Registered number 03959429

accesso Technology Group plc

2020 Annual report and financial statements

Contents of the consolidated financial statements
for the financial year ended 31 December 2020

Company information
for the financial year ended 31 December 2020

Directors:	Bill Russell, Non-Executive Chairman Steve Brown, Chief Executive Officer Fern MacDonald, Chief Financial Officer Karen Slatford, Senior Independent Director Andy Malpass, Non-Executive Director Jody Madden, 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)
Auditor:	KPMG LLP Two Forbury Place 33 Forbury Road Reading RG1 3AD
Bankers:	Lloyds Bank PLC The Atrium Davidson House Forbury Square Reading Berkshire RG1 3EU
	Investec Bank PLC 30 Gresham Street London EC2V 7QP

Introduction and key highlights
for the financial year ended 31 December 2020

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

"*During 2020 we proved ourselves resilient in the face of a near-total shutdown of our industry as global travel and leisure was severely impacted by the COVID-19 pandemic. I am proud of how our team responded, and how we worked through the personal, professional, and financial impacts together.*

With so many of our customers shuttered, we took the opportunity to refocus and reshape our business. We have removed duplication, refined processes, reduced costs, aligned our teams for greater efficiency, improved customer support, and delivered new innovation. We now have a growth-ready foundation on which to address substantial pent-up demand as the pandemic recedes.

During 2020 we delivered strong performance where and when our customers were able to open. This gives us confidence that our underlying opportunity is intact or even enhanced. In the last year, technology has become an even more critical element of the guest experience as both venues and customers increased their need and reliance on digital services to drive efficiency and improved experiences.

While the pandemic is not yet behind us, with vaccination programmes underway in our key geographies, we feel confident of a progression to more normal trading conditions in 2021. With the strength of our technology offering, solid relationships, and an amplified focus on technology by venue operators, we are well-set to re-embark on our growth journey."

Headline Financial Results

- Group revenue was $56.1m (2019: $117.2m), a resilient performance and ahead of expectations set out at the onset of the pandemic
  - Repeatable revenues[1] fell 56.8% to $41.3m due to the impact of COVID-19 closures, representing 73.6% of total revenue.
  - Non-repeatable revenue[1] reduced by 32.9% to $12.3m (2019: $18.3m), with lower impact due to licence fees and professional service revenues, particularly relating to our work in the cruise segment, continuing to be delivered throughout the year.
- **Cash EBITDA**[2], now the Group's principal operating metric, decreased to a loss of $11.5m (2019: +$7.1m). The reduction of $18.6m against a revenue decline of $61.1m is a testament to the swift and decisive actions of management to realign the Group's cost base in response to the pandemic. Statutory cash used in operations was an outflow of $11.9m (2019: inflow of $24.6m).
- **Net cash** at December 31, 2020 was $29.7m[4] (2019: $0.4m). This reflects a $46.1m (net of costs) placing in June 2020 the proceeds of which remained at the Company's disposal due to strong cash management.
- **New debt facility** committed by the Group on 19 March 2021 with Investec Bank PLC. All year-end bank loan borrowings with Lloyds Bank PLC have been settled and the Group now has access to an unutilised £18m, revolving facility with a term of 3 years to March 2024; draw down is subject to securing charges over our US subsidiary entities.
- **Adjusted basic EPS**[3] was a loss of 60.64 cents per share (2019: +30.78 cents per share), a basic loss per share of (84.78) cents per share (2019: Loss of 184.26 cents per share*)*)
- **Statutory loss before tax** was $32.9m (2019: loss $57.6m) largely reflecting a $61.1m revenue reduction net of cost saving exercises deployed by management.

Operational & Strategic highlights

- **Leadership change:** Steve Brown returns as CEO; Fern MacDonald appointed CFO; New Chief Commercial Officer ('CCO'), New Head of Product and Head of People returned to the Group, reflecting structural realignment to drive productivity and efficiency.
- **Business platform transformation:** Along with cost-action to manage pandemic pressures, development teams have been aligned around focus areas, operational teams aligned around key markets, support systems consolidated, and product roadmap defined.
- **Innovation to support customers:** Online reservations, virtual queuing, mobile Food & Beverage technology all support venue openings with social distancing whilst providing longer term adoption opportunities. Cross-product integration opportunity continues to receive strong validation with 50 venues now utilising more than one solution (2019: 26).
- **Innovation drives new business wins:** Virtual queuing success, robust demand for *accesso Passport®* eCommerce and strong performance from our new mobile Food and Beverage solution underline new demand for post-COVID-19 eCommerce and Guest Experience technologies.
- **Opportunity ahead remains intact:** Underlying demand remains strong while eCommerce has become more critical to operator success. More venues signed on for online ticketing solutions in 2020 (45) than signed on during 2019 (42). Markets served by *accesso* are expected to rebound quicker than the broader leisure space due to more localised target audiences.

Outlook & guidance

- **Encouraging start to 2021:** Despite European and Californian attractions remaining closed in January and February, the Group delivered strong revenue performance, trading only 19% down on the same two months in 2019. Our year-to-date eCommerce trading also indicates strong pent-up demand. With year-to-date eCommerce ticket volumes in APAC at 15% and 21% above 2020 and 2019 respectively. North American volumes are up 54% and 28% over the same periods. The majority of our remaining venues have now either opened or have scheduled openings through to May 2021.
- **COVID-19 remains impactful:** The Group anticipates travel and tourism will be substantially restricted in 2021 however our late-2020 experience suggests significant pent-up demand will come through as the pandemic recedes. Venues in certain regions have already reopened at reduced capacity or plan to reopen between April and early summer. Out largest clients have all indicated their plans to fully reopen all parks ahead of summer (assuming Government approval).
- **Cautious optimism for the year ahead:** We remain cautiously optimistic for 2021 as vaccine rollouts accelerate. We expect performance in H1 to be above 2020 levels with a return to something close to normal trading expected later in H2. Our strong balance sheet and available facilities enable us to manage potential downside scenarios.
- **Financial Results:** With base level demand expected to be ahead of 2020, we anticipate neutral to slightly positive cash flow for 2021, based upon anticipated revenue of not less than $83m. We do not anticipate utilising any additional credit facility on a full year basis and expect to retain significant cash resources as a contingency.

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 11).*

(2) Cash 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 less capitalised development costs paid in cash as per the consolidated cash flow statement.

(3) Adjusted basic earnings per share is calculated using an after adjusting operating profit that is adjusted 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 89)

(4) Net cash is calculated as cash and cash equivalents less borrowings (see page 15)

About *accesso Technology Group*

At *accesso*, we believe technology has the power to redefine the guest experience. Our patented and award-winning solutions drive increased revenue for attraction operators while improving the guest experience. Currently serving over 1,000 clients in more than 30 countries around the globe, *accesso's* solutions help our clients streamline operations, generate increased revenues, improve guest satisfaction and harness the power of data to educate business and marketing decisions.

accesso stands as the leading technology provider of choice for tomorrow's attractions, venues and institutions. 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.

Furthermore, COVID-19 has highlighted the benefits our technology is able to bring to venues from facilitating social distancing using our robust and sophisticated virtual queuing solutions; reservation systems delivered through our agile eCommerce platform to enable capacity management, taking queues away from front gates; and attraction eateries utilising our contactless food and beverage offerings.

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 understands 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.

accesso is a public company, listed on AIM: a market operated by the London Stock Exchange. For more information visit www.accesso.com. Follow *accesso* on Twitter, LinkedIn and Facebook.

****

Chief Executive's statement

My decision to return to *accesso* as CEO in early 2020 was driven by my firm view that our business has a unique opportunity to be successful in the markets we serve. We have a customer-base, technology set and level of scale which sets us apart from the competition, and we have a level of ambition, driven by some of the best people in our industry, that none can match. Despite a year in which the COVID-19 pandemic has turned our industry upside-down, my level of belief remains the same.

There is no doubt that circumstance intervened and made 2020 quite different from the year I had imagined. We were only able to focus on growth for a few short weeks. Quite soon we had to shift quickly, reinforcing our financial position and building operational resilience to ensure we could weather the coming storm. We right-sized our employee base, initiated a four-day working week for many staff during the period of reduced operations, reducing our underlying administrative expenditure by $1.4m to an average of $4.7m per month during the year. We also raised $46.1m from shareholders in June 2020 as contingency, and took the opportunity to bring forward planned changes that would simplify our structure, reduce inefficiency, and bring clarity to the overall *accesso* operation. These actions, focused on three pillars of activity we called People, Process and Product, solidified our outlook and gave us the license to focus our energy on supporting our customers by doing what we do best: innovating to help them make the most of their opportunities.

Throughout the pandemic we have adopted a simple mantra in relation to our customer base: treat clients like family. *accesso* has built its reputation on trusted partnership, and our relationships are strengthened in times of challenge. Whether helping to facilitate refunds for cancelled events, tapping into previously unused product features, or making last minute feature changes to enable re-openings, our teams worked with a level of quality and commitment that our customers will not soon forget.

Our proactive approach enabled us to adapt and develop technology solutions suited to our customers' new reality. During the year we used our virtual queuing technology to enable in-venue social distancing, contactless food & beverage ordering to reduce in-person interactions, online reservations and ticketing to assist with capacity management, plus a range of other modifications to support the emerging needs of our industry.

Whilst our full-year revenues were significantly impacted by the pandemic, our team's ability to adapt and align with our customers to provide essential technology was nothing short of remarkable. Together we faced unprecedented adversity with the type of purpose, passion and partnership that are at the core of our company vision statement. With the hard work done across 2020 to reshape our business, I am as optimistic as ever about the future.

2020 in review

Our Market

2020 was an incredibly difficult year for our customers and end-markets in general. The introduction of global lockdowns from March onwards put a stop to almost all trading activity through most of the European and North American summers, and although we did see some reopenings at reduced capacities during the autumn, volumes for the year were far lower than normal.

Despite the overall supressed trading, during 2020 we did see technology – and particularly eCommerce – playing an increasingly important role in the activity which did take place. With the breadth of venue-types we serve looking to manage strict capacity controls and facilitate less face-to-face interaction with staff, we saw our online ticketing business provide much-needed capability to the venues that were able to reopen.

Across the broader global environment, we saw consumers across demographics shift to online food delivery, online supermarket shopping and other web-based alternatives. Online buying took centre stage and we are confident that this increased adoption of mobile technology represents a permanent behavioural shift in many cases. Historic trends indicate that once customers adopt eCommerce, the efficiency gains and guest experience upsides tend to mean they continue transacting in this manner. We will only know the true extent of the impact of these dynamics on our addressable market when the pandemic has passed, but the early signs are certainly encouraging.

As we enter 2021, we still expect pandemic restrictions in many venues to persist in the near to mid-term. However, our overall confidence of a return to more normal conditions later in the year is bolstered by the increasing traction of the various vaccination programmes being rolled out in our key markets.

Chief Executive's Statement (Continued)

We are also aware that the various segments of our market are likely to recover at different speeds. For example, we expect the recovery for destination travel to be slower than that of the regional attractions, live event venues and cultural attractions like theatres, museums and zoos which are closer to home and can be planned at a moment's notice. Destination travel requires longer lead-times for planning, higher costs to adopt and more travelling for guests, while the regional attractions of scale can reopen quickly and capture demand as soon as restrictions ease. For live-event operators, those who can operate on a cash positive basis even with capacity restrictions are likely to recover fairly quickly. For others, progress will be uneven and dependent on the ability to invest in securing talent, committing to a planning schedule and commencing ticket sales. These are all dynamics which rely to a certain extent upon the removal of social distancing requirements in order to operate profitably.

Approximately 60% of *accesso's* typical transaction based volume is concentrated in leisure categories expected to realise fairly rapid recovery versus the broader leisure sector. This assumption is underpinned by our strong trading performance through the autumn and early winter of 2020, and is also reflected in the performance we have delivered in the first part of 2021.

Whilst the early months of the year typically see lower transaction volume, our year-to-date 2021 eCommerce trading indicates the level of potential pent-up demand. Across the APAC region, eCommerce volumes for this period were up 21% and 15% on 2019 and 2020 respectively, and in North America, driven primarily by a range of new ski customers in the period, eCommerce volumes were up 54% and 28% on the same periods. Whilst our European markets remained in lockdown for much of this period, results in recent weeks show robust performance as UK theme park customers have opened up their eCommerce sites for bookings following release of the UK government's reopening plans.

Financial performance

During 2020, *accesso* delivered financial performance ahead of the expectations it had set out following the onset of the pandemic, reporting revenue for the year of $56.1m. Given the lower levels of activity across our industry, our transactional revenue stream, usually a bedrock of our financial performance, was down from $85.6m in 2019 to $31.3m in 2020. Our professional services revenue stream continued steadily as our TE2 work for the cruise sector and other key clients moved forward as customers looked to utilise the downtime to continue project efforts.

Profitability was impacted by this lower level of revenue although our decisive cost-management ensured the bottom-line impact was limited. This was illustrated by our Cash EBITDA, our key earnings measure, which was a loss of $11.5m in 2020 (see page 14 for reconciliation to statutory measure), down from $7.1m of earnings in 2019, despite a $61.1m reduction in revenue. Our statutory loss for the year was $29.9m, again reflecting the revenue reduction in the year.

Importantly, the Group retains a very strong liquidity position with net cash at the December year-end of $29.7m and a refinanced debt facility from 19 March 2021. Draw down on the new facility is conditional on finalising security charges over the US subsidiary entities, providing the Group with additional liquidity of £18m through a revolving Coronavirus Large Interruption Scheme Loan facility for a 3-year term to March 2024.

Our Business

During 2020 we worked tirelessly to reshape and refocus *accesso* to build a more efficient and productive organisation for the longer term. This work took place in three pillars: People, Process, and Product.

People

We began our efforts in this first pillar area by reshaping our leadership team. With a new CFO, new CCO, new Head of Product and the return of our former Head of People in place, we then conducted a structural realignment across the broader organisation. This process removed duplication resulting from piecemeal merger integration, and more effectively aligns our teams with clear accountability for the future.

For example, all software engineers working on our various eCommerce solutions are now in one team rather than being spread across the various system groups within *accesso*. Additionally, our operational teams are now aligned with key market segments such as Theme Parks, Cultural Attractions, and the Ski Industry. The shift from software system alignment to industry alignment allows for improved client relationships, particularly as the number of clients using multiple solutions continues to increase. We now go forward with a team focused on shared success across our entire business, with a refreshed and better-structured approach to client service.

Chief Executive's Statement (Continued)

Employee turnover was notably higher in 2020 than in prior years at 33% (2019: 19%), driven largely by the impact of reductions implemented to streamline and reduce long-term operating costs. Whilst we started the year with a headcount of 560 and 17 open positions, we ended the year with a headcount of 435 and 70 open positions (excluding seasonal staff). Open positions were largely held for recruitment in 2021 as we awaited clarity on the vaccination programme. To date, nearly half of the open positions have been filled and recruiting efforts continue for the remainder.

We reinforced our commitment to Diversity and Inclusion, with the addition of a dedicated page on our website outlining our approach to providing a workplace that thrives on innovation from individuals from a wide range of backgrounds with diverse talents. That page can be found at www.accesso.com/about/diversity-inclusion.

We also continued our commitment to support our local communities as our team members utilised the days allocated for each to volunteer for a service activity of their choice. For example, one team member volunteered at an animal shelter during the California wildfires whilst another sewed masks for a local urgent care facility.

Process

Along with this organisational realignment, we needed to adjust our operational processes to ensure we can capitalise on the benefits of our new staffing structure. We therefore worked to bring teams on to the same internal support systems, enabling seamless collaboration across the group. We have also redesigned how customer system enhancement requests move through our workflow, improving quality while reducing delivery times. We have transformed *accesso* from a company operating in multiple product silos to a business with a single operational platform, focused on customer success and growth.

Product

Product innovation continues to be a vital part of our go-forward plan at *accesso*, and during the year we identified several opportunities to continue our overall improvement journey. Importantly, we have developed a clearly defined product roadmap across the full technology set, both to improve our near-term output and to ensure strategic focus into the medium and longer-term. To build the foundation for this work, this year we completed the migration to AWS of our North American technology footprint, and the migration of *accesso Passport* to Cybersource. These developments enable a more unified payment processing solution across the Group. Since its launch, we have generated over 5 million payment tokens through the platform and eliminated the need to store credit-card details on our systems.

During the year we also sharpened our focus on integration between systems to respond more effectively to the growing demand for operators to combine deployment of multiple *accesso* solutions. Furthermore, our ongoing interaction with customers has helped to develop specific upgrades in some of our existing product areas. These conversations led us to adapt our virtual queuing offering to assist with social distancing, enhance our mobile food & beverage offerings, adapt our online reservation programmes, develop live-event streaming capability and rollout a full update of the *accesso Siriusware*^{SM} solution.

With the appointment of a Head of Product to oversee our entire technology estate, we are now much better-positioned to evolve our technology platform in a manner that is more strategic, more efficient, and more responsive to customer needs. As a result of the changes we've made, our team is now set up simultaneously to work on our longer-term plan while managing our customers' evolving near-term needs.

New Business – Signs of Recovery and Opportunity

Despite the pandemic, *accesso* still found ways of supporting operators and bringing new innovation to the market in 2020. In the first half, new business activity was focused on facilitating social distancing through virtual queuing, and in June, Holiday World in the United States began using our *accesso LoQueue®* virtual queuing as the solution underpinning all visitation at its sites. Several other existing customers including Walibi Holland in the Netherlands and Village Roadshow Theme Parks in Australia also evolved their use of virtual queuing from a premium offering to a baseline feature of admission. During the second half, Parc Asterix in France also signed on for virtual queuing, with extremely positive feedback on the product's ability to drive revenue, ensure guest satisfaction and increase operational efficiency. In total, more than 6 million guest rides were fulfilled in the parks utilising our 100% virtual queuing solution to facilitate social distancing. Over 50% of guests surveyed by Walibi Holland indicated an increased likelihood to return to the venue if virtual queuing remained in place.

Chief Executive's Statement (Continued)

Alongside this, we conducted virtual queuing-related tests with other customers and expanded our virtual queuing outreach to other sectors with a view to exploring possibilities for more comprehensive offerings in the longer term. While the appetite for more widespread in-venue use of virtual queuing remains strong across the industry, most large-scale operators managed through the near term with manual processes given the lower levels of attendance. Notably, our 'classic' premium virtual queuing offering performed ahead of our expectations when customer venues have been open.

We were also pleased to work with our partner, Digisoft, to adapt our *Prism* wearable device in a unique manner. Utilising the range of sophisticated technical capabilities and with software enhancements developed by Digisoft, the *Prism* band has been adapted to identify, measure and track interactions between wearers in a GDPR compliant manner to a secure administrator information hub. Our patented wristband also provides social distancing guidance via on-screen and vibration alerts in the workplace. We were pleased to successfully pilot this program with the Irish Defence Force as well as with a large pharmaceutical company in their US based laboratory. Whilst we do not view this specific adaptation as a significant future revenue opportunity, this unique use-case is further testament to the underlying strength of our technology set and our ability to access a broad range of opportunities.

In ticketing, we quickly pivoted to offer existing reservation functionality to our general admission venues and as a result booked nearly 9 million guest reservations. Despite the significantly reduced operations around the globe, we still sold 25 million tickets through *accesso Passport*, down just 41% on 2019 as nearly all venues required advance purchase of tickets for entry. Nearly 3.4 million tickets were sold in the winter holiday period as venues adapted to provide drive-through or socially distanced experiences.

Overall, the challenges of 2020 have highlighted the benefit to venues of having a robust and agile eCommerce platform as they reopen. Consequently, we have been successful in implementing 29 new *accesso Passport* deployments during the year, of which 21 were signed during 2020. Notably, demand from our existing *accesso Siriusware* POS customers to add *accesso Passport* eCommerce was strong, with implementation at 16 new ski venues. This success highlights the opportunity for growth with our existing customer base. Whilst *accesso Siriusware* provides POS and Guest Management to 117 ski venues, only 21 of those are also utilising *accesso Passport* eCommerce. This represents a significant near-term penetration opportunity and is an area of key focus for the Group. As a result, we have now named an executive product leader to focus solely on our *accesso Siriusware/accesso Passport* development roadmap and champion the efforts to accelerate feature integrations between the two products. Beyond the ski sector, the remaining 165 *accesso Siriusware* customers remain key cross-sell prospects for our eCommerce solution particularly in light of the pandemic's impact and the overall expansion of visitor expectations over time.

During the year we also saw a rise in demand for one of our incubator solutions as leisure operators have taken time to review their future technology plans to drive improved efficiency and guest service. As venues have looked to reduce contact at food locations, we have seen more traction than anticipated with the adoption of our mobile food ordering solution. We deployed our contactless Food & Beverage solution to Alterra Mountain Company across some 40 restaurants within their ski resort portfolio, and we are now working with them to add restaurants at 8 additional resorts in 2021. Two standalone ski customers along with Grupo Vidanta and Cedar Fair are also implementing the solution. As a result of this success and building upon our significant expertise with online ticketing, we are now evaluating the potential long-term opportunity in the broader food & beverage sector. Given our solution integrates with a restaurant's POS solution (for those not utilising our own), this presents a potentially sizeable market opportunity.

Many venues in the live entertainment sector are also looking to improve their technology infrastructure as they move towards reopening, particularly as it relates to online booking functionality. Despite the industry disruption, *accesso ShoWare*^{SM} was implemented at 29 new venues in 2020 (compared to 55 in 2019) as operators used the dark time to update their offerings with advanced functionality. Beyond 2020, the sales pipeline continues to gain momentum.

Within *Ingresso*, we are focused on the post-pandemic recovery as we onboarded 19 new distributors and 44 new supplier venues in 2020, including Merlin, which is now utilising our *Ingresso* platform to support digital sales through third party channels.

Chief Executive's Statement (Continued)

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. Intrusion threats are becoming 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 to be a top priority across the business and *accesso* has maintained pace with all relevant developments.

With our migration to CyberSource, we have taken new measures to reduce our data security exposure risk. Whilst we do not disclose the details of our specific security measures or systems, throughout 2020 we continued to invest in further enhancements, new systems, and revisiting procedures as well as the organisational strength of our security group.

Brexit

The impact of the UK leaving the European Union ("Brexit") has thus far been limited for the Group. It is recognised that 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. Brexit is not anticipated to 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.

Board

Having served as a Non-Executive director of *accesso* since 2010, David Gammon has now stepped down from our Board. Following an extensive search David was replaced by Jody Madden who started her tenure on January 1, 2021. Jody is an experienced technology leader, and is currently Chief Executive Officer of Foundry, a London-based creative software developer for the Media, Entertainment and Digital Design industries. She has 20 years of experience in Media and Entertainment and has held a range of senior roles at Digital Domain, Lucasfilm and Industrial Light & Magic prior to joining Foundry. Jody is also on the Board of Directors of the Sustainable Food Center, a Central Texas non-profit group. As part of her Board role Jody will be heading a new ESG committee as the Group continues its efforts to meet best-practice standards in this vital area.

Board composition is an important reflection of our focus on diversity and inclusion. We are pleased that our Board is now comprised of 50% female directors and overall represents a broad range of experience across industries. We are thankful to the Board for their continued support and strategic guidance as we have worked fervently to manage the impacts of the pandemic and ensure the long-term success of the business.

2020 Financial Review

The Group delivered a resilient financial performance against the backdrop of COVID-19 during 2020, with revenue and Cash EBITDA ahead of our revised range of expectations. *accesso's* two operating divisions, Guest Experience and Ticketing both started the year with strong revenue growth, before being significantly impacted by the COVID-19 pandemic. As venues reopened, both divisions acted as key enablers of social distancing and advanced ticketing.

As expected, the Group's transactional revenue stream was severely impacted by COVID-19. Decisive cost actions, fund-raising activity and a banking facility refinancing have ensured the business remains on a firm footing. As venues begin to reopen at full scale throughout 2021, the Group now sees opportunity to benefit from latent consumer demand showing through in key markets, with the deeper partnerships it has built throughout 2020 enabling it to push on to growth and success in 2021 and beyond.

Chief Executive's Statement (Continued)

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 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 cash EBITDA, adjusted basic EPS, net cash, underlying administrative expenditure and repeatable and non-repeatable revenue analysis. Cash EBITDA is defined 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 and paid capitalised internal development costs (see page 14); 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 89); net cash is defined as available cash less borrowings (see page 15) and Underlying administrative expenses which is administrative expenses adjusted to add back the cost of capitalised development expenditure and property lease payments and remove amortisation, impairment of intangible assets, depreciation, acquisition costs, deferred and contingent payments, and costs related to share-based payments (see page 14). Repeatable and non-repeatable revenue analysis is set out and explained below.

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

Key financial metrics

Revenue quality

Reported Group revenue for 2020 was $56.1m (2019: $117.2m), a reduction of 52.1% on the prior year period. The following is an analysis of the Group's revenue visibility. Transactional revenue consisting of Virtual Queuing, 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 percentage 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, as they did in 2020 as a result of the pandemic. 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.

Chief Executive's Statement (Continued)

	2020 $000	2019 $000	%
Virtual queuing	7,407	24,687	(70.0)
Ticketing and eCommerce	23,883	60,909	(60.8)
Maintenance and support	7,711	8,742	(11.8)
Platform fees	2,263	1,149	97.0
Total Repeatable	**41,264**	**95,487**	**(56.8)**
Licence revenue	2,322	3,496	(33.6)
Professional services	9,954	14,787	(32.7)
Non-repeatable revenue	**12,276**	**18,283**	**(32.9)**
Hardware	1,493	2,499	(40.3)
Other	1,061	913	16.2
Other revenue	**2,554**	**3,412**	**(25.1)**
Total revenue	**56,094**	**117,182**	**(52.1)**
Total Repeatable as % of total	**73.6%**	**81.5%**	

The Group's revenue was severely impacted by the COVID-19 pandemic across 2020, with its repeatable revenue stream down 56.8% year-on-year due to lower customer volumes across the leisure industry. The Group's non-repeatable revenue also declined by 32.9% down to $12.3m. This stream saw lower impact as licence fees continued to be recognised and professional services work resumed after a short interruption when customer attention turned to cost saving and managing themselves through mandated closures.

The Group's ticketing and distribution segment was significantly impacted by lower guest volumes in 2020, although it did perform strongly when venues were open. On the ticketing side, its flexibility in supporting online transactions and contactless interactions enabled it to deliver revenues of $36.6m, down 37.1% on 2019 which reflects a better-than-expected performance given the length of certain markets closures. The outlook for the Group's *accesso Passport* platform remains healthy and should benefit from the continued trend towards eCommerce following the pandemic. The Group's distribution business, which remains dependent on the severely impacted UK West End Theatre market, saw a revenue decline of 93.5% in the year. Whilst this market is currently closed it does have a line of sight to reopening under the UK Government's four step plan, with reduced capacities and social distancing from 17 May 2021 and without restriction from 21 June 2021. Immediately following the announcement of the UK's reopening plan, consumers began booking tickets to available shows, and the Group is hopeful for a partial recovery in H2 2021 subject to the success of the UK's reopening plan.

The Group's Guest Experience segment was similarly impacted by COVID-19, however it continues to make good progress in rolling out its total-virtual-queuing solutions at scale with operators such as Village Roadshow Theme Parks, Holiday World, Walibi Holland and Parc Asterix. As part of these rollouts the Group was able to adapt its technology to facilitate social distancing, enabling venues to reopen with guest experience quality still intact. Revenue in the segment was down 52.1% in the year.

Revenue on a segmental basis was as follows:

	2020 $000	2019 $000	%
Ticketing	36,603	58,237	(37.1)
Distribution	1,363	21,097	(93.5)
Ticketing and distribution	**37,966**	**79,334**	**(52.1)**
Queuing	8,348	25,208	(66.9)
Other guest experience	9,780	12,640	(22.6)
Guest experience	**18,128**	**37,848**	**(52.1)**
Total revenue	**56,094**	**117,182**	**(52.1)**

Chief Executive's Statement (Continued)

Revenue on a geographic and segmental basis was as follows:

	2020			2019		
	Ticketing and Distribution $000	**Guest Experience $000**	**Group $000**	**Ticketing and Distribution $000**	**Guest Experience $000**	**Group $000**
Primary geographic markets						
UK	**4,380**	**848**	**5,228**	25,500	2,047	27,547
Other Europe	**1,177**	**649**	**1,826**	1,859	2,185	4,044
Australia/South Pacific/Asia	**1,663**	**750**	**2,413**	2,942	768	3,710
USA and Canada	**30,014**	**15,739**	**45,753**	45,987	32,668	78,655
Central and South America	**732**	**142**	**874**	3,046	180	3,226
	37,966	**18,128**	**56,094**	79,334	37,848	117,182

On a geographic basis, as was reported in the Group's interim results announcement, venues in the United Kingdom and Other Europe were largely closed from mid-March until early July and then again in November and December depending on the sector. Some regions and types of attraction remained closed through to August 2020 and in the case of the UK theatre sector, have yet to reopen. This accounts for a revenue reduction in the UK of $22.3m. From July through to November we did see some reopenings in our main geographies with the exception of California-based venues, albeit at lower capacity, and we experienced healthy demand during this period. Texas, New Jersey and New York, our other key US regions, experienced more limited mandated closures with venues remaining largely open with capacity restrictions from June.

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 2020 it committed to providing investors with an ongoing update regarding the level of concentration on a full year basis. For 2020 the top five customers accounted for 50.2% of revenue (2019: 53.5%). The Group's top ten customers accounted for 57.4% (2019: 61.3%). The Group is pleased to report a negligible level of customer attrition and remains committed to working strategically with our customers to ensure we provide the best possible service aligned to their needs.

Gross margin

Management has reviewed how costs are allocated between administrative expenses and cost of sales. In order to give a clearer and more meaningful picture of activity within the business, certain costs linked to the delivery of professional services revenue, previously shown within administrative costs have been reclassified to cost of sales in 2020.

The Group's reported gross profit margin was 76.6% in 2020, compared to 67.3% in 2019 when adjusting for $6.7m of professional service cost of sales to aid comparability. This 9.3% increase primarily results from a change in sales mix compared with 2019. Our lower-margin distribution business is a smaller portion of our revenue for this period and conversely higher margin revenue streams such as licence fees, maintenance and support and platform fees are proportionately greater during 2020. These movements combine to drive a higher gross profit margin.

Administrative expenses

Reported administrative expenses, including the non-cash expense related to intangible impairments, decreased 48.3% to $73.3m (2019: $141.9m), reflecting the Group's efforts to right-size its operational footprint. Underlying administrative expenditure decreased by 23.1% to $56.5m (2019: $73.5m) due to cost action implemented following the onset of the pandemic. Management reduced the Group's monthly underlying administrative expenses by $1.4m to an average of $4.7m for the year principally by implementing a company-wide four-day working week which ended in a phased manner in H2. The Group also utilised the available government job retention schemes in the USA, UK and Australia, receiving $595k in support. Furthermore, the Group also reduced its workforce by 68 full time employees and 30 contractors alongside significantly decreased discretionary spend including travel, marketing and tradeshows. No government assistance has been sought from December 2020 onwards.

	2020 $000	**2019 $000**
Administrative expenses as reported	73,339	141,906
Capitalised development expenditure *(1)*	2,969	21,064
Deferred equity settled acquisition consideration	(150)	(1,416)
Amortisation related to acquired intangibles	(2,573)	(11,286)
Share based payments	(1,398)	(1,845)
Amortisation and depreciation *(2)*	(14,664)	(16,014)
Property lease payments not in administrative expense *(1)*	1,622	1,451
Impairment of intangibles	(2,627)	(53,617)
Professional services cost *(3)*	-	(6,723)
Underlying administrative expenditure	**56,518**	**73,520**

(1) See consolidated cash flow statement
(2) This excludes acquired intangibles but includes depreciation on right of use assets.
(3) Professional service costs incurred in the delivery of professional services revenue adjusted in comparative year to be comparable with the year ended 31 December 2020.

Cash EBITDA

The Group recorded an operating loss of $30.4m (2019 operating loss: $56.3m); and Cash EBITDA reduced from $7.1m in 2019 to a loss of $11.5m in 2020. This $18.6m Cash EBITDA reduction is entirely a result of the $61.1m revenue reduction, with the Group mitigating profit impact substantially through the cash preservation measures.

The table below sets out a reconciliation between statutory operating loss and cash EBITDA:

	2020 $000	**2019 $000**
Operating loss	(30,354)	(56,278)
Add: Aborted sale/acquisition expenses	461	305
Add: Deferred equity settled acquisition consideration *(1)*	150	1,416
Add: Amortisation related to acquired intangibles	2,573	11,286
Add: Share based payments	1,398	1,845
Add: Impairment of intangible assets	2,627	53,617
Add: Amortisation and depreciation (excluding acquired intangibles)	14,664	16,014
Capitalised internal development costs paid in cash	(2,969)	(21,064)
Cash EBITDA	**(11,450)**	**7,141**

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.

Chief Executive's Statement (Continued)

The group reported a statutory loss before tax of $32.9m (2019: loss of $57.6m). Adjusted basic loss per share was 60.64 cents (2019: 30.78 cents earnings per share). Basic loss per share in 2020 was 84.78 cents (2019 basic loss per share: 184.26 cents).

Development expenditure

Development expenditure by segment	2020 $000	2019 $000
Ticketing and distribution	14,044	19,856
% of ticketing and distribution segment revenue	37.0%	25.0%
Guest Experience	7,113	13,689
% of guest experience segment revenue	39.2%	36.2%
Total development expenditure	21,157	33,545
% of total revenue	37.7%	28.6%

Total development expenditure for 2020 decreased 36.9% to $21.2m, (2019: $33.5m) due to the impact of 4-day working weeks, a reduction of 30 contractors and the restructure of our development teams into a single unit. Despite this decrease to development expenditure, 2020 has been a period of innovation within *accesso*, with frontline and technical teams working at great pace to deliver solutions to enable business continuity for our customers throughout the COVID-19 pandemic.

While the Group remains focused on innovation, the reduction against the previous expectation reflects an integration roadmap more in-line with the Group's overall efficiency drive, in addition to the 4-day working week being in place for longer periods of time than previously expected.

The group capitalises elements of development expenditure where it is appropriate and in accordance with IAS 38 Intangible assets. Capitalised development expenditure of $3.0m (2019: $22.0m), representing 14.0% (2019: 65.7%) of total development expenditure. This material decrease in the proportion of development expenditure being capitalised is not a reflection of lesser importance of the work being undertaken. Development continues to expand the product set and add features that will be important for our customers' operations in the future. However, a more conservative approach to thresholds for such investment expenditure has been applied. The revised approach reflects the steady maturing of the suite of commercialised products.

Cash and Net Cash

Net cash at the end of the period was $29.7m (2019: $0.4m), consisting of cash balances of $56.4m and borrowings of $26.7m.

	2020 $000	2019 $000
Borrowings (including capitalised finance costs)	**(26,699)**	(15,851)
Less: Cash in hand & at bank	**56,355**	16,205
Net cash	**29,656**	354

This strong net cash position benefited from $46.1m of net proceeds raised through the Group's equity placing and open offer which completed in June 2020. In the absence of the equity raise our adjusted net debt would have been $16.4m reflecting the COVID-19 impact on our top line. The net cash position would have been significantly worse if it had not been mitigated by diligent working capital management, immediate action on preserving cash, utilisation of Government schemes, deferring payroll taxes where permitted and reducing underlying administrative expenses as noted above.

Chief Executive's Statement (Continued)

As a consequence of the COVID-19 pandemic impacting revenues, the Group has seen a net cash outflow from operations in the year of $14.5m (2019: $26.2m inflow).

As noted above, the Group's total development expenditure reduced significantly to $21.2m in 2020 (2019: $33.5m). The reduction in gross research and development costs, combined with a heavily curtailed capital expenditure investment into property, plant and equipment of $0.4m (2019: $1.9m) has helped to further preserve the Group's cash balances.

At the period end the Group had a borrowing facility with Lloyds Bank plc which was renegotiated in June 2020 together with the successful completion of the equity placing. The Group gained access to an additional facility of £8m ($9.8m) under the Coronavirus Large Business Interruption Loan Scheme (the "CLBILS Facility"). The CLBILS Facility was available to the Group for 15 months until August 2021 and remained undrawn as at 31 December 2020.

The Group's year end drawn borrowing facility of $26.7m was settled on 19 March 2021 following a successful refinancing of its lending facilities with Investec Bank plc, conditional on the clearance of priority security charges over US subsidiary entities. The group has a 3-year, £18m Coronavirus Large Interruption Scheme Loan revolving credit facility at a 3.5% margin expiring in March 2024 with quarterly covenant tests on minimum revenue and minimum liquidity for 2 years to December 2022. From March 2023 additional covenants are added for leverage and interest cover.

As a result of the immediate measures taken by management on cost and cash flow management and the successful equity fundraise and loan facilities refinanced in March 2021, the Board believes that the Group is in a strong financial position and ends the year with net cash of $29.7m.

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.

Impairment

In line with relevant accounting standards, the Group reviews the carrying value of all intangible assets on an annual basis or at the interim where indicators of impairment exist. As announced on 16 September 2020 in our interim results release, at 30 June 2020 it was identified that the remaining intangible assets of Ingresso Group Limited had indicators of impairment due to the impact of COVID-19 and the slower anticipated recovery within the UK theatre sector. This test was revisited at 31 December 2020 with the same outcome.

The consequence of this test is that the carrying value of the *Ingresso* allocated assets was reduced by $1.4m (2019: $7.0m), which has been charged to administrative expenses during the year. Certain development costs of $1.2m were also impaired following a review of their year-end carrying values.

Taxation

The effective tax rate on statutory loss before tax of $32.9m (2019: $57.6m) was 9.2% (2019: 12.1%).

The key reconciling items to actual tax rates is $8.3m of unrecognised deferred tax asset on US losses, net of $0.4m of prior year items and $2.6m US carry forward credits, excluding these items the adjusted effective tax would have been 25% (2019: 17% excluding the $4.2m non-taxable goodwill impairment) being reflective of the US tax rates where the majority of the group's earnings are derived. $45m of gross US losses/credits are unrecognised due to the uncertainty of near-term profitability and the current period loss.

Steve Brown
Chief Executive Officer
23 March 2021

The Board of directors

Bill Russell, Non-Executive Chairman

Bill Russell has served in a variety of roles in both public and private technology company boards, in a career spanning several decades, with 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 has a BSc (Hons) in Computer Science from Edinburgh University and is based in the United States.

Bill Russell joined as the Group's Non-Executive Chairman on 1 March 2019.

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.

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 has a BA (Hons) from the University of Bath.

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

Jody Madden, Non-Executive Director

Jody was appointed as a Non-Executive Director of the Group on 1 January 2021.

Jody is an experienced technology leader, and is currently Chief Executive Officer of Foundry, a London-based creative software developer for the Media and Entertainment and Digital Design industries. She has 20 years of experience in Media and Entertainment and held a range of senior roles at Digital Domain, Lucasfilm and Industrial Light & Magic prior to joining Foundry. Jody is also on the Board of Directors of the Sustainable Food Center, a Central Texas non-profit group. Jody has a Bachelor of Arts degree from Stanford University.

The Board of directors
for the financial year ended 31 December 2020 (continued)

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 Steve in 2012. During a period of rapid expansion between 2013 and 2017, the company acquired Siriusware, ShoWare, Ingresso and TE2. Steve 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 brings a strong operations and finance background to *accesso* with extensive experience in ticketing, pricing strategy, eCommerce and revenue management. His 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*, Steve served as the corporate Vice President of Ticket Strategy and Sales for Six Flags.

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

Fern MacDonald, Chief Financial Officer

Fern is an experienced international accounting and finance professional who served as Senior Vice President of Finance at *accesso* from May 2018 prior to her appointment as Chief Financial Officer on 27 April 2020.

Fern has more than 20 years of experience and a deep understanding of the *accesso* business. Prior to joining *accesso*, she spent eight years in various financial leadership roles at ZeroChaos (now Workforce Logiq), a global provider of workforce management solutions, culminating as Executive Vice President, Finance. Previously, Fern was a senior manager with Ernst & Young, serving a series of public and private clients from both the Dublin, Ireland and Moscow, Russia offices. Fern graduated with a BA (Hons) in Accounting and Finance from Dublin City University, she is a fellow of Chartered Accountants Ireland and CPA qualified.

Strategic report
for the financial year ended 31 December 2020

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. 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 year 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

Staff retention risk
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.

Customer concentration 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.

Business disruption risk
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. As demonstrated in 2020, attendance at leisure venues can be impacted by circumstances outside the control of the Group including, but not limited to pandemics, 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 2020

Principal risks and uncertainties (continued)

Business disruption risk (continued)
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.

In addition to this typical seasonality, COVID-19 is continuing to have impacts on guest visitation in certain areas that are under government enforced lockdowns, most notably Europe and California. The group has demonstrated resilience to COVID-19 related impacts during 2020 and has built significant insulation to its liquidity through a variety of cost control measures, operational efficiencies and the refinance and extension of the Group's lending facilities. Should 2021 and 2022 mirror 2020, our stress test scenarios indicate we have sufficient available liquidity to continue as a going concern.

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 in certain regions could be closed for an extended period of time and consider there to be sufficient headroom in the forecasts to mitigate this downside risk.

Currency risk
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.

Brexit
The Group has reviewed its operations as a result of the UK's departure from the European Union ("Brexit"). It has not had 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.

Intellectual property infringement
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.

Cybersecurity
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 2020

Principal risks and uncertainties (continued)

Environmental risks

Given the developing agenda on climate change, which presents a number of physical risks (e.g. weather-related) and compliance/regulatory risks (e.g. more sustainable business practices) for the Group, we are currently reviewing our internal processes for managing any associated emerging risks and will incorporate this into our broader risk management practices.

It is expected that air travel will be reduced in response to both COVID-19 in the near-term and then longer term in response to climate change agendas, we have considered this risk in our cash flow forecasting used for both going concern and impairment testing. The majority of the venues we serve have typically localised customer bases rather than being reliant on destination travel, consequently we consider the risk as minimal on our forecasts. Further information on our current progress on ESG initiatives are set out below.

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 6 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 utilises consistent alternative performance measures ("APMs") in evaluating and presenting the results of the business, including Cash EBITDA (page 14), adjusted basic earnings per share (page 89), net cash (page 15), underlying administrative expenditure (page 14) and repeatable and non-repeatable revenue analysis (page 11).

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 to 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.

Strategic report (continued)
for the financial year ended 31 December 2020 (continued)

Environment

accesso recognises the importance of meeting globally recognised corporate responsibility standards and have appointed Jody Madden to head our ESG committee and drive forward ESG initiatives and facilitate ESG related risk assessment. We take our responsibility to protect the environment seriously and support our marketplace in doing the same. *accesso* endeavours to minimise energy and natural resource usage, support the reduction and recycling of materials and ensure the legal disposal of waste arising from the activities of the business. *accesso* encourages employees to reduce their usage of those resources and sets policies and procedures to assist in this so that productivity is not negatively impacted. We have continued to make a concerted effort to reduce our carbon footprint through initiatives across our business.

accesso's solutions help attractions reduce their carbon footprint by a move to paperless through the increase in electronic tickets through our ticketing platforms; reduction in paper receipts with adoption of our food and beverage app and digital park/resort maps; as well as digital events and activities guides replacing paper events and activities guides, both part of the *accesso* Guest Experience mobile apps.

In turn, *accesso* continues to develop its own policies to record, monitor and achieve improvements in its own carbon footprint. We aim to make sustainable and responsible business part of the way we operate and measure ourselves against stretching targets, focusing on areas where we as a business can make a tangible difference.

The Group uses experts who are certified in the full recovery of E-Waste in the manufacturing process of our *Prism* bands and focuses on the use of environmentally and socially responsible manufacturers for our hardware sales.

We employ a variety of office recycling programs such as returning ink cartridges; recycling bins at all desks and shredding boxes throughout office; eliminating single use plastics in our offices through washing dishes not using disposables; soda machine in lieu of cans/bottles; water filling stations using reusable cups; and bulk snacks to reduce packaging. We ensure energy preservation in our offices with the use of automatic lights, energy saving bulbs and auto air conditioning shut off after hours.

The Group's use of air travel was curtailed ahead of the pandemic and will continue to conduct a greater proportion of meetings via video conferencing on a go forward basis.

With regard to greenhouse gas emissions, for the year ended 31 December 2020 the quantity of total emissions by *accesso* was 519 tonnes of carbon dioxide equivalent (CO_2e). We have used the GHG Protocol Corporate Accounting and Reporting standard (revised edition) and emission factors from the UK government's GHG Conversion Factors for Company Reporting to calculate the below disclosures. The standard requires a statement of relevant intensity ratios, which are an expression of the quantity of emissions in relation to a quantifiable factor of the business activity.

GHG emissions data for year ended 31 December 2020 (figures in CO_2e)

	2020	
	UK	**Non-UK**
Emissions from purchase of gas and electricity for offices	63	371
Business travel	8	77
Total emissions by location	71	448
Total emissions for year	519	
Energy consumption used to calculate emissions – kWh (thousand)	126	622

Strategic report *(continued)*
for the financial year ended 31 December 2020 (continued)

Environment (continued)

The following table expresses our annual emissions in relation to quantifiable factors associated with our activities. Intensity ratios (tonnes of CO2e per unit)

	2020
Ratio of carbon emissions to total revenue ($k revenue)	0.01
Ratio of carbon emissions to operating loss ($k operating loss)	0.02
Ratio of carbon emissions to employees (average headcount)	0.86

Social

The *accesso* Global Culture Guide is a document at the heart of our business and one that is acknowledged by all employees setting out the Group's code regarding values, business ethics, diversity and equal opportunity.

We utilitise a Volunteer Time Off (VTO) Program for all employees to volunteer a paid day off at a charity of their choosing and partner with Technovation, a global tech education non-profit whose mission is to empower children to become more confident leaders and problem solvers in their communities.

We set the Diversity tone at a board level with 50% female representation in our most senior positions, whilst recognising we still have further to go with our overall diversity levels at 34% for manager grade staff and above.

Governance

We employ an experienced Board made up of a diverse group of Executive and Non-Executive Directors with significant experience in the industry and as directors of other public companies to help us develop and adhere to best practice on governance matters. The four Non-Executive Directors are independent.

On behalf of the Board:

Fern MacDonald
Chief Financial Officer
23 March 2021

Directors' Remuneration Report
for the financial year ended 31 December 2020

Introduction

As Chair of the Remuneration Committee, I am pleased to present our report setting out *accesso*'s remuneration policy, practice and activities during the financial year.

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 and provides detail of the amounts paid in 2020 and how the remuneration policy will be implemented in the 2021 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.

COVID-19

2020 was a difficult year for *accesso*, for our customers and employees. With the financial impacts of the pandemic starting in the spring, we took swift and decisive action to control our costs.

Our board, both Executive and Non-Executive Directors, took a 20% salary/fee cut respectively from March/April until the end of 2020. In the US, the majority of employees were moved to a 4-day work week and took a 20% pay cut starting on 16 March 2020. With the exception of Mexico, our international workforce was invited to reduce their pay and work week in a similar manner and approximately 90% volunteered. The CEO and his direct reports remained on 80% pay until 2021. Other employees periodically transitioned back to 5 days and 100% pay based on need and all having done so by 9 November 2020.

In addition to the reduction in salary, 190 of our employees in the US and UK were moved to furlough at the end of April, returning based on need, with all employees returned from furlough by the end of November.

Committee membership

Chair	Members
Karen Slatford	David Gammon (1)
	Andy Malpass
	Jody Madden (2)

(1) Resigned 31 December 2020
(2) Appointed 1 January 2021

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.

Directors' Remuneration Report
for the financial year ended 31 December 2020 (continued)

Role of the Committee

The Committee's primary role is to determine, and agree with the Board, the remuneration policy for the Executive Directors and senior management as well as to oversee the remuneration of the organisation as a whole, ensuring alignment of objectives and rewards. Within the terms of the policy, the Committee 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 meetings by invitation but will not be present when their own remuneration is discussed.

Appointment of external advisors

The Committee has appointed external independent remuneration consultants, Mercer Limited, during the period to assist the Company with setting fair and balanced remuneration policies for its key management. The policies need to be both competitive and suitably attractive to retain key management and staff and to reward performance.

Principal activities in 2020

The principal activities undertaken by the Committee during 2020 were as follows:

- Approved the severance terms for the former CEO (Paul Noland) and former CFO (John Alder);
- Approved the employment terms for the new CEO (Steve Brown) and CFO (Fern MacDonald);
- Reviewed and approved salary increases with effect from January 2020;
- Reviewed and approved the LTIP grants for 2020;
- Reviewed the annual bonus targets for the Executive Directors for the financial year 2020 and measured performance against them;
- Reviewed and approved the terms of reference of the Committee.

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

- Reviewed and approved the LTIP performance conditions for the executive directors.
- Reviewed and approved salary increases with effect from January 2021;

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.

The Committee approved the salary and variable remuneration arrangements for Steve Brown as CEO with effect from his appointment on 27 January 2020 and for Fern MacDonald with effect from her appointment as CFO on 27 April 2020. The Committee will continue to monitor the salary and total remuneration for Executive Directors closely and reserves the right to make an increase in excess of typical market practice if it considers it necessary and appropriate.

Directors' Remuneration Report
for the financial year ended 31 December 2020 (continued)

Focus for 2021

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

- approval of bonus performance measures and targets for 2021;
- approval of performance conditions and awards under the Company's Long-Term Incentive Plan for 2021;
- assessment of the ongoing appropriateness of the remuneration arrangements in light of remuneration trends, market practice and the current pandemic.
- consideration of the incorporation of ESG targets in the Company's incentive arrangements.

Resolutions at the AGM

A full remuneration report is not a requirement for AIM listed companies and similarly votes on remuneration policy and reports are not required for such companies. Therefore, shareholders will not be invited to vote on our Remuneration Policy or the Remuneration Report. The policy has been presented only for information and to give shareholders full background on the Company's approach to remuneration.

Directors' remuneration policy

This section sets out *accesso's* Remuneration Policy for Executive and Non-Executive Directors.

The Policy 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.

Shareholders should note that approximately 70% of the Company's workforce, including both Executive Directors, are based in the US and their remuneration reflects that market. 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 support the implementation of strategy and aims of the business, and effective risk management for the medium to long-term
- the right behaviours, values and culture are encouraged and rewarded; and
- the approach is simple to communicate to participants and shareholders.

Directors' Remuneration Report
for the financial year ended 31 December 2020 (continued)

Fixed Elements of remuneration for Executive Directors

Element of Remuneration	Link to Company Strategy	Operation	Maximum Opportunity
Salary	Provides a set level of remuneration sufficient to attract and retain Executives with the appropriate experience and expertise.	The Committee takes into account a number of factors when setting and reviewing salaries, including: • Scope and responsibility of the role; • Any changes to the scope or size of the role; • The skills and experience of the individual; • Salary levels for similar roles within appropriate comparators; and • Value of the remuneration package as a whole.	There is no set maximum to salary levels or salary increases. Account will be taken of increases applied to colleagues as a whole when determining salary increases for the Executive Directors, however the Committee retains the discretion to award higher increases where it considers it appropriate.
Benefits	Provides benefits sufficient to attract and retain Executives with the appropriate experience and expertise.	Executive Directors are eligible for the following benefits; • Healthcare • Life Insurance • Short and long term disability insurance	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 plans) 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. To the extent that Executive Directors participate in the Company's pension arrangements, they do so on the same terms as the workforce.

Directors' Remuneration Report
for the financial year ended 31 December 2020 (continued)

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 80% 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 equally to TSR and Cash EBITDA. 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 2020 (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 582,567 performance shares. No awards will be made to the CEO in fiscal years 2021 or 2022	Performance measures are currently related equally to TSR and Cash EBITDA. 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 2020 (continued)

Notes to the Policy Table

All LTIP 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, CSOP, EMI or unapproved option schemes 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 the Company on six months' notice or the Executive Director on 90 days' notice. Each Executive Director receives life insurance, the benefit of which amounts to a maximum of $600,000. 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.

Directors' Remuneration Report
for the financial year ended 31 December 2020 (continued)

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 2020 (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.

Directors' Remuneration Report
for the financial year ended 31 December 2020 (continued)

Non-Executive Director Remuneration

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

Appointment of Non-Executive Directors

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

Directors' Remuneration Report
for the financial year ended 31 December 2020 (continued)

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 2020 and 2019 respectively. Directors active during the period from 1 April 2020 to 31 December 2020 took a 20% pay reduction.

	2020							2019	2020	2019
	Salary	Compensation for loss of office	Fees	Bonus	Share-based payments	Other Benefits	Total	Total	Retirement Contributions	
	$000	$000	$000	$000	$000	$000	$000	$000	$000	$000
Non - Executive Directors										
Bill Russell (1) (10)	-	-	162	-	-	-	162	158	-	-
Karen Slatford (2) (10)	-	-	55	-	-	-	55	64	-	-
Andy Malpass (2) (10)	-	-	48	-	-	-	48	56		-
Jody Madden (3)	-	-	-	-	-	-	-	-	-	-
Tom Burnet (2) (4)	-	-	35	-	-	-	35	208	-	9
David Gammon (5) (2) (10)	-	-	47	-	-	-	47	56	-	-
Executive Directors										
Steve Brown (6) (10) (11)	311	-	-	-	808	15	1,134	-	-	-
Fern MacDonald (7) (10) (11) (12)	193	-	-	-	78	9	280	-	-	-
Paul Noland (8)	133	259	-	-	-	6	398	595	6	11
John Alder (9) (10)	141	199	-	-	-	6	346	706	11	9
Total	**778**	**458**	**347**	**-**	**886**	**36**	**2,505**	**1,843**	**17**	**29**

(1) Appointed 1 March 2019
(2) Salary or fees payable in GBP and converted at the applicable monthly exchange rate
(3) Appointed 1 January 2021
(4) Role change from Executive Director to Non-Executive Director 1 March 2019, resigned 19 May 2020
(5) Fee payments were paid to Rockspring (family office of the Gammon family), resigned 31 December 2020
(6) Appointed 27 January 2020
(7) Appointed 27 April 2020
(8) Resigned 27 January 2020

(9) Resigned 31 March 2020
(10) 20% reduction on fees and salary from 1 April 2020 to 31 December 2020
(11) The 2020 LTIPs issued to Steve Brown and Fern MacDonald had their performance conditions set after the end of 2020 due to the impact of COVID-19 making the setting of appropriate targets impractical. Although performance targets were set at a later date, in 2020 these awards were required to be valued for accounting purposes as time-based awards. The LTIP awards were modified in the first quarter of 2021 and the cumulative charge adjusted in 2021.
(12) No matching contributions were made by the Company as part of the COVID pay restrictions referred to above

Directors' Remuneration Report
for the financial year ended 31 December 2020 (continued)

Single total figure of remuneration (audited information) (continued)

- **(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 up to 4% of salary as detailed earlier in this report.

2020 Annual bonus (Audited)

In respect of the year ended 31 December 2020, the Remuneration Committee reviewed the corporate performance and praised the Executive Directors for their swift and well considered actions in response to the extreme trading conditions faced by the Group as a result of COVID-19. The executives' decisive leadership was essential to navigating the challenges faced by a business serving the attractions markets and provided the Group with the financial resilience needed to build into a recovery phase in 2021 and beyond. However, it was concluded that despite these efforts, based on the Group's key performance metrics, and the acknowledgement of the government assistance utilised, that a payment of bonuses to the Executive Directors would be inappropriate for the year ended 31 December 2020.

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

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

	31 December 2019	Exercised in the period	Lapsed in the period	Granted in the period	31 December 2020	Exercise price	Date from which exercisable
John Alder	61,913	-	(61,913)	-	-	-	
Paul Noland	105,384	-	(105,384)	-	-		
Steve Brown							
27 January 2020	-	-	-	582,567	582,567	£0.01	27 January 2023
Fern MacDonald							
1 May 2018 (1)	2,471	-	-	-	2,471	£0.01	12 May 2021
13 May 2019 (1)	6,799	-	-	-	6,799	£0.01	12 May 2022
16 September 2020	-	-	-	154,422	154,422	£0.01	16 September 2023

LTIP awards represent the maximum award if the performance conditions are fully met.

(1) Granted to Fern MacDonald in her capacity as an employee before she was appointed an Executive Director on 27 April 2020.

Directors' Remuneration Report
for the financial year ended 31 December 2020 (continued)

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, the newly appointed CEO at the time, 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.

Following Tom Burnet's resignation on 19 May 2020 the EBT shares were transferred to him and consequently the EBT held no further shares on his behalf (2019: 200,000).

Long-Term Incentive Plan (LTIP) Awards

There are four unvested LTIP awards currently in issue to the executive Directors. The performance conditions are set out below. More detailed information on the specifics of the TSR, EPS and Cash EBITDA targets will be disclosed when the awards vest but are not published at this stage as they are considered commercially sensitive in light of the response to COVID-19.

Date of Award	Vesting Period (months)	Period stock to be held following exercise (months)	Performance Conditions
1 May 2018 (LTIPs were issued to Fern MacDonald under this plan in her capacity as an employee prior to her appointment as Executive Director on 27 April 2020)	36	6	The sole condition for the Award, as reissued on 13 May 2019, is related to continued employment. If the employee is employed on 12 May 2021, 100% of the Award shall become exercisable. No awards under this plan can be made to serving executive directors.
13 May 2019 (LTIPs were issued to Fern MacDonald under this plan in her capacity as an employee prior to her appointment as Executive Director on 27 April 2020)	36	6	25% of the performance condition for the 2019 Award is related to Total Shareholder Return (TSR) over the period from 13 May 2019 to 12 May 2022. If the performance condition is met 100% of the TSR element of the award shall vest. 25% of the performance condition is related to adjusted Earnings Per Share (EPS) for the year ending 31 December 2021. Pursuant to this element of the Award, it shall vest on a straight-line basis between 15% and 100%. 50% of the 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. No awards under this plan can be made to serving executive directors.

Directors' Remuneration Report
for the financial year ended 31 December 2020 (continued)

Date of Award	Vesting Period (months)	Period stock to be held following exercise (months)	Performance Conditions
27 January 2020 (LTIPs were issued to Steve Brown after his appointment as Executive Director on 27 January 2020)	36	6	50% of the performance condition for the 2020 Award is related to Total Shareholder Return (TSR) over the period to 31 December 2022. Pursuant to this element of the Award, it shall vest on a straight-line basis between 25% and 100%. 50% of the performance condition for the 2020 Award is related to cash EBITDA for the fiscal year 31 December 2022. Pursuant to this element of the Award, it shall vest on a straight-line basis between 25% and 100%.
16 September 2020 (LTIPs were issued to Fern MacDonald after her appointment as Executive Director on 27 April 2020)	36	6	50% of the performance condition for the 2020 Award is related to Total Shareholder Return (TSR) over the period to 31 December 2022. Pursuant to this element of the Award, it shall vest on a straight-line basis between 25% and 100%. 50% of the performance condition for the 2020 Award is related to cash EBITDA for the fiscal year 31 December 2022. Pursuant to this element of the Award, it shall vest on a straight-line basis between 25% and 100%.

Directors' Remuneration Report
for the financial year ended 31 December 2020 (continued)

Payments for loss of office and payments to past directors (audited information)

Paul Noland, former CEO, and John Alder, former CFO, remained as employees for a period after their resignation as executive directors and were paid their contractual 6-month notice period during 2020. The Remuneration Committee reviewed the proposed payments and considered that they were appropriate in all circumstances.

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 2020.

Fees for the Non-Executive Directors

A summary of current fees for the year ended 31 December 2021 is shown below, there is no increase from 2020, however, all Non-Executive Directors took a 20% fee reduction from April to December 2020 inclusive which was reversed from January 1, 2021:

	Basic fee	Role
	$	
Bill Russell	190,000	Non-Executive Chairman
Andy Malpass (1)	60,104	Chair of the Audit Committee
Karen Slatford (1)	68,300	Senior Independent Director, Chair of the Remuneration Committee
Jody Madden (2)	56,000	Non-Executive Director

(1) Payable in GBP and converted on 1 January 2021 rate of 1.366, no GBP increase on 2020 fee levels

(2) Appointed as Non-Executive Director on 1 January 2021.

Directors' Remuneration Report
for the financial year ended 31 December 2020 (continued)

Implementation of the Remuneration Policy for the year ended 31 December 2020

2020 Executive Directors' base salary

The table below shows the salaries for the Executive Directors as at 1 January 2021 in comparison to base salary at their date of appointment;

	Date of appointment	1 January 2021	% change
	$	$	
Steve Brown (1)	400,000	408,000	2%
Fern MacDonald (2)	350,000	357,000	2%

(1) Appointed 27 January 2020, Steve Brown took a 20% pay reduction on above salary from 1 April 2020 to 31 December 2020
(2) Appointed 27 April 2020, Fern MacDonald took a 20% pay reduction on above salary from 27 April 2020 to 31 December 2020

Implementation of Policy for 2021

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 light of the significant trading disruption caused by COVID-19, the Remuneration Committee considered that it was inappropriate to set performance targets at the time the 2020 awards were made. As a result, performance targets were set in early 2021 having taken advice from the Company's brokers and taking into consideration the revised corporate strategic plan.

In respect of the annual bonus, as part of the implementation of the revised strategic plan the following measures have been agreed:

- Revenue, profitability and cash flow management;
- Meeting the relevant 2021 targets in the Company's long-term plan; and
- Retention of key staff.

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 any LTIP awards made to Executive Directors in 2021. As stated above, no LTIP awards will be made to the CEO in 2021 or 2022.

2021 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 2021 they will be disclosed in the 2021 report.

Karen Slatford
Chair of the Remuneration Committee
23 March 2021

Report of the Directors
for the financial year ended 31 December 2020

The Directors present their report with the financial statements of the company and the Group for the financial year ended 31 December 2020.

Dividends

No dividends will be proposed for the financial year ended 31 December 2020 (31 December 2019: 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 2020 the Group capitalised $3.0m of research and development spend (year ended 31 December 2019: $22.0m) and impaired $2.1m and $0.5m of development costs from its Ticketing & Distribution and Guest Experience operating segments respectively (2019: $15.2m, 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
Steve Brown, Executive Director (Appointed 27 January 2020)
Paul Noland, Executive Director (Resigned 27 January 2020)
John Alder, Executive Director (resigned 31 March 2020)
Fern MacDonald, Executive Director (Appointed 27 April 2020)
Tom Burnet, Non-Executive Director (resigned 19 May 2020)
David Gammon, Non-Executive Director (resigned 31 December 2020)
Andy Malpass, Non-Executive Director
Karen Slatford, Senior Independent Director
Jody Madden, Non-Executive Director (Appointed 1 January 2021)

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 2020 in the issued share capital of the company were as follows:

Ordinary share capital £0.01 shares	**As at 31 December 2020**	**As at 1 January 2020**
Tom Burnet, Non-Executive (1)	-	248,923
John Alder, Executive (2)	-	60,540
David Gammon, Non-Executive (3)	-	48,000
Bill Russell, Non-Executive	32,307	10,000
Steve Brown, Executive	665,774	-
Paul Noland, Executive (4)	-	6,000
Fern MacDonald, Executive	15,000	-
Andy Malpass, Non-Executive	5,414	4,352
Karen Slatford, Non-Executive	16,549	11,835

(1) Resigned from the Board on 19 May 2020
(2) Resigned from the Board on 31 March 2020
(3) Resigned from the Board on 31 December 2020
(4) Resigned from the Board on 27 January 2020

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

Report of the Directors
for the financial year ended 31 December 2020 (continued)

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.

As at 18 March 2021 the company had been notified that the following were interested in 3% or more of the ordinary share capital of the company in accordance with the DTR 5:

Shareholder	Number of ordinary shares	% of Issued ordinary share capital
Liontrust Investment Partners LLP	4,073,453	9.88%
BlackRock, Inc.	3,324,929	8.07%
Amati AIM VCP plc and T B Amati Investment Funds Limited	2,205,191	5.35%
Long Path Partners LP	2,158,236	5.24%
Chelverton Asset Management Limited	2,125,000	5.16%
Allianz Global Investors GmbH	2,040,253	4.95%
Canaccord Genuity Group Inc	1,835,880	4.45%
M&G plc	1,783,974	4.33%
Jupiter Asset Management Ltd	1,566,500	3.80%
Pershing Securities Limited (via Pershing Nominees Limited)	1,379,311	3.35%

There were no further updates to the date of this report. Changes in major interests in the Company are updated on the Company's website as and when these occur.

Annual general meeting
The annual general meeting of the company will be held on Tuesday, 18th May 2021. The notice convening the meeting is enclosed with these financial statements.

Branch registration
The company operates branches in Germany and Italy.

Going concern
The financial statements have been prepared on a going concern basis which the Directors consider to be appropriate for the following reasons.

Following the impact of COVID-19 and the subsequent decrease in revenues, *accesso Technology Group* plc (the Group), took several steps to preserve the cash position of the Group including raising additional cash of $46.1m through a placing, an open offer, obtaining additional loan facilities of £8m until 31 August 2021 and reducing underlying administrative expenses by $1.4m a month during the year.

Subsequent to year end on 19 March 2021 the Group signed a new banking agreement with Investec Bank PLC and settled in full the facility with Lloyds Bank PLC. This agreement gives a facility of £18m through to March 2024 and the covenants in the first 2 years are minimum revenue and minimum liquidity only. Minimum revenue covenants are tested quarterly on a 12-month basis ending on each test date at $50m for June 2021, September 2021 and December 2021; $55m for March 2022, June 2022 and September 2022; and $60m for December 2022. Minimum liquidity is £10.7m of freely available cash to be tested for four consecutive quarters starting on June 2021. As at 19 March 2021 the Group has cash of $28.6m and available facilities of £18m, draw down is subject to security of charges over the US subsidiary entities.

The Directors have prepared cash flow forecasts for the Group for a period of 24 months from the date of these financial statements, which indicate that, taking account of severe but plausible downsides and the anticipated impact of COVID-19, the Group will have sufficient funds to meet the liabilities of the Group as they fall due for that period.

The base case assumes that there is a steady re-opening of attractions and that Group revenue and EBITDA gradually increases through 2021 although are still below the levels seen in 2019. Within the base case there are contingencies to allow for a shortfall to the expected level of performance. Under this scenario, the Group has sufficient liquidity and adequate headroom within its existing cash reserves and facilities and complies with all covenants throughout the review period.

Report of the Directors
for the financial year ended 31 December 2020 (continued)

Going concern (continued)

The severe but plausible downside case assumes that the impact of COVID-19 lasts for longer with a lower and slower opening of attractions with FY21 revenues being in line with those achieved in FY20. It also assumes that steps would be taken to protect the Group's financial position by taking actions which are in the Group's control such as deferring capital expenditure, significantly reducing areas of expenditure such as use of subcontractors and travel and accommodation costs but assumes no government support in terms of furlough or delays in tax payments. Under this scenario, the Group would also have sufficient liquidity and adequate headroom within its existing cash reserves and facilities and complies with all covenants throughout the review period.

Consequently, the Directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for the period of assessment to 31 December 2022 and therefore have prepared the financial statements on a going concern basis.

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:

The likely consequences of any decisions in the long-term

The Board has set a number of key strategic priorities for 2021.

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 anonymous 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.

Report of the Directors
for the financial year ended 31 December 2020 (continued)

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 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.

The impact of the Group's operations on the community

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 Group 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 Group'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 have been included in the Strategic Report on page 19. Details of significant events which have occurred since the end of the financial year can be found on page 108.

On behalf of the Board

Fern MacDonald
Chief Financial Officer
23 March 2021

Corporate Governance report
for the financial year ended 31 December 2020

During the year, our governance systems and processes proved resilient in supporting the Board of Directors' (the 'Board') ability to negotiate the pandemic. Decision making during this time was often during uncertain circumstances and, like many companies, we met regularly to consider matters as they evolved. Our governance framework embedded within *accesso's* culture, provided the right approach for us to adapt and be flexible to the changing demands we needed to address.

The Board continues to support achieving high standards of corporate governance and we remain fully compliant with the principles of the Quoted Company Alliance's Corporate Governance Code (the 'QCA Code'.) *accesso's* adherence to high standards of ethics, values and corporate social responsibility are principles which underpin our governance procedures and the strategic and management decisions that we make. Our governance model evolves to support the business and the QCA Code continues to provide a flexible, yet rigorous approach to support this. The Board is reviewing appropriate governance around ESG matters.

Details of how we comply with the QCA Code are set out in our Statement of Compliance, a copy of which can be found on our website www.accesso.com.

Board composition

The Board of Directors comprises two Executive Directors, the Non-Executive Chairman and three Non-Executive Directors, all of whom are independent. Full details of the Directors are on pages 17 to 18.

During the year, the Board appointed Fern MacDonald as Chief Financial Officer after John Alder stepped down from the position. Jody Madden was appointed as a Non-Executive Director on 1 January 2021 following the resignation of David Gammon on 31 December 2020. 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, 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 Group. 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.

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-term 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.

Corporate Governance report (continued)
for the financial year ended 31 December 2020

The role of the Board (continued)

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 2020

The Company holds board meetings regularly throughout the year. Eight 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 fund raise process and to discuss the impact of coronavirus ('COVID-19') on the business. The Audit Committee held three meetings and the Remuneration Committee held six meetings. Attendance by board members is shown below.

	Board	**Audit Committee**	**Remuneration Committee**
Number of meetings held	**8**	**3**	**6**
Executive board members			
Steve Brown (1)	**7**	**-**	**-**
Fern MacDonald (2)	**6**	**-**	**-**
John Alder (3)	**1**	**-**	**-**
Paul Noland (1)	**-**	**-**	**-**
Non-executive board members			
Bill Russell	**8**	**-**	**-**
Tom Burnet (4)	**2**	**-**	**-**
David Gammon (5)	**7**	**2**	**4**
Andy Malpass	**8**	**3**	**5**
Karen Slatford	**8**	**3**	**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 eligible to attend all meetings scheduled during 2020.
(2) Fern MacDonald was appointed to the Board from 27 April 2020 and was eligible to attend 6 Board meetings.
(3) John Alder resigned from the Board with effect from 31 March 2020
(4) Tom Burnet resigned from the Board with effect from 19 May 2020.
(5) David Gammon resigned from the Board with effect from 31 December 2020.
(6) Jody Madden was appointed to the Board from 1 January 2021 and was therefore not eligible to attend meetings during 2020.

Corporate Governance report (continued)
for the financial year ended 31 December 2020

In the event that Board approval is required between Board meetings, Board members are provided with supporting information to assist in making 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 board meetings included:

- Management of operations following the onset of the COVID-19 pandemic
- Protection and support of staff
- Capital fundraise and share structure
- Strategic plan and annual forecast and budget
- Financial performance
- Succession planning
- Market and competitor reports
- Risk and internal controls
- Approval of annual and half year reports
- Stakeholder engagement
- Reports from the audit and remuneration committees

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.

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

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 Jody Madden (who replaced David Gammon who resigned from the Board on 31 December 2020) and Karen Slatford are members.

The Committee met seven times during the year to fulfil its duties, this being three times for the normal scheduled activity and four times for the audit services benchmarking activity mentioned below. 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.

Corporate Governance report (continued)
for the financial year ended 31 December 2020

The Committee considers the objectivity, independence and cost effectiveness of the external auditor, taking into account the views of management. During the year meetings were held by the Audit Committee with several other potential auditors to benchmark service offerings prior to the re-appointment of KPMG. Non-audit services are benchmarked by management to ensure value for money, auditor objectivity and independence of advice. During 2020 KPMG ceased to provide tax compliance and advisory services in order to remove any independence concerns.

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.

Remuneration Committee

The full Remuneration Committee report is on pages 24 to 39 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 although in person meetings have been limited during the year due to the global coronavirus pandemic ('COVID-19'). The company also uses the annual general meeting as an opportunity to engage with its shareholders. Although the 2020 annual general meeting was a closed meeting due to the UK Government's guidance on social distancing in place at the time, shareholders were able to submit questions to the Board prior to the meeting.

Notice of the date of the 2021 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 recommendations from the 2019 board evaluation, where possible were advanced during the year. The Board agreed that given the significant financial and operational challenges presented by COVID-19, and that there were two new Executive Directors and a change in Non-Executive Directors over the year, it was appropriate to hold the next Board Evaluation during the course of 2021.

Bill Russell
Non-Executive Chairman
23 March 2021

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 accounting standards in conformity with the requirements of the Companies Act 2006 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 the Group's 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 international accounting standards in conformity with the requirements of the Companies Act 2006;
- 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

Fern MacDonald
Chief Financial Officer
23 March 2021

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 2020 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 and Company statement of changes in equity and the related notes, including the significant 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 2020 and of the Group's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006;
- the parent Company financial statements have been properly prepared in accordance with international accounting standards in conformity with the requirements of, 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	$500k (2019: $1,000k) 0.89% (2019: 0.85%) of revenue	
Coverage	84% (2019: 87%) of revenue	
Key audit matters		**vs 2019**
Recurring risks	Recoverability of goodwill and other intangibles in the Ticketing and Distribution and LoQueue segments	▼
	Recoverability of parent Company's investment in and loan to subsidiaries	▲
	Capitalisation of development spend – eligibility of new projects in the parent Company	▼
	Going concern	▼

We continue to perform procedures over the determination of the economic life of capitalised development spend. However, following the decrease in the level of development costs capitalised in the year, we have not assessed this as one the most significant risks in our current year audit and, therefore, it is not separately identified in our report this year.

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

Key audit matters are those matters that, in our professional judgement, 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
Recoverability of goodwill and other intangibles in the Ticketing and Distribution and LoQueue segments Goodwill and other intangibles cost ($129.5 million; 2019: $142.5 million) Impairment charge ($1.4 million; 2019: $53.6 million) *Refer to pages 71 – 72 (accounting policy), page 74 (critical judgments and key sources of estimation uncertainty) and pages 90 – 94 (financial disclosures).*	**Forecast based assessment:** Goodwill and intangible assets in the Group are significant and at risk of irrecoverability due to the challenges of the market and the impact of Coronavirus in the year, continuing through the balance sheet date. The estimated recoverable amount is subjective due to the inherent uncertainty involved in key assumptions relating to forecast financial performance, in particular short term EBITDA growth, terminal growth and an estimate of the discount rates. The effect of these matters is that, as part of our risk assessment, we determined that the valuation of these assets, has a high degree of estimation uncertainty, with a potential range of outcomes greater than our materiality for the financial statements as a whole. The risk has reduced compared to 2019 as a result of the prior year impairment recorded in respect of the goodwill and intangibles recognised in the TE2 operating segment. While the recoverability of goodwill and intangibles in Ticketing and Distribution and LoQueue remain a significant risk, the risk is of a lesser magnitude than that recognised in the prior year in respect of TE2.	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 and terminal growth rates to external market information. — **Our valuation expertise:** we used valuation specialists to evaluate the inputs and assumptions of the discount rate. — **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. — **Sensitivity analysis:** we performed sensitivity analysis by changing various key inputs and assessing the impact on the assumptions above. — **Assessing transparency:** we assessed whether the Group's disclosures about the sensitivity if the outcome of the impairment assessment to changes in key assumptions reflected the risks inherent in the valuation of goodwill. — **Assessing transparency:** we assessed whether the Group's disclosures around the impairment recorded was adequate. We performed the tests above rather than seeking to rely on any of the group's controls because the nature of the balance is such that we would expect to obtain audit evidence primarily through the detailed procedures described.
Recoverability of parent Company's investment in and loan to subsidiaries Parent Company only: Investment in subsidiaries ($61.6 million; 2019: $72.8 million) Loan to subsidiaries ($97.2 million; 2019: $83.0 million) Impairment charge ($15.4 million; 2019: $21.8 million)) *Refer to page 74 (critical judgments and key sources of estimation uncertainty) and pages 97 – 99 (financial disclosures).*	**Forecast based assessment:** Investments in and loans to subsidiaries are significant to the parent Company and at risk of irrecoverability due to the challenges of the market and the impact of Coronavirus in the year, continuing through the balance sheet date. The estimated recoverable amount is subjective due to the inherent uncertainty involved in key assumptions relating to forecast financial performance, in particular short term EBITDA growth, terminal growth and an estimate of the discount rates/estimating the fair value less costs to sell for those where this is judged to exceed the value in use. The effect of these matters is that, as part of our risk assessment, we determined that the valuation of these assets, has a high degree of estimation uncertainty, with a potential range of outcomes greater than our materiality for the parent Company financial statements as a whole. The risk has increased compared to 2019 as a result of the impact of Coronavirus on the business through the balance sheet date.	Our procedures included those listed above (historical comparisons, benchmarking assumptions, our valuation expertise and comparing valuations) in respect of the value in use cash flows and the following in respect of the subsidiary values using fair value less costs to sell and related disclosures: — **Benchmarking assumptions:** we assessed the reasonableness of management's assumed cost savings in determination of fair value less costs to sell, where applicable, to our knowledge of the service the business provides its customers. — **Assessing transparency:** we assessed whether the parent Company's disclosures about the sensitivity if the outcome of the impairment assessment to changes in key assumptions reflected the risks inherent in the valuation of investments in subsidiaries. — **Assessing transparency:** we assessed whether the parent Company's disclosures around the impairment recorded was adequate. We performed the tests above rather than seeking to rely on any of the group's controls because the nature of the balance is such that we would expect to obtain audit evidence primarily through the detailed procedures described.

KPMG

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

<table>
<tr><th></th><th>The risk</th><th>Our response</th></tr>
<tr><td>Capitalisation of development spend – eligibility of new projects in the parent Company

Parent Company only:

($0.46 million)

Refer to page 71 (accounting policy), page 74 (critical judgments and key sources of estimation uncertainty) and page 91 (financial disclosures).</td><td>Subjective judgement:

Eligible costs in respect of software developers and contractors working to develop new software products are capitalised if the projects to which they relate meet the relevant criteria, which materially impacts the parent Company's profitability.

There is judgement involved in determining whether projects meet the criteria for capitalisation as the future commercial and technical feasibility of new projects is often uncertain.

The risk has reduced compared to 2019, and has been clarified to be related to new projects in the year which are only material in the parent Company, as a result of the lower levels of capitalised development spend.</td><td>Our procedures included:

— Test of detail: we selected a sample of new projects in the year based on the magnitude of development spend capitalised. For the projects selected:

i. We critically assessed the judgement made as to whether the development was technically feasible by performing a retrospective review of the success of past projects,

ii. We critically assessed the judgement made as to whether the development constitutes a substantial enhancement to the underlying assets by inspecting the product RoadMap and functionality being developed, and

iii. We critically assessed the judgement made as to whether the development was commercially feasible by agreeing to supporting evidence such external purchase orders/invoices and presentations prepared for marketing purposes.

— Assessing transparency: we assessed the adequacy of the disclosures in respect to the judgement made in relation to capitalising development costs.

We performed the detailed tests above rather than seeking to rely on any of the company's controls because our knowledge of the design of these controls indicated that we would not be able to obtain the required evidence to support reliance on controls.</td></tr>
<tr><td>Going concern

Refer to pages 65 – 66 (accounting policy).</td><td>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 meet covenants over the going concern assessment period.

The risk~~s~~ most likely to adversely affect the Group's and Company's available financial resources and metrics relevant to debt covenants over this period were:

- The continued impact of Coronavirus on the key customers of the Group resulting in reduced revenues.

The risk for our audit was whether or not this risk was such that it 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.

The risk has reduced compared to 2019 as a result of the financing agreement signed prior to the approval of financial statements which provides additional headroom in the forecast period.</td><td>We considered whether these risks could plausibly affect the liquidity or covenant compliance in the going concern period by assessing the directors' sensitivities over the level of available financial resources and covenant thresholds indicated by the Group's financial forecasts taking account of severe, but plausible, adverse effects that could arise from these risks individually and collectively. Our procedures also included:

— Benchmarking assumptions: we critically assessed the Group's downside assumptions, comparing to prior results and our wider knowledge of the business and markets served.

— Funding assessment: we obtained the financing agreement, signed post year end, and confirmed the funding was made available for the period to the end of March 2024.

— 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.</td></tr>
</table>

KPMG

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

Materiality for the group financial statements as a whole was set at $500k (2019: $1,000k), determined with reference to a benchmark of revenue, of which it represents 0.89% (2019: 0.85%).

Materiality for the parent company financial statements as a whole was set at $126k (2019: $125k), determined with reference to a benchmark of company net assets, of which it represents 0.08% (2019: 1.00% of company revenue).

In line with our audit methodology, our procedures on individual account balances and disclosures were performed to a lower threshold, performance materiality, so as to reduce to an acceptable level the risk that individually immaterial misstatements in individual account balances add up to a material amount across the financial statements as a whole.

Performance materiality was set at 65% (2019: 65%) of materiality for the financial statements as a whole, which equates to $325k (2019: $650k) for the group and $82k (2019: $81k) for the parent company. We applied this percentage in our determination of performance materiality based on the level of identified misstatements and control deficiencies during the prior period.

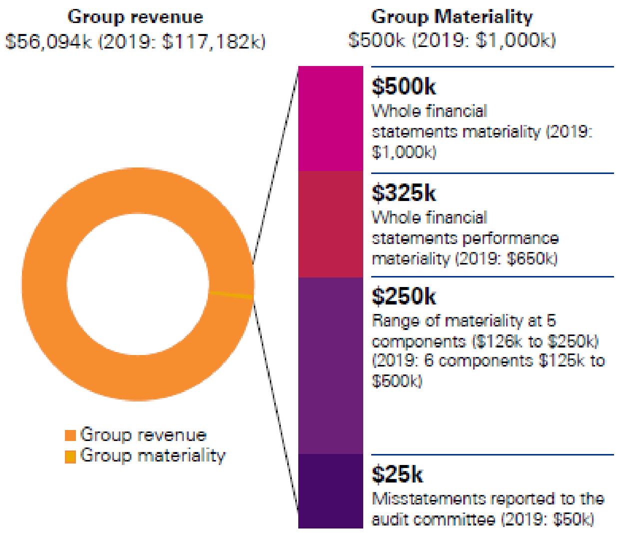
We agreed to report to the Audit Committee any corrected or uncorrected identified misstatements exceeding $25k (2019: $50k), in addition to other identified misstatements that warranted reporting on qualitative grounds.

Of the group's 19 (2019: 19) reporting components, we subjected 5 (2019: 6) to full scope audits for group purposes.

The components within the scope of our work accounted for the percentages illustrated opposite.

The remaining 15% (2019: 13%) of total group revenue, 2% (2019: 1%) of the total profits and losses that made up group profit before tax and 17% (2019: 10%) of total group assets is represented by 14 (2019: 13) of reporting components, none of which individually represented more than 10% (2019: 10%) of total group revenue, profits and losses that made up group profit before tax or total group assets. For these 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 components.

The Group team determined the component materialities, which ranged from $126k to $250k (2019: $125k to $500k), having regard to the mix of size and risk profile of the Group across the components. The Group team performed work on all of the components (2019: all).



KPMG

4. Going concern

The Directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Group or the Company or to cease their operations, and as they have concluded that the Group and the Company'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 the period of assessment to December 2022 ("the going concern period").

An explanation of how we evaluated the Director's assessment of going concern is set out in the related key audit matter in section 2 of the report.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Group's or Company's ability to continue as a going concern for the going concern period; and
- we found the going concern disclosure in note 4 to be acceptable.

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 above conclusions are not a guarantee that the Group or the Company will continue in operation.

5. Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we have assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of management, the directors and the audit committee and inspection of policy documentation as to the Group's high level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board (and all other committee) meeting minutes.
- Considering remuneration incentive schemes and performance targets for key management.
- Using analytical procedures to identify unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

5. Fraud and breaches of laws and regulations – ability to detect (continued)

Identifying and responding to risks of material misstatement due to fraud (continued)

As required by auditing standards, we performed procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular the risk that Siriusware license revenue is recorded in 2020 for licenses delivered in 2021, the risk that Group management may be in a position to make inappropriate accounting entries and the risk of bias in accounting estimates and judgements. On this audit we do not believe there are any further fraud risks relating to revenue recognition because of the materiality of revenue recognised around the year end in revenue streams with a perceived cut-off risk and that there are no such opportunities to manipulate revenue recognition in the other revenue streams.

We did not identify any additional fraud risks.

We performed procedures including:

- Identifying journal entries to test for all full scope components based on risk criteria and comparing the identified entries to supporting documentation. These included journals posted to seldom used accounts and unexpected account pairings.
- Selected a sample of Siriusware license revenue transactions recognised in December 2020 and obtained evidence to support recognition in year.
- Evaluated the business purpose of significant unusual transactions.
- Assessed significant accounting estimates for bias.

KPMG

5. Fraud and breaches of laws and regulations – ability to detect (continued)

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, and through discussion with management and the directors (as required by auditing standards), and discussed with management and the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Group is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: health and safety, anti-bribery, employment law, regulatory capital and liquidity and certain aspects of company legislation recognising the nature of the Group's activities and its legal form. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the management and the and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

6. 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.

7. 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.

KPMG

8. Respective responsibilities

Directors' responsibilities

As explained more fully in their statement set out on page 49, the directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group and parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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

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

9. 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
United Kingdom
23 March 2021

Consolidated statement of comprehensive income
for the financial year ended 31 December 2020

	Notes	2020 $000	2019 $000
Revenue	9	**56,094**	117,182
Cost of sales		**(13,109)**	(31,554)
Gross profit		**42,985**	85,628
Administrative expenses		**(73,339)**	(141,906)
Operating loss before impairment of intangible assets		***(27,727)***	*(2,661)*
Impairment of intangible assets	*16*	*(2,627)*	*(53,617)*
Operating loss		**(30,354)**	(56,278)
Finance expense	12	**(2,518)**	(1,324)
Finance income	12	**10**	21
Loss before tax		**(32,862)**	(57,581)
Income tax benefit	13	**3,008**	6,985
Loss for the period		**(29,854)**	(50,596)
Other comprehensive income			
Items that will be reclassified to income statement			
Exchange differences on translating foreign operations		**4,910**	611
Income tax credit on items recorded in other comprehensive income		**1,129**	-
		6,039	611
Total comprehensive loss		**(23,815)**	(49,985)
All profit and comprehensive income is attributable to the owners of the parent			
Losses per share expressed in cents per share:			
Basic	15	**(84.78)**	(184.26)
Diluted	15	**(84.78)**	(184.26)

All activities of the company are classified as continuing
The accompanying notes on pages 64 to 108 form part of these consolidated financial statements

Consolidated statement of financial position
as at 31 December 2020

Registered Number: 03959429	Notes	**31 December 2020**	31 December 2019
		$000	$000
Assets			
Non-current assets			
Intangible assets	16	**129,503**	142,456
Property, plant and equipment	17	**2,439**	3,766
Right of use assets	30	**4,166**	5,715
Contract assets	9	**1,109**	3,654
Deferred tax assets	13	**7,701**	8,647
		144,918	164,238
Current assets			
Inventories	19	**1,927**	1,004
Contract assets	9	**3,404**	5,926
Trade and other receivables	20	**15,968**	23,676
Income tax receivable		**1,858**	50
Cash and cash equivalents	29	**56,355**	16,205
		79,512	46,861
Liabilities			
Current liabilities			
Trade and other payables	21	**17,328**	31,811
Derivative financial liabilities	23	**758**	-
Finance lease liabilities	30	**1,163**	1,307
Contract liabilities	9	**7,525**	7,299
Income tax payable		**667**	4,005
		27,441	44,422
Net current assets		**52,071**	2,439
Non-current liabilities			
Deferred tax liabilities	13	**7,580**	10,778
Contract liabilities	9	**1,303**	1,823
Other non-current liabilities	21	**-**	30
Finance lease liabilities	30	**3,790**	4,976
Borrowings	22	**26,699**	15,851
		39,372	33,458
Total liabilities		**66,813**	77,880
Net assets		**157,617**	133,219
Shareholders' equity			
Called up share capital	24	**595**	427
Share premium	25	**153,327**	107,403
Own shares held in trust	25	**-**	(665)
Retained earnings	25	**(15,864)**	11,331
Merger relief reserve	25	**19,641**	19,641
Translation reserve	25	**(82)**	(4,918)
Total shareholders’ equity		**157,617**	133,219

The financial statements were approved by the Board of directors on 23 March 2021 and were signed on its behalf by:

Fern MacDonald
Chief Financial Officer

The accompanying notes on pages 64 to 108 form part of these consolidated financial statements

Company statement of financial position
as at 31 December 2020

Registered Number: 03959429	Notes	31 December 2020 $000	31 December 2019 $000
Assets			
Non-current assets			
Intangible assets	16	**4,481**	5,954
Investments in subsidiaries	18	**61,570**	72,798
Property, plant and equipment	17	**661**	787
Right of use assets	30	**608**	775
Contract assets	9	**675**	2,904
Amounts due from group undertakings	20	**97,161**	82,950
		165,156	166,168
Current Assets			
Inventories	19	**105**	205
Contract assets	9	**2,056**	1,487
Trade and other receivables	20	**10,588**	6,686
Income tax receivable		**1,126**	17
Cash and cash equivalents		**47,690**	3,780
		61,565	12,175
Liabilities			
Current liabilities			
Trade and other payables	21	**11,827**	12,762
Derivative financial liabilities	23	**758**	
Finance lease liabilities	30	**121**	115
Contract liabilities	9	**441**	316
Income tax payable		**9**	3,422
		13,156	16,615
Net current assets /(liabilities)		**48,409**	(4,440)
Non-current liabilities			
Deferred tax	13	**605**	464
Contract liabilities	9	**184**	471
Finance lease liabilities	30	**601**	728
Borrowings	22	**26,699**	15,851
		28,089	17,514
Total liabilities		**41,245**	34,129
Net assets		**185,476**	144,214
Shareholders' equity			
Called up share capital	24	**595**	427
Share premium	25	**153,327**	107,403
Retained earnings	25	**10,905**	28,684
Merger relief reserve	25	**19,641**	19,641
Translation reserve	25	**1,008**	(11,941)
Total shareholders' equity		**185,476**	144,214

The loss for the financial year for the Company was $16.57m (2019: loss of $20.96m).
The financial statements were approved by the Board of directors on 23 March 2021 and were signed on its behalf by:

Fern MacDonald
Chief Financial Officer

The accompanying notes on pages 64 to 108 form part of these consolidated financial statements

Consolidated statement of cash flow
for the financial year ended 31 December 2020

	Notes	**2020 $000**	2019 $000
Cash flows from operations			
Loss for the period		**(29,854)**	(50,596)
Adjustments for:			
Depreciation (excluding finance lease assets)	17	**1,758**	1,694
Depreciation on finance leased assets	30	**1,461**	1,320
Amortisation on acquired intangibles	16	**2,573**	11,286
Amortisation on development costs and other intangibles	16	**11,446**	13,000
Impairment of intangibles	16	**2,627**	53,617
Loss on disposal of property, plant and equipment		**22**	114
Share-based payment	10	**1,398**	1,845
Deferred consideration charge	10	**150**	1,416
Finance expense	12	**2,518**	1,324
Finance income	12	**(10)**	(21)
Foreign exchange gain		**1,308**	(90)
Income tax benefit	13	**(3,008)**	(6,985)
RDEC tax credits		**(384)**	-
		(7,995)	27,924
(Increase)/Decrease in inventories		**(923)**	86
Decrease/(Increase) in trade and other receivables		**6,658**	(5,865)
Increase/(Decrease) in contract assets/ contract liabilities		**4,847**	(1,140)
(Decrease)/Increase in trade and other payables		**(14,444)**	3,562
Cash (used in)/generated from operations		**(11,857)**	24,567
Tax (paid)/received		**(2,657)**	1,597
Net cash (outflow)/inflow from operating activities		**(14,514)**	26,164
Cash flows from investing activities			
Deferred consideration settlement		**(477)**	(1,017)
Capitalised internal development costs	16	**(2,969)**	(21,064)
Purchase of property, plant and equipment	17	**(437)**	(1,945)
Acquisition of other intangible assets	16	**-**	(4)
Interest received		**6**	21
Net cash used in investing activities		**(3,877)**	(24,009)
Cash flows from financing activities			
Share issue		**48,215**	306
Share issue costs		**(2,123)**	-
Sale of shares held in trust		**198**	-
Interest paid		**(633)**	(830)
Payments on property lease liabilities	30	**(1,622)**	(1,451)
Proceeds from borrowings		**10,116**	4,802
Repayments of borrowings		**-**	(9,728)
Net cash generated from/ (utilised in) financing activities		**54,151**	(6,901)
Increase/ (Decrease) in cash and cash equivalents		**35,760**	(4,746)
Cash and cash equivalents at beginning of year		**16,205**	20,704
Exchange gain on cash and cash equivalents		**4,390**	247
Cash and cash equivalents at end of year		**56,355**	16,205

The accompanying notes on pages 64 to 108 form part of these consolidated financial statements

Company statement of cash flow
for the financial year ended 31 December 2020

	Notes	**2020 $000**	2019 $000
Cash flows from operations			
Loss for the period		**(16,571)**	(20,963)
Adjustments for:			
Depreciation excluding finance leased assets	17	**340**	428
Depreciation on finance leased assets	30	**117**	128
Amortisation	16	**1,932**	2,224
Impairment of intangibles	16	**468**	
Share-based payment		**(39)**	160
Impairment of investment in subsidiary	18	**15,460**	21,810
Loss on disposal of property, plant and equipment		**-**	(11)
Finance expense		**2,076**	884
Finance income		**(5,527)**	(5,334)
Foreign exchange loss		**3,711**	174
Income tax (benefit) / expense		**(2,139)**	1,172
		(172)	672
Decrease in inventories		**101**	142
(Increase)/Decrease in trade and other receivables		**(13,442)**	8,183
Decrease in contract assets/ liabilities		**1,675**	594
(Decrease) in trade and other payables		**(1,176)**	(1,258)
Cash (used in)/generated from operations		**(13,014)**	8,333
Tax paid		**(2,171)**	(602)
Net cash (outflow)/ inflow from operating activities		**(15,185)**	7,731
Cash flows from investing activities			
Investment in subsidiary	18	**-**	(99)
Capitalised internal development costs	16	**(803)**	(1,523)
Purchase of property, plant and equipment	17	**(191)**	(178)
Interest received		**-**	9
Net cash used in investing activities		**(994)**	(1,791)
Cash flows from financing activities			
Share Issue		**48,215**	306
Share Issue costs		**(2,123)**	-
Sale of shares held in trust		**198**	-
Interest paid		**(633)**	(743)
Payments on property lease liabilities	30	**(86)**	(146)
Proceeds from borrowings		**10,116**	4,802
Repayments of borrowings		**-**	(9,728)
Net cash generated from/ (utilised in) financing activities		**55,687**	(5,509)
Increase in cash and cash equivalents		**39,508**	431
Cash and cash equivalents at beginning of year		**3,780**	3,311
Exchange gain on cash and cash equivalents		**4,402**	38
Cash and cash equivalents at end of year		**47,690**	3,780

The accompanying notes on pages 64 to 108 form part of these consolidated financial statements.

Consolidated statement of changes in equity
for the financial year ended 31 December 2020

	Share capital	Share premium	Retained earnings	Merger relief reserve	Own shares held in trust	Translation reserve	Total
	$000	$000	$000	$000	$000	$000	$000
Balance at 1 January 2020	**427**	**107,403**	**11,331**	**19,641**	**(665)**	**(4,918)**	**133,219**
Comprehensive income for the year							
(Loss) for period	-	-	(29,854)	-	-	-	(29,854)
Other comprehensive income							
Exchange differences on translating foreign operations	-	-	-	-	-	4,910	4,910
Income tax credit on items recorded in other comprehensive income	-	-	1,129	-	-	-	1,129
Total comprehensive income for the year	-	-	(28,725)	-	-	4,910	(23,815)
Issue of share capital	168	48,047	-	-	-	-	48,215
Share issue costs	-	(2,123)	-	-	-	-	(2,123)
Share-based payments	-		1,398	-	-	(74)	1,324
Equity-settled deferred consideration	-	-	150	-	-	-	150
Share option tax charge - deferred	-	-	50	-	-	-	50
Reduction of shares held in trust	-	-	(68)	-	665	-	597
Total contributions by and distributions by owners	168	45,924	1,530	-	665	(74)	48,213
Balance at 31 December 2020	**595**	**153,327**	**(15,864)**	**19,641**	**-**	**(82)**	**157,617**
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	-	-	-	107
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**

The accompanying notes on pages 64 to 108 form part of these consolidated financial statements

Company statement of changes in equity
for the financial year ended 31 December 2020

	Share capital $000	Share premium $000	Retained earnings $000	Merger relief reserve $000	Translation reserve $000	Total $000
Balance at 1 January 2020	**427**	**107,403**	**28,684**	**19,641**	**(11,941)**	**144,214**
Comprehensive income for the year						
Loss for year	-	-	(16,571)	-	-	(16,571)
Other comprehensive income						
Exchange differences	-	-	-	-	10,225	10,225
Reserve transfer of foreign exchange on net investment in subsidaires	-	-	(2,724)	-	2,724	-
Total comprehensive income for the year	-	-	(19,295)	-	12,949	(6,346)
Issue of share capital	168	48,047	-	-	-	48,215
Share issue costs	-	(2,123)	-	-	-	(2,123)
Share-based payments	-	-	1,398	-	-	1,398
Equity-settled deferred consideration	-	-	150	-	-	150
Share option tax charge - deferred	-	-	(32)	-	-	(32)
Total contributions by and distributions by owners	168	45,924	1,516	-	-	47,608
Balance at 31 December 2020	**595**	**153,327**	**10,905**	**19,641**	**1,008**	**185,476**
Balance at 1 January 2019	**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**

The accompanying notes on pages 64 to 108 form part of these consolidated financial statements.

Notes to the consolidated financial statements
for the financial year ended 31 December 2020

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

The consolidated Group and Parent company financial statements have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006. They were authorised for issue by the Company's board of directors on 23 March 2021.

The consolidated financial statements have been prepared on the historical cost basis except for contingent consideration, acquired intangible assets arising on business combinations and derivative financial instruments, 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

Other new standards and improvements

A number of new standards are also effective or available for early adoption from 1 January 2020 but they do not have a material effect on the Group's financial statements.

- Amendments to References to Conceptual Framework in IFRS Standards
- Definition of a Business (Amendments to IFRS 3
- Definition of Material (Amendments to IAS 1 and IAS8)
- Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7)
- COVID-19-Related Rent Concessions (Amendment to IFRS 16)

New standards and interpretations not yet adopted

A number of new standards, amendments to standards, and interpretations are either not effective for 2020 or not relevant to the group, and therefore have not been applied in preparing these accounts.

Notes to the consolidated financial statements *(continued)*
for the financial year ended 31 December 2020

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.

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 2020 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.

Going concern

The financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

Following the impact of COVID-19 and the subsequent decrease in revenues, *accesso Technology Group* plc (the Group), took several steps to preserve the cash position of the Group including raising additional cash of $46.1m through a placing and open offer, obtaining additional loan facilities of £8m until 31 August 2021 ($10.4m) and reducing underlying administrative expenses by $1.4m a month for the year.

Subsequent to year end the Group has signed a new banking agreement with Investec Bank PLC and settled in full the facility with Lloyds Bank PLC. This agreement gives a facility of £18m through to March 2024 and the covenants in the first 2 years are minimum revenue and minimum liquidity only. Minimum revenue covenants are tested quarterly on a 12-month basis ending on each test date at $50m for June 2021, September 2021 and December 2021; $55m for March 2022, June 2022 and September 2022; and $60m for December 2022. Minimum liquidity is £10.7m of freely available cash to be tested for four consecutive quarters starting on June 2021. As at 19 March 2021 the Group has cash of $28.6m and available facilities of £18m subject to Investec Bank PLC securing charges over our US subsidiaries.

The Directors have prepared cash flow forecasts for the Group for a period of 24 months from the date of these financial statements, which indicate that, taking account of severe but plausible downsides and the anticipated impact of COVID-19, the Group will have sufficient funds to meet the liabilities of the Group as they fall due for that period.

The base case assumes that there is a steady re-opening of attractions and that Group revenue and EBITDA gradually increases through 2021 although are still below the levels seen in 2019. Within the base case there are contingencies to allow for a shortfall to the expected level of performance. Under this scenario, the Group has sufficient liquidity and adequate headroom within its existing cash reserves and facilities and complies with all covenants throughout the review period.

Report of the directors
for the financial year ended 31 December 2020 *(continued)*

Going concern (continued)

The severe but plausible downside case assumes that the impact of COVID-19 lasts for longer with a lower and slower opening of attractions with FY21 revenues being in line with those achieved in FY20. It also assumes that steps would be taken to protect the Group's financial position by taking actions which are in the Group's control such as deferring capital expenditure, significantly reducing areas of expenditure such as use of subcontractors and travel and accommodation costs but assumes no government support in terms of furlough or delays in tax payments. Under this scenario, the Group would also have sufficient liquidity and adequate headroom within its existing cash reserves and facilities and complies with all covenants throughout the review period.

Consequently, the Directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for the period of assessment to 31 December 2022 and therefore have prepared the financial statements on a going concern basis.

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.

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

Notes to the consolidated financial statements *(continued)*
for the financial year ended 31 December 2020

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

Type of product/service / Segment	Nature of the performance obligations and significant payment terms	Accounting policy
a. Point-of-sale (POS) licences and support revenue - Ticketing and distribution	Customers obtain control of the POS licence 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 licences 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 licences and the related maintenance and support revenue - Ticketing and distribution and Guest Experience	Certain software licences 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 licences 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 2020

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 licence 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.
g. Platform fees	Cloud-based experience management platform systems are used by certain venues to provide customer relationship management, guest personalisation, payment and ordering services, push notifications, scheduling, offers, location-based services, consumer facing screens and many other services to end users at attractions. These secure platforms are provided to venues together with support under annual contracts.	Revenue is billed monthly and recognised over-time as the performance obligations of hosting and supporting the secure platforms are provided to the venues.

Notes to the consolidated financial statements *(continued)*
for the financial year ended 31 December 2020

Contract assets and contract liabilities (continued)

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.

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 where they have been set. 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.

Notes to the consolidated financial statements (continued)
for the financial year ended 31 December 2020

Significant accounting policies (continued)

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.

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.

Notes to the consolidated financial statements (continued)
for the financial year ended 31 December 2020

Significant accounting policies (continued)

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.

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 between 3 - 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 (2019: $nil).

Notes to the consolidated financial statements (continued)
for the financial year ended 31 December 2020

Significant accounting policies (continued)

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.

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. For loan modifications the Group assesses if the loan can be prepaid without significant penalty and if so no gain or loss is recognised in the income statement at the date of the modification.

- *Derivative financial liability* **–** forward foreign currency contracts that are out-of-money derivatives using period end exchange rates, relative to the forward point exchange rate entered into by the Group on inception of the agreement, are held as derivative financial liabilities. These level one financial instruments are carried in the statement of financial position at fair value with changes in fair value recognised in the consolidated statement of comprehensive income in the finance expense line. Variation margin paid to the counter party on these forward contracts has been offset against the derivative financial liability in the Statement of Financial Position.

Notes to the consolidated financial statements *(continued)*
for the financial year ended 31 December 2020

Significant accounting policies (continued)

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.

Government grants

The Group received government support for payroll costs throughout the year including the UK Coronavirus Job Retention Scheme and equivalent schemes in Australia and Germany. Grants that compensate the Group for expenses incurred are recognised in profit or loss as other income on a systematic basis in the periods in which the expenses are recognised, unless the conditions for receiving the grant are met after the related expenses have been recognised. In this case, the grant is recognised when it becomes receivable. Refer to note 10 for government support received in the year ended 31 December 2020.

IFRS 16 Leases

The Group assesses whether a contract is or contains 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 to IFRS 16 on 1 January 2019, 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 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.

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.

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 on 1 January 2019 the Group took advantage of the practical expedients that were applicable. These included:

- 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 2020 were 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

For further details on the group's leases see note 30.

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.

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 at the outset of a project, $0.46m has been capitalised on new projects during 2020. Significant judgements include the determination that assets have been substantially enhanced, the technical feasibility of the development, recoverability of the costs incurred, and economic viability of the product and potential market available considering its current and future customers. See internally generated intangible assets and research and development within note 4 for details on the Group's capitalisation and amortisation policies, and Intangible Assets, note 16, for the carrying value of capitalised development costs.

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 its capitalised development costs over 3 - 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 $1,738k higher and $1,015k lower respectively. Management will review this estimate each year to ensure it is reflective of the technologies being developed.

Notes to the consolidated financial statements (continued)
for the financial year ended 31 December 2020

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 2020	Note	**Less than 6 months $000**	**Between 6 months and 1 year $000**	**Between 1 and 5 years $000**	**Over 5 Years $000**	**Total $000**
Group						
Financial liabilities	21	**9,606**	**-**			**9,606**
Finance leases	30	**813**	**643**	**4,237**	**-**	**5,693**
Derivative financial liabilities	23	**768**	**-**	**-**	**-**	**768**
Bank loan	22	**-**	**-**	**26,808**	**-**	**26,808**
Total		**11,187**	**643**	**31,045**	**-**	**42,875**
Company						
Financial liabilities	21	**10,736**	**-**	**-**	**-**	**10,736**
Finance leases	30	**88**	**66**	**662**	**-**	**816**
Derivative financial liabilities	23	**768**	**-**	**-**	**-**	**768**
Bank loan	22	**-**	**-**	**26,808**	**-**	**26,808**
Total		**11,592**	**66**	**27,470**	**-**	**39,128**

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	30	846	841	5,271	460	7,418
Bank loan	22	-	-	15,979	-	15,979
Total		19,258	1,961	22,876	460	44,555
Company						
Financial liabilities	21	10,786	-	-	-	10,786
Financial leases	30	75	81	693	130	979
Bank loan	22	-	-	15,979	-	15,979
Total		10,861	81	16,672	130	27,744

Notes to the consolidated financial statements (continued)
for the financial year ended 31 December 2020

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 2020	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	-	-	13,741	13,741	-
Financial assets – contract assets	9	-	-	4,145	4,145	-
Cash		-	13,579	42,776	56,355	-
Total		-	13,579	60,662	74,241	-
Bank loan	22	-	26,808	-	-	26,808
Total			26,808	-	-	26,808
Company						
Financial assets - Intercompany loan	20	97,161	-	8,473	105,634	-
Financial assets – trade and other receivables	20	-	-	1,577	1,577	-
Financial assets – contract assets	9	-	-	2,731	2,731	-
Cash		-	13,579	34,111	47,690	-
Total		97,161	13,579	46,892	157,632	-
Bank loan	22	-	26,808	-	-	26,808
Total		-	26,808	-	-	26,808

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

Notes to the consolidated financial statements (continued)
for the financial year ended 31 December 2020

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	
		2020	2019	**2020**	2019
	Note	**$000**	$000	**$000**	$000
Financial assets – intercompany loan	20	**-**	-	**107,859**	84,564
Financial assets – trade and other receivables	20	**14,221**	21,293	**1,583**	6,497
Financial assets – contract assets	9	**4,512**	9,580	**2,731**	4,391
Cash	29	**56,355**	16,205	**47,690**	3,780
Estimated irrecoverable amounts		**(480)**	(218)	**(2,232)**	(1,992)
		74,608	46,860	**157,631**	97,240

The maximum exposure is the carrying amount as disclosed in trade and other receivables. The average credit period taken by customers is 54 days (2019: 56 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 2020 and 31 December 2019, 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	
	2020	2019	**2020**	2019
	$000	$000	**$000**	$000
Up to 3 months	**4,577**	3,546	**322**	529
3 to 6 months	**551**	156	**10**	-
	5,128	3,702	**332**	529

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 2020

Financial risk management (continued)

Foreign currency exposure

The Group primarily has operations or customers in the UK, USA, Canada, 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 reside in *accesso Technology Group* plc company only. Balances at 31 December 2020 are (in ’000s):

$7,569 (2019: $129) denominated in US dollars

AUD $nil (2019: AUD$9) denominated in Australian dollars

€324 (2019: €320) denominated in euros

Kr381 (2019: Kr1,113) 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 downside 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 = 1.2837USD (2019: 1GBP = 1.2773USD). In light of the volatility in sterling to USD observed throughout 2020, the directors have assessed the potential impact on the Group’s profitability. If sterling had been an average of 5% stronger than the dollar through the year, then it would have increased Group loss before tax by $765,002 – 2.31% (2019, decreased the Group loss before tax - $380,898 - 0.66%). If sterling had been an average of 5% weaker than the dollar through the year then it would have decreased Group loss before tax by $728,568 – 2.20% (2019, increased the Group loss before tax - $283,491 – 0.49%).

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 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.

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.

Notes to the consolidated financial statements (continued)
for the financial year ended 31 December 2020

Business and geographical segments (continued)

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

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

The Group's assets and liabilities are reviewed on a group basis and therefore segmental information is not provided for the statements of financial position of the segments.

The CODM monitors the results of the operating segments prior to charges for interest, depreciation, tax, amortisation and non-recurring items but after the deduction of capitalised development costs. 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.

	2020 $000	2019 $000
Ticketing and Distribution	**37,966**	79,334
Guest Experience	**18,128**	37,848
Total revenue	**56,094**	117,182

Year ended 31 December 2020	**Ticketing and Distribution $000**	**Guest Experience $000**	**Central unallocated costs $000**	**Group $000**
Cash EBITDA (*)	5,578	(738)	(16,290)	(11,450)
Capitalised development spend				2,969
Depreciation and amortisation (excluding acquired intangibles)				(14,664)
Aborted sale process costs				(461)
Deferred and contingent payments				(150)
Amortisation related to acquired intangibles				(2,573)
Impairment related to development intangibles				(2,627)
Share-based payments				(1,398)
Finance income				10
Finance expense				(2,518)
Loss before tax				(32,862)

Notes to the consolidated financial statements (continued)
for the financial year ended 31 December 2020

Business and geographical segments (continued)

Year ended 31 December 2019	**Ticketing and Distribution $000**	**Guest Experience $000**	**Central unallocated costs $000**	**Group $000**
Cash EBITDA (*)	22,176	7,343	(22,378)	7,141
Capitalised development spend				21,064
Depreciation and amortisation (excluding acquired intangibles)				(16,014)
Aborted sale process costs				(305)
Deferred and contingent payments (See note 10)				(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)

(*) Cash 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 but after capitalised development costs

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**	
	2020 $000	2019 $000	**2020 $000**	2019 $000
UK	5,228	27,547	26,866	29,346
Other Europe	1,826	4,044	10	7
Australia/South Pacific/Asia	2,413	3,710	255	221
USA and Canada	45,753	78,655	108,714	121,915
Central and South America	874	3,226	263	447
	56,094	117,182	136,108	151,936

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.

There are two park and attraction operators with which the Group has contractual relationships with combined segmental revenues in excess of 10% of the total group revenue. The first park operator accounted for $5.4m (2019: $7.3m) Ticketing and Distribution revenue, the customers of this operator accounted for $5.4m (2019: $16.4m) Guest Experience revenue. The second park and attractions operator accounted for $5.0m (2019: $9.5m) Ticketing and Distribution revenue, the customers of this operator accounted for $0.9m (2019: $4.1m) Guest Experience revenue.

Another customer within the Guest Experience segment accounted for $7.0m of group revenue in 2020 (2019: $9.6m).

Notes to the consolidated financial statements (continued)
for the financial year ended 31 December 2020

9. Revenue

Revenue primarily arises from the operation and licensing of virtual queuing solutions, the development and application of eCommerce ticketing, professional services, and licence 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.

	Year ended 31 December 2020			Year ended	
	Ticketing and Distribution $000	Guest Experience $000	Group $000	Ticketing and Distribution $000	Ex
Primary geographic markets					
UK	**4,380**	**848**	**5,228**	25,500	
Other Europe	**1,177**	**649**	**1,826**	1,859	
Australia/South Pacific/Asia	**1,663**	**750**	**2,413**	2,942	
USA and Canada	**30,014**	**15,739**	**45,753**	45,987	
Central and South America	**732**	**142**	**874**	3,046	
	37,966	**18,128**	**56,094**	79,334	
Product type					
Licence fees	**2,322**	**-**	**2,322**	3,496	
Support and maintenance	**7,711**	**-**	**7,711**	8,742	
Platform fees	**-**	**2,263**	**2,263**		
Virtual queuing	**-**	**7,407**	**7,407**	-	
Ticketing and eCommerce	**23,840**	**43**	**23,883**	60,909	
Professional services	**1,845**	**8,109**	**9,954**	2,928	
Hardware	**1,250**	**243**	**1,493**	2,491	
Other	**998**	**63**	**1,061**	768	
	37,966	**18,128**	**56,094**	79,334	
Timing of transfer of goods and services					
Point in time licence fees	**2,322**	**-**	**2,322**	3,496	
Point in time virtual queuing/ticketing/hardware/other	**26,088**	**7,755**	**33,843**	63,400	
Over time maintenance, support, platform fees and professional services	**9,556**	**10,373**	**19,929**	12,438	
	37,966	**18,128**	**56,094**	79,334	
Revenue included within point in time licence fees above related to the exercise or lapse of renewal rights	**1,412**	**-**	**1,412**	1,840	

Notes to the consolidated financial statements (continued)
for the financial year ended 31 December 2020

Revenue (continued)

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 2019	3,654	5,926	9,580	2,904	1,487	4,391
At 31 December 2020	1,109	3,404	4,513	675	2,056	2,731

Breakdown of Contract assets at 31 December 2020

	Group $000	**Company $000**
Unbilled and accrued income	**4,145**	**2,731**
Contract commissions	**354**	**-**
Capitalised contract costs	**14**	**-**
	4,513	**2,731**

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**

The contract assets primarily relate to the Group's rights to consideration for licence fees or professional services recognised but not billed. The contract assets are transferred to receivables when the rights become unconditional. This occurs when the Group issues an invoice to the customer in line with the contractually agreed terms. 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.

Contract assets have reduced by $5.1m during 2020 which is primarily a result of a $5.0m reduced in unbilled and accrued income which relates to the unwinding of the licence revenue assets.

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 2019	1,823	7,299	9,122	471	316	787
At 31 December 2020	**1,303**	**7,525**	**8,828**	**184**	**441**	**625**

Transfers of contract liabilities to revenue during the period were $9.5m Group, Company $337k (2019 - $10.3m Group, Company $332k).

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 licences and guest management software, and the revenue for the support is recognised over the terms of the agreements.

Notes to the consolidated financial statements (continued)
for the financial year ended 31 December 2020

Revenue (continued)

No revenue was recognised in the period ended 31 December 2020 or 2019 from performance obligations satisfied (or partially satisfied) in previous periods.

Remaining performance obligations

No information is provided about remaining performance obligations at 31 December 2020 or 2019 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 2020		31 December 2019	
	Less than 1 year	Between 1 and 5 years	Less than 1 year	Between 1 and 5 years
	$000	$000	$000	$000
Material rights over discounted licence fee renewal	**1,173**	**1,091**	1,617	1,278

10. Employees and directors

	2020	2019
	$000	$000
Wages and salaries	**35,865**	49,963
Deferred compensation related to acquisitions	**150**	1,416
Social security costs	**2,792**	3,925
Defined contribution pension costs	**693**	1,706
Share-based payment transactions	**1,398**	1,845
	40,898	58,855

Included within the wages and salaries cost is $595,065 of grant income relating to COVID-19 government support packages including the UK Coronavirus Job Retention Scheme and equivalent schemes in Germany and Australia.

Headcount

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

	2020	2019
Operations	**176**	191
Research & development	**196**	242
Sales & marketing	**29**	48
Finance & administration	**57**	87
Seasonal staff	**145**	477
	603	1,045

Notes to the consolidated financial statements (continued)
for the financial year ended 31 December 2020

Employees and directors (continued)

Key management compensation

The key management of the company in 2020 are considered to be the Executive Directors and the Chief Executive's direct reports being the Senior Vice Presidents of Engineering, Product and HR, the President of Operations and the Chief Commercial Officer. In 2019 this consisted of 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:

	2020 $000	2019 $000
Salary	**1,874**	1,750
Bonus	**-**	462
Payment for loss of office	**458**	-
Short term non-monetary benefits	**103**	99
Contribution to retirement scheme	**48**	72
Employer's social security costs	**107**	67
Share-based payments	**1,081**	246
Deferred compensation treated as remuneration expense	**-**	832
	3,671	3,528

Directors' emoluments, details of share options exercised and outstanding, and pension contribution are disclosed on page 34 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

	2020 $000	2019 $000
Park operating costs	**3,422**	8,309
Depreciation - owned assets	**1,758**	1,694
Depreciation - right of use assets	**1,461**	1,320
Amortisation of intangible assets	**14,019**	24,286
Impairment of intangible assets	**2,627**	53,617
Foreign exchange (gain)/loss	**1,221**	(123)
Research and development gross spend	**21,157**	33,545
Research and development capitalized to balance sheet (note 16)	**(2,969)**	(21,998)
Research and development recognized in operating profit	**18,188**	11,547

Auditor's remuneration

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

	2020 $000	2019 $000
Audit services		
Fees payable to the company's auditors of the parent company and consolidated accounts	**308**	234
Fees payable to the company's auditors for the audit of subsidiaries	**342**	260
Non-audit services		
Tax compliance	**166**	154
Tax advisory	**28**	139
Other non-audit service	**49**	-
	893	787

Notes to the consolidated financial statements (continued)
for the financial year ended 31 December 2020

12. Finance income and expense

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

	2020 $000	2019 $000
Finance income:		
Bank interest received	**6**	21
Interest received from customers	**4**	-
Total finance income	**10**	21
Finance costs:		
Bank interest	**(636)**	(813)
Amortisation of capitalised refinance costs (note 29)	**(169)**	(82)
Finance lease (note 30)	**(376)**	(429)
Loss on forward foreign exchange contracts	**(1,233)**	-
Interest on accrued balances	**(104)**	-
Total finance costs	**(2,518)**	(1,324)
Net finance expense	**(2,508)**	(1,303)

13. Tax

The table below provides an analysis of the tax charge for the periods ended 31 December 2020 and 31 December 2019:

	2020 $000	2019 $000
UK corporation tax		
Current tax on income for the period	**352**	1,854
Adjustment in respect of prior periods	**(1,031)**	6
	(679)	1,860
Overseas tax		
Current tax on income for the period	**(531)**	230
Adjustment in respect of prior periods	**415**	49
	(116)	279
Total current taxation	**(795)**	2,139
Deferred taxation		
Original and reversal of temporary difference - for the current period	**(2,218)**	(9,037)
Impact on deferred tax rate changes	**(255)**	-
Original and reversal of temporary difference - for the prior period	**260**	(87)
	(2,213)	(9,124)
Total taxation benefit	**(3,008)**	(6,985)

Notes to the consolidated financial statements (continued)
for the financial year ended 31 December 2020

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:

	2020	2019
	$000	$000
Loss on ordinary activities before tax	**(32,862)**	(57,581)
Tax at United States tax rate of 24% (2019: 24%)	**(7,887)**	(13,820)
Effects of:		
Expenses not deductible for tax purposes	**(89)**	615
Goodwill impairment not deductible	**-**	4,177
Profit/(loss) subject to foreign taxes at a lower marginal rate	**(68)**	440
Adjustment in respect of prior period – income statement	**(356)**	(32)
US R&D credits/other US tax credits	**(2,584)**	-
Share options	**224**	748
Impact of rate changes	**(255)**	-
Deferred tax on US losses not recognised	**8,327**	-
(Release)/recognition of uncertain tax positions	**(262)**	897
Other	**(58)**	(10)
Total tax benefit	**(3,008)**	(6,985)

Deferred taxation	**Asset**	**Liability**
	$000	**$000**
Group		
At 31 December 2018	**7,999**	**(17,596)**
Credited 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)**
(Charged)/credited to income	**(1,007)**	**3,219**
Credited directly to equity	**50**	**-**
Foreign currency translation	**11**	**(21)**
At 31 December 2020	**7,701**	**(7,580)**
Company		
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)**
(Credited)/charged to income	**(44)**	**(48)**
Credited directly to equity	**(32)**	**-**
Foreign currency translation	**5**	**(22)**
Netted against the asset	**71**	**(71)**
At 31 December 2020		**(605)**

Notes to the consolidated financial statements (continued)
for the financial year ended 31 December 2020

Tax (continued)

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

Group	2020 $000	2019 $000
Recognised asset		
Tax relief on unexercised employee share options	**539**	455
Short term timing differences	**3,584**	696
Net operating losses & tax credits	**1,728**	5,010
S163(j) US interest disallowance	**1,850**	2,486
Deferred tax asset	**7,701**	8,647
Recognised liability		
Capital allowances in excess of depreciation	**(4,675)**	(7,651)
Uncertain tax positions	**(509)**	(635)
Short term timing differences	**(456)**	(182)
Business combinations	**(1,940)**	(2,310)
Deferred tax liability	**(7,580)**	(10,778)
Company		
Recognised asset		
Tax relief on unexercised employee share options	**45**	128
Short term timing differences	**18**	7
Offset against Company deferred tax asset	**(63)**	(135)
Deferred tax asset	**-**	-
Recognised liability		
Capital allowances in excess of depreciation	**(661)**	(599)
Short term timing differences	**(7)**	-
Offset against Company deferred tax asset	**63**	135
Deferred tax liability	**605**	464
Group		
Unrecognised asset		
Net operating losses – US (Included within the unrecognised deferred tax asset is $2.2m relating to prior periods)	**10,752**	-
Unrecognised deferred tax asset	**10,752**	-

Tax rates in the UK increased from 17% to 19% with effect from 1 April 2020 and the US rate remained at 21%, before state taxes. As both rate changes had been substantively enacted, deferred tax assets and liabilities were measured at a rate of 19% (2019: 17%) and 21% (2019: 21%) plus state taxes in the UK and US, respectively.

There are no material unrecognised deferred tax assets outside of the US.

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.

Notes to the consolidated financial statements (continued)
for the financial year ended 31 December 2020

Tax (continued)

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

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

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 $0.5m (2019: $0.6 million) in relation to transfer pricing risks and nil (2019: $0.3 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 2020 was $16.6m (2019: loss of $20.9m).

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 2020

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.

	2020	2019
Loss attributable to ordinary shareholders ($000)	**(29,854)**	(50,596)
Basic EPS		
Denominator		
Weighted average number of shares used in basic EPS (000s)	**35,213**	27,459
Basic loss per share (cents)	**(84.78)**	(184.26)
Diluted EPS		
Denominator		
Weighted average number of shares used in basic EPS (000s)	**35,213**	27,459
Effect of dilutive securities		
Options (000s)	**983**	406
Deferred share consideration on business combinations (000s)	**-**	17
Weighted average number of shares used in diluted EPS (000s)	**36,196**	27,882
Diluted loss per share (cents)	**(84.78)**	(184.26)

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 years ended 31 December 2020 and 31 December 2019.

	2020 $000	2019 $000
Adjusted EPS		
Profit attributable to ordinary shareholders ($000)	**(29,854)**	(50,596)
Adjustments for the period related to:		
Amortisation relating to acquired intangibles from acquisitions	**2,573**	11,286
Impairment of goodwill	**-**	17,403
Impairment of intangible assets	**2,627**	36,214
Aborted sale process costs	**462**	305
Deferred and contingent consideration linked to employment	**150**	1,416
Share-based compensation and social security costs on unapproved options	**1,398**	1,845
	(22,644)	17,873
Net tax related to the above adjustments (2020: 19.7%, 2019: 19.1%):	**1,291**	(9,420)
Adjusted profit attributable to ordinary shareholders ($000)	**(21,353)**	8,453
Adjusted basic EPS		
Denominator		
Weighted average number of shares used in basic EPS (000s)	**35,213**	27,459
Adjusted basic (loss)/earnings per share (cents)	**(60.64)**	30.78
Adjusted diluted EPS		
Denominator		
Weighted average number of shares used in diluted EPS (000s)	**36,196**	27,882
Adjusted diluted (loss)/earnings per share (cents)	**(60.64)**	30.32

Notes to the consolidated financial statements (continued)
for the financial year ended 31 December 2020

Earnings per share (continued)

81,718 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 2020 (2019: 453,665).

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 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**
Foreign currency translation	**721**	**-**	**-**	**16**	**21**	**481**	**1,239**
Additions		**-**	**-**	**-**	**-**	**2,969**	**2,969**
Disposals		**-**	**-**	**-**	**-**	**(6,737)**	**(6,737)**
At 31 December 2020	**117,511**	**18,314**	**1,841**	**53,037**	**783**	**74,563**	**266,049**
Amortisation							
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
Charged Disposal	-	-	-	-	-	(2,765)	(2,765)
At 31 December 2019	**17,403**	**13,276**	**1,821**	**49,408**	**632**	**43,582**	**126,122**
Foreign currency translation	**-**	**-**	**-**	**34**	**18**	**463**	**515**
Charged	**-**	**882**	**16**	**1,675**	**21**	**11,425**	**14,019**
Impairment	**-**	**-**	**-**	**430**	**-**	**2,197**	**2,627**
Disposal	**-**	**-**	**-**	**-**	**-**	**(6,737)**	**(6,737)**
At 31 December 2020	**17,403**	**14,158**	**1,837**	**51,547**	**671**	**50,930**	**136,546**
Net book value At 31 December 2020	**100,108**	**4,156**	**4**	**1,490**	**112**	**23,633**	**129,503**
At 31 December 2019	99,387	5,038	20	3,613	130	34,268	142,456

Notes to the consolidated financial statements (continued)
for the financial year ended 31 December 2020

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 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**
Foreign currency translation	**14**	**473**	**487**
Additions	**-**	**803**	**803**
Disposals	**-**	**(3,631)**	**(3,631)**
At 31 December 2020	**597**	**9,887**	**10,484**
Amortisation			
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**
Foreign currency translation	**11**	**352**	**363**
Impairment	**-**	**468**	**468**
Charged	**21**	**1,911**	**1,932**
Disposals	**-**	**(3,631)**	**(3,631)**
At 31 December 2020	**507**	**5,496**	**6,003**
Net Book Value			
At 31 December 2020	**90**	**4,391**	**4,481**
At 31 December 2019	**108**	**5,846**	**5,954**

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 or at where indicators of impairment exist. 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. The goodwill balances of the group are monitored and tested at an operating segment level, further details on their composition are set out below.

Notes to the consolidated financial statements (continued)
for the financial year ended 31 December 2020

Intangible assets (continued)

The carrying amount of goodwill is allocated as follows:

	2020 $000	2019 $000
Ticketing and Distribution (CGU1, 2 and 3) *	**71,609**	**70,887**
LoQueue (CGU5) **	**28,500**	**28,500**
	100,109	**99,387**

* Comprises accesso, LLC, Siriusware, Inc, accesso Passport trading within Accesso Australia PTY Limited being CGU1, VisionOne Worldwide Limited & its subsidiaries and accesso ShoWare trading within Accesso Australia PTY Limited being CGU2 and Ingresso Group Limited & subsidiaries as CGU 3.

** Comprises the *accesso LoQueue* trading within *accesso Technology Group* plc, Lo-Q, Inc., Lo-Q Service Canada Inc and Accesso Australia PTY Limited as CGU 5.

Current and prior year impairment of Ingresso Group Limited intangible assets

At 30 June 2020 it was identified that the remaining intangible assets of Ingresso Group Limited had indicators of impairment due to the impact of COVID-19 and the slower anticipated recovery within the UK theatre sector. This test was revisited at 31 December 2020 with the same outcome. At 31 December 2019 this test was performed which also required an impairment charge to the intangible assets of the CGU.

The recoverable amount of Ingresso Group Limited's allocated intangible assets, excluding goodwill, (which is part of the Ticketing and Distribution Operating Segment and tested at that level in compliance with IAS36 Impairment) 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 30-year risk-free (2019: 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 reduced by 1.5% to 11.9% (2019: 13.4%) reflecting a reduction in the equity risk premium and risk-free rate.

The cash flow projections included specific estimates for 5 years (2019: 3 years plus 2% thereafter) per Board approved forecasts.

Average EBITDA during the forecast period was estimated by taking into account a 2-year recovery to 2019 levels following the severe impact of COVID-19 on the UK theatre sector, thereafter the growth rate from 2023 to 2025 is an average of 9%. Across the 5-year period the average is a growth rate of 55.2% (2019: 23.4%), the increase reflecting an increase from a COVID-impacted base level in 2020.

If the discount rate were to be increased or reduced by 1% the impairment would remain unchanged given the CGU assets are written down to nil with some excess. The consequence of this test the carrying value of the Ingresso allocated assets was reduced by $1.4m (2019: $7.0m), which included intangible assets as set out below.

The recoverable value of *Ingresso* as a stand-alone CGU over a five-year term as at 31 December 2020 was $1.8m (2019: $2.8m).

Prior year impairment of The Experience Engine ('TE2') – Cash Generating Unit and Operating Segment

The recoverable amount of *The Experience Engine* 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.

Notes to the consolidated financial statements (continued)
for the financial year ended 31 December 2020

Intangible assets (continued)

Prior year impairment of ***The Experience Engine*** *(***'TE2'***) – Cash Generating Unit 4 (CGU4) and Operating Segment (continued)*
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 were been impaired to nil with a charge of $46.6m charged to administrative expenses. This impairment was not sensitive to plausible changes in key assumptions.

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

	2020 Guest Experience	2020 Ticketing and Distribution	2020 Total	2019 Guest Experience	2019 Ticketing and Distribution	2019 Total
	$000	$000	$000	$000	$000	$000
Goodwill	-	-	-	17,403	-	17,403
Intangible assets	-	1,360	1,360	29,222	6,992	36,214
Impairment of specific development projects(*)	468	799	1,267			
Impairment charge recorded within administrative expense	468	2,159	2,627	46,625	6,992	53,617

(*)A review of all project development costs capitalised was performed at year end. As a result, an impairment of $1.27m was recorded against projects which are no longer considered commercially and technically feasible.

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

	2020	2019
Pre-tax discount rate (%)		
accesso, LLC & Siriusware, Inc. (CGU 1)	**14.0%**	14.4%
VisionOne Worldwide Limited and its subsidiaries (CGU 2)	**14.0%**	14.4%
Ingresso Group Limited and subsidiaries (CGU 3)	**11.9%**	13.4%
The Experience Engine (CGU 4)	**14.0%**	14.4%
LoQueue * (CGU 5)	**14.0%**	14.4%
Average EBITDA growth rate during forecast period (average %)**		
accesso, LLC & Siriusware, Inc. (CGU 1)	**111.1%**	10.7%
VisionOne Worldwide Limited and its subsidiaries (CGU 2)	**520.8%**	26.3%
Ingresso Group (CGU 3)	**55.2%**	23.4%
The Experience Engine (CGU 4)	**-44.4%**	2%
LoQueue * (CGU 5)	**232.6%**	12.8%
Terminal growth rate (%)		
accesso, LLC & Siriusware, Inc. (CGU 1)	**2.0%**	2.0%
VisionOne Worldwide Limited and its subsidiaries (CGU 2)	**2.0%**	2.0%
Ingresso Group (CGU 3)	**2.0%**	2.0%
The Experience Engine (CGU 4)	**2.0%**	2.0%
LoQueue * (CGU 5)	**2.0%**	2.0%
Period on which detailed forecasts based (years)		
accesso, LLC & Siriusware, Inc. (CGU 1)	**5**	3
VisionOne Worldwide Limited and its subsidiaries (CGU 2)	**5**	3
Ingresso Group (CGU 3)	**5**	3
The Experience Engine (CGU 4)	**5**	3
LoQueue * (CGU 5)	**5**	3

Notes to the consolidated financial statements (continued)
for the financial year ended 31 December 2020

Intangible assets (continued)

* Comprises *accesso LoQueue* trading within *accesso Technology Group* plc, Lo-Q, Inc., Lo-Q Service Canada Inc and Accesso Australia PTY Limited
**Average EBITDA growth rates have increased significantly as a result of the recovery from 2020 COVID impacted base levels to 2019 levels in 2022/ 2023 and a significant business reorganisation during 2020. Growth rates in 2024 and 2025 are as follows:

	2020
Average EBITDA growth rate in years 4 and 5 (average %)	
accesso, LLC & Siriusware, Inc. (CGU 1)	**29.9%**
VisionOne Worldwide Limited and its subsidiaries (CGU 2)	**14.7%**
Ingresso Group (CGU 3)	**1.4%**
The Experience Engine (CGU 4)	**-8.1%**
LoQueue * (CGU 5)	**13.1%**

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 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 2020. A considerable amount of judgement is applied in setting discount rates, forecasts and terminal values, all of which will be impacted by the current uncertainty in the market and the speed at which our customers and the wider macro markets recover from the impacts of COVID-19.

	Ticketing and Distribution*		**accesso LoQueue****	
	2020	2019	**2020**	2019
Pre-tax discount rate	Increase by 1.1%	Increase by 1.5%	Increase by 7.5%	Increase by 33.6%
EBITDA Growth rate during detailed forecast period (average)	Reduce by 7.8%	Reduce by 7.7%	Reduce by 40.0%	Reduce by 68.0%
Terminal growth rate	Reduce by 1.1%	Reduce by 1.3%	Reduce by 8.6%	Reduce by 33.5%
Excess over carrying value ($000)	$10,481	$16,887	$36,138	$76,176

* 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 (CGUs 1, 2 and 3)

** Comprises the LoQueue trading within accesso Technology Group plc, Lo-Q, Inc., Lo-Q Service Canada Inc and Accesso Australia PTY Limited (CGU 5)

The Ticketing and Distribution segment is sensitive to relatively small changes in the key assumptions as set out below, if there were to be a 2% increase in the pre-tax discount rate the result would be an $9.0m impairment charge. If the terminal growth rate were to reduce by 2% the result would be a $8.3m impairment charge. If the recovery of the Ticketing and Distribution segment back to 2019 levels were to be slower than anticipated in 2023, this would lead to an impairment.

We do not consider there are any plausible changes in assumptions that would give rise to an impairment in accesso LoQueue over the next financial year.

Notes to the consolidated financial statements (continued)
for the financial year ended 31 December 2020

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:

	2020 $000	2019 $000
accesso, LLC & Siriusware, Inc. (CGU 1)	**49**	3,069

17. Property, plant and equipment

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

	Installed systems $000	Plant, machinery and office equipment $000	Furniture & fixtures $000	Leasehold improvements $000	Totals $000
Cost					
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**
Foreign currency translation	**127**	**36**	**24**	**-**	**187**
Additions	**310**	**122**	**5**	**-**	**437**
Disposals	**(3,094)**	**(475)**	**(174)**	**-**	**(3,743)**
At 31 December 2020	**1,809**	**3,302**	**2,108**	**505**	**7,724**
Depreciation					
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**
Foreign currency translation	**115**	**31**	**20**	**-**	**166**
Charged	**531**	**840**	**314**	**73**	**1,758**
Disposals	**(3,094)**	**(468)**	**(154)**	**-**	**(3,716)**
At 31 December 2020	**1,034**	**2,542**	**1,394**	**315**	**5,285**
Net book value					
At 31 December 2020	**775**	**760**	**714**	**190**	**2,439**
At 31 December 2019	984	1,480	1,039	263	3,766

Notes to the consolidated financial statements (continued)
for the financial year ended 31 December 2020

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 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**
Foreign currency translation	**124**	**44**	**24**	**192**
Additions	**159**	**32**	**-**	**191**
Disposals	**(3,094)**	**(365)**	**-**	**(3,459)**
At 31 December 2020	**181**	**900**	**696**	**1,777**
Depreciation				
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**
Foreign currency translation	**114**	**37**	**18**	**169**
Charged	**52**	**189**	**99**	**340**
Disposals	**(3,094)**	**(365)**	**-**	**(3,459)**
At 31 December 2020	**55**	**588**	**473**	**1,116**
Net book value				
At 31 December 2020	**126**	**312**	**223**	**661**
At 31 December 2019	**9**	**462**	**316**	**787**

Notes to the consolidated financial statements (continued)
for the financial year ended 31 December 2020

18. Investments

Investment in subsidiaries
The investment balance on the company's books at 31 December 2020 is as detailed below:

	$000 Net Book Value
Cost	
At 31 December 2019	**72,798**
Capital contribution to subsidiaries	1,672
Impairment of investment in US subsidiary	(15,460)
Foreign currency translation	2,560
At 31 December 2020	**61,570**
Cost	
At 31 December 2018	**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 – see note 30	**72,798**

Investment impairment sensitivity

The US subsidiary impairment in Lo Q, Inc. of $14.5m as the intermediate US parent was calculated based on a value in use model using the inputs of CGU1, 2, 4 and 5 per note 14, with the exception of CGU4 being calculated on a fair value less cost of sale basis. If the pre-tax discount rate were to be increased by 1% the impairment would be increased by $6.3m, if the EBITDA during the forecast period were to reduce by 1% the impairment would increase by $0.6m.

Prior year Investment impairment sensitivity

The 2019 UK 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.

Notes to the consolidated financial statements (continued)
for the financial year ended 31 December 2020

Investments (continued)

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
Ingresso USA, Inc. (3)	(17)	United States of America	100	100

All shares owned are ordinary shares.

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

(1) Registered address of 1025 Greenwood Blvd, Suite 500, Lake Mary, FL USA
(2) Registered address of Unit 5, The Pavilions, Ruscombe Park, Twyford, Berkshire RG10 9NN, UK
(3) Registered address of 1025 Greenwood Blvd, Suite 500, Lake Mary, FL, USA
(4) Registered address of 1025 Greenwood Blvd, Suite 500, Lake Mary, FL, USA
(5) Registered address of Unit 5, The Pavilions, Ruscombe Park, Twyford, Berkshire RG10 9NN, UK
(6) Registered address of Geneva Place, PO Box 3469, Waterfront Drive, Road Town, British Virgin Islands
(7) Registered address of 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 PO Box 432, Chatswood, NSW 2057, 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 36.

Notes to the consolidated financial statements (continued)
for the financial year ended 31 December 2020

19. Inventories

	Group		Company	
	2020	2019	**2020**	2019
	$000	$000	**$000**	$000
Stock	**1,795**	932	**105**	205
Park installation	**132**	72	**-**	-
	1,927	1,004	**105**	205

The amount of inventories recognised as an expense and charged to cost of sales for the year ended 31 December 2020 was $233,006 (2019: $408,140). 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.

20. Trade and other receivables

	Group		Company	
	2020	2019	**2020**	2019
	$000	$000	**$000**	$000
Trade debtors	**13,498**	20,214	**1,562**	2,932
Other debtors	**243**	1,079	**15**	587
Amounts owed by Group undertakings	**-**	-	**8,473**	2,600
Financial assets	**13,741**	21,293	**10,050**	6,119
VAT and other sales taxes	**345**	-	**16**	-
Prepayments	**1,882**	2,383	**522**	567
	15,968	23,676	**10,588**	6,686
Non-current amounts owed by Group undertakings	**-**	-	**97,161**	82,950
Financial assets	**13,741**	21,293	**107,211**	89,069

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. An expected credit loss provision has been recognised in the company financial statements of $2.2m (2019: $2.0m) in respect of intercompany receivables due from subsidiary undertakings.

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	
	2020	2019	**2020**	2019
	$000	$000	**$000**	$000
Current				
Trade creditors	**9,049**	20,200	**165**	408
Current other creditors	**557**	928	**31**	22
Amounts owed to Group undertakings	**-**	-	**10,540**	10,356
	9,606	21,128	**10,736**	10,786
Non-current other creditors	**-**	30	**-**	-
Financial liabilities	**9,606**	21,158	**10,736**	10,786
Social security and other taxes	**1,529**	1,539	**254**	332
Accruals	**6,193**	9,144	**837**	1,644
	17,328	31,841	**11,827**	12,762

Notes to the consolidated financial statements (continued)
for the financial year ended 31 December 2020

Trade and other payables (continued)

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 $0m at 31 December 2020 (2019: $0.5m) 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.

22. Borrowings

	Group		Company	
	2020	2019	**2020**	2019
	$000	$000	**$000**	$000
Bank loans	**26,808**	15,979	**26,808**	15,979
Arrangement fees, less amortised cost	**(109)**	(128)	**(109)**	(128)
	26,699	15,851	**26,699**	15,851

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 months 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.

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

In April 2020 following the impact of COVID-19 on businesses serving the attractions markets it was agreed with Lloyds Bank plc that our quarterly covenant tests on interest cover and net debt over EBITDA would be waived throughout 2020 and 2021, in addition our minimum EBITDA quarterly tests were reset through to 31 December 2021 with the introduction of a $12.0m minimum liquidity quarterly test. The group has not breached any covenants during 2020 (2019: no covenant breaches). Furthermore, a $10.9m (£8.0m) Coronavirus Large Interruption Scheme Loan facility was secured with an expiry of August 2022 which remained undrawn at the balance sheet date.

On 19 March 2021 the group refinanced with Investec Bank PLC and discharged its two drawn borrowings with Lloyds Bank plc of £13.2m and $8.9m. The group has a 3-year £18m Coronavirus Large Interruption Scheme Loan revolving credit facility at a 3.5% margin, expiring in March 2024. The facility is subject to quarterly covenant tests on minimum revenue and minimum liquidity for 2 years to December 2022; from March 2023 additional covenants are added for leverage and interest cover. Draw down on the Investec Bank PLC facility is subject to securing charges over the US subsidiary entities, a process that is in progress and expected to complete by 2 April 2021.

23. Derivative financial liability

	Group		Company	
	2020	2019	**2020**	2019
	$000	$000	**$000**	$000
Fair value of open forward foreign exchange contracts	**1,273**	-	**1,273**	-
Variation margin paid on deposit	**(515)**	-	**(515)**	-
	758	-	**758**	-

In June 2020 following the equity fundraise where the proceeds were in sterling the group entered into forward exchange contracts to fix its exposure to downward movements in USD given the sterling volatility and uncertainty at the time. The forward exchange contracts are held at fair value through profit and loss using the year end USD/GBP spot rates.

Notes to the consolidated financial statements (continued)
for the financial year ended 31 December 2020

24. Called up share capital

Ordinary shares of 1p each	2020 Number	2020 $000	2019 Number	2019 $000
Opening balance	**27,642,822**	**427**	27,117,995	421
Issued in relation to exercised share options	**50,187**	**1**	204,186	2
Issued in relation to deferred acquisition consideration	**40,538**	**1**	320,641	4
Issued in relation to the placing and open offer	**13,481,744**	**166**	-	-
Closing balance	**41,215,291**	**595**	27,642,822	427

On 9 June the company's shareholders approved the placing, direct subscription and open offer to issue 13,481,744 new ordinary shares at £2.90p to raise gross proceeds of £39.1 million ($48.2 million).

During the period, 50,187 shares (2019: 204,186 shares), with a nominal value $630 (2019: $1,552), were allotted following the exercise of share options.

In addition, during 2020, 40,538 shares (2019: 320,641) were issued in respect of the deferred acquisition consideration to certain employees of Blazer and Flip Flops Inc for a nominal value of $522 (2019: $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.

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

All issued share capital is fully paid as at 31 December 2020. At 31 December 2019 200,000 shares registered in the name of Lo-Q (Trustees) Limited were unpaid, a wholly owned subsidiary of the company on behalf of the Lo-Q Employee Benefit Trust.

25. Reserves

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

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

26. Pension commitments

The Group operates defined contribution pension schemes in the UK and US. The assets of each scheme are held separately from those of the Group in independently administered funds. The pension charge represents contributions payable by the Group to the funds. The amounts related to the charge in the period and payable at period end are:

	2020 $000	2019 $000
Pension charge in the period	**693**	**1,706**
Payable to the funds (included within other creditors)	**167**	**23**

27. 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 who resigned 31 December 2020, is a director invoiced the company in respect of director's fees $36,394 (2019: $43,416), of which $3,693 (2019: $4,460) was outstanding at year end within trade creditors.

At 31 December 2019 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. Rockspring have settled this debtor during 2020.

28. Share-based payment schemes and transactions

Share option schemes

At 31 December 2020 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	26,226	22 March 2020 to 21 March 2028	775p
	40,080	13 May 2022 to 13 May 2029	775p
UK unapproved Scheme	8,200	15 April 2018 to 15 April 2025	557.5p
	10,300	29 April 2019 to 28 April 2026	1105p
	20,000	22 March 2020 to 21 March 2028	2270p
	3,074	30 March 2021 to 21 March 2028	775p
US Scheme	15,750	25 April 2015 to 25 April 2023	600p
	32,400	23 January 2018 to 22 January 2024	697.5p
	55,400	15 April 2018 to 15 April 2025	557.5p
	125,400	29 April 2019 to 28 April 2026	1105p
	30,000	12 July 2020 to 21 March 2028	2270p
	135,100	21 March 2021 to 21 March 2028	2270p
	147,100	13 May 2022 to 13 May 2029	775p
Other schemes	7,500	15 April 2018 to 14 April 2025	557.5p
	17,250	29 April 2019 to 28 April 2026	1105p
	13,800	22 March 2021 to 22 March 2028	2270p
	19,000	13 May 2022 to 13 May 2029	775p
Long-term incentive plan	15,248	15 February 2018 to 14 February 2021	1p
	20,595	20 March 2018 to 19 March 2021	1p
	2,471	1 May 2018 to 30 April 2021	1p (1)
	147,858	10 May 2019 to 9 May 2022	1p (1)
	16,090	14 August 2019 to 13 August 2022	1p (1)
	582,567	27 January 2020 to 27 January 2023	1p (1)
	277,544	16 September 2020 to 16 September 2023	1p (1)
	1,796,948		

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

Notes to the consolidated financial statements (continued)
for the financial year ended 31 December 2020

Share-based payment schemes and transactions (continued)

Equity-settled share option schemes

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

	2020		2019	
	Number	**WAEP (pence)**	Number	WAEP (pence)
Outstanding at beginning of year	**1,739,279**	**464.47**	1,376,367	870.86
Granted during the year	**860,111**	**1.00**	865,093	269.95
Exercised during the year	**(50,187)**	**45.81**	(204,186)	143.31
Leavers, lapsed & other	**(752,255)**	**194.69**	(297,995)	563.16
Outstanding at end of the year	**1,796,948**	**327.77**	1,739,279	464.47
Exercisable at the end of the year	**348,895**	**831.27**	390,759	818.88
Weighted average share price at date of exercise for share options exercised during the year:				1,145.78

The exercise price of options outstanding at 31 December 2020 range between £.01 and 775p (2019: £.01 and 775p) and their weighted average contractual life was 2.87 years (2019: 4.96 years).

The weighted average share price at the date of exercise for share options exercised during the period was 181.32p (2019: 1,145.78p). Options were granted in the period and the inputs to the model for options issued in the current period were as follows:

	2019
Weighted average exercise price of options issued during the period (pence)	269.95
Expected volatility (%)	46%
Expected life beyond vesting date (years)	2
Risk free rate (%)	0.73%
Dividend yield (%)	-

There were no share options issued in the current year, only Long-term incentives. 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.

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:

Notes to the consolidated financial statements (continued)
for the financial year ended 31 December 2020

Share-based payment schemes and transactions (continued)

Awards issued 2020	**16 September 2020**	**27 January 2020**
Awards issued	**277,544**	**582,567**
Expected volatility (%)	**51%**	**82%**
Expected life years	**5**	**5**
Risk free rate (%)	**0.73%**	**0.73%**
Dividend yield (%)	**-**	**-**

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 (%)	-	-	-

Refer to the remuneration report on pages 36 to 37 for a breakdown of the vesting conditions related to each Award.

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

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

	2019 $000	Cash Flow $000	Exchange movement $000	**2020 $000**
Group				
Cash in hand & at bank	**16,205**	35,760	4,390	**56,355**
Company				
Cash in hand & at bank	**3,780**	39,508	4,402	**47,690**

	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**

Notes to the consolidated financial statements (continued)
for the financial year ended 31 December 2020

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

Group net cash reconciliation

	Note	2020 $000	2019 $000
Borrowings (including capitalised finance costs)	22	**(26,699)**	(15,851)
Less: Cash in hand & at bank		**56,355**	16,205
Net cash		**29,656**	354

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

	Note	2020 $000	2019 $000
At beginning of period		**15,851**	20,224
Cash flows			
Drawings on loan		**10,116**	4,802
Repayments of drawings		**-**	(9,728)
Payment of finance costs		**(150)**	
Non-cash movements			
Effects of foreign exchange		**713**	424
Release of capitalised finance costs		**169**	129
At end of period	22	**26,699**	15,851

Notes to the consolidated financial statements (continued)
for the financial year ended 31 December 2020

30. 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.

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
Additions	-	-
Modification of lease terms	7	24
Foreign currency translation	20	32
At 31 December 2020	**7,070**	**962**
Depreciation		
At 1 January 2019	-	-
Charged	(1,320)	(128)
Foreign currency translation	(8)	(3)
At 31 December 2019	(1,328)	(131)
Charged	**(1,461)**	**(117)**
Modification of lease terms	**(85)**	**(85)**
Foreign currency translation	**(30)**	**(21)**
At 31 December 2020	**(2,904)**	**(354)**
Net book value		
At 31 December 2019	5,715	775
At 31 December 2020	**4,166**	**608**

Notes to the consolidated financial statements (continued)
for the financial year ended 31 December 2020

Leases (continued)

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)
Additions	-	-
Interest expense	**(376)**	**(37)**
Lease payments cash flow	**1,622**	**86**
Impact of lease modification	**98**	**96**
Foreign currency translation	**(14)**	**(24)**
At 31 December 2020	**(4,953)**	**(722)**

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)
At 31 December 2020	**(1,163)**	**(3,790)**	**(4,953)**	**(121)**	**(601)**	**(722)**

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 2020 $000	Company 2020 $000
Lease liability maturity		
Up to 3 months	**439**	**66**
Between 3 and 12 months	**1,016**	**88**
Between 1 and 2 years	**1,369**	**177**
Between 2 and 5 years	**2,869**	**485**
Over 5 years	**-**	**-**
	5,693	816

Notes to the consolidated financial statements (continued)
for the financial year ended 31 December 2020

Leases (continued)

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 2020 $000	Company 2020 $000
Short term and low value leases		
Up to 3 months	**2**	-
Between 3 and 12 months	**6**	-
Between 1 and 2 years	**7**	-
Between 2 and 5 years	**6**	-
Over 5 years		

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 2020. The weighted average rate applied is 6.67%

31. Post balance sheet events

On 12 February 2021 the Long-Term Incentive Plan performance conditions were approved by the Remuneration Committee for the Chief Executive Officer and Chief Financial Officer in respect of the 582,567 and 154,422 awards issued to them on 27 January 2020 and 16 September 2020 respectively. The performance conditions are expected to reduce the fair value of the awards and will be accounted for as a modification, cumulatively reducing the share-based payment charge in 2021 following an expert's fair value computation of the awards. See further detail in the Directors' Remuneration Report for the conditions of the awards on page 37.

On 19 March 2021 the Group settled its two drawn borrowing facilities with Lloyds of £13.2m and $8.9m and refinanced its loan facilities with Investec Bank PLC; entering into a 3 year £18m Coronavirus Large Business Interruption Scheme revolving credit facility. The draw down on the new facility is subject to securing charges over our US subsidiary entities, a process which is expected to complete by 2 April 2021. The facility is subject to quarterly covenant tests on minimum revenue and minimum liquidity for 2 years to December 2022; from March 2023 additional covenants are added for leverage and interest cover. Key terms of the refinancing arrangement are included in note 22 Borrowings on page 100.