group now assesses whether a contract is or contains a lease based on the new definition of a lease. Under IFRS 16, a contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. On transition, for these leases, lease liabilities were measured at the present value of the remaining lease payments, discounted at the Group's incremental borrowing rate as at 1 January 2019. The Group has elected to measure right-of-use assets at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments.

On transition to IFRS 16, the Group elected to apply the practical expedient to grandfather the assessment of which transactions were leases. It applied IFRS 16 only to contracts that were previously identified as leases. Contracts that were not identified as lease under IAS 17 and IFRIC 4 were not reassessed. Therefore, the definition of a lease under IFRS 16 has been applied only to contracts entered into or changed on or after 1 January 2019.

As a lessee

The Group leases commercial office space. The Group has elected not to recognise right of use assets and lease liabilities for some leases of low value. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

The Group recognises a right of use asset and lease liability at the lease commencement date. The right of use asset is initially measured at cost, and subsequently at cost less any accumulated depreciation and impairment losses and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounting using the Group's incremental borrowing rate.

Notes to the consolidated financial statements *(continued)*
for the financial year ended 31 December 2019

Changes to significant accounting policies *(continued)*
IFRS 16 Leases (continued)

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payments made. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, or as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

The Group has applied judgement to determine the lease term for some lease contracts that include renewal options. The assessment of whether the Group is reasonably certain to exercise such options impacts the lease term, which significantly affects the amount of lease liabilities and right of use assets recognised.

In adopting IFRS 16 the Group has taken advantage of the practical expedients that are applicable. These include:

- Applying a single discount rate to portfolio of leases with similar characteristics.
- The Group has also relied on its previous assessment of whether leases are onerous or not immediately before initial application.
- Leases with a term ending within 12 months of 1 January 2019 have been classified as short-term leases and expensed through the administrative expenses.
- Initial direct costs have been excluded from the measurement of the right of use asset at the date of application

The impact of adopting IFRS 16 at 1 January 2019 was to recognise a right of use asset of £5.9m and a lease liability of £6.1m. As a result of IFRS 16, the Group has recognised depreciation and interest costs instead of operating lease expense. During the year ended 31 December 2019, the Group recognised £1.3m of depreciation charges and £0.4m of interest costs from leases recognised following the adoption of IFRS 16.

For further details on the group's leases see note 29.

Other new standards and improvements

A number of other new standards are also effective from 1 January 2019 but they do not have a material effect on the Group's financial statements.

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 was effective for annual periods beginning on or after 1 January 2019.

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.

New standards and interpretations not yet adopted

A number of new standards, amendments to standards, and interpretations are either not effective for 2019 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.

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.

Notes to the consolidated financial statements *(continued)*
for the financial year ended 31 December 2019

Accounting policies *(continued)*

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 2019 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.

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

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.

Notes to the consolidated financial statements *(continued)*
for the financial year ended 31 December 2019

Accounting policies *(continued)*
Revenue from contracts with customers (continued)

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.

Type of product/service / Segment	Nature of the performance obligations and significant payment terms	Accounting policy
a. Point-of-sale (POS) licenses and support revenue - Ticketing and distribution	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.	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 out of contract liabilities as the customer receives the benefit of the support.
b. Software licenses and the related maintenance and support revenue - Ticketing and distribution and Guest Experience	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. 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.	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.

Notes to the consolidated financial statements *(continued)*
for the financial year ended 31 December 2019

Accounting policies *(continued)*
Revenue from contracts with customers (continued)

Type of product/service	Nature of the performance obligations and significant payment terms	Accounting policy
c. Virtual queuing system - Guest Experience	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.	IFRS 15 focuses on control of the goods or services. Management have determined that the Group is acting as the agent in all queuing contracts as it is the attractions who bring the guest to the parks, control hours of operation and have influence over many aspects of the service we supply. accesso therefore only recognises its portion of the sale as revenue, rather than the full amount of the guest payment.
d. Ticketing and eCommerce revenue – Ticketing and distribution	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.	Ticketing and eCommerce revenue is recognised at the time the ticket is sold or the transaction takes place.
e. Professional services - Ticketing and distribution and Guest Experience	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.	Bespoke professional services work is recognised over time where the Group has enforceable rights to revenue in the event of cancellation. The group recognise revenue over time using the input method (hours/total budgeted hours) when this method best depicts the group's performance of transferring control. For certain customers the output method is adopted where the group's right to consideration corresponds directly with the completed monthly performance obligation, revenue for these customers is recognised in line with the amount of revenue the group is entitled to invoice.
f. Hardware sales - Ticketing and distribution and Guest Experience	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.

Contract assets and contract liabilities

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.

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.

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.

Notes to the consolidated financial statements *(continued)*
for the financial year ended 31 December 2019

Accounting policies *(continued)*

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

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.

Notes to the consolidated financial statements (continued)
for the financial year ended 31 December 2019

Significant accounting policies (continued)

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 an operating segment level before aggregation, 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.

Notes to the consolidated financial statements (continued)
for the financial year ended 31 December 2019

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. The significant intangibles recognised by the Group and their useful economic lives are as follows:

- Trademarks over 10 years
- Patents over 20 years
- Customer relationships and supplier contracts over 1 to 15 years
- Acquired internally developed technology 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 substantially enhancing an asset and:

- 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 (2018: $nil).

Acquired 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 2019

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.

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. Within the company balance sheet the EBT is accounted as an investment held at cost less accumulated impairment. 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.

5. Functional and presentation currency

The presentation currency of the Group is US dollars (USD) in round thousands. 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.

Notes to the consolidated financial statements (continued)
for the financial year ended 31 December 2019

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.

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 determination that assets have been substantially enhanced, thetechnical 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.

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, intangible and investment asset testing

The key assumptions used in the testing of goodwill allocated to operating segments and intangible assets allocated to cash generated units are set out in detail along with sensitivity analysis in note 16.

The investment impairment testing is calculated on a value in use basis and uses the key assumptions relevant to its investments set out in note 16.

Useful economic lives of capitalised development costs

The group amortise the majority of its capitalised development costs over 5 years as this has been deemed by management to be the best reflection of the lifecycle of their technology. If this useful economic life estimate were to be 4 or 6 years the impact on the current year amortisation would be $3,291k higher and $2,116k lower respectively. Management will review this estimate each year to ensure it is reflective of the technologies being developed.

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. The Group has modelled out various contingency plans in response to the uncertainty of the COVID-19 impact including an assumption that a number of theatres, attractions and theme parks across the groups customer base could be closed for an 8 to 10 week period and consider there to be sufficient headroom in the forecasts to mitigate this downside risk. In response to this the group has undertaken a significant cost review exercise and has identified and implemented significant headcount related and suspended other discretionary spend. If the shutdowns were to extend beyond this the business would be able to generate further short-term savings by reducing operating costs more widely, however this could impact the profitability in the medium term.

Notes to the consolidated financial statements (continued)
for the financial year ended 31 December 2019

Financial risk management (continued)

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 2019	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	**18,412**	**1,120**	**1,626**	**-**	**21,158**
Finance leases	29	**846**	**841**	**5,271**	**460**	**7,418**
Bank loan	22	**-**	**-**	**15,979**	**-**	**15,979**
Total		**19,258**	**1,961**	**22,876**	**-**	**44,555**
Company						
Financial liabilities	21	**10,786**	**-**	**-**	**-**	**10,786**
Finance leases	29	**75**	**81**	**693**	**130**	**979**
Bank loan	22	**-**	**-**	**15,979**	**-**	**15,979**
Total		**10,861**	**81**	**16,672**	**130**	**27,744**

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

Notes to the consolidated financial statements (continued)
for the financial year ended 31 December 2019

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 2019	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	-	-	21,293	21,293	-
Financial assets – contract assets	9			9,580	9,580	
Cash		-	2,714	13,491	16,205	-
Total		-	2,714	44,364	47,078	-
Bank loan	22	-	15,979	-	-	15,979
Total		-	15,979	-	-	15,979
Company						
Financial assets - Intercompany loan	20	82,950	-	-	82,950	
Financial assets – trade and other receivables	20		-	6,119	6,119	-
Financial assets – contract assets	9	-	-	4,391	4,391	-
Cash		-	-	3,780	3,780	-
Total		82,950	-	14,290	97,240	-
Bank loan	22	-	15,979	-	-	15,979
Total		-	15,979	-	-	15,979

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	-	-	16,323	16,323	-
Financial assets – contract assets	9			8,143	8,143	
Cash		-	4,271	16,433	20,704	-
Total		-	4,271	40,899	45,170	-
Bank loan	22	-	20,466	-	-	20,466
Total		-	20,466	-	-	20,466
Company						
Financial assets - Intercompany loan	20	85,810	-	-	85,810	
Financial assets – trade and other receivables	20	-	-		11,790	-
Financial assets – contract assets	9			4,909	4,909	
Cash		-	-	3,311	3,311	-
Total		85,810	-	23,426	105,820	-
Bank loan	22	-	20,466	-	-	20,466
Total		-	20,466	-	-	20,466

Notes to the consolidated financial statements (continued)
for the financial year ended 31 December 2019

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	
		2019	2018	**2019**	2018
	Note	**$000**	$000	**$000**	$000
Financial assets – intercompany loan	20	**-**	-	**84,564**	85,810
Financial assets – trade and other receivables	20	**21,293**	16,559	**6,497**	15,206
Financial assets – contract assets	9	**9,580**	8,143	**4,391**	4,909
Cash	28	**16,205**	20,704	**3,780**	3,311
Estimated irrecoverable amounts		**(218)**	(236)	**(1,992)**	-
		46,857	45,170	**97,240**	109,236

The maximum exposure is the carrying amount as disclosed in trade and other receivables. The average credit period taken by customers is 56 days (2018: 48 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.

No expected credit losses have been recognised on contract assets as these are not considered material.

The following table provides an analysis of trade and other receivables that were past due at 31 December 2019 and 31 December 2018, 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	
	2019	2018	**2019**	2018
	$000	$000	**$000**	$000
Up to 3 months	**3,546**	3,659	**529**	661
3 to 6 months	**156**	559	**-**	438
	3,702	4,218	**529**	1,099

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 2019

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 and only reside in accesso Technology Group plc company only. Balances at 31 December 2019 are (in ’000s):

$129 (2018: $742) denominated in US dollars
AUD$9 (2018: AUD$9) denominated in Australian dollars
€320 (2018: €307) denominated in euros
Kr1,113 (2018: Kr1,654) 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 = 1.2772USD (2018: 1GBP = 1.3359USD). In light of the UK’s departure from the EU which formally completes on 31 December 2020 at the end of the transition period 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 decreased Group loss before tax by $380,898 – 0.66% (2018, increased the Group profit before tax) - $252,060 - 4.87%). If sterling had been an average of 5% weaker than the dollar through the year then it would have increased Group loss before tax by $283,491 - 0.49% (2018, decreased the Group profit before tax - $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’s segmental disclosure continues to align with its organisational structure and how the CODM review and make decisions about resources to be allocated to the segments. During 2019 the ticketing group continued to be 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.

The Group’s Ticketing and Distribution operating segment comprises the following products:

- *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.

Notes to the consolidated financial statements (continued)
for the financial year ended 31 December 2019

Business and geographical segments (continued)

The Group's virtual queuing solution (*accesso LoQueue*) and experience management platform (The Experience Engine '*TE2*') are headed by segment managers who 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.

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 CODM monitors the results of the operating segments prior to charges for interest, depreciation, tax, amortisation and non-recurring 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.

	2019 **$000**	2018 $000
Ticketing and Distribution	**79,334**	78,550
Guest Experience	**37,848**	40,197
Total revenue	**117,182**	118,747

Notes to the consolidated financial statements (continued)
for the financial year ended 31 December 2019

Business and geographical segments (continued)

Year ended 31 December 2019	**Ticketing and Distribution $000**	**Guest Experience $000**	**Central unallocated costs $000**	**Group $000**
Adjusted EBITDA (*) (**)	34,056	16,989	(22,840)	28,205
Depreciation and amortisation (excluding acquired intangibles) (**)				(16,014)
Aborted sale process costs				(305)
Deferred and contingent payments				(1,416)
Amortisation related to acquired intangibles				(11,286)
Impairment related to TE2				(53,617)
Share-based payments				(1,845)
Finance income				21
Finance expense (**)				(1,324)
Loss before tax				(57,581)

Year ended 31 December 2018 (restated)	**Ticketing and Distribution $000**	**Guest Experience $000**	**Central unallocated costs $000**	**Group $000**
Adjusted EBITDA (*)	30,805	19,256	(15,306)	34,755
Depreciation and amortisation (excluding acquired intangibles)				(9,624)
Acquisition expenses				(1,703)
Deferred and contingent payments (See note 10)				(4,131)
Amortisation related to acquired intangibles				(11,740)
Share-based payments				(2,245)
Finance income				37
Finance expense				(1,127)
Profit before tax				4,222

(*) Adjusted EBITDA is calculated as operating profit before the deduction of amortisation, impairment of intangible assets, depreciation, acquisition costs, deferred and contingent payments, and costs related to share-based payments

(**) The Group initially applied IFRS 16 at 1 January 2019, which requires the recognition of right-of-use assets and lease liabilities for lease contracts that were previously classified as operating leases (see Note 29). As a result, the Group recognised $5.8m of right-of-use assets and $6.1m of liabilities from those lease contracts together with interest and depreciation of $0.4m and $1.3m respectively.

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**	
	2019 $000	2018 $000	**2019 $000**	2018 $000
UK	27,547	29,963	29,346	37,616
Other Europe	4,044	2,900	7	3
Australia/South Pacific	3,710	4,568	221	169
USA and Canada	78,655	77,595	121,915	163,046
Central and South America	3,226	3,721	447	221
	117,182	118,747	151,936	201,055

Notes to the consolidated financial statements (continued)
for the financial year ended 31 December 2019

Business and geographical segments (continued)

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 $23.7m of Group revenue for 2019 (2018: $20.2m). Another customer within the Guest Experience segment accounted for $9.6m of group revenue in 2019 (2018: $12.m). The customer of an attraction operator within the Ticketing and Distribution segment accounted for $13.6m (2018: $14.7m).

9. Revenue

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 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.

Notes to the consolidated financial statements (continued)
for the financial year ended 31 December 2019

Revenue (continued)

	Year ended 31 December 2019			Year ended 31 December 2018		
	Ticketing and Distribution $000	Guest Experience $000	Group $000	Ticketing and Distribution $000	Guest Experience $000	Group $000
Primary geographic markets						
UK	**25,500**	**2,047**	**27,547**	27,463	2,500	29,963
Other Europe	**1,859**	**2,185**	**4,044**	938	1,962	2,900
Australia/South Pacific/Asia	**2,942**	**768**	**3,710**	4,277	291	4,568
USA and Canada	**45,987**	**32,668**	**78,655**	42,331	35,264	77,595
Central and South America	**3,046**	**180**	**3,226**	3,541	180	3,721
	79,334	**37,848**	**117,182**	78,550	40,197	118,747
Product type						
Licence fees	**3,496**	**-**	**3,496**	6,623	2,963	9,586
Support and maintenance	**8,742**	**-**	**8,742**	8,393	-	8,393
Platform fees		**1,149**	**1,149**			
Virtual queuing	**-**	**24,687**	**24,687**	-	21,637	21,637
Ticketing and eCommerce	**60,909**	**-**	**60,909**	57,100	980	58,080
Professional services	**2,928**	**11,859**	**14,787**	4,014	12,672	16,686
Hardware	**2,491**	**8**	**2,499**	1,533	1,677	3,210
Other	**768**	**145**	**913**	887	268	1,155
	79,334	**37,848**	**117,182**	78,550	40,197	118,747
Timing of transfer of goods and services						
Point in time licence fees	**3,496**	**-**	**3,496**	6,623	2,963	9,586
Point in time virtual queuing/ticketing/platform fees/hardware/other	**63,400**	**25,844**	**89,244**	57,100	22,617	79,717
Over time maintenance, support and professional services	**12,438**	**12,004**	**24,442**	14,827	14,617	29,444
	79,334	**37,848**	**117,182**	78,550	40,197	118,747
Revenue included within point in time licence fees above related to the exercise or lapse of renewal rights	**1,840**	**-**	**1,840**	1,953	-	1,953

Contract balances

The following tables provide information about receivables and contract assets arising from contracts with customers.

	Group			Company		
	Non current $000	Current $000	Total $000	Non current $000	Current $000	Total $000
At 31 December 2018	5,141	3,337	8,478	3,723	1,186	4,909
At 31 December 2019	**3,654**	**5,926**	**9,580**	**2,904**	**1,487**	**4,391**

Breakdown of Contract assets at 31 December 2019

	Group $000	Company $000
Unbilled and accrued income	9,185	4,391
Contract commissions	375	-
Capitalised contract costs	20	-
	9,580	4,391

Notes to the consolidated financial statements (continued)
for the financial year ended 31 December 2019

Revenue (continued)

Breakdown of Contract assets at 31 December 2018

	Group $000	Company $000
Unbilled and accrued income	8,143	4,909
Contract commissions	335	-
	8,478	4,909

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 following tables provide information about contract liabilities arising from contracts with customers.

	Group			Company		
	Non current $000	Current $000	Total $000	Non current $000	Current $000	Total $000
At 31 December 2018	2,412	7,093	9,505	616	282	898
At 31 December 2019	**1,823**	**7,299**	**9,122**	**471**	**316**	**787**

Transfers of contract liabilities to revenue during the period were $10.3m Group, Company $332k (2018 - $10m Group, Company $266k).

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 2019 or 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 2019 or 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:

	31 December 2019		31 December 2018	
	Less than 1 year $000	Between 1 and 5 years $000	Less than 1 year $000	Between 1 and 5 years $000
Material rights over discounted licence fee renewal	**1,617**	**1,278**	2,097	1,651

Notes to the consolidated financial statements (continued)
for the financial year ended 31 December 2019

Employees and directors

10. Employees and directors

	2019	2018 Restated
	$000	$000
Wages and salaries	**49,963**	47,555
Deferred compensation related to acquisitions – Restated 2018 – see note 30	**1,416**	4,131
Social security costs	**3,925**	4,075
Defined contribution pension costs	**1,706**	1,348
Share-based payment transactions	**1,845**	2,245
	58,855	59,354

Headcount

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

	2019	2018
Operations	**191**	170
Research & development	**242**	227
Sales & marketing	**48**	62
Finance & administration	**87**	59
Seasonal staff	**477**	406
	1,045	924

Notes to the consolidated financial statements (continued)
for the financial year ended 31 December 2019

Employees and directors (continued)

Key management compensation

The key management of the company in 2019 are considered to be the Executive directors, the three respective presidents of Ticketing and Distribution, *accesso LoQueue* and The Experience Engine (*TE2*) and the Chief Operating Officer who joined 31 May 2019. Their remuneration is as follows.

	2019 $000	2018 (restated) $000
Salary	**1,750**	1,879
Bonus	**462**	-
Short term-non-monetary benefits	**99**	97
Contribution to retirement scheme	**72**	62
Employer's social security costs	**67**	561
Share-based payments	**246**	513
Deferred compensation treated as remuneration expense- Restated 2018*	**832**	2,710
	3,528	5,819

*See note 30.

Directors emoluments, details of share options exercised and outstanding and pension contribution are disclosed on page 30 in the directors' remuneration report and form part of these audited financial statements. 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.

11. Expenses by nature

	2019 $000	2018 $000
Park operating costs	**8,309**	6,557
Depreciation - owned assets	**1,694**	1,519
Depreciation – right of use assets	**1,320**	-
Amortisation of intangible assets	**24,286**	19,845
Impairment of intangible assets	**53,617**	
Foreign exchange (gain) / loss	**(123)**	304
Research and development gross spend	**33,545**	29,403
Research and development capitalized to balance sheet (note 16)	**(21,998)**	(21,100)
Research and development recognized in operating profit	**11,547**	8,303

Auditor's remuneration

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

	2019 $000	2018 $000
Audit services		
Fees payable to the company's auditors of the parent company and consolidated accounts	**234**	132
Fees payable to the company's auditors for the audit of subsidiaries	**260**	136
Non-audit services		
Tax compliance	**154**	6
Tax advisory	**139**	104
Corporate finance	**-**	530
Audit-related assurance services	**-**	9
	787	917

Notes to the consolidated financial statements (continued)
for the financial year ended 31 December 2019

12. Finance income and expense

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

	2019 $000	2018 $000
Finance income:		
Bank interest received	**21**	23
Interest received from customers	**-**	14
Total finance income	**21**	37
Finance costs:		
Bank interest	**(813)**	(687)
Amortisation of capitalised refinance costs	**(82)**	(110)
Interest expense associated with contingent and deferred compensation	**-**	(330)
Finance lease (note 29)	**(429)**	-
Total finance costs	**(1,324)**	(1,127)
Net finance expense	**(1,303)**	(1,090)

13. Tax

The table below provides an analysis of the tax charge for the periods ended 31 December 2019 and 31 December 2018:

	2019 $000	2018 Restated (note 30) $000
UK corporation tax		
Current tax on income for the period	**1,854**	2,498
Adjustment in respect of prior periods	**6**	(457)
	1,860	2,041
Overseas tax		
Current tax on income for the period	**230**	607
Adjustment in respect of prior periods	**49**	(537)
	279	70
Total current taxation	**2,139**	2,111
Deferred taxation		
Original and reversal of temporary difference - for the current period	**(9,037)**	(670)
Impact on deferred tax rate changes	**-**	(483)
Original and reversal of temporary difference - for the prior period	**(87)**	929
	(9,124)	(224)
Total taxation (benefit)/ charge	**(6,985)**	1,887

Notes to the consolidated financial statements (continued)
for the financial year ended 31 December 2019

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:

	2019 $000	2018 Restated see note 30 $000
Profit on ordinary activities before tax (Restated – see note 30)	**(57,581)**	4,222
Tax at United States tax rate of 24% (2018: 24%)	**(13,820)**	1,013
Effects of:		
Adjustments in relation to prior periods (see note 30)	**-**	1,965
Expenses not deductible for tax purposes (2018 Restated for tax effect of additional deferred consideration charge of $955k)	**615**	1,498
Goodwill impairment not deductible	**4,177**	-
Additional deduction for patent box	**-**	(25)
Profit subject to foreign taxes at a lower marginal rate	**440**	(137)
Adjustment in respect of prior period – income statement	**(32)**	(64)
Share options	**748**	35
Impact of rate changes	**-**	(483)
Withholding tax credit	**-**	(61)
Recognition of Uncertain Tax Positions	**897**	-
Other	**(10)**	111
Total tax (benefit) /charge	**(6,985)**	3,852

Deferred taxation	**Asset** **$000**	**Liability** **$000**
Group		
At 31 December 2017	**8,937**	**(14,629)**
Credited/(charged) to income (restated)	**1,305**	**(2,967)**
Credited directly to equity (restated)	**(2,243)**	**-**
At 31 December 2018 (restated)	**7,999**	**(17,596)**
Charged to income	**2,194**	**6,930**
Credited directly to equity	**(1,584)**	**-**
Foreign currency translation	**38**	**(112)**
At 31 December 2019	**8,647**	**(10,778)**
Company (restated – see note 30)		
At 31 December 2017	**353**	**812**
Charged to income	**1**	**(527)**
Credited directly to equity	**(966)**	**-**
Netted against the asset	**612**	**(612)**
At 31 December 2018	**-**	**(327)**
(Credited)/charged to income	**(83)**	**389**
Credited directly to equity	**(433)**	**-**
Foreign currency translation	**20**	**(30)**
Netted against the asset	**496**	**(496)**
At 31 December 2019	**-**	**(464)**

Notes to the consolidated financial statements (continued)
for the financial year ended 31 December 2019

Tax (continued)

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

	2019 $000	2018 (restated) $000
Group		
Recognised asset		
Tax relief on unexercised employee share options	**455**	2,443
Short term timing differences	**696**	658
Net operating losses & tax credits	**5,010**	3,654
S163(j) US interest disallowance	**2,486**	1,244
Deferred tax asset	**8,647**	7,999

	2019 $000	2018 (restated) $000
Recognised liability		
Capital allowances in excess of depreciation	**(7,651)**	(8,627)
Uncertain tax positions	**(635)**	
Short term timing differences	**(182)**	(92)
Business combinations	**(2,310)**	(8,877)
Deferred tax liability	**(10,778)**	(17,596)
Company		
Recognised asset		
Tax relief on unexercised employee share options	**128**	623
Short term timing differences	**7**	2
Offset against Company deferred tax asset	**(135)**	(625)
Deferred tax asset	**-**	-
Recognised liability		
Capital allowances in excess of depreciation	**(599)**	(952)
Offset against Company deferred tax asset	**135**	625
Deferred tax liability	**464**	(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 periods, 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 2019. 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.

Tax (continued)

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.

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 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 $0.6m (2018: $0.0 million) in relation to transfer pricing risks and $0.3 million (2018: $0.0 million) in relation to availability of tax losses and international R&D claims.

14. Result 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 loss for the financial year ended 31 December 2019 was $20.9m (2018: Restated profit of $6.6m see note 30).

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, impairment of intangible assets, acquisition costs, deferred and contingent consideration linked to continued employment, and costs related to share-based payments, less tax at the effective rate on tax impacted items.

Notes to the consolidated financial statements (continued)
for the financial year ended 31 December 2019

Earnings per share (continued)

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

	2019	2018 (Restated)
(Loss) / Profit attributable to ordinary shareholders ($000)*	**(50,596)**	370
Basic EPS		
Denominator		
Weighted average number of shares used in basic EPS	**27,459**	26,905
Basic (loss)/earnings per share (cents)	**(184.26)**	1.38
Diluted EPS		
Denominator		
Weighted average number of shares used in basic EPS	**27,459**	26,905
Effect of dilutive securities		
Options	**406**	709
Deferred share consideration on business combinations	**17**	421
Weighted average number of shares used in diluted EPS	**27,882**	28,035
Diluted (loss)/earnings per share (cents)	**(184.26)**	1.32

*See note 30 for 2018 prior year restatement.

The Group has made a loss in the year, and therefore the options and equity settled deferred consideration are anti-dilutive. As a result, basic and diluted earnings per share are presented on the same basis for the year ended 31 December 2019.

	2019 $000	2018 $000 (Restated)
Adjusted EPS		
Profit attributable to ordinary shareholders ($000) (2018 restated*)	**(50,596)**	370
Adjustments for the period related to:		
Amortisation relating to acquired intangibles from acquisitions	**11,286**	11,740
Impairment of goodwill	**17,403**	-
Impairment of intangible assets	**36,214**	-
Interest expense related to deferred and contingent liabilities	**-**	331
Acquisition expenses (including debt arrangement fees)	**305**	1,703
Deferred and contingent consideration linked to employment – (2018 restated*)	**1,416**	4,131
Share-based compensation and social security costs on unapproved options	**1,845**	2,245
	17,873	20,520
Net tax related to the above adjustments (2019: 19.1%, 2018: 18.8%):	**(9,420)**	(2,689)
Adjusted profit attributable to ordinary shareholders ($000)	**8,453**	17,831

* See note 30 for 2018 profit restatement.

	2019	2018
Adjusted profit attributable to ordinary shareholders ($000)	**8,453**	17,831
Adjusted basic EPS		
Denominator		
Weighted average number of shares used in basic EPS	**27,459**	26,905
Adjusted basic earnings per share (cents)	**30.78**	66.27
Adjusted diluted EPS		
Denominator		
Weighted average number of shares used in diluted EPS	**27,882**	28,035
Adjusted diluted earnings per share (cents)	**30.32**	63.60

Notes to the consolidated financial statements (continued)
for the financial year ended 31 December 2019

Earnings per share (continued)

453,665 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 2019 (2018: 137,432).

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	Acquired internally developed intellectual property $000	Patent & IPR costs $000	Development costs $000	Totals $000
Cost							
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**
Foreign currency translation	**646**	**-**	**-**	**40**	**32**	**591**	**1,309**
Additions	**-**	**-**	**-**	**-**	**1**	**21,998**	**21,999**
Disposals	**-**	**-**	**-**	**-**	**(3)**	**(2,765)**	**(2,768)**
At 31 December 2019	**116,790**	**18.314**	**1,841**	**53,021**	**762**	**77,850**	**268,578**
Amortisation							
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**
Foreign currency translation	**-**	**(36)**	**(33)**	**(163)**	**28**	**482**	**278**
Charged	**-**	**2,468**	**139**	**8,679**	**97**	**12,903**	**24,286**
Impairment	**17,403**	**3,648**	**1,027**	**16,348**	**-**	**15,191**	**53,617**
Disposal	**-**	**-**	**-**	**-**	**-**	**(2,765)**	**(2,765)**
At 31 December 2019	**17,403**	**13,276**	**1,821**	**49,408**	**632**	**43,582**	**126,122**
Net book value							
At 31 December 2019	**99,387**	**5,038**	**20**	**3,613**	**130**	**34,268**	**142,456**
At 31 December 2018	116,144	11,118	1,153	28,437	225	40,255	197,332

Notes to the consolidated financial statements (continued)
for the financial year ended 31 December 2019

Intangible assets (continued)

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 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
Foreign currency translation	**1**	**463**	**464**
Additions	**25**	**1,579**	**1,604**
Disposals	**(3)**	**(2,765)**	**(2,768)**
At 31 December 2019	**583**	**12,242**	**12,825**
Amortisation			
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
Foreign currency translation	**21**	**262**	**283**
Charged	**33**	**2,191**	**2,224**
Disposals	**-**	**(2,765)**	**(2,765)**
At 31 December 2019	**475**	**6,396**	**6,871**
Net Book Value			
At 31 December 2019	**108**	**5,846**	**5,954**
At 31 December 2018	139	6,257	6,396

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.

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 reorganised their business into three operating segments and continue to monitor goodwill at this level, comprising Ticketing and Distribution, *accesso LoQueue* and *The Experience Engine* ('*TE2*').

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 ($6.5m) and *accesso LoQueue* ($28.5m) 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 2019

Intangible assets (continued)

The carrying amount of goodwill is allocated as follows:

	2019 $000	2018 $000
Ticketing and Distribution *	**70,887**	**70,241**
LoQueue **	**28,500**	**28,500**
The Experience Engine TE2	**-**	**17,403**
	99,387	**116,144**

* 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

Impairment of The Experience Engine ('TE2') – Cash Generating Unit 4 (CGU4) and Operating Segment

The recoverable amount of CGU4 which also represents its own Operating Segment was based on a value in use, estimated using discounted cash flows. The key assumptions used in the estimation of the recoverable amount are set out below. The values assigned to the key assumptions represent management's assessment of the expected performance of TE2 combined with historical data from both external and internal sources are set out in the table below.

The discount rate was a pre-tax measure estimated based on comparable listed company gearing and capital structures, an equity risk premium and a 20 year risk-free rate applicable to the US, small stock premium relative to the market and size of business and an appropriate cost of debt relative to market conditions. The pre-tax discount rate has increased by 2.7% to 14.4% to take account of increased forecasting accuracy risk.

The cash flow projections included specific estimates for three years and a 2% terminal growth rate thereafter. The terminal growth rate was determined based on management's estimate of the long-term compound annual growth rate relative to the US market, consistent with the assumptions that a market participant would make.

Average EBITDA during the forecast period was estimated taking into account past experience and had been significantly de-risked from the previous impairment test to reflect current performance. *TE2* performed below management expectations in 2019 which has required the estimated EBITDA growth assumption to move to 2%.

The estimated recoverable amount of *TE2* is negative and consequently the carrying amount of all its intangible assets have been impaired to nil with a charge of $46.6m charged to administrative expenses, its remaining assets consist of working capital and a right of use property asset which have a carrying amount that is determined to be reflective of fair value. This impairment is not sensitive to plausible changes in key assumptions.

Impairment of Ingresso Group Limited intangible assets (CGU 3)

The recoverable amount of CGU3's allocated intangible assets, excluding goodwill, (which is part of the Ticketing and Distribution Operating Segment) was tested for impairment based on a value in use method over a period that reflected the useful life of the essential assets, being the acquired internally developed intellectual property and development costs of five years. The key assumptions used in the estimation of the recoverable amount are set out in the table below.

The discount rate was a pre-tax measure estimated based on comparable listed company gearing and capital structures, an equity risk premium and a 20 year risk-free rate applicable to the UK, small stock premium relative to the market and size of business and an appropriate cost of debt relative to market conditions. The pre-tax discount rate has increased by 3.2% to 13.4% to take account of increased forecasting accuracy risk.

The cash flow projections included specific estimates for 3 years per management approved forecasts plus 2 extrapolated years at growth rates of 2% which is consistent with the terminal values utilised by the group, no terminal value was applied thereafter.

Notes to the consolidated financial statements (continued)
for the financial year ended 31 December 2019

Intangible assets (continued)

Average EBITDA during the forecast period was estimated taking into account past experience and had been significantly de-risked from the previous impairment test to reflect current performance. *Ingresso* performed below expectations which has led to a revised growth rate of 23.4%.

If the discount rate were to be increased by 1% the impairment would increase by $220k, if the EBITDA growth during the forecast period were reduced by 1% the impact would be an increased impairment of $100k.As a consequence of this test the carrying value of the Ingresso allocated assets was reduced by $7.0m, which included intangible assets as set out below.

The below table sets out the intangible asset impairments recorded within the Guest Experience and Ticketing and Distribution segments:

	2019 Guest Experience	2019 Ticketing and Distribution	2019 Total
	$000	$000	$000
Goodwill	17,403	-	**17,403**
Intangible assets	29,222	6,992	**36,214**
Impairment charge recorded within administrative expense	46,625	6,992	**53,617**

The key assumptions used in the value in use calculations are as follows:

	2019	2018
Pre-tax discount rate (%)		
accesso, LLC & Siriusware, Inc. (CGU 1)	**14.4%**	11.7%
VisionOne Worldwide Limited and its subsidiaries (CGU 2)	**14.4%**	11.7%
Ingresso Group Limited and subsidiaries (CGU 3)	**13.4%**	10.2%
The Experience Engine (CGU 4)	**14.4%**	11.7%
LoQueue ** (CGU 5)	**14.4%**	11.7%
Average EBITDA growth rate during forecast period (average %)		
accesso, LLC & Siriusware, Inc. (CGU 1)	**10.7%**	18.5%
VisionOne Worldwide Limited and its subsidiaries (CGU 2)	**26.3%**	7.9%
Ingresso Group (CGU 3)	**23.4%**	68.2%
The Experience Engine (CGU 4)	**2%**	31.2%
LoQueue ** (CGU 5)	**12.8%**	8.4%
Terminal growth rate (%)		
accesso, LLC & Siriusware, Inc. (CGU 1)	**2.0%**	3.0%
VisionOne Worldwide Limited and its subsidiaries (CGU 2)	**2.0%**	3.0%
Ingresso Group (CGU 3)	**2.0%**	3.0%
The Experience Engine (CGU 4)	**2.0%**	3.0%
LoQueue ** (CGU 5)	**2.0%**	2.5%
Period on which detailed forecasts based (years)		
accesso, LLC & Siriusware, Inc. (CGU 1)	**3**	5
VisionOne Worldwide Limited and its subsidiaries (CGU 2)	**3**	5
Ingresso Group (CGU 3)	**3**	5
The Experience Engine (CGU 4)	**3**	5
LoQueue ** (CGU 5)	**3**	5

** 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 2019

Intangible assets (continued)

Operating margins have been based on experience, where possible, and future expectations in the light of anticipated economic and market conditions. Growth rates beyond the formally budgeted period are based on economic data pertaining to the region concerned.

The discount rates applied to all CGUs was a pre-tax measure estimated based on comparable listed company gearing and capital structures, an equity risk premium and a 20 year risk-free rate applicable to the country, small stock premium relative to the market and size of business and an appropriate cost of debt relative to market conditions.

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 2019.

	Ticketing and Distribution*		**accesso LoQueue****		**The Experience Engine**	
	2019	2018	**2019**	2018	**2019**	2018
Pre-tax discount rate	**Increase by 1.5%**	Increase by 14.9%	**Increase by 33.6%**	Increase by 11.2%	**N/A**	Increase by 4.5%
EBITDA Growth rate during detailed forecast period (average)	**Reduce by 7.7%**	Reduce by 42.5%	**Reduce by 68.0%**	Reduce by 39.2%	**N/A**	Reduce by 28.3%
Terminal growth rate	**Reduce by 1.3%**	Reduce by 18%	**Reduce by 33.5%**	Reduce by 16.2%	**N/A**	Reduce by 4.7%
Excess over carrying value ($000)	**$16,887**	$323,790	**$76,176**	$66,336	**$Nil**	$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

Development costs not yet available for use

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:

	2019 **$000**	2018 $000
accesso, LLC & Siriusware, Inc. (CGU 1)	**3,069**	1,790

Notes to the consolidated financial statements (continued)
for the financial year ended 31 December 2019

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 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**
Foreign currency translation	**93**	**44**	**33**	**-**	**170**
Additions	**926**	**708**	**311**	**-**	**1,945**
Disposals	**(1,240)**	**(1,047)**	**(283)**	**(922)**	**(3,492)**
At 31 December 2019	**4,466**	**3,619**	**2,253**	**505**	**10,843**
Depreciation					
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**
Foreign currency translation	**87**	**4**	**20**	**-**	**111**
Charged	**537**	**751**	**321**	**85**	**1,694**
Disposals	**(1,054)**	**(981)**	**(272)**	**(918)**	**(3,225)**
At 31 December 2019	**3,482**	**2,139**	**1,214**	**242**	**7,077**
Net book value					
At 31 December 2019	**984**	**1,480**	**1,039**	**263**	**3,766**
At 31 December 2018	**775**	**1,549**	**1,047**	**352**	**3,723**

Notes to the consolidated financial statements (continued)
for the financial year ended 31 December 2019

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 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**
Foreign currency translation	**93**	**38**	**21**	**152**
Additions	**7**	**157**	**14**	**178**
Disposals	**(270)**	**(93)**	**-**	**(363)**
At 31 December 2019	**2,992**	**1,189**	**672**	**4,853**
Depreciation				
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**
Foreign currency translation	**88**	**16**	**10**	**114**
Charged	**131**	**200**	**97**	**428**
Disposals	**(141)**	**(93)**	**-**	**(234)**
At 31 December 2019	**2,983**	**727**	**356**	**4,066**
Net book value				
At 31 December 2019	**9**	**462**	**316**	**787**
At 31 December 2018	**257**	**483**	**388**	**1,128**

Notes to the consolidated financial statements (continued)
for the financial year ended 31 December 2019

Investments (continued)

18. Investments

Investment in subsidiaries
The investment balance on the company's books at 31 December 2019 is as detailed below:

	$000 Restated
Cost	
At 31 December 2018 – restated see below.	**78,766**
Capital contribution to Chinese subsidiary	99
Capitalisation of intercompany loan balance with US subsidiary	10,203
Impairment of investment in UK subsidiary	(21,239)
Impairment of investment in US subsidiary	(571)
Investment in subsidiary	3,101
Foreign currency translation	2,439
At 31 December 2019	**72,798**
Cost	
At 31 December 2017	73,353
Investment in subsidiary restatement	*4,017*
Restated at 31 December 2017	77,370
Capital contribution to Chinese subsidiary	50
Investment in subsidiary restatement	*5,637*
Foreign currency translation	(4,291)
At 31 December 2018 restated – see note 30	**78,766**

Investment impairment sensitivity

The subsidiary impairment was calculated based on a value in use model using the Ingresso inputs as set out in note 14. If the discount rate were to be increased by 1% the impairment would be increased by $950k, if the EBITDA during the forecast period were to reduce by 1% the impairment would increase by $200k.

Name		Country of incorporation	% Ownership interest	% Voting Rights
Lo-Q, Inc. (1)	(16)	United States of America	100	100
Lo-Q Service Canada Inc (1)	(16)	Canada	100	100
Lo-Q (Trustees) Limited (2)	(17)	United Kingdom	100	100
accesso, LLC. (3)	(17)	United States of America	100	100
Siriusware, Inc. (4)	(17)	United States of America	100	100
Lo-Q Limited (5)	(17)	United Kingdom	100	100
VisionOne Worldwide Limited (6)	(16)	British Virgin Islands	100	100
VisionOne, Inc. (7)	(17)	United States of America	100	100
VisionOne S.A. de C.V. (8)	(17)	Mexico	100	100
ShoWare Brazil Ltda (9)	(17)	Brazil	100	100
VisionOne do Brazil Ltda (9)	(17)	Brazil	100	100
Accesso Australia PTY Limited (10)	(16)	Australia	100	100
Blazer and Flip Flops Inc (11)	(17)	United States of America	100	100
Ingresso Group Limited (12)	(16)	United Kingdom	100	100
accesso Netherlands BV (13)	(17)	Netherlands	100	100
Accesso (Shanghai) Co., Ltd (14)	(16)	China	100	100
Ingresso US Inc (15)	(17)	United States of America	100	100

All shares owned are ordinary shares.

Notes to the consolidated financial statements (continued)
for the financial year ended 31 December 2019

Investments (continued)

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 5260 N Palm Ave, #229, Fresno, CA 93704, USA
(8) Registered address of Montecito #38, Piso 42 Oficinas 12 Colonia Napoles, 03810, Mexico City, Mexico, D.F.
(9) Registered address of Rua Joaquim Floriano, no. 888, Suite 1003/1004, Itaim Bibi, CEP 04534-003, Sao Paulo, Sao Paulo, Brazil
(10) Registered address of L36, 1 Farrer Place, Sydney, 2000, NSW, Australia
(11) Registered address of 4660 La Jolla Village Dr, Suite 620, San Diego, CA 92122
(12) Registered address of Unit 5, The Pavilions, Ruscombe Park, Twyford, Berkshire RG10 9NN, UK
(13) Registered address of Butterwick 1, London, W6 8DL, UK
(14) Registered address of No.778, Chuangxin West Road, FTA, Shanghai, China
(15) Registered address of 19C Trolley Square, Wilmington, Delaware, DE 19806, USA
(16) Wholly owned subsidiary directly by accesso Technology Group plc
(17) Owned through wholly owned subsidiary of accesso Technology Group plc

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 31.

19. Inventories

	Group		Company	
	2019	2018	**2019**	2018
	$000	$000	**$000**	$000
Stock	**932**	888	**205**	339
Park installation	**72**	195	**-**	-
	1,004	1,083	**205**	339

The amount of inventories recognised as an expense and charged to cost of sales for the year ended 31 December 2019 was $408,140 (2018: $1,032,000). 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 2019

20. Trade and other receivables

	Group		Company	
	2019	2018	**2019**	2018 Restated see note 30
	$000	$000	**$000**	$000
Trade debtors	**20,214**	15,806	**2,932**	3,223
Social security and other taxes	**-**	1	**-**	-
Other debtors	**1,079**	516	**587**	67
Amounts owed by Group undertakings	**-**	-	**2,600**	8,500
Financial assets	**21,293**	16,323	**6,119**	11,790
Non-current amounts owed by Group undertakings	**-**	-	**82,950**	79,572
Financial assets	**21,293**	16,323	**89,069**	91,362
Prepayments	**2,383**	2,510	**567**	485
	23,676	18,833	**6,686**	91,847

The Group's financial assets are short term in nature. In the opinion of the directors, the book values equate to their fair value. No expected credit losses have been recognised on accrued income, contract assets or other debtors as these are not considered material.

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	
	2019	2018	**2019**	2018
	$000	$000	**$000**	$000
Current				
Trade creditors	**20,200**	20,270	**10,764**	2,096
Current other creditors	**928**	2,959	**22**	162
	21,128	23,229	**10,786**	2,258
Non-current other creditors	**30**	543	**-**	-
Financial liabilities	**21,158**	23,772	**10,786**	2,258
Social security and other taxes	**1,539**	712	**332**	464
Accruals	**9,144**	4,915	**1,644**	1,333
	31,811	29,399	**12,762**	4,055

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 $0.5m at 31 December 2019 (2018: $1.5m) 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 2019

22. Borrowings

	Group		Company	
	2019	2018	**2019**	2018
	$000	$000	**$000**	$000
Bank loans	**15,979**	20,466	**15,979**	20,466
Arrangement fees, less amortised cost	**(128)**	(242)	**(128)**	(242)
	15,851	20,224	**15,851**	20,224

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 both 2018 and 2019.

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.

On 6 March 2020 the group extended its $30m revolving credit facility with Lloyds Bank plc from 30 March 2021 to 31 March 2022 at a 2.50% margin for 6 month to September 2020, increasing to 2.75% for 6 months to 31 March 2021, and 3.00% for the final year of the facility. There is a 40% margin for the undrawn element of the revolving credit facility.

23. Called up share capital

	2019		2018	
Ordinary shares of 1p each	**Number**	**$000**	Number	$000
Opening balance	**27,117,995**	**421**	26,375,748	411
Issued in relation to exercised share options	**204,186**	**2**	719,277	9
Issued in relation to Ingresso share subscription	**-**	**-**	22,970	1
Issued in relation to deferred acquisition consideration	**320,641**	**4**	-	-
Closing balance	**27,642,822**	**427**	27,117,995	421

During the period, 204,186 shares (2018: 719,277 shares), with a nominal value $1,552 (2018: $9,494), were allotted following the exercise of share options.

In addition during 2019, 320,641 shares were issued in respect of the deferred acquisition consideration to certain employees of Blazer and Flip Flops Inc for a nominal value of $4,201.

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, 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.

Notes to the consolidated financial statements (continued)
for the financial year ended 31 December 2019

Called up share capital (continued)

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:

	2019	2018
	$000	$000
Pension charge in the period	**1,706**	1,348
Payable to the fund (included within other creditors)	**23**	176

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 $43,416 (2018: $45,510), of which $4,460 (2018: $3,600) was outstanding at year end within trade creditors.

In addition following a tax review an amount of $568k has been recorded as an other debtor due from Rockspring to accesso Technology Group plc in respect of payroll taxes and interest. Post year end Rockspring have settled $527k of this debtor.

Notes to the consolidated financial statements (continued)
for the financial year ended 31 December 2019

27. Share-based payment schemes and transactions

Share option schemes

At 31 December 2019 the following share options were outstanding in respect of the ordinary shares:

Scheme	Number of shares	Period of Option	Price per share
EMI Scheme	11,900	24 June 2013 to 24 June 2021	179p
	5,595	30 November 2014 to 29 November 2022	323.5p
	7,000	25 April 2015 to 25 April 2023	600p
	3,500	23 January 2017 to 22 January 2024	697.5p
UK CSOP Scheme	25,000	22 March 2020 to 21 March 2028	775p
	36,200	30 March 2021 to 21 March 2028	775p
	45,720	13 May 2022 to 13 May 2029	775p
UK unapproved Scheme	9,000	15 April 2018 to 15 April 2025	557.5p
	11,800	29 April 2019 to 28 April 2026	1105p
US Scheme	2,500	24 June 2013 to 23 June 2021	179p
	5,594	30 November 2014 to 30 November 2022	323.5p
	22,750	25 April 2015 to 25 April 2023	600p
	47,500	23 January 2018 to 22 January 2024	697.5p
	68,050	15 April 2018 to 15 April 2025	557.5p
	2,008	14 January 2018 to 14 January 2026	851p
	150,900	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
	184,800	21 March 2021 to 21 March 2028	2270p
	208,060	13 May 2022 to 13 May 2029	775p
Other schemes	5,000	26 April 2015 to 25 March 2022	600p
	5,000	23 January 2017 to 22 January 2024	697.5p
	10,900	15 April 2018 to 14 April 2025	557.5p
	19,500	29 April 2019 to 28 April 2026	1105p
	16,200	22 March 2021 to 22 March 2028	2270p
	21,120	13 May 2022 to 13 May 2029	775p
Long-term incentive plan	142,331	14 April 2020	1p (1)
	93,234	16 August 2021	1p (1)
	2,471	1 November 2021	1p (1)
	28,443	21 November 2021	1p (1)
	484,651	9 May 2022	1p (1)
	16,090	13 February 2023	1p (1)

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

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:

	2019		2018	
	Number	**WAEP (pence)**	Number	WAEP (pence)
Outstanding at beginning of year	**1,376,367**	**870.86**	1,607,333	309.90
Granted during the year	**865,093**	**269.95**	553,496	1,639.12
Exercised during the year	**(204,186)**	**143.31**	(719,277)	142.55
Leavers, lapsed & other	**(297,995)**	**563.16**	(65,185)	1,868.39
Outstanding at end of the year	**1,739,279**	**464.47**	1,376,367	870.86
Exercisable at the end of the year	**390,759**	**818.88**	360,728	416.15
Weighted average share price at date of exercise for share options exercised during the year:		**1,145.78**		2,263.62

The exercise price of options outstanding at 31 December 2019 range between £.01 and 775p (2018: £.01 and 2,270p) and their weighted average contractual life was 4.96 years (2018: 7.55 years).

Notes to the consolidated financial statements (continued)
for the financial year ended 31 December 2019

Share-based payment schemes and transactions (continued)

The weighted average share price at the date of exercise for share options exercised during the period was 1,145.78p (2018: 2,263.62p). Options were granted in the period and the inputs to the model for options issued in the current period were as follows:

	2019	2018
Weighted average exercise price of options issued during the period (pence)	**269.95**	2275
Expected volatility (%)	**46%**	29.9%
Expected life beyond vesting date (years)	**2**	2
Risk free rate (%)	**0.73%**	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 32 to 33.

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. 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:

Awards issued 2019	**14 August 2019**	**29 June 2019**	**10 May 2019**
Awards issued	**16,090**	**72,029**	**450,670**
Expected volatility (%)	**46%**	**46%**	**46%**
Expected life years	**5**	**4**	**4**
Risk free rate (%)	**0.73%**	**0.73%**	**0.73%**
Dividend yield (%)	**-**	**-**	**-**

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

Refer to the remuneration report on pages 32 to 33 for a breakdown of the vesting conditions related to each Award.

Notes to the consolidated financial statements (continued)
for the financial year ended 31 December 2019

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.

	2018 $000	Cash Flow $000	Exchange movement $000	**2019 $000**
Group				
Cash in hand & at bank	**20,704**	(4,793)	294	**16,205**
Company				
Cash in hand & at bank	**3,311**	385	84	**3,780**

	2017 $000	Cash Flow $000	Exchange movement $000	**2018 $000**
Group				
Cash in hand & at bank	28,668	(7,108)	(856)	**20,704**
Company				
Cash in hand & at bank	1,909	1,527	(125)	**3,311**

Group net cash reconciliation

	Note	**2019 $000**	2018 $000
Borrowings (including capitalised finance costs)	22	**(15,851)**	(20,224)
Less: Cash in hand & at bank		**16,205**	20,704
Net cash		**354**	480

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

	Note	**2019 $000**	2018 $000
At beginning of period		**20,224**	16,140
Cash flows			
Drawings on loan		**4,802**	15,530
Repayments of drawings		**(9,728)**	(10,089)
Non-cash movements			
Effects of foreign exchange		**424**	(1,467)
Release of capitalised finance costs		**129**	110
At end of period	22	**15,851**	20,224

Notes to the consolidated financial statements (continued)
for the financial year ended 31 December 2019

29. Leases

The Group leases commercial office space and a single warehouse. The leases typically run for periods of 10 years, with options to renew the lease after 5 years. Lease payments are renegotiated every five years to reflect market rentals. Some leases provide for additional rent payments that are based on changes in local price indices. No restrictive covenants exist preventing the group from subletting properties.

Previously all leases were classified as operating leases under IAS 17.

The Group leases some cars and office equipment with contract terms of one to three years. These leases are short- term and/or leases of low-value items. The Group has elected not to recognise right-of-use assets and lease liabilities for these leases.

Information about leases for which the Group is a lessee is presented below.

Right-of-use assets	**Land and buildings**	
	Group $000	**Company $000**
Cost		
At 1 January 2019	5,846	877
Additions	1,168	-
Foreign currency translation	29	29
At 31 December 2019	**7,043**	**906**
Depreciation		
At 1 January 2019	-	-
Charged	**(1,320)**	**(128)**
Foreign currency translation	**(8)**	**(3)**
At 31 December 2019	**(1,328)**	**(131)**
Net book value		
At 31 December 2019	**5,715**	**775**

Lease liabilities

	Group $000	**Company $000**
Cost		
At 1 January 2019	(6,122)	(917)
Additions	(1,145)	-
Interest expense	(429)	(44)
Lease payments cash flow	1,451	146
Foreign currency translation	(38)	(28)
At 31 December 2019	**(6,283)**	**(843)**

Maturity		**Group**			**Company**	
	Current $000	**Non current $000**	**Total $000**	**Current $000**	**Non current $000**	**Total $000**
At 31 December 2019	**(1,307)**	**(4,976)**	**(6,283)**	**(115)**	**(728)**	**(843)**

Notes to the consolidated financial statements (continued)
for the financial year ended 31 December 2019

Leases (continued)

Extension options

Some property leases contain extension options exercisable by the Group up to one year before the end of the non-cancellable contract period. The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options and builds this into the right of use asset and liability calculation. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

Contractual minimum lease payments

The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be paid after the reporting date for the group and company:

	Group 2019 $000	Company 2019 $000
Lease liability maturity		
Up to 3 months	**435**	**37**
Between 3 and 12 months	**1,252**	**118**
Between 1 and 2 years	**1,505**	**173**
Between 2 and 5 years	**3,766**	**519**
Over 5 years	**460**	**130**

The following table sets out a maturity analysis of short term and low value lease payments not treated as finance leases, showing the undiscounted lease payments to be received after the reporting date for the group and company.

	Group 2019 $000	Company 2019 $000
Short term and low value leases		
Up to 3 months	**37**	3
Between 3 and 12 months	**60**	10
Between 1 and 2 years	**13**	13
Between 2 and 5 years	**13**	13
Over 5 years	**-**	-

Notes to the consolidated financial statements (continued)
for the financial year ended 31 December 2019

Leases (continued)

IFRS 16 opening liability reconciliation

The opening IFRS 16 lease liability reconciliation for the group and company is as follows

	Group $000	Company $000
Cost		
Operating lease commitment at 31 December 2018	6,734	267
Effect of discounting those lease commitments	(1,104)	(10)
Effect of estimating for the purposes of IFRS 16 that lease break clauses will not be exercised	660	660
Effect of accounting for short term and low value leases off balance sheet	(168)	-
Lease liability at 1 January 2019	**6,122**	**917**

When measuring lease liabilities for leases that were classified as operating leases, the Group discounted lease payments using its incremental borrowing rate at 1 January 2019. The weighted average rate applied is 6.67%

Total of future minimum operating lease payments under non-cancellable operating leases under IAS 17:

	2018 $000
Group	
Land & buildings	
Less than one year	**1,460**
Within one to five years	**4,209**
Greater than five years	**1,023**
	6,692
Other	
Less than one year	**23**
Within one to five years	**19**
	42
Total lease commitments	**6,734**
Company	
Land & buildings	
Less than one year	**145**
Within one to five years	**122**
	267

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.

30. Prior year restatements

During 2019, the Group identified the following issues requiring restatement of prior periods:

a) Restatement of deferred compensation

Deferred consideration consisting of 454,547 shares were issued to certain key employees of Blazer and Flip Flops Inc DBA The Experience Engine ("TE2") following the acquisition in 2017, contingent upon their continued employment. The charge in respect of these awards was recognised on a straight-line basis from the date of acquisition in July 2017 and did not take account of the 3-tiered stages of vesting applied to the awards. The charge recorded was based on all awards vesting after 3 years service on the 3 year anniversary and not the actual vesting periods as follows:

- one-third vested 12 months after the completion date;
- a further one-third vested 24 months after the completion date;
- a final one-third is vesting rateably over 12 months from the 25th to 36th month after the completion date.

Consequently, the consolidated deferred compensation charge was understated by $955k in 2018 and $1,145k in 2017. This has been corrected to restate the 2018 and 2017 consolidated statements of comprehensive income whereby profit for the year has been reduced through an increase in administrative expense and a credit recorded to retained earnings at 31 December 2018 and 2017 of $955k and $1,145k respectively. The overall impact on consolidated net assets is nil at both 31 December 2018 and 2017.

In accordance with the provisions in IFRS 2 for group share based payments, the company only retained earnings and cost of investment in subsidiaries have both been increased at 31 December 2017 and 2018 by $2,100k and $1,145k respectively to reflect the increased value passed to its subsidiary companies in those periods. The overall impact on company net assets in an increase of $2,100k and $1,145k as at 31 December 2018 and 2017 respectively.

b) Current and deferred tax restatement

It was identified that certain share options exercised during 2018 in respect of US and UK employees were not appropriately deducted in the corporation tax calculations. Options relating to US based staff were deducted at the UK corporation tax rate as opposed to the US tax rate. Further to this, additional share options were exercised during 2018 that were omitted from the tax calculations in 2018, resulting in no tax deduction being recorded in the year ended 31 December 2018.

The net impact on the group tax balances as a result of the above is an increase to the group's 2018 corporation tax payable of $835k, an increase to the group's deferred tax asset of $2,653k, an increase to equity of $1,622k and a decrease to the group's tax expense of $196k for the year ended 31 December 2018.

In the company, the tax payable at 31 December 2018 was increased by $1,292k, with an increase to the tax charge in 2018 of $141k and a decrease to equity of $1,151k.

It was also identified that deferred tax liabilities arising on capital allowances and temporary differences in US subsidiaries were misstated in 2018 and consequently an increase of $2,161k has been recorded in the group's 2018 tax expense with a corresponding increase in deferred tax liabilities of $2,161k being recognised at 31 December 2018.

The overall impact of these adjustments on the group's financial statements was an increase in the deferred tax asset of $2,653 at 31 December 2018, an increase in the current tax liability of $835k at 31 December 2018, an increase in the deferred tax liability of $2,161k at 31 December 2018, an increase in the 2018 tax charge of $1,965k and an increase to equity of $1,622K at 31 December 2018.

c) Share based payment accounting in the company financial statements restatement

It was identified that share-based payment charges in respect of options over equity of the company held by employees of subsidiary entities were recorded as intercompany receivables in the company. IFRS 2 identifies that when the company receives employee services indirectly through the subsidiary it should be recorded as an increased investment in the subsidiary. Consequently at 31 December 2018 and 2017 there was a reclassification of receivables to cost of investment of $7,554k and $2,872k respectively.

Notes to the consolidated financial statements (continued)
for the financial year ended 31 December 2019

Prior year restatements (continued)

d) **Reclassification of long-term intercompany receivable in the company financial statements**

It was identified that an intercompany loan between the parent company and a subsidiary should be designated as a non-current asset rather than a current asset based on the repayment date of the loan. Consequently at 31 December 2018 and 2017 there was a reclassification of current receivables to non-current receivables of $83,710k and $78,505k respectively.

The impact of the prior year restatements on the consolidated statement of comprehensive income and the consolidated statement of financial position is as follows:

Consolidated statement of comprehensive income

	Year ended 31 December 2018 Reported $000	(a) $000	(b) $000	Year ended 31 December 2018 Restated $000
Revenue	118,747	-	-	**118,747**
Cost of sales	(30,543)	-	-	**(30,543)**
Gross profit	88,204	-	-	**88,204**
Administrative expenses	(81,937)	(955)	-	**(82,892)**
Operating profit	6,267	(955)	-	**5,312**
Finance expense	(1,127)	-	-	**(1,127)**
Finance income	37	-	-	**37**
Profit before tax	5,177	(955)	-	**4,222**
Income tax expense	(1,887)	-	(1,965)	**(3,852)**
Profit for the period	3,290	(955)	(1,965)	**370**
Earnings per share expressed in cents per share:				
Basic	12.23			**1.38**
Diluted	11.74			**1.32**

Notes to the consolidated financial statements (continued)
for the financial year ended 31 December 2019

Prior year restatements (continued)

Consolidated statement of financial position

	31 December 2018 Reported $000	(b) $000	31 December 2018 Restated $000
Assets			
Non-current assets			
Intangible assets	197,332		**197,332**
Property, plant and equipment	3,723		**3,723**
Contract assets	5,141		**5,141**
Deferred tax assets	5,346	2,653	**7,999**
	211,542	2,653	**214,195**
Current assets			
Inventories	1,083		**1,083**
Contract assets	3,337		**3,337**
Trade and other receivables	18,833		**18,833**
Income tax receivable	1,961		**1,961**
Cash and cash equivalents	20,704		**20,704**
	45,918		**45,918**
Liabilities			
Current liabilities			
Trade and other payables	28,856		**28,856**
Contract liabilities	7,093		**7,093**
Income tax payable	1,440	835	**2,275**
	37,389	835	**37,389**
Net current assets	8,529	(835)	**7,694**
Non-current liabilities			
Deferred tax liabilities	15,435	2,161	**17,596**
Contract liabilities	2,412		**2,412**
Other non-current liabilities	543		**543**
Borrowings	20,224		**20,224**
	38,614	2,161	**40,775**
Total liabilities	76,003	2,996	**78,999**
Net assets	181,457	(343)	**181,114**
Shareholders' equity			
Called up share capital	421		**421**
Share premium	107,103		**107,103**
Own shares held in trust	(665)		**(665)**
Retained earnings	60,486	(343)	**60,143**
Merger relief reserve	19,641		**19,641**
Translation reserve	(5,529)		**(5,529)**
Total shareholders’ equity	181,457	(343)	**181,114**

Notes to the consolidated financial statements (continued)
for the financial year ended 31 December 2019

Prior year restatements (continued)

Company statement of financial position for year ended 31 December 2018

	31 December 2018 Reported	a)	b)	c)	d)	31 December 2018 Restated
	$000	$000	$000	$000	$000	$000
Assets						
Non-current assets						
Intangible assets	6,396	-	-	-	-	**6,396**
Investments in subsidiaries	69,112	2,100	-	7,554	-	**78,766**
Property, plant and equipment	1,128	-	-	-	-	**1,128**
Contract assets	3,723	-	-	-	-	**3,723**
Amounts due from group undertakings	-	-		(4,138)	83,710	**79,572**
	80,359	2,100	-	3,416	83,710	**169,585**
Current assets						
Inventories	339	-	-	-	-	**339**
Contract assets	1,186	-	-	-	-	**1,186**
Trade and other receivables	99,401	-	-	(3,416)	(83,710)	**12,275**
Income tax receivable	8	-	-	-	-	**8**
Cash and cash equivalents	3,311	-	-	-	-	**3,311**
	104,245	-	-	(3,416)	(83,710)	**17,119**
Liabilities						
Current liabilities						
Trade and other payables	4,055	-	-	-	-	**4,055**
Contract liabilities	282			-	-	**282**
Income tax payable	1,346	-	1,292	-	-	**2,638**
	5,683		1,292	-	-	**6,975**
Net current assets	98,562	-	(1,292)	(3,416)	(83,710)	**10,144**
Non-current liabilities						
Deferred tax	327	-	-	-	-	**327**
Contract liabilities	616	-	-	-	-	**616**
Borrowings	20,224	-	-	-	-	**20,224**
	21,167	-	-	-	-	**21,167**
Total liabilities	26,850	-	1,292	-	-	**28,142**
Net assets	157,754	2,100	(1,292)	-	-	**158,562**
Shareholders' equity						
Called up share capital	421	-	-	-	-	**421**
Share premium	107,103	-	-	-	-	**107,103**
Retained earnings	45,903	2,100	(1,292)	-	-	**46,711**
Merger relief reserve	19,641	-	-	-	-	**19,641**
Translation reserve	(15,314)	-	-	-	-	**(15,314)**
Total shareholders' equity	157,754	2,100	(1,292)	-	-	**158,562**

Notes to the consolidated financial statements (continued)
for the financial year ended 31 December 2019

Prior year restatements (continued)

Company statement of financial position for year ended 31 December 2017 prior to IFRS 15 adjustments. Please refer to the Statement of Consolidated Changes in Equity on page 57 for a reconciliation of the impact of IFRS 15 on the net assets at 31 December 2017.

	31 December 2017 Reported	a)	c)	d)	31 December 2017 Restated
	$000	$000	$000	$000	$000
Assets					
Non-current assets					
Intangible assets	7,375	-	-	-	**7,375**
Investments in subsidiaries	73,353	1,145	2,872	-	**77,370**
Property, plant and equipment	1,309	-	-	-	**1,309**
Contract assets	-	-	-	-	**-**
Amounts due from group undertakings	-	-	(2,459)	78,505	**76,046**
Deferred tax asset	353	-	-	-	**353**
	82,390	1,145	413	78,505	**162,453**
Current assets					
Inventories	279	-	-	-	**279**
Contract assets	-	-	-	-	**-**
Trade and other receivables	91,634	-	(413)	(78,505)	**12,716**
Cash and cash equivalents	1,909	-	-	-	**1,909**
	93,822	-	(413)	(78,505)	**14,904**
Liabilities					
Current liabilities					
Trade and other payables	11,412	-	-	-	**11,412**
Income tax payable	1,614	-	-	-	**1,614**
	13,026	-	-	-	**13,026**
Net current assets	80,796	1,145	-	-	**81,941**
Non-current liabilities					
Borrowings	16,140	-	-	-	**16,140**
	16,140	-	-	-	**16,140**
Total liabilities	29,166	-	-	-	**29,166**
Net assets	147,046	1,145	-	-	**148,191**
Shareholders' equity					
Called up share capital	411	-	-	-	**411**
Share premium	105,207	-	-	-	**105,207**
Retained earnings	31,944	1,145	-	-	**33,089**
Merger relief reserve	19,641	-	-	-	**19,641**
Translation reserve	(10,157)	-	-	-	**(10,157)**
Total shareholders' equity	147,046	1,145	-	-	**148,191**