Redefining the guest experience

accesso Technology Group plc
Annual Report & Accounts 2021

accesso Technology Group plc Annual Report & Accounts 2021

At *accesso,* we believe technology has the power to redefine the guest experience.

We provide solutions that empower our clients to create connected guest experiences to drive their businesses forward.

"Accesso's performance during 2021 was simply outstanding. We delivered record revenue and record profit during another challenging year in our end markets as they continued to recover at varying levels through the year.

Our confidence in our future growth trajectory has never been stronger as we recognise the significant uptick in demand for technology across all leisure sectors. Digital solutions are now an operational necessity as consumers expect a mobile-first experience in every aspect of their lives. Operators are also increasingly looking to gain efficiency, reduce labour expenses and optimise revenue via digital transformation. With our strong and well-established range of mobile-centric solutions across ticketing, virtual queueing, guest experience and personalisation, we believe we are the best platform available for any venue operator as evidenced by our remarkable success in 2021 and the shape of our new business pipeline for the year ahead.

In the near term, we'll invest squarely behind this increased level of demand to secure the long-term, repeatable revenue during the crucial adoption phase. We will also see a welcome return to more normal operations and full staffing levels which will support the growing demand for our solutions and allow for continued innovation."

Steve Brown, Chief Executive Officer of *accesso*

Contents

accesso Technology Group plc Annual Report & Accounts 2021

2021 Financial highlights

Financial highlights

Revenue

$124.794m

(2020: $56.094m) +122.5%
(2019: $117.182m) +6.5% [4]

Cash EBITDA [1]

$28.138m

(2020: ($11.450m)) +345.7%
(2019: $7.141m) +294.0% [4]

Statutory profit/(loss) before tax

$12.110m

(2020: ($32.862m)) +136.9%
(2019: ($57.581m)) +121.0% [4]

Net cash [2]

$64.050m

(2020: $29.656m) +116.0%
(2019: $0.354m) +17,993.2% [4]

Adjusted basic EPS (cents) [3]

61.10

(2020: (60.64)) +200.8%
(2019: 30.78) + 98.5% [4]

Basic earnings per share (cents)

53.39

(2020: (84.78)) +163.0%
(2019: (184.26)) +129.0% [4]

- **Revenue of $124.8m** represents a Group record and was up 6.5% compared to our pre-pandemic 2019 level despite COVID-19 related interruption in certain markets during the year. This included closures in certain geographies and parks not yet returned to full capacity. Live entertainment encountered significant disruption and is now demonstrating a recovery in the first few months of 2022. Our result was significantly ahead of our initial 2021 guidance.
- **Cash EBITDA** [1] was a record $28.1m for the year, 294.0% greater than the $7.1m in 2019. This was driven by 6.5% revenue growth at a higher gross margin due to changes in the product mix; improved productivity from the structural realignments implemented during 2020; and a challenging recruitment environment which impacted our ability to hire at our desired pace and resulted in depressed staff costs even as our revenue rapidly recovered. We are now fully staffed, however new positions will be opened as we continue to invest in our product and also support securing the long-term, repeatable revenue opportunities given this increased demand for our solutions.
- **Statutory profit before tax** of $12.1m was enabled by the Group's strong cash EBITDA performance. The measure further benefits from acquisition related amortisation, development cost amortisation and impairments reducing by $5.0m relative to 2020 and the reversal of intangible impairments of $1.7m from 2019. Whilst not at the same level, we anticipate further amortisation savings in the near term in the absence of any acquisition activity.
- **Net Cash** [2] was $64.1m at the year-end, up $34.4m on 2020, reflecting a very strong year of cash generation. Cash EBITDA of $28.1m was the key driver, along with our continued focus on strong working capital management. We move into 2022 with significant surplus cash on hand to invest in growth, no debt and access to undrawn debt facilities.
- **Adjusted Basic EPS** [3] of 61.10 cents per share represents the best in the Group's history and is driven by our record profitability. Our EPS measures have benefited from a credit of $12.6m of prior year US tax losses and tax credits, unrecognised in 2020, being recognised in 2021 due to the Group's profit in the period and its ability to forecast consistent profitability.

(1) Cash EBITDA: operating profit before the deduction of amortisation, depreciation, acquisition costs, deferred and contingent consideration linked to continued employment, and costs related to share-based payments less capitalised development costs paid in cash as per the consolidated cash flow statement (as detailed on page 20).

(2) Net cash is calculated as cash and cash equivalents less borrowings.

(3) Adjusted basic earnings per share is calculated after adjusting operating profit for impairment of intangible assets, amortisation on acquired intangibles, deferred and contingent consideration linked to continued employment, acquisition and aborted sale expenses and share-based payments, net of tax at the effective rate for the period on the taxable adjusted items (as detailed on pages 85 and 86).

(4) 2019 is included as a comparative period due to the exceptional impact of COVID-19 on the 2020 results, representing a period without disruption from COVID-19.

2021 Operational & Strategic Highlights

- **Capitalising on substantial demand:** We are capturing surging demand in our markets. In total we signed 50 new venues and 64 eCommerce deals in 2021. Customers are also extending our agreements, with 21 of our *accesso Passport®* customers renewing their contracts in 2021.
- **Increased utilisation of our solutions:** The Group delivered record volumes during the year with *accesso Passport* processing 96.1 million tickets and reservations, a 69.4% increase in volume relative to 2019. Our *accesso LoQueue®* solution delivered a 73.5% increase in guest conversion relative to 2019, with 5.9% of park guests purchasing an *accesso LoQueue* product compared to 3.4% in 2019, despite a 27.7% reduction in park attendances levels relative to 2019 on a like-for-like basis.
- **Innovation driving further success:** Record virtual queuing performance with significant adoption at Six Flags Entertainment Corporation ("Six Flags") of our *Qsmart* solution with a further nine deployments at their venues. We won 21 combination customers with our complementary solutions in 2021, well ahead of any other prior year in the Group's history. The cross-sell between *accesso Passport* and *accesso Siriusware℠* was particularly strong in 2021. New services like *The Experience Engine™ (TE2)* Food & Beverage capabilities are also gaining traction. Pre-sales for *accesso Passport* end-to-end solution began in 2021.
- **Industry focus driving increased success:** We have seen strong demand in ski areas, with 78% of our *accesso Passport* renewals in 2021 coming from our ski customers. Reduced restrictions on outdoor activities saw some of our North American ski customers open for the full season in 2021, boosting our results with some of their best trading years.
- **Strategic enterprise-wide contract renewals completed in December 2021:** Extended partnerships with Merlin Attractions Operations Ltd. ("Merlin"), and Six Flags, demonstrate that *accesso* has adapted effectively and continues to provide valuable support to our client base.

2022 Outlook & Guidance

- **Strong start to 2022:** Our trading volumes for January and February are encouraging with *accesso Passport* ticket volume for North American double that of 2019 as we begin to benefit from a significant number of customers onboarded during the past 2 years and increasing customer appetite for a leading-edge eCommerce solution. The removal of COVID-19 restrictions in many parts of the world has had a positive impact, particularly on our live entertainment business, and we expect our product mix and gross margin to be more consistent with pre-Covid levels in 2022. Whilst we remain cognisant of the relatively early stage in the year, the impact of tiered pricing at higher volumes and revised terms related to enterprise renewals, we are cautiously optimistic about another year of good progress.
- **Expected increases to cost base:** The number of open positions at the beginning of 2022 is significantly less than the same period last year. As previously communicated, this, combined with the overall industry pressure on wages, is expected to result in an increase in our cost base as we return to normal staffing levels.
- **Continued build of cash reserves:** We expect another cash generative year, building on top of a year-end cash balance in excess of $60m.

At a glance

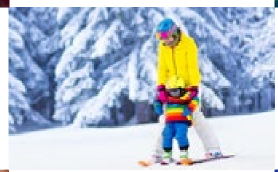
At *accesso*, we believe technology has the power to redefine the guest experience. Our patented and award-winning solutions drive increased revenue for attraction operators while improving the guest experience. Currently serving over 1,000 clients in 29 countries around the globe, *accesso's* solutions help our clients streamline operations, generate increased revenues, improve guest satisfaction and harness the power of data to facilitate business and marketing decisions.

Our Markets

Cultural

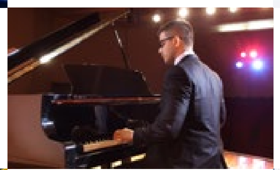
Ski Resorts

Theme Parks



Zoos & Aquariums

Water Parks



Tours & Attractions

Fairs & Festivals

Performing Arts

Live Entertainment

LoQueue — Queuing Products

Passport, ShoWare, Siriusware — Ticketing/POS Products

ingresso — Distribution Platform

Our Solutions

Distribution

Ticketing

Point of sale

Queuing

Guest Experience

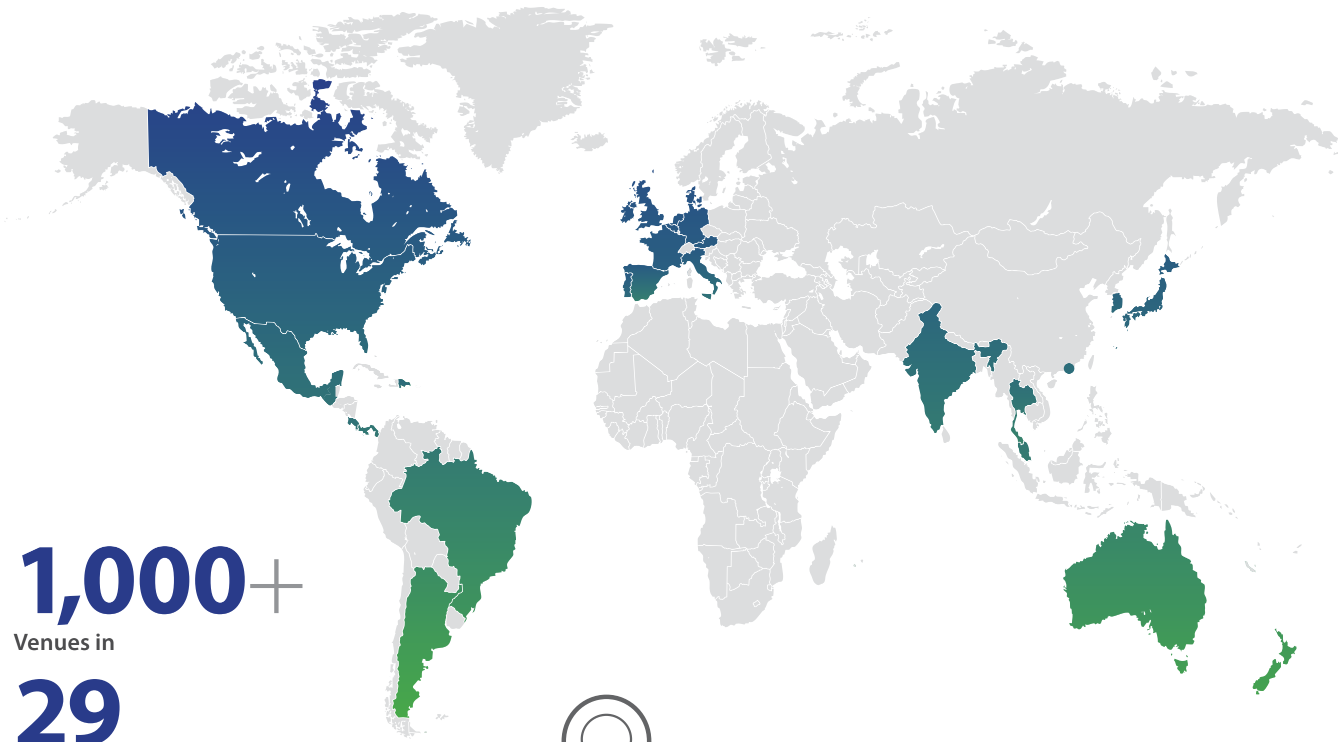
***accesso* stands as the leading technology provider of choice for tomorrow's attractions, venues and institutions. We invest heavily in research and development because our industries demand it, our clients benefit from it and it makes a positive impact on the guest experience. Our innovative technology 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.**

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 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.

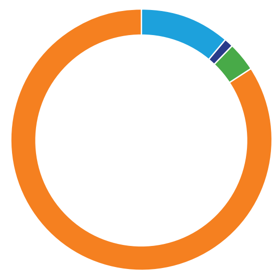
accesso is a public company, listed on AIM: a market operated by the London Stock Exchange. For more information visit www.accesso.com. Follow *accesso* on Twitter, LinkedIn and Facebook.



1,000+
Venues in

29
Countries

Our global team
(average headcount during 2021)



UK + EU	93
APAC	9
South America	29
North America	693

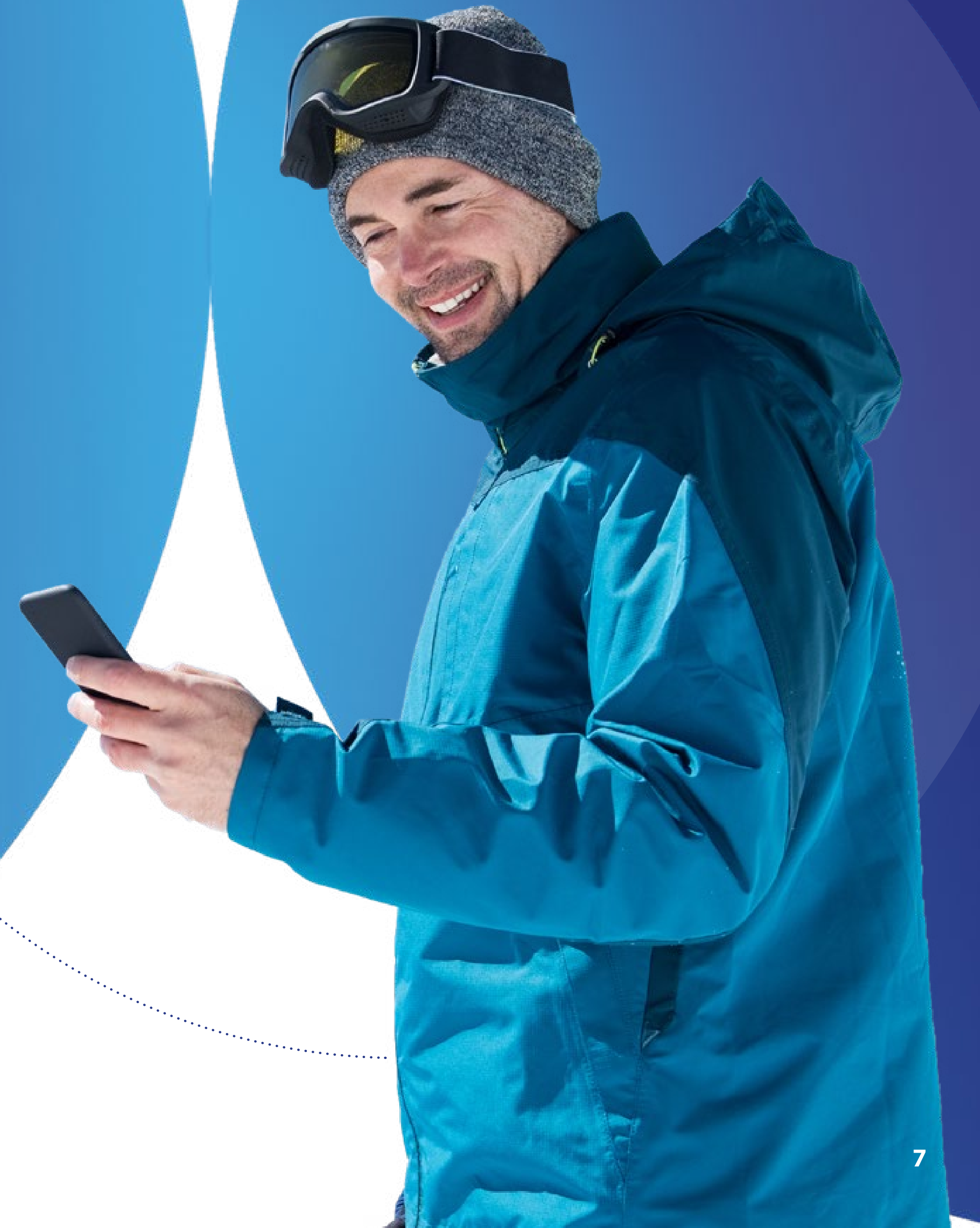
Strategic report

accesso Passport

69.4%

increase in volume

96.1m tickets and reservations, a 69.4% increase in volume relative to 2019 as customers embrace the power of eCommerce and we capitalise on demand.



Chief Executive's statement

Steve Brown
Chief Executive Officer

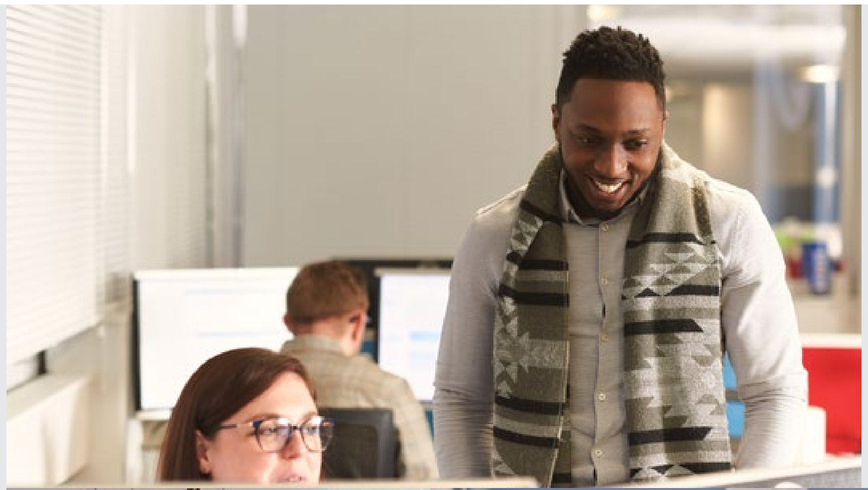
" I am thrilled with *accesso's* performance in 2021."

We worked hard to stay resilient through the pandemic's most severe impacts on our industry and we have emerged stronger than ever. I continue to be inspired by the optimism, creativity and dedication of our team, which has outperformed my expectations through the year. To the entire *accesso* organisation, I offer my deep thanks for a job well done.

Reflecting on our performance, I am proud of the difficult decisions we made early in the pandemic to reshape and redirect our operation to prepare *accesso* for a more successful future. This process wasn't always easy for the team, but it was necessary, and we are now seeing the results. We made a concerted effort to refocus our business to operate with higher value output while focusing more directly on the needs of our end markets. Furthermore, with early signs of increasing demand, we allocated resources to handle the rising utilisation of our solutions by existing customers and to capture the sales pipeline demand from new ones.

We are now operating a more purpose-driven operational platform with less duplication, more accountability and with resources deployed more effectively for growth. For example, we have a unified group of engineers working solely on eCommerce across the Group, and we have operational teams dedicated to driving growth in increasingly important segments of our market like the ski industry. Overall, we are more efficient, more targeted, and more productive. The adjustments we've made are paying off, and the evidence is clear in our financial results.

In terms of pandemic recovery, the theme park, water park and ski sectors began a fairly robust rebound across the year, with attendance levels toward year end approaching 2019 levels. However, the significant Live Entertainment segment of our business remained challenged for much of the year. Activity from theatres, fairs and festivals in the US and Canada reached 2019 levels mid-year, however in our key UK market the recovery pace was slower and was significantly affected by the Omicron variant in December. Despite the mixed pace of recovery across the segments we service, we delivered revenue growth of 6.5% on our 2019 level. Propelled by significantly higher technology utilisation in the theme park sector and the benefit from a significant number of new customers as well as compelling growth within ski sectors, we



exceeded pre-pandemic revenues even with significantly impacted volumes from our live entertainment focused solutions.

The significantly higher utilisation of our solutions by both venue operators and their visitors is a clear indication that the relationship with technology in our end markets has undergone a fundamental change. Bearing in mind, a significant portion of our revenue is transaction based and we are confident this new level of engagement with our technologies is here to stay. Many guests who before purchased tickets at the front entry or food at the restaurant counter are now mobile users. Guests that previously utilised our virtual queuing solution via a wearable device are now doing so via their smartphone. Operators have seen our technology transform the quality of their experience, deliver greatly enhanced revenues, and lower their operating costs. They are never going back.

With the market coming towards us and our business ready to grasp the opportunity, now is the time to push forward to maintain our leadership position in the marketplace and go for growth. We need to continue scaling *accesso* to capture the full opportunity we see ahead of us, and that means continuing to invest in results-focused product innovation, sales teams, our support operation and our broader team behind all of them. As we do this and lean into this newfound level of demand, we expect revenue growth to continue. We'll also remain a more profitable business than we were before the pandemic as our development efforts are closely correlated to targeted, measurable results.

My confidence in the outlook for *accesso* is reinforced by the start we have made to 2022. We begin the year having renewed and expanded important customer relationships with Merlin and Six Flags, and with a robust sales pipeline. Overall, we have entered the new year with our team aligned behind our plan and a high demand for our solutions across the marketplace. With a strong cash balance and zero debt, *accesso* has never been better positioned for the future. We're relishing the task of delivering another strong year of results in 2022.

Chief Executive's statement continued

2021 in review

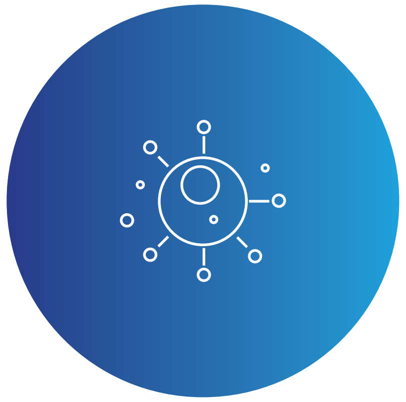
Innovation driving technology adoption

Our end-markets saw a strong recovery through 2021 as most large-scale visitor attractions, including theme parks, museums, and ski resorts moved towards pre-pandemic attendance slightly earlier than we had anticipated. Many of these used *accesso* solutions to facilitate their re-openings by leveraging *accesso's* reservations functionality to manage capacities and requiring all visitors to pre-purchase tickets online; our transaction-based model benefited from this increased utilisation. Whether through virtual queueing, online ticketing, contactless payments, or other in-venue purchasing, *accesso* has enabled operators to digitise their interactions with guests more than ever before. Although portions of this activity are not expected to repeat as operations continue to normalise, the overall step-function increase in online buying and mobile-first approach from operators is here to stay.

During 2021 we saw our Virtual Queueing offerings gain increasing traction in the marketplace. Key operators continued to increase their queuing footprint with us, with Six Flags deploying our *Qsmart* mobile service to nine parks, allowing visitors to purchase and utilise the service from their own device versus obtaining a wearable band at the park. Our virtual queuing strategic priority is to migrate all customers to our *Qsmart* mobile capabilities and limit use of the *accesso Prism* wearable device to situations like waterparks where they are more necessary. Allowing the visitor to subscribe to the service via their own smartphone at any point of their visit, from anywhere in the venue is a game changer in terms of sales penetration and operational efficiency via reduced labour.

We saw six new queuing implementations in 2021, alongside 3 million rides enabled in our two 100% virtual queuing properties. Another venue, Parc Asterix in France, has taken on *Qsmart* as a premium service after having adopted 100% virtual queuing on a temporary basis through the pandemic. Palace Entertainment upgraded to our *accesso Prism* wearable solution in two waterparks. Zoombezi Bay, a large waterpark in Ohio, also upgraded to *accesso Prism*.

Our *accesso Passport* ecommerce solution saw volumes up 69.4% in the year relative to 2019, with 96.1 million tickets and reservations sold online against 35.1 million in 2020 and 56.7 million in 2019. Crucially, 66.0% of the volume was sold via mobile.



With capacity restrictions still in place for many venues, reservations became an essential component of capacity management for guests with Season Passes or Memberships, resulting in 20.4 million reservations in 2021 compared to just 3.6 million in 2020. We do expect the number of reservations in our system to fall back somewhat as mandated capacity limitations recede, however the rapid growth in reservations is an important proof-point for the adaptability and flexibility of our platform when it comes to the rapid deployment of innovation to support new customer paradigms. We have also observed some customers maintaining reservation requirements well beyond the regulatory capacity limitation period to continue the improved efficiency and operational success they realised during the restrictive period.

After a difficult 2020 related to the near-total shutdown of London's West End theatre market, this year we saw a gradual recovery in volumes for *Ingresso*, most notably towards the end of H2. This positive trajectory was interrupted by the emergence of the Omicron variant in December which resulted in significant refund activity. In the background as we awaited the recovery period for *Ingresso*, efforts continued to expand distribution opportunities and prepare to capture the uptick in demand as the theatre business returns. Beyond theatre, we have worked hard to integrate *Ingresso* more broadly into our portfolio to diversify its inventory offering. In the year, *Ingresso* signed up 15 new distributors and 54 new suppliers, bringing the totals to 88 and 436 respectively. We are also realising significant adoption of our *Ingresso* distribution platform by *accesso Passport* customers, resulting in nearly 1.4 million tickets sold in 2021.

Another major part of our innovation story has been our new *TE2* Food and Beverage capability, which has continued to gain traction with our customers as well as notable interest across our end markets. Shifting Food and Beverage order-taking to a self-service model has become a key priority as operators look to capture maximum in-venue spending and operate with less labour. Operators have reported double digit percentage increases in guest check size when ordering via their mobile device versus placing the order with an attendant. With the majority of major Food and Beverage systems built for operation by an attendant, mobile capabilities, and particularly those with the unique features needed by venue operators like theme parks and ski resorts, are limited. Due to *accesso's* long-standing expertise in high-volume online ordering and revenue optimisation, we are well-positioned in this newly emerging space.

Capitalising on substantial demand

Importantly, alongside a recovery in normal trading, we have seen higher-than-anticipated demand in our sales pipeline driven by an acceleration in the shift to mobile commerce resulting from the broader realignment of consumer behaviour through the pandemic. The action we have been taking to capture this increased demand has enabled us to secure 50 new venues and 64 eCommerce deals in 2021. But winning customers is only part of the story. We have also proven ourselves supportive, trustworthy and innovative partners to our existing base and our relentless focus on customer success has seen us renew 21 of our *accesso Passport* customers in 2021 including our global agreement with Merlin as well as the continuation of our agreement with Six Flags where they opted not to exercise their early termination rights.

Success with joint solution deployments

Over the past year we continued our strategy to deliver innovative solutions that encourage cross-selling across our product set. We are already seeing customer demand for this improvement coming through, with 20 of our 21 combination clients in the year adding *accesso Passport* to *accesso Siriusware*. These 21 combination wins take on real significance when set against the 39 total combination wins for the business prior to last year. This is a clear area of focus for the business and one with significant traction.

With the increasing number of customers utilising *accesso Passport* eCommerce alongside *accesso Siriusware*, we prioritised and invested in improvements in the connectivity between these two systems. With a new, more robust API Gateway, we dramatically increased data throughput between the systems which is significantly improving operational performance and reliability. We also developed a product catalogue synchronisation process allowing product/ticket setup data from *accesso Siriusware* to be passed to the *accesso Passport* without manually re-keying the information for each item.

Looking ahead, we are now in the process of integrating CyberSource into the *accesso Siriusware* point-of-sale system, with release scheduled for Spring 2022. This added functionality will allow combination clients to access consolidated credit card processing and management in one platform.

Industry focus driving increased success

A significant portion of the integration between our products is happening in our ski Industry customer base, where we have a substantial strategic focus. Our performance in this area was strong during 2021, benefiting from the fact that outdoor activities remained, relatively speaking, open to the public in the last year. Of the 75.7 million tickets sold through our *accesso Passport* eCommerce platform during 2021, 3.0 million were derived from our ski customers, up from 1.1 million in 2020.

The ski market delivered 78% of the Group's *accesso Passport* customer renewals during the year, and around 30% of our ski clients utilise *accesso Passport* and *accesso Siriusware* together. Many of our ski clients also upgraded to *accesso Siriusware 5.0* during 2021, with a good pipeline for continued upgrades building into 2022.

Technology, operational and security infrastructure

We continue to invest in technology improvements across our product set to ensure our customers have the highest-quality offerings to meet their needs. We are evolving our *accesso Passport* platform, making significant progress on the 2022 project to bring updated web standards to our user interface and refresh all the platform's other user elements. We have also completed an initial version of a templating tool called Passport Configurator, a web-based tool for the rapid deployment of the *accesso Passport* eCommerce application and a multitude of related services. This will reduce the involvement of our engineering staff in new client provisioning and empower customers to take more ownership of their *accesso Passport* deployments. A new automation framework for the efficient testing and quality assurance of our applications has been implemented and we completed our annual IT security audit successfully. Finally, we fully completed the migration of *accesso Passport* to Amazon Web Services across all regions.

Operationally we have further consolidated internal systems used for workflow management and source code storage and now leverage the same solutions across the Group which enables greatly improved communication and efficiency, whilst reducing the number of systems to maintain and secure.

Although we do not outline the specifics of security improvements we have made across the year, we have continued to make significant investment to ensure our systems are protected and secure. Measures including multi-factor authentication and those related to remote working have been key priorities.

Our people

Through 2021 we rebuilt our workforce and re-established our growth culture. We recruited and onboarded 177 new hires (excluding seasonal staff) in the year and completed an engagement survey with 96% participation. Our overall score was a strong 4 out of 5, with our COVID pandemic response score reaching an even stronger 4.4 out of 5.

Our focus on improving employee engagement is helping us to retain talent and reduce turnover in the highly competitive market. With our engagement survey results in hand, we have addressed ideas and concerns raised by the team across a variety of areas including health benefits, compensation and working environment.

Our efforts to boost the diversity and inclusion within our *accesso* team also continued strongly, with unconscious bias training rolling out globally and the kick-off of a partnership with the US National Diversity Council to assist in developing our Diversity, Equity and Inclusion plan and goals for the future. We remain an organisation totally committed to helping our people flourish and look forward to building on our credentials in this area in the years to come.

As pandemic restrictions are pared back, we are eager to help our people to maintain the elements of the new ways of working that enable and motivate them. As a result, mid-year we shifted to a Global Remote Working policy allowing the option for our team to select to work fully from home or split their time between a local office and home. Whilst we continue to operate at remote status for the majority of our team, we expect to reopen offices in the first half of 2022 and welcome more staff back into our offices. We also placed significant focus on the new cultural dynamics faced as a result of remote working and initiated a range of remote based employee activities. As part of this initiative, we welcomed numerous guests across the year to virtually share their experiences and insights as part of our *accesso* Speaker Series including experts on creativity, diversity & inclusion and radical product thinking. At the start of 2021, we set a Group goal to realize turnover of less than 20%; we reached this goal with a turnover rate of 18% on the year.

Outlook and guidance

accesso has made a strong start to the 2022 financial year, with trading volumes in January and February providing an encouraging basis for this year's performance. In North America, our *accesso Passport* ticket volumes were double what we saw in the first two months 2019. This robust performance continues to be supported by the removal of COVID-19 restrictions across the world as well as the benefit from a significant number of customers onboarded during the past two years and increasing customer appetite for a leading-edge eCommerce solution. Markets segments which have been slower to recover, like Live Entertainment, are now ramping up, and we expect our product mix to be more consistent with pre-COVID levels in 2022. Whilst we remain cognisant of the relatively early stage in the year, the impact of tiered pricing at higher volumes and revised terms related to enterprise renewals, we are cautiously optimistic about another record revenue year.

As we work to capture high levels of demand we are scaling our workforce back to normal levels. At the outset of 2022 we have filled most of the positions we had outstanding in 2021, and as previously communicated, the overall upward industry pressure on wages is expected to result in an increase in our cost base as we return to normal staffing levels.

With continued growth in revenue, we expect to deliver another cash generative year, building on top of a year-end cash balance in excess of $60m.

Steve Brown
Chief Executive Officer
21 March 2022

Our business model

Patented and award-winning solutions drive increased revenue for attractions operators while improving the guest experience.

Technology is critical to the success of our customers and the satisfaction of their guests. Our business model is to provide our partners with integrated technology solutions that enables them to drive revenues, improve their data insights and enhance the experience of their guests. Our industry leading technology is also underpinned by a coordinated team of attraction and technology experts.

accesso's suite of 6 key solutions enables the delivery of an integrated service that touches on all aspects of the guest experience value chain, this integration is a critical advantage we hold over our competitors whose solutions are fragmented.

Our resources

Integrated technology solutions for eCommerce ticketing, point of sale, virtual queuing, guest experience and ticket distribution.

A leading technology provider to theme parks, cultural venues, zoos and aquariums, ski resorts, live entertainment, water parks, fairs and festivals, performing arts and tours and attractions.

Trusted brand working with the largest attraction operators under long-term agreements.

Globally dispersed operation who support over 1,000 venues in 29 countries.

Deep market insights from long-standing customer relationships.

Experienced leadership with a clear strategy and focus on innovation and delivering best-in-class products.

Highly skilled team who come from backgrounds working within the leisure and attractions industry. In this way, we are experienced operators who run a technology company serving industry operators.

Culture of forging deep mutually beneficial partnerships with our customers, improving the guest experience and helping our clients increase revenue is the core of our business. Every team member knows that their passion, integrity, commitment, teamwork and innovation are what drives our success.

Our software solutions

accesso Passport

Proven global enterprise ticketing, reservation and membership solution at the gate, online or via mobile. It is written in 23 languages, has 25 payment integrations and processed 96.1m tickets/reservations during 2021.

accesso LoQueue

Leading edge virtual queuing solution which frees guests from queues enhancing their experience, drives revenues at attractions and unlocks secondary spending, reduces breakage and facilitates social distancing.

accesso Siriusware

Provides customers with customised modular solutions for industry specific point-of-sale needs, simplifies their operations and provides fast and easy transactions for their guests. Offers button-driven menus and flexible interfaces to allow operators to process transactions quickly, with minimal effort and maximum efficiency. Modules include Retail, Food and Beverage, Self Serve kiosks, Memberships, Passes and Access Control, Groups Scheduling, Donations and Gift Cards, Rentals, Resource and Capacity management, Inventory management, Reporting and data export tools and the ability to seamlessly integrate with eCommerce. These modules can be combined into one central solution or integrated with other existing business and payment platforms to meet the unique needs of any visitor attraction.

accesso ShoWare

Hosted software provides high-volume capabilities and white-label design in an easy-to-use solution. Contains fundraising functionality to drive donations at checkout and email marketing module for marketing campaigns.

TE2

Provides customers with integrated solutions enabling ticketing, mobile applications, access maps, weather and ski lift wait times, Food & Beverage pre order solutions and many more experience enhancing features.

ingresso

Technology platform that operates as an extension of a client's box office, allowing for low-cost distribution of tickets in a dynamic marketplace. By connecting to this global network of distributors through our *Ingresso* solution, clients can reach new audiences and sell more tickets with minimal effort, connecting venues to our existing distributor pipeline.

Our attractions support and professional services

Our solutions have 24/7 customer support teams and a professional call centre staff to support our hosted and local offerings.

Our professional services are available to customers who need integrations, customisations, custom features or unique innovation. Their expertise comprises consultancy, solution architecture, software development, automation and dev-Ops. This team is augmented from a network of resource partners with a growing experience of development within the *accesso* ecosystem.

Generating returns and added value for all our stakeholders

Customers

- Increase per capita spending, our clients can maximise their yield per guest at scale drawing on our large physical footprint, before, during and after their guest journey.
- Customers can track and allocate capacity at a large scale to navigate any capacity restrictions.
- Deeper consumer insights, enabling our customers to collect the data from disparate systems then leverage that data to optimise business outcomes.
- Flexible and integrated solutions that can service a huge range of customer requirements from one provider.
- Expert customer support and professional service teams on hand 24/7 to deliver reliability at scale.

Consumers

- Driving recurring consumer behaviours and delivering a guest experience where they recommend their experience.
- Consumers receive an integrated digital guest experience where the shift to mobile is critical.

Shareholders

Shareholder value and returns from profitable, cash-generative growth with a high proportion of recurring revenue. Large enterprise customers under long-term contracts with high barriers to entry drawing on patented award-winning technology.

Employees

Interesting and rewarding careers where innovation is at the forefront of our strategy, with the opportunity to work with an enviable customer base of blue chip and owner managed venues across the globe.

accesso Technology Group plc Annual Report & Accounts 2021

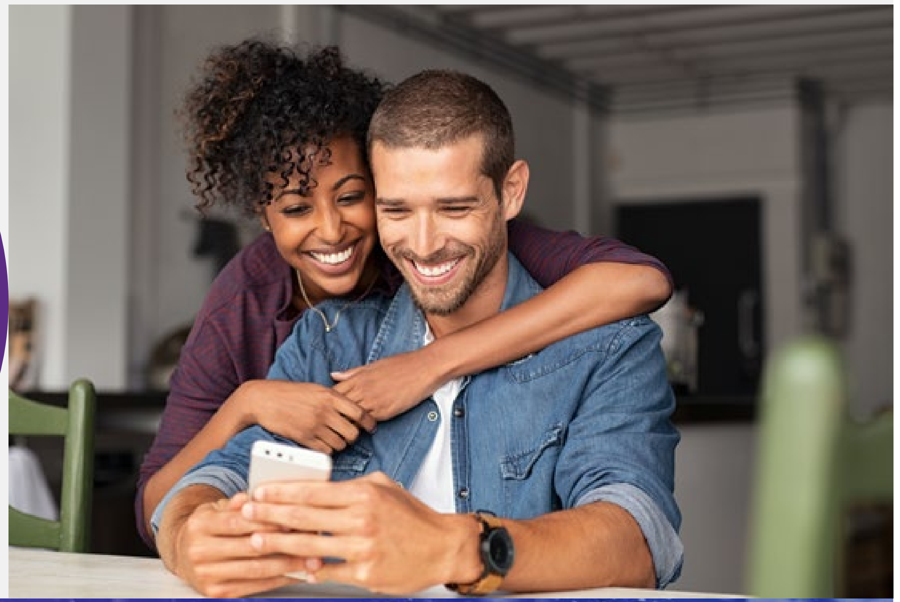
accesso's growth strategy

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 shareholders.

Looking ahead, we find ourselves in an enviable situation. Management are of the belief that no other vendor in the attractions and leisure market has anything like the scale or breadth of competency that we have. Our plan is to continue market-leading innovation and continue to increase our share of this broad global market opportunity.



Financial review

"We are extremely proud of our final results with 2021 representing a landmark year for *Accesso* as we delivered record performance across all our key metrics. We move into 2022 with a strong balance sheet, a motivated team and a hugely exciting market opportunity. The technology-based solutions for ticketing, virtual queuing and food & beverage provided by *Accesso* are now firmly the expectation of consumers across our key markets."

Fern MacDonald
Chief Financial Officer

Revenue

$124.794m

2021 $124.794m
2020 $56.094m
2019 $117.182m

Group revenue is 122.5% and 6.5% up on 2020 and 2019 respectively. eCommerce and reservation revenue performed exceptionally well during the year, delivering 162.2% and 2.8% growth over 2020 and 2019 respectively, as the Group's platforms benefited from a continued shift to online purchasing behaviour. The Group added 64 new eCommerce clients during the year, almost double the number added the previous year (2020: 37). Similarly, our Virtual Queuing revenue had an excellent year delivering 343.9% and 33.2% growth over 2020 and 2019 respectively. This impressive performance was despite a 27.7% reduction of park attendances relative to 2019 on comparable parks. The Group has been able to convert more park guests to queuing users as demand for technology-based queuing products surges. This was further facilitated by our web-based queuing app being rolled out to 10 of our theme park customers venues.

Cash EBITDA (1)

$28.138m

2021 $28.138m
2020 ($11.450m)
2019 $7.141m

The Group delivered record cash EBITDA for the period of $28.1m, 294% higher than 2019, driven by 6.5% revenue growth at higher gross margins. The Group saw the benefits of improved productivity and efficiencies from the structural realignments implemented during 2020. Additionally, recruitment activity returned more slowly relative to revenues scaling back to pre-pandemic levels and beyond.

Statutory profit/(loss) before tax

$12.110m

2021 $12.110m
2020 ($32.862m)
2019 ($57.581m)

Record cash EBITDA has enabled the Group to deliver record profit before tax. This measure has further benefited from acquisition, impairment and development cost amortisation reducing by $5.0m and an intangible asset impairment reversal of $1.7m relative to 2020. Whilst not at the same level, we anticipate further amortisation savings in the near term in the absence of any acquisition activity.

Net cash (2)

$64.050m

2021 $64.050m
2020 $29.656m
2019 $0.354m

The Group concluded the year with $64.1m of cash and no drawn debt, an increase of $34.4m on 2020 with cash EBITDA of $28.1m being the key driver and a continued focus on strong working capital management. We move into 2022 with surplus cash for strategic value-add investments.

Adjusted basic EPS (cents) (3)

61.10

2021 61.10
2020 (60.64)
2019 30.78

Adjusted basic earnings per share of 61.10 and basic earnings per share of 53.39 represent the highest in the Group's history. Our EPS measures have benefited from $12.6m of US losses and US tax credits, unrecognised in 2020, being recognised in 2021 due to the ability to forecast profitability and their utilisation.

Basic earnings per share (cents)

53.39

2021 53.39
2020 (84.78)
2019 (184.26)

(1) Cash EBITDA: operating profit before the deduction of amortisation, depreciation, acquisition costs, deferred and contingent consideration linked to continued employment, and costs related to share-based payments less capitalised development costs paid in cash as per the consolidated cash flow statement (as detailed on page 20).

(2) Net cash is calculated as cash and cash equivalents less borrowings.

(3) Adjusted basic earnings per share is calculated after adjusting operating profit for impairment of intangible assets, amortisation on acquired intangibles, deferred and contingent consideration linked to continued employment, acquisition and aborted sale expenses and share-based payments, net of tax at the effective rate for the period on the taxable adjusted items (as detailed on pages 85 and 86).

Financial overview

During 2021 the Group delivered a record financial performance in all key metrics as COVID-19 restrictions eased in our markets. Both revenue and cash EBITDA performance were well ahead of our initial expectations.

Our customer venues began to reopen at full scale during the early parts of 2021. As a result, we benefited from high consumer demand and a continued shift to purchasing in advance and online through our platforms. The deep customer relationships built throughout the pandemic enabled us to hit the ground running during 2021 and capture the significant uptick in demand for our products.

The cost actions and structural realignment undertaken during 2020 enabled the Group to be more operationally effective whilst driving higher levels of profitability and cash generation. During 2021 the Group had a number of open positions but made excellent progress in the year towards filling these positions in a difficult market. Headcount did not scale as quickly as our revenue activity due to a highly competitive job market and our selective approach to hiring. This benefited cash EBITDA for the year and staff costs will increase in 2022 as we see the full year impact of those hires as well as continuing the investment in our workforce to drive growth.

We have largely assessed the performance of 2021 against 2019 due to the impact of the pandemic on 2020. Whilst we provide 2020 comparators in the tables presented below, we draw more meaningful and valuable analysis against 2019.

Key performance indicators and 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 and are defined as follows:

- Cash EBITDA is defined as operating profit before the deduction of amortisation, impairment of intangible assets, depreciation, acquisition costs, deferred and contingent consideration linked to continued employment, and costs related to share-based payments and paid capitalised internal development costs (see page 20);
- 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 and share-based payments, net of tax at the effective rate for the period on the taxable adjusted items (see pages 85 and 86);
- Net cash is defined as available cash less borrowings (see page 98);
- 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 20). This measure is to identify and trend the underlying administrative cost before these items; and
- Repeatable revenue consists of transactional revenue from Virtual Queuing, Ticketing and eCommerce and 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. 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.

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

Key Financial Metrics

Revenue

Group revenue of $124.8m (2020: $56.1m; 2019 $117.2m) represents a record for the Company and 6.5% growth on 2019 despite COVID-19 related interruption in certain markets during the year. Throughout 2021 we have seen customers increasingly engaged with utilising our technologies to address challenges such as capacity restrictions, physical queues and difficulties in securing staff. Our touchless technologies and ability to drive eCommerce ahead of visitation reduces labour-intensive point-of-sale models and delivers an enhanced guest experience. These technology-based solutions are now the expectation of consumers across our key markets. We set out details of our revenue by segment, geography and repeatable to non-repeatable analysis below.

Revenue on a segmental basis was as follows:

	2021 $000	2020 $000	2019 $000	Vs 2019 %
Ticketing	**65,877**	36,603	58,237	13.1
Distribution	**10,053**	1,363	21,097	(52.3)
Ticketing and distribution	**75,930**	**37,966**	**79,334**	**(4.3)**
Queuing	**32,888**	8,348	25,208	30.5
Other guest experience	**15,976**	9,780	12,640	26.4
Guest experience	**48,864**	**18,128**	**37,848**	**29.1**
Total revenue	**124,794**	**56,094**	**117,182**	**6.5**

Financial review continued

Ticketing and Distribution revenue was 4.3% down on 2019, despite a 13.1% increase in ticketing, due to revenue reductions experienced in the lower margin distribution business. The distribution business continues to be largely dependent on the UK theatre sector and was significantly impacted by mandated restrictions and disruption throughout the first 6 months of the year and in December 2021. As a result, revenues were down 52.3% on 2019. Ticketing delivered an excellent performance due to the Group's *accesso Passport* eCommerce solution, a high margin transactional revenue stream which delivered 41.5% revenue growth on 2019.

During 2021 the Group went live with 64 new eCommerce ticketing clients compared to 37 during 2020. We continue to identify a shift in consumer and attraction behaviour towards pushing sales online, significantly benefiting both *accesso* and its customers as spend per guest increases, operational costs are reduced and we gain additional insight into consumer behaviour through data.

Guest Experience delivered revenue growth of 29.1% on 2019. Our *accesso LoQueue* solution's transactional-based queuing products saw a period of significant demand despite park attendance being 27.7% down on comparable parks in 2019 due to COVID-19 related disruption to opening schedules and capacity restrictions at certain points during the year. Park guests purchasing an *accesso LoQueue* product at venues increased to 5.9% compared with 3.4% in 2019. Consumer appetite for virtual queuing has increased significantly and this has been further enabled by our *Qsmart* web-based virtual queuing app helping to drive customer penetration and basket size. During 2021 we implemented our *Qsmart* technology across a further 10 theme park venues with 84.2% of the parks we serve now using our web-based virtual queuing app. During 2021 we saw record transactional queuing volumes, several successful pilots for virtual queuing solutions, significant enhancement to existing customers' virtual queuing offerings and implementations at non theme park attractions. This demonstrates that both our customers and end consumers are embracing *accesso* technology. *The Experience Engine* business delivered a solid performance, with revenues up 25.6% on 2019 due to continued confidence in the bespoke professional services offerings, with large customers in the ski, theme park and cruise ship markets using our services.

Revenue on a geographic and segmental basis was as follows:

	2021			2020			2019		
Primary geographic markets	**Ticketing and Distribution $000**	**Guest Experience $000**	**Group $000**	Ticketing and Distribution $000	Guest Experience $000	Group $000	Ticketing and Distribution $000	Guest Experience $000	Group $000
UK	**14,939**	**2,179**	**17,118**	4,380	848	5,228	25,500	2,047	27,547
Other Europe	**1,443**	**1,808**	**3,251**	1,177	649	1,826	1,859	2,185	4,044
Australia/South Pacific/Asia	**3,219**	**1,318**	**4,537**	1,663	750	2,413	2,942	768	3,710
USA and Canada	**55,344**	**43,338**	**98,682**	30,014	15,739	45,753	45,987	32,668	78,655
Central and South America	**985**	**221**	**1,206**	732	142	874	3,046	180	3,226
	75,930	**48,864**	**124,794**	37,966	18,128	56,094	79,334	37,848	117,182

Our USA and Canadian based customers delivered a 25.5% increase in revenues on 2019 with excellent performance across multiple market verticals, despite attractions in the state of California being shuttered through April 2021. The exception to this strong performance was live entertainment which continues to recover toward pre pandemic revenue levels.

Selling our eCommerce *accesso Passport* solution into the USA and Canadian ski market continues to be one of the Group's medium-term strategic priorities. In 2021, 16 customers adopted eCommerce in this market to excellent mutual benefit, helping to drive incremental revenues to our Ticketing and Distribution segment. At 31 December 2021 approximately one third of our ski customers also use *accesso Passport*.

Despite a difficult start to 2021, our live entertainment customers in the USA have shown encouraging volumes from June 2021 onwards, finishing the year 24.5% behind 2019. This was largely due to disrupted trading during the first half of the year. We also went live with 28 *accesso ShoWare*SM new customers during 2021 (29: 2020).

In the UK, outdoor attractions reopened from April 2021 and demonstrated encouraging transactional volumes for the year. Live entertainment remained closed for the majority of the first half of 2021, opening with partial capacities from May 2021 and then at full capacities from July 2021, delivering encouraging volumes through November. The key month of December for UK based live entertainment was impacted by Omicron disruption with many shows being cancelled at short notice, these conditions resulted in a significant revenue reduction of $11.0m compared to 2019 in our *Ingresso* business. Other European countries mandated countrywide closures during April and May 2021 while Central and South America experienced a number of restrictions throughout the year that significantly hampered their ability to trade, resulting in both these regions underperforming relative to 2019.

Australia, Asia and the South Pacific was able to deliver revenues of $4.5m, up from $3.7m in 2019. The Australian region saw excellent performance from *accesso LoQueue*, *accesso Passport* and *TE2*, despite Australia being in a state-wide lockdown from July to October 2021. Whilst the impact was minimised due to this period coinciding with the region's off-peak season, it significantly impacted volumes during that 4-month period.

Revenue quality

	2021 $000	2020 $000	%	2019 $000	%
Virtual queuing	**32,888**	7,407	344.0	24,687	33.2
Ticketing and eCommerce	**58,537**	23,157	152.8	60,909	(3.9)
Reservation revenue	**4,073**	726	461.0	–	100
Transactional revenue	**95,498**	31,290	205.2	85,596	11.6
Maintenance and support	**7,281**	7,711	(5.6)	8,742	(16.7)
Platform fees	**2,592**	2,263	14.5	1,149	125.6
Total repeatable	**105,371**	**41,264**	**155.4**	**95,487**	**10.4**
Licence revenue	**2,162**	2,322	(6.9)	3,496	(38.2)
Professional services	**13,469**	9,954	35.3	14,787	(8.9)
Non-repeatable revenue	**15,631**	**12,276**	**27.3**	**18,283**	**(14.5)**
Hardware	**2,704**	1,493	81.1	2,499	8.2
Other	**1,088**	1,061	2.5	913	19.2
Other revenue	**3,792**	**2,554**	**48.5**	**3,412**	**11.1**
Total revenue	**124,794**	**56,094**	**122.5**	**117,182**	**6.5**
Total repeatable as % of total	***84.4%***	***73.6%***		***81.5%***	

The above is an analysis of the Group's revenue by type. 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. Repeatable revenue has grown as a percentage of overall revenue to 84.4% (2020: 73.6%, 2019: 81.5%). 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.

The Group's transactional revenue streams delivered an exceptional performance during 2021 to $95.5m, up 11.6% on a normal period of trading represented by 2019. This was despite some disruption across our geographies at various points of the year as well as the continued impact of the pandemic on the live entertainment industry globally.

Demand for ticketing eCommerce and virtual queuing products has been extremely high during the year despite regionalised restrictions, owing to an increased appetite for technology-based solutions. We have also benefited from latent demand and a shift in consumer behaviour to purchasing online. This has been welcomed by our attraction operators as it enables them to manage and monitor capacities, remove physical queues, reduce labour costs at payment terminals, maximise basket size and gain deeper consumer insights. During the year we have derived transactional revenue of $4.1m from online reservation fees which we do not expect to recur at the same level in future periods.

Professional services revenue performed ahead of our budget and 2020, a credit to our exceptional team which continued to deliver excellent bespoke solutions to the ski, cruise and attractions markets. Levels are 8.9% below the 2019 year which included some significant custom development projects. Our platform revenues continue to benefit from this bespoke development work whereby professional service customers have taken up repeatable platform fees for hosting food and beverage mobile apps. Platform revenues grew to $2.6m, above 2019 and 2020. We have seen increased demand for contactless technology such as our mobile food and beverage apps which both reduce physical contact points and help our attraction operators to remove labour costs.

The period also benefited from $2.7m of hardware sales following a $1.4m sale of *Prism 2* wristbands which helped us deliver *accesso LoQueue* transactional revenue. Hardware sales also included equipment related to the addition of 24 new implementations for attractions utilising our *accesso Siriusware* point of sale systems.

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, server costs linked to the delivery of revenue, previously shown within administrative costs have been reclassified to cost of sales in 2021.

The Group's reported gross profit margin of 77.2% is an improvement on 73.8% and 72.1% achieved in 2020 and 2019 when adjusted for $1.6m and $1.2m of server costs to aid comparability respectively. This 5.1% gross margin increase is largely a result of the change in sales mix compared with 2019. Our lower margin distribution business represented just 2.5% of our gross profit compared to 5.1% in 2019 while higher margin streams such as virtual queuing, ticketing and eCommerce, maintenance and support and platform fees are proportionately greater. The *accesso LoQueue* solution generated an improved margin of 71.6%, compared to 63.6% in 2019, this was partly due to some labour shortages at points in the year but more importantly a number of our larger theme park customers adopting our virtual queuing web app, instead of our hardware wrist device, which can be delivered at improved gross margins.

Financial review continued

Administrative expenses

Underlying administrative expenditure increased by 23.3% to $69.7m on 2020 due to a combination of factors; the most significant being the Group's headcount increasing from 458 to 513 (excluding seasonal staff). The Group recruited heavily during the year to capture the available revenue opportunities in a highly competitive job market where salaries have also increased significantly in the technology sector. During 2020, the Group implemented temporary cost reduction plans with staff working four-day weeks, following the onset of the pandemic in April 2020, with staff returning to full work schedules by the end of 2020. Furthermore, we have experienced a very gradual return in the second half of the year of typical activities such as trade shows and business travel, albeit still at very low levels across the whole year.

Reported administrative expenses increased 13.0% to $82.9m in 2021 but remained 6.1% lower than 2019, excluding the $53.6m impairment of intangibles. Share-based payment costs increased on 2020 to $2.5m, reflective of key management incentive arrangements being granted in both 2020 and 2021 and an all-other staff share-based payment award granted in July 2021.

During the year the Group also took action to rationalise its property leases and did not renew property leases when they expired in San Diego, London, Sydney, Belfast, Sao Paulo and Annapolis, resulting in a $268k reduction in property lease payments in 2021 relative to 2020. On an annual basis we expect this to save the Group $0.5m in property lease payments.

	2021 $000	2020 $000	2019 $000
Administrative expenses as reported	**82,872**	73,339	141,906
Capitalised development expenditure (1)	**720**	2,969	21,064
Deferred equity-settled acquisition consideration	**–**	(150)	(1,416)
Amortisation related to acquired intangibles	**(2,371)**	(2,573)	(11,286)
Share-based payments	**(2,490)**	(1,398)	(1,845)
Amortisation and depreciation (2)	**(12,183)**	(14,664)	(16,014)
Property lease payments not in administrative expense (1)	**1,408**	1,622	1,451
Reversal of impairment /(impairment of) intangibles	**1,707**	(2,627)	(53,617)
Professional services cost (3)	**–**	–	(6,723)
Underlying administrative expenditure	**69,663**	**56,518**	**73,520**

(1) See consolidated cash flow statement.

(2) This excludes acquired intangibles but includes depreciation on right of use assets.

(3) The 2019 underlying administrative expense has been adjusted for professional service costs incurred in the delivery of professional services to be comparable with 2021 and 2020.

Cash EBITDA

The Group delivered record cash EBITDA for the year of $28.1m, a $21.0m increase from $7.1m recorded in 2019. This increase is a result of 6.5% revenue growth at higher gross margins relative to 2019, improved productivity and efficiencies and headcount recovery lagging behind revenue recovery. The latter was made more challenging by an extremely competitive job market in our key regions. We have made excellent progress securing key positions throughout 2021 and finished the year with approximately 30 open positions.

The table below sets out a reconciliation between statutory operating profit/(loss) and cash EBITDA:

	2021 $000	2020 $000	2019 $000
Operating profit/(loss)	**13,521**	(30,354)	(56,278)
Add: Aborted sale/acquisition expenses	**–**	461	305
Add: Deferred-equity settled acquisition consideration	**–**	150	1,416
Add: Amortisation related to acquired intangibles	**2,371**	2,573	11,286
Add: Share-based payments	**2,490**	1,398	1,845
(Deduct)/Add: (Reversal of impairment)/impairment of intangible assets	**(1,707)**	2,627	53,617
Add: Amortisation and depreciation (excluding acquired intangibles)	**12,183**	14,664	16,014
Capitalised internal development costs paid in cash	**(720)**	(2,969)	(21,064)
Cash EBITDA	**28,138**	**(11,450)**	**7,141**

The Group recorded an operating profit of $13.5m in 2021 (2019 operating loss: $56.3m); and adjusted basic earnings per share increased to 61.10 cents (2020: Loss per share of 60.64 cents; 2019: earnings per share of 30.78 cents).

Development expenditure

	2021 $000	2020 $000	2019 $000
Total development expenditure	**34,666**	21,157	33,545
% of total revenue	**27.8%**	37.7%	28.6%

Our engineering and product teams were reorganised at the end of 2020 into two teams serving all our products, spanning the operating segments of the business. This reorganisation is enabling us to cross-pollinate best practice, drive innovation, and take our product integration to the next level. Therefore, we no longer present development expenditure by segment as the information is no longer relevant. 2021 has been a tremendous period of innovation for *accesso*, with frontline and technical teams working at pace to deliver solutions to enable our customers to manage capacities, capture the uptick in demand for technology-based solutions to ticketing, eCommerce, distribution, queuing and mobile food and beverage purchasing. Our total development expenditure for 2021 increased to $34.7m, 39.0% higher than 2020 due to the impact of 4-day working weeks and furloughs in 2020 in response to the pandemic. The 3.3% increase relative to 2019, a more typical period, is reflective of the business driving towards full staff levels as revenues recover combined with the significant wage pressure over the past 2 years.

The Group capitalises elements of development expenditure where it is appropriate and in accordance with IAS 38 Intangible Assets. Capitalised development expenditure of $0.7m (2020: $3.0m), representing 2.1% (2020: 14.0%) of total development expenditure. This decrease in the proportion of development expenditure being capitalised is not a reflection of lesser importance of the work being undertaken, it has been critical in order to continue to meet and exceed the expectations of our existing customers' requirements and the current solutions they utilise. Development continues to expand the product set and add features that will be important for our customers' operations in the future.

Cash and net cash

Net cash at the end of the period has increased to $64.1m from 31 December 2020.

	2021 $000	2020 $000
Borrowings (including capitalised finance costs)	**–**	(26,699)
Less: Cash in hand & at bank	**64,050**	56,355
Net cash	**64,050**	29,656

This strong net cash position has benefited from net cash inflow operating activities of $39.1m (2020 Net outflow of $14.5m) delivered by a period of exceptional revenue performance in our high margin *accesso Passport* and *accesso LoQueue* business and diligent working capital management.

The Group's 31 December 2020 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 at a total cost of $0.7m in fees. The Group has a 3-year, £18m Coronavirus Large Business Interruption Scheme Loan revolving credit facility at a 3.75% margin with a commitment fee of 1.5%, expiring in March 2024. Quarterly covenant tests are in place on minimum revenue and minimum liquidity for 2 years to December 2022. From March 2023 additional covenants are added for leverage and interest cover. No drawings have been made on this facility and all covenants have been met.

The Group's increase in trade and other payables cash flow of $16.2m is a result of the business activities resuming to more typical trading levels pre-pandemic with trade and other payables increasing to $29.2m, in line with that as at 31 December 2019, reversing the $14.4m outflow in 2020. As at 31 December 2020 many elements of our business were severely impacted by government mandated restrictions, most of which were removed by December 2021.

Dividend

The Board maintains its consistent view that the payment of a dividend is unlikely in the short to medium term with surplus cash more efficiently invested in strategic product development or, where the opportunities arise, value accretive acquisitions.

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 which resulted in no impairment charges being recorded.

Reversal of impairment of *TE2* intangible assets

As of 31 December 2021, the recoverable value of *TE2* was significantly improved following a period of strong trading, improved cost control and efficiency of the cash generating unit. A review was conducted of the $29.2m of intangible assets impaired in 2019, updated to 31 December 2021 based on their original useful economic lives (periods of 2-5 years). Each category of asset was assessed as at 31 December 2021 to determine if they remain in existence and are generating economic returns. As a result of this reassessment, $1.0m of development costs, $0.3m of acquired customer relationships and $0.5m of acquired intellectual property was reversed with a credit of $1.7m to administrative expense.

Taxation

The tax credit of $9.9m represents an effective tax rate on the $12.1m of statutory profit before tax (2020: Loss of $32.9m) of 81.8% (2019: 9.2%).

The key reconciling items to actual tax rates is $12.6m of previously unrecognised deferred tax asset on US losses and US tax credits being available for recognition in the year due to the ability to forecast profitability to utilise these losses and tax credits. This includes $2.4m of pre-acquisition losses of Blazer and Flips Flops Inc which were previously unrecognised during 2021, after concluding that these losses transfer and are available to utilise. There is a further $0.2m of other items that reconcile the tax credit back to the Group's principal US tax rate where the majority of the Group's earnings are derived. $47.0m of gross US losses and tax credits are now recognised following a year of high profitability and the demonstration that these tax savings can be utilised, $3.6m of gross US tax credits, $0.9m net, remain unrecognised as a result of uncertain tax provisions.

On behalf of the Board:

Fern MacDonald
Chief Financial Officer
21 March 2022

Principal risks and uncertainties

The Board has identified the following principal risks and uncertainties which it believes may impact the Group and its operations.

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.

Principal risks and uncertainties	Description of risk and uncertainty	How we engage
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 directors and senior management have remuneration plans, incorporating long-term incentives to mitigate this risk combined with an appropriate level of succession planning.
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. In addition to seasonality, COVID-19 is continuing to have some impact on guest visitation in certain markets, live entertainment being the most notable.	The Group has demonstrated great resilience to COVID-19 following its exceptional performance during 2021. The Group's global footprint and diverse range of markets that it serves has enabled it to prosper even when certain markets, such as Live Entertainment, has taken longer to recover. Should 2022 and 2023 mirror the pandemic year of 2020 as a severe worst case scenario, the Group has sufficient available liquidity to continue as a going concern.
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.	The Group's treasury policy is to minimise holding currency (where practical) in an entity with a different functional currency to minimise the impact on group profit before tax.

Principal risks and uncertainties continued

Principal risks and uncertainties	Description of risk and uncertainty	How we engage
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	Cybersecurity is a primary concern at *accesso* and an ever-increasing threat on businesses.	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. 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 recognise 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 recognise and respond, as they are the last line of defence when something slips through our various protections.
Environmental risks	Given the ever-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 environmental, social and governance ('ESG') initiatives are set out in our ESG report on page 28.

Stakeholder engagement and Section 172 statement

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:

- Consider the likely consequences of any decisions in the long term
- Consider the interests of the Company's employees
- Need to foster the Company's business relationships with suppliers, customers and other key stakeholders
- Review and assess the impact of the Company's operations on the community and the environment
- Maintain a reputation for high standards of business conduct, and
- Act fairly between members of the Company In discharging its Section 172 duties the Board has considered the factors set out above and the views of key stakeholders

Engaging, consulting and action on the needs of different stakeholders is critical for the development and delivery of a culture and strategy that achieves long-term success. *accesso* undertakes meaningful engagement with its stakeholder groups to build trust and supports the ethos of Section 172.

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.

Stakeholder Group	Why they are important	How we engage
Employees	Engaged, enabled, empowered employees who contribute to the best of their ability are fundamental to the long-term success of the business. We seek to attract, develop and retain high-calibre staff, and as a consequence, our customers can be assured that the service they receive is among the best available. The global pandemic has also had a significant impact on mental health and wellbeing, and we have worked to assist our employees as they navigate these unusual times.	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, emails, 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. 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.
Customers and suppliers	*accesso's* customers and suppliers are key to the long-term success of our business. We seek to grow and maintain our customer base and select suppliers to ensure our reputation is preserved, protecting 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 an appropriate level of disclosure. We listen to our customers and 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.
Shareholders	Shareholders play an important role in the success and growth of the Group and as proved during the pandemic year were able to provide a source of equity to insulate the business. In addition, shareholders provide important feedback to the Executive Directors on market conditions, expectations, and economic performance.	We have an ongoing 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 their expectations.

accesso Technology Group plc Annual Report & Accounts 2021

Environmental, social and governance report ('ESG report')

accesso recognises the importance of meeting globally recognised corporate responsibility standards and have appointed Jody Madden, Non-Executive Director, 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.

Environment

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 with a move to paperless through the increase in electronic tickets using our ticketing platforms; reduction in paper receipts and physical handouts 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 programmes such as returning ink cartridges; recycling bins at all desks and shredding boxes throughout offices; eliminating single use plastics in our offices through washing dishes and 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 during 2020 and 2021 as a result of the pandemic. Whilst we will see some of this reverse as we move back to normal business practice in 2022, we 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 2021, the quantity of total emissions by *accesso* was 584 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 (figures in CO_2e)

	2021		2020	
	UK	Non-UK	UK	Non-UK
Emissions from purchase of gas and electricity for offices	**48**	**326**	63	371
Business travel	**48**	**162**	8	77
Total emissions by location	**96**	**488**	71	448
Total emissions for year	**584**		519	
Energy consumption used to calculate emissions – kWh (thousand)	**97**	**511**	126	622

The following table expresses our annual emissions in relation to quantifiable factors associated with our activities.

Intensity ratios (tonnes of CO_2e per unit)

	2021	2020
Ratio of carbon emissions to total revenue ($k revenue)	**0.01**	0.01
Ratio of carbon emissions to operating profit/loss ($k operating loss)	**0.05**	0.02
Ratio of carbon emissions to employees (average headcount)	**0.73**	0.86

accesso Technology Group plc Annual Report & Accounts 2021

Environmental, social and governance report ('ESG report') continued

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.

accesso is a responsible member of its community; this 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. This includes encouraging staff to volunteer at local community projects and participate in local events; and providing corporate sponsorship of charitable activities.

Volunteer Time Off

We utilise a Volunteer Time Off (VTO) Program for all employees to volunteer a paid day off at a charity of their choosing. We 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. Our employees serve as judges to provide feedback to teams of girls on mobile apps they build from scratch.
https://technovationchallenge.org

Charitable giving

Both directly and in partnership with our clients, we contribute to various causes including domestic violence prevention, childhood hunger and cancer research.

Donation drives

Local offices regularly participate in company-sponsored activities such as Angel Trees, the purchasing of Christmas gifts for local foster children.
https://saangeltree.org

Twyford Together

Twyford employees volunteer monthly, sorting & packing plastic waste which is sold to Terracycle to raise money for six Twyford based charities.
www.twyfordtogether.org

Diversity

Diversity, Equity & Inclusion is currently a key focus area as we work to implement a more formalized strategy including updating metrics and targets. 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 for manager grade staff and above.

2021 saw the launch of our Gender Transition Guidebooks for Employees & Managers with an option for additional training. Employees attended mandatory training on Diversity Equity & Inclusion and preventing workplace harassment.

We have partnered with the National Diversity Council to assess our current diversity landscape and assist with the building of our future efforts. We created a Diversity, Equity and Inclusion Strategic Council comprising employees from across the business which was launched in January 2022. The Council will work with Executive support to implement a DE&I strategic plan in 2022 which will be communicated to all employees.

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.

Governance

accesso LoQueue

74.8%

increase in conversion of attraction guests to *accesso LoQueue* customers relative to 2019 as demand for technology-based queuing products surges. This was further facilitated by our web-based queuing app being rolled out to 10 of our theme park customers' venues.

Corporate governance report
for the financial year ended 31 December 2021

Bill Russell
Non-Executive Chairman

During the year, our governance systems and processes proved resilient in supporting the Board of Directors' (the 'Board') ability to negotiate another year impacted by the pandemic. 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.

We also recognise that we have an impact on the world in which we live, our employees, and the people we interact with. We strive to deliver strong results to our investors through sustainable business practices across environmental, social and governance pillars. Accordingly, Jody Madden was appointed in 2021 as a Non-Executive with responsibility for ESG.

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. Details of our approach to ESG can also be found under the Environment section of the Strategic report on pages 28-31 and on our website.

Board composition

The Board of Directors comprises two Executive Directors, the Non-Executive Chairman and three independent Non-Executive Directors. Full details of the Directors are on pages 38-39.

All directors are subject to election by shareholders at their first annual general meeting following 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 past year to focus on both long-term and short-term succession both for Board and senior management succession. Currently the Board has a 50:50 gender split, two-thirds are Non-Executive directors, and the average Non-Executive tenure is under 4 years.

The role of the Board

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

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

The Board has established an Audit Committee and Remuneration Committee to assist the Board in fulfilling its responsibilities. Both board committees have separate terms of reference, which along with the Board's schedule of matters reserved are reviewed on a regular basis. It is considered that the composition and size of the Board does not warrant the appointment of a Nominations Committee and appointments are dealt with by the Board as a whole. The need to appoint such a committee is subject to review by the Board.

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

Board and Committee meetings 2021

The Company holds Board meetings regularly throughout the year. The Audit Committee held two meetings and the Remuneration Committee held four meetings. Attendance by board members is shown below.

	Board	Audit Committee	Remuneration Committee
Number of meetings held	9	2	4
Executive Board members			
Steve Brown	9	–	–
Fern MacDonald	9	–	–
Non-Executive Board members			
Bill Russell	9	–	–
Andy Malpass	9	2	4
Karen Slatford	9	2	4
Jody Madden	9	2	4

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.

Corporate governance report continued
for the financial year ended 31 December 2021

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 in response to COVID-19 pandemic
- Protection and support of staff
- Key management and Company-wide share-based arrangements
- 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.

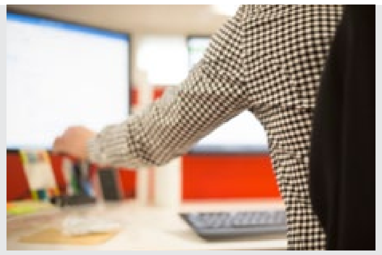
The Chairman, the CEO and CFO are invited to attend the Audit and Remuneration Committee meetings if appropriate. Minutes of all Board and committee meetings are recorded by the Company Secretary.

Audit Committee

The Audit Committee is chaired by Andy Malpass, and both Jody Madden and Karen Slatford are members.

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

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



The Executive Directors are closely involved with the management and review of business operations.

The Committee considers the objectivity, independence and cost-effectiveness of the external auditor, taking into account the views of management. KPMG no longer provide tax compliance and advisory services in order to remove any independence concerns.

The Audit Committee's recommendation is that KPMG LLP be re-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 40-47 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 2021 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 2022 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

In the last quarter of 2021, the Board undertook a formal review which was conducted internally by the Company Secretary and consisted of written responses to a questionnaire. Once reviewed and collated, any recommendations from the 2021 Board Evaluation, will be advanced during 2022.

Bill Russell
Non-Executive Chairman
21 March 2022

accesso Technology Group plc Annual Report & Accounts 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 Chair of Molten Ventures plc 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 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.

Jody was appointed as a Non-Executive Director of the Group on 1 January 2021 and is a member of both *accesso's* Audit Committee and Remuneration Committee.

Steve Brown
Chief Executive Officer

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 BSc 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.

Directors' remuneration report
for the financial year ended 31 December 2021

Karen Slatford
Chair of the Remuneration Committee

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 2021 and how the Remuneration Policy will be implemented in the 2022 financial year.

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

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

Committee membership

Chair	Members
Karen Slatford	Andy Malpass
	Jody Madden[1]

(1) 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.

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 continued to use external independent remuneration consultants, Mercer Limited, to assist the Company with setting fair and balanced remuneration policies for its key management. Mercer is a signatory to, and adheres to, the Code of Conduct for Remuneration Consultants (which can be found at www.remunerationconsultantsgroup.com).

Principal activities in 2021

The principal activities undertaken by the Committee during 2021 were as follows:

- Reviewed and approved salary increases with effect from January 2021;
- Reviewed and approved the Long-Term Incentive Plan ("LTIP") and Company-wide share award plan grants for 2021;
- Reviewed the annual bonus targets for the Executive Directors for the financial year 2021 and measured performance against them;
- Reviewed and approved the Company-wide bonus pool;
- Reviewed and approved the terms of reference of the Committee;
- Reviewed and approved Directors' expenses for 2020 and the policy for authorisation;
- Reviewed and approved plans for investment engagement; and
- Reviewed and approved salary increases with effect from January 2022.

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

- Reviewed and approved the bonus awards in respect of the 2021 performance year;
- Reviewed and approved Directors' expenses for 2021 and the policy for authorisation; and
- Reviewed and approved plans for investment engagement.

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. This objective has never been so critical to the business as it is currently; as the Company operates in an increasingly competitive market place including significant wage pressure, global staff shortages and the recent "Great Resignation".

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 and Fern MacDonald as CFO. 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 UK market practice if it considers it necessary and appropriate, especially given the Company's predominant presence in the US.

Focus for 2022

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

- approval of bonus performance measures and targets for 2022;
- approval of performance conditions and awards under the Company's LTIP for 2022;
- approval of any awards under the company-wide share award plan;
- assessment of the ongoing appropriateness of the remuneration arrangements in light of remuneration trends, market practice and the ongoing consequences of the 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 to an extent, whilst recognising that the Company is UK-listed. 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 are comparable with similar organisations;
- our remuneration supports 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 continued for the financial year ended 31 December 2021

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.	Executive Directors are eligible to receive employer contributions to the Company's pension plan(s) (which are defined contribution plans).	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.

Variable elements of remuneration for Executive Directors

Element of Remuneration	Link to Company Strategy	Operation	Target 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.	150% salary for the CEO and 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.

Variable elements of remuneration for Executive Directors continued

Element of Remuneration	Link to Company Strategy	Operation	Target Opportunity	Performance Metrics
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 Total Shareholder Return ("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.
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.

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 their 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, Share Award plan, 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 by 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.

Directors' remuneration report continued for the financial year ended 31 December 2021

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.

The Committee may buy out remuneration a new hire has had to forfeit on joining the Group if it considers the cost can be justified and is in the best interests of the Company. Any such buyout would be in addition to the limits set out above. Any such buyout awards will be of comparable commercial value and reflect as closely as practicable the form and structure of the forfeited awards, including timing of vesting, performance conditions and the probability of those conditions being met. The fair value of any bought-out awards will be no higher than that of those forfeited. Where appropriate, the Committee retains the discretion to use the provisions provided in the Listing Rules for the purpose of making such an award, or to utilise any other incentive plan operated by the Group.

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

Termination of office policy

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

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

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

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

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

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

Change of control policies

The rules of the 2019 equity incentive plans and prior 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.

LTIP awards issued in 2020 and 2021 vest in full on a change of control where the sale price exceeds a threshold price per share.

The Company-wide share award plan issued in 2021 entitles an award holder to a pro-rated time-based vesting of their award on a change of control, with a 50% minimum if the award has not reached a 50% point in the vesting period.

Stakeholder engagement

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

External appointments

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

Non-Executive Director Remuneration

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

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.

Single total figure of remuneration (audited information)

The following tables set out the aggregate emoluments earned by the Directors in respect of the years ended 31 December 2021 and 2020 respectively. Directors active during the period from 1 April 2020 to 31 December 2020 took a 20% pay reduction.

	2021						2020	2021	2020
	Salary $000	Fees $000	Bonus $000	Share-based payments $000	Other Benefits $000	Total $000	Total $000	Retirement Contributions	
Non-Executive Directors									
Bill Russell	–	190	–	–	–	190	162	–	–
Karen Slatford (1)	–	69	–	–	–	69	55	–	–
Andy Malpass (1)	–	61	–	–	–	61	48		
Jody Madden (2)	–	56	–	–	–	56	–	–	–
Tom Burnet (3)	–	–	–	–	–	–	35	–	–
David Gammon (1,4)	–	–	–	–	–	–	47	–	–
Executive Directors									
Steve Brown (5)	408	–	612	860	13	1,893	1,134	–	–
Fern MacDonald (6)	357	–	286	285	13	941	280	12	–
Paul Noland (7)	–	–	–	–	–	–	398	–	6
John Alder (8)	–	–	–	–	–	–	346	–	11
Total	**765**	**376**	**898**	**1,145**	**26**	**3,210**	**2,505**	**12**	**17**

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

(i) **Annual salary and fees** – correspond to the amount earned 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.

Directors' remuneration report continued
for the financial year ended 31 December 2021

2021 Annual bonus

The 2021 annual bonus performance measures were selected to reflect *accesso's* annual and long-term objectives and reflect financial and strategic priorities, as appropriate. Performance targets are set to be stretching but achievable, taking into account a range of reference points including financial performance versus budget and achievement of certain strategic milestones.

In respect of the year ended 31 December 2021, the Remuneration Committee reviewed the corporate performance of the Group and decided that the Executive Directors should receive their maximum bonus.

Statement of Directors' shareholding and scheme interests

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

	31 December 2020	Exercised in the period	Lapsed in the period	Granted in the period	31 December 2021	Exercise price	Date from which exercisable
Steve Brown 27 January 2020	582,567	–	–	–	**582,567**	**£0.01**	**25 April 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**
25 March 2021	–	–	–	44,432	**44,432**	**£0.01**	**30 April 2024**

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.

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.

Date of Award	Vesting Period (months)	Period stock to be held following exercise (months)	Performance Conditions
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. Performance in line with the threshold and stretch targets will result in 15% and 100% vesting of the EPS element, respectively, with straight-line interpolation between these two points. 50% of the condition for the Award is a related to continued employment. If the employee is employed on 12 May 2022, 50% of the Award shall become exercisable. No awards under this plan can be made to serving executive directors.
27 January 2020 (LTIPs were issued to Steve Brown after his appointment as Executive Director on 27 January 2020)	39	6	50% of the performance condition for the 2020 Award is related to Total Shareholder Return (TSR) over the period to 31 December 2022. Performance in line with the threshold and stretch targets will result in 25% and 100% vesting of the TSR element, respectively, with straight-line interpolation between these two points. 50% of the performance condition for the 2020 Award is related to cash EBITDA for the fiscal year 31 December 2022. Performance in line with the threshold and stretch targets will result in 25% and 100% vesting of the EBITDA element, respectively, with straight-line interpolation between these two points.
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. Performance in line with the threshold and stretch targets will result in 25% and 100% vesting of the TSR element, respectively, with straight-line interpolation between these two points. 50% of the performance condition for the 2020 Award is related to cash EBITDA for the fiscal year 31 December 2022. Performance in line with the threshold and stretch targets will result in 25% and 100% vesting of the EBITDA element, respectively, with straight-line interpolation between these two points.
25 March 2021 (Fern MacDonald only)	36	6	50% of the performance condition for the 2021 Award is related to Total Shareholder Return (TSR) over the period to 31 December 2023. Performance in line with the threshold and stretch targets will result in 25% and 100% vesting of the TSR element, respectively, with straight-line interpolation between these two points. 50% of the performance condition for the 2021 Award is related to cash EBITDA for the fiscal year 31 December 2023. Performance in line with the threshold and stretch targets will result in 25% and 100% vesting of the EBITDA element, respectively, with straight-line interpolation between these two points.

Fees for the Non-Executive Directors

A summary of current fees for the year ended 31 December 2022 is shown below. There is no increase from 2021.

	Basic fee $	Role
Bill Russell	190,000	Non-Executive Chairman
Andy Malpass [1]	59,356	Chair of the Audit Committee
Karen Slatford [1]	67,450	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 2022 rate of 1.349, no GBP increase on 2021 fee levels

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

External appointments

No Executive Director held an external appointment as at 31 December 2021.

Implementation of policy for 2022

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

The table below shows the salaries for the Executive Directors as at 1 January 2022 in comparison to base salary at 1 January 2021:

	1 January 2021 $	1 January 2022 $	% change
Steve Brown	**408,000**	428,400	5%
Fern MacDonald	**357,000**	374,850	5%

The increases awarded to the Executive Directors are broadly in line with the average awarded to the wider workforce.

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

In respect of the annual bonus, 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 2022 targets in the Company's long-term plan; and
- Retention of key staff.

The achievement of stretch targets will usually result in the maximum bonus being awarded under the formula. Falling below the pre-determined threshold 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 2022. As stated above, no LTIP awards will be made to the CEO in 2022.

2022 Non-Executive Director fees

No increase to Non-Executive Director Fees had been determined at the time of this report. If increases are determined during 2022 they will be disclosed in the 2022 report.

Karen Slatford

Chair of the Remuneration Committee

21 March 2022

Report of the Directors

for the financial year ended 31 December 2021

Fern MacDonald
Chief Financial Officer

The Directors present their report with the financial statements of the Company and the Group for the financial year ended 31 December 2021.

Dividends

No dividends will be proposed for the financial year ended 31 December 2021 (31 December 2020: 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 2021 the Group capitalised $0.7m of research and development spend (year ended 31 December 2020: $3.0m) and impaired no development costs (2020: $2.1m and $0.5m of development costs from Ticketing & Distribution and Guest Experience operating segments respectively).

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
Fern MacDonald, Executive Director
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 2021 in the issued share capital of the Company were as follows:

Committee membership

Ordinary share capital £0.01 shares	As at 31 December 2021	As at 1 January 2021
Bill Russell, Non-Executive	53,507	32,307
Steve Brown, Executive	686,774	665,774
Fern MacDonald, Executive	17,471	15,000
Andy Malpass, Non-Executive	23,424	5,414
Karen Slatford, Non-Executive	16,549	16,549

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

Financial instruments

Details of the Group's financial risk management objectives and policies, including the use of financial instruments, are included within the accounting policies in note 7 to the financial statements.

As at 18 March 2022 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
Long Path Partners LP	4,295,970	10.41%
Canaccord Genuity Group Inc	4,131,190	10.01%
BlackRock, Inc.	3,324,929	8.06%
Amati AIM VCP plc and T B Amati Investment Funds Limited	2,205,191	5.34%
Chelverton Asset Management Limited	2,125,000	5.15%

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, 17th May 2022. 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.

The Directors have prepared cash flow forecasts for the going concern period, which indicate that, taking account of severe but plausible downsides, the Group will have sufficient funds to meet the liabilities of the Group as they fall due for that period. The Group's severe but plausible downside scenario models revenue of $97.7m for 2022 and a marginal increase thereafter and reduces underlying administrative spend to $66.0m and a marginal increase thereafter for the same corresponding periods to reflect cost cutting measures that would be implemented. During the 2020 pandemic year the Group was able to reduce its underlying administrative expense to $56.5m (see page 20). The severe but plausible downside scenario indicates that the Group's cash balance reaches a low point of $54.0m and does not utilise any of its £18m loan facility.

At 31 December 2021 the Group has cash of $64.1m and an available undrawn loan facility of £18m. Covenants on the undrawn facility were passed during 2021 and are forecast to be passed through the going concern period.

Consequently, the Directors are confident that the Group and Company will have sufficient funds to continue to meet its liabilities as they fall due for the assessment period being at least 12 months from the date of signing 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.

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 they ought to have taken as a Director in order to make themself 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 11. No significant events have occurred since the end of the financial year which would require disclosure in this report.

On behalf of the Board

Fern MacDonald
Chief Financial Officer
21 March 2022

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
21 March 2022

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 plc ("the Company") for the year ended 31 December 2021 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 changes in equity and Company statement of changes in equity and the related notes, including the accounting policies in note 4.

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 December 2021 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the parent Company financial statements have been properly prepared in accordance with UK-adopted international accounting standards and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Overview	
Materiality: group financial statements as a whole	$1,100k (2020: $500k) 0.88% (2020: 0.89%) of revenue
Coverage	87% (2020: 84%) of revenue

Key audit matters		vs 2020
Risks	**New:** US Component Deferred Tax Asset	Up
	Recurring: Impairment and/or impairment reversal of parent Company's investment in subsidiaries	Down

We continue to perform procedures over recoverability of goodwill and other intangibles and going concern. However, following the significant improvement in business performance and reduced uncertainty in estimating future cashflows the risk over recoverability of goodwill and other intangibles and going concern are not assessed as one of the most significant risks as they were not materially sensitive for our current year audit. The reversal of impairment on other intangibles did not involve significant complexity in assessing the quantum of reversal given the significant headroom available. Accordingly, it was not considered to be an area of significant judgment.

A small proportion of development expenditure, incurred during the year, met the definition of an intangible asset as compared to prior years. Most development expenditure was incurred to meet the requirements of the existing customers use of the Group's current solutions, which required no judgment in assessing that the development expenditures did not meet the definition of intangible assets.

Accordingly, the above were not assessed as a significant risk and were 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
US Component Deferred Tax Asset Deferred Tax Asset $11.3 million (2020: Nil) *Refer to pages 69-70 (accounting policy) and pages 82-85 (financial disclosures).*	**Forecast-based assessment:** The US Component had significant tax losses and tax credits brought forward which were unutilised and unrecognised in the prior year due to forecasted future taxable profits not supporting the recognition of a deferred tax asset (DTA). In 2021 a significant DTA has been recognised in respect of these losses due to significant improvement in business performance during the current financial year and forecasts supporting recognition. In addition during 2021 management has performed a formal assessment (S382) with the support of external tax advisors to assess the level of utilisation of losses possible, which requires comprehensive understanding of US tax legislation. There is inherent uncertainty involved in forecasting future taxable profits, which determines the extent to which deferred tax assets are or are not recognised as well as complexity in US tax legislation to assess the utilisation of losses. The effect of these matters is that we determined the forecasted future taxable profits had a low degree of estimation uncertainty as the DTA is not materially sensitive to reasonable changes in taxable profits, however risk of error remained increased due to the size of the balance relative to materiality and was a matter which required input from senior audit team members.	We performed the tests below 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. Our procedures included: · **Our sector experience:** Use of our own US tax specialists to assist us in assessing the recoverability of the tax losses against the forecast future taxable profits, taking into account the US component's tax position, the timing of forecast taxable profits, the existence of brought forward losses, the validity of the assessment of losses available for use under S382 legislation and our knowledge and experience of the application of relevant tax legislation; and · **Benchmarking assumptions:** We compared the short term and medium revenue growth rates in the underlying forecast for future taxable profits to external market information; · **Sensitivity analysis:** We performed sensitivity analysis by changing various key assumptions and assessing the impact on the deferred tax asset valuation; and · **Assessing transparency:** Assessing the adequacy of the Group's disclosures about the sensitivity of the recognition of deferred tax assets to changes in key assumptions reflected in the inherent risk. Assessing the adequacy of disclosures regarding the nature of evidence supporting recognition of a DTA including methods applied to assess future taxable profits and recognition criteria applicable.
Impairment/ impairment reversal of parent Company's investment in subsidiaries Investments in subsidiaries $184.8 million (2020 $61.6 million) Loan to subsidiaries Nil million (2020: $97.2 million) Impairment reversal $15.9 million (2020: Nil) Impairment charge Nil (2020 $15.4 million) *Refer to pages 65-66 (accounting policy) and pages 92-93 (financial disclosures).*	**Forecast based assessment:** Investments in subsidiaries are significant to the parent Company and are held at cost less impairment on balance sheet at the reporting date. The estimated recoverable amount is subjective due to the inherent uncertainty involved in key assumptions relating to forecast financial performance, growth rates and an estimate of discount rates/ estimating the fair value less cost to sell in cases where this is judged to exceed value in use. The risk has relatively reduced as compared to 2020 with the significant improvement in business performance during the current financial year and easing of government restrictions on account of Coronavirus within major markets, the parent Company's forecasts of future financial performance reflected an increase in the estimated recoverable amounts over the carrying value of investments ultimately leading to reversal of previously recognised impairments.	We performed the tests below 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. 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 parent Company's forecasting process; · **Benchmarking assumptions:** we compared the short term and medium revenue growth rates to external market information; · **Comparing valuations:** we compared the sum of the discounted cashflows to the parent Company's market capitalisation to assess the reasonableness of the cash flows; · **Sensitivity analysis:** we performed sensitivity analysis by changing various key inputs and assessing the impact on the assumptions; · **Accuracy of calculations:** we used our modelling specialists to assess the accuracy of the parent Company's calculations using its valuation model; · **Assessing transparency:** we assessed whether the parent Company's disclosures around the reversal of impairment was adequate.

Independent auditor's report continued
to the members of *accesso Technology Group plc*

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 $1,100k (2020: $500k), determined with reference to a benchmark of Group revenue, of which it represents 0.88% (2020: 0.89%).

Materiality for the parent Company financial statements as a whole was set at $1,834k (2020: $126k), determined with reference to a benchmark of Company net assets (2020: net assets), of which it represents 1% (2020: 0.08% of net assets). However, this was capped to $550k being lower of statutory or component materiality.

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% (2020: 65%) of materiality for the financial statements as a whole, which equates to $715k (2020: $325k) for the Group and $360k (2020: $82k) for the parent Company. We applied this percentage in our determination of performance materiality based on the level of identified misstatements and control deficiencies in the control environment during the prior period.

We agreed to report to the Audit Committee any corrected or uncorrected identified misstatements exceeding $55k (2020: $25k), in addition to other identified misstatements that warranted reporting on qualitative grounds.

Of the Group's 14 (2020: 19) reporting components, we subjected 2 (2020: 5) to full scope audits for group purposes.

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

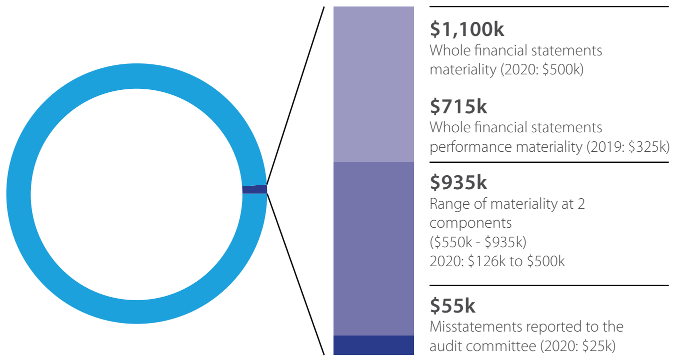
The remaining 13% (2020: 15%) of total Group revenue, 7% (2020: 2%) of Group profit (2020: loss) before tax and 5% (2020: 17%) of total Group assets is represented by 12 (2020: 14) of reporting components, none of which individually represented more than 10% (2020: 10%) of any of total Group revenue, 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.

The Group team determined the component materialities, which ranged from $550k to $935k (2020: $126k to $250k), 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 (2020: all).

The scope of the audit work performed was fully substantive as we did not rely upon the Group's internal control over financial reporting.

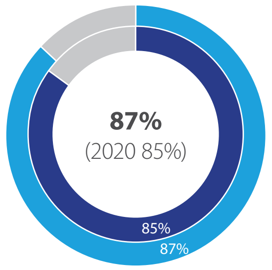
Group Revenue
$124,794k (2020: $56,094k)

Group materiality
$1,100k (2020: $500k)

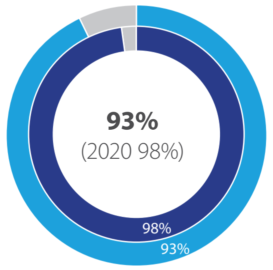


Group Revenue
Group Materiality

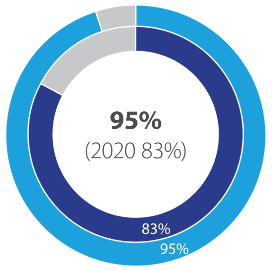
Group revenue



Group profit before tax (2020: Total profits and losses that made up group losses before tax



Group total assets



Full scope for group audit purposes 2021
Full scope for group audit purposes 2020
Residual components

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 at least a year from the date of approval of the financial statements ("the going concern period").

We used our knowledge of the Group, its industry, and the general economic environment to identify the inherent risks to its business model and analysed how those risks might affect the Group's and Company's financial resources or ability to continue operations over the going concern period. The risks that we considered most likely to adversely affect the Group's and Company's available financial resources over this period was lower than expected trading volumes due loss of key customers.

We considered whether these risks could plausibly affect the liquidity or covenant compliance in the going concern period by assessing the degree of downside assumption that, individually and collectively, could result in a liquidity issue, taking into account the Group's current and projected cash and facilities (a reverse stress test). We also assessed the completeness of the going concern disclosure.

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.
- 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 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, including the Group's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board, Audit Committee, AGM (and all other committee) meeting minutes.
- Considering remuneration incentive schemes and performance targets for management, directors and staff.
- Using analytical procedures to identify any unusual or unexpected relationships.

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

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that Group and component management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because there is no significant judgment, complexity or estimation uncertainty relating to the Group's revenue. The risk of overstatement and/ or understatement at the period end is relatively low considering the trend and proportion of revenues recognised and there is no direct linkage of Management incentives to revenues earned by the Group.

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 unexpected account pairings and those posted to unusual or seldom-used accounts.
- Assessed significant accounting estimates for bias.

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 the directors (as required by auditing standards), and discussed with the management 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.

Independent auditor's report continued
to the members of *accesso Technology Group plc*

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 (continued)

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 directors 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 and the part of the Directors' Remuneration Report which we were engaged to audit 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.

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

21 March 2022

Financial Statements

accesso Technology Group plc Annual Report & Accounts 2021

ingresso

Ingresso signed on 15 new distributors and 54 new suppliers, bringing the totals to 88 and 436 respectively. We are also realising significant adoption of our *Ingresso* distribution platform by *accesso Passport* customers resulting in nearly 1.4 million tickets sold in 2021.

15
new distributors

54
new suppliers

Consolidated statement of comprehensive income
for the financial year ended 31 December 2021

	Notes	2021 $000	2020 $000
Revenue	9	**124,794**	56,094
Cost of sales		**(28,401)**	(13,109)
Gross profit		**96,393**	42,985
Administrative expenses		**(82,872)**	(73,339)
Operating profit/(loss) before reversal of impairment of intangible assets		**11,814**	(27,727)
Reversal of impairment of intangible assets	16	**1,707**	–
Impairment of intangible assets	16	**–**	(2,627)
Operating profit/(loss)		**13,521**	(30,354)
Finance expense	12	**(1,450)**	(2,518)
Finance income	12	**39**	10
Profit/(loss) before tax		**12,110**	(32,862)
Income tax benefit	13	**9,908**	3,008
Profit/(loss) for the period		**22,018**	(29,854)
Other comprehensive (loss)/income			
Items that will be reclassified to income statement			
Exchange differences on translating foreign operations		**(219)**	4,910
Income tax credit on items recorded in other comprehensive income		**188**	1,129
		(31)	6,039
Total comprehensive income/(loss)		**21,987**	(23,815)
All profit and comprehensive income is attributable to the owners of the parent			
Earnings/(losses) per share expressed in cents per share:			
Basic	15	**53.39**	(84.78)
Diluted	15	**51.45**	(84.78)

All activities of the Company are classified as continuing.

The accompanying notes on pages 65-100 form part of these consolidated financial statements.

accesso Technology Group plc Annual Report & Accounts 2021

Consolidated statement of financial position
as at 31 December 2021

Registered Number: 03959429	Notes	31 December 2021 $000	31 December 2020 $000
Assets			
Non-current assets			
Intangible assets	16	**120,088**	129,503
Property, plant and equipment	17	**2,236**	2,439
Right of use assets	30	**3,053**	4,166
Contract assets	9	**375**	1,109
Deferred tax assets	13	**16,260**	7,701
		142,012	144,918
Current assets			
Inventories	19	**286**	1,927
Contract assets	9	**3,614**	3,404
Trade and other receivables	20	**18,805**	15,968
Income tax receivable		**1,097**	1,858
Cash and cash equivalents	29	**64,050**	56,355
		87,852	79,512
Liabilities			
Current liabilities			
Trade and other payables	21	**29,219**	17,328
Derivative financial liabilities	23	**–**	758
Lease liabilities	30	**1,003**	1,163
Contract liabilities	9	**8,063**	7,525
Income tax payable		**503**	667
		38,788	27,441
Net current assets		**49,064**	52,071
Non-current liabilities			
Deferred tax liabilities	13	**4,236**	7,580
Contract liabilities	9	**914**	1,303
Lease liabilities	30	**2,733**	3,790
Borrowings	22	**–**	26,699
		7,883	39,372
Total liabilities		**46,671**	66,813
Net assets		**183,193**	157,617
Shareholders' equity			
Called up share capital	24	**596**	595
Share premium	25	**153,504**	153,327
Retained earnings	25	**9,753**	(15,864)
Merger relief reserve	25	**19,641**	19,641
Translation reserve	25	**(301)**	(82)
Total shareholders' equity		**183,193**	157,617

The financial statements were approved by the Board of directors on 21 March 2022 and were signed on its behalf by:

Fern MacDonald

Fern MacDonald
Chief Financial Officer

The accompanying notes on pages 65-100 form part of these consolidated financial statements.

Company statement of financial position
as at 31 December 2021

Registered Number: 03959429	Notes	31 December 2021 $000	31 December 2020 $000
Assets			
Non-current assets			
Intangible assets	16	**2,862**	4,481
Investments in subsidiaries	18	**184,768**	61,570
Property, plant and equipment	17	**444**	661
Right of use assets	30	**474**	608
Contract assets	9	**19**	675
Amounts due from Group undertakings	20	**–**	97,161
		188,567	165,156
Current Assets			
Inventories	19	**50**	105
Contract assets	9	**925**	2,056
Trade and other receivables	20	**6,697**	10,588
Income tax receivable		**70**	1,126
Cash and cash equivalents		**18,198**	47,690
		25,940	61,565
Liabilities			
Current liabilities			
Trade and other payables	21	**7,302**	11,827
Derivative financial liabilities	23	**–**	758
Lease liabilities	30	**149**	121
Contract liabilities	9	**277**	441
Income tax payable		**8**	9
		7,736	13,156
Net current assets		**18,204**	48,409
Non-current liabilities			
Deferred tax	13	**336**	605
Contract liabilities	9	**22**	184
Lease liabilities	30	**426**	601
Borrowings	22	**–**	26,699
		784	28,089
Total liabilities		**8,520**	41,245
Net assets		**205,987**	185,476
Shareholders' equity			
Called up share capital	24	**596**	595
Share premium	25	**153,504**	153,327
Retained earnings	25	**32,560**	10,905
Merger relief reserve	25	**19,641**	19,641
Translation reserve	25	**(314)**	1,008
Total shareholders' equity		**205,987**	185,476

The profit for the financial year for the Company was $19.15m (2021: loss of $16.57m).

The financial statements were approved by the Board of directors on 21 March 2022 and were signed on its behalf by:

Fern MacDonald
Chief Financial Officer

The accompanying notes on pages 65-100 form part of these consolidated financial statements.

Consolidated statement of cash flow
for the financial year ended 31 December 2021

	Notes	2021 $000	2020 $000
Cash flows from operations			
Profit/(loss) for the period		**22,018**	(29,854)
Adjustments for:			
Depreciation (excluding leased assets)	17	**1,827**	1,758
Depreciation on leased assets	30	**1,035**	1,461
Amortisation on acquired intangibles	16	**2,373**	2,573
Amortisation on development costs and other intangibles	16	**9,319**	11,446
Impairment of intangibles	16	**–**	2,627
Reversal of impairment of intangible assets	16	**(1,707)**	–
Loss on disposal of property, plant and equipment		**2**	22
Share-based payment	10	**2,490**	1,398
Deferred consideration charge	10	**–**	150
Finance expense	12	**1,450**	2,518
Finance income	12	**(39)**	(10)
Foreign exchange gain		**312**	1,308
Income tax benefit	13	**(9,908)**	(3,008)
RDEC tax credits		**(81)**	(384)
		29,091	(7,995)
Decrease/(increase) in inventories		**861**	(923)
(Increase)/decrease in trade and other receivables		**(3,592)**	6,658
(Decrease)/increase in contract assets/ contract liabilities		**(3,316)**	4,847
Increase/(decrease) in trade and other payables		**16,241**	(14,444)
Cash generated from/(used in) operations		**39,285**	(11,857)
Tax paid		**(171)**	(2,657)
Net cash inflow/(outflow) from operating activities		**39,114**	(14,514)
Cash flows from investing activities			
Deferred consideration settlement		**(13)**	(477)
Capitalised internal development costs	16	**(720)**	(2,969)
Purchase of property, plant and equipment		**(960)**	(437)
Proceeds from sale of intangible assets		**23**	–
Interest received		**28**	6
Net cash used in investing activities		**(1,642)**	(3,877)
Cash flows from financing activities			
Share issue		**178**	48,215
Share issue costs		**–**	(2,123)
Sale of shares held in trust		**–**	198
Interest paid		**(514)**	(633)
Payments on property lease liabilities	30	**(1,408)**	(1,622)
Cash paid to refinance	22	**(813)**	–
Proceeds from borrowings		**–**	10,116
Repayments of borrowings		**(27,033)**	–
Net forward FX contract settlement used to hedge share issue proceeds		**(409)**	–
Net cash (utilised in)/generated from financing activities		**(29,999)**	54,151
Increase in cash and cash equivalents		**7,473**	35,760
Cash and cash equivalents at beginning of year		**56,355**	16,205
Exchange gain on cash and cash equivalents		**222**	4,390
Cash and cash equivalents at end of year		**64,050**	56,355

The accompanying notes on pages 65-100 form part of these consolidated financial statements.

Company statement of cash flow
for the financial year ended 31 December 2021

	Notes	2021 $000	2020 $000
Cash flows from operations			
Profit/(loss) for the period		**19,147**	(16,571)
Adjustments for:			
Depreciation excluding leased assets	17	**377**	340
Depreciation on leased assets	30	**131**	117
Amortisation	16	**2,012**	1,932
Impairment of intangibles	16	**–**	468
Reversal of intercompany bad debt provision		**(1,844)**	–
Share-based payment		**123**	(39)
(Reversal of)/Impairment of investment in subsidiary	18	**(15,949)**	15,460
Finance expense		**1,019**	2,076
Finance income		**(1,432)**	(5,527)
Foreign exchange loss		**1,240**	3,711
Income tax expense/(benefit)		**313**	(2,139)
RDEC tax credits		**(81)**	–
		5,056	(172)
Decrease in inventories		**55**	101
(Increase)/decrease in trade and other receivables		**(7,826)**	(13,442)
Decrease in contract assets/liabilities		**1,478**	1,675
Increase/(decrease) in trade and other payables		**915**	(1,176)
Cash used in operations		**(322)**	(13,014)
Tax paid		**(338)**	(2,171)
Net cash outflow from operating activities		**(660)**	(15,185)
Cash flows from investing activities			
Capitalised internal development costs	16	**(399)**	(803)
Purchase of property, plant and equipment	17	**(159)**	(191)
Interest received		**26**	–
Net cash used in investing activities		**(532)**	(994)
Cash flows from financing activities			
Share issue		**178**	48,215
Share issue costs		**–**	(2,123)
Sale of shares held in trust		**–**	198
Interest paid		**(514)**	(633)
Payments on property lease liabilities	30	**(158)**	(86)
Cash paid to refinance	22	**(813)**	–
Proceeds from borrowings		**–**	10,116
Repayments of borrowings		**(27,033)**	–
Net forward FX contract settlement used to hedge share issue proceeds		**(409)**	–
Net cash (utilised in)/generated from financing activities		**(28,749)**	55,687
(Decrease)/increase in cash and cash equivalents		**(29,941)**	39,508
Cash and cash equivalents at beginning of year		**47,690**	3,780
Exchange gain on cash and cash equivalents		**449**	4,402
Cash and cash equivalents at end of year		**18,198**	47,690

The accompanying notes on pages 65-100 form part of these consolidated financial statements.

Consolidated statement of changes in equity
for the financial year ended 31 December 2021

	Share capital $000	Share premium $000	Retained earnings $000	Merger relief reserve $000	Own shares held in trust $000	Translation reserve $000	Total $000
Balance at 1 January 2021	**595**	**153,327**	**(15,864)**	**19,641**	**–**	**(82)**	**157,617**
Comprehensive income for the year							
Profit for period	**–**	**–**	**22,018**	**–**	**–**	**–**	**22,018**
Other comprehensive income							
Exchange differences on translating foreign operations	**–**	**–**	**–**	**–**	**–**	**(219)**	**(219)**
Income tax credit on items recorded in other comprehensive income	**–**	**–**	**188**	**–**	**–**	**–**	**188**
Total comprehensive income for the year	**–**	**–**	**22,206**	**–**	**–**	**(219)**	**21,987**
Issue of share capital	**1**	**177**	**–**	**–**	**–**	**–**	**178**
Share-based payments	**–**		**2,490**	**–**	**–**	**–**	**2,490**
Share option tax charge – deferred	**–**	**–**	**921**	**–**	**–**	**–**	**921**
Total contributions by and distributions by owners	**1**	**177**	**3,411**	**–**	**–**	**–**	**3,589**
Balance at 31 December 2021	**596**	**153,504**	**9,753**	**19,641**	**–**	**(301)**	**183,193**
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)
Contributions by and distributions to owners							
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

The accompanying notes on pages 65-100 form part of these consolidated financial statements.

Company statement of changes in equity
for the financial year ended 31 December 2021

	Share capital $000	Share premium $000	Retained earnings $000	Merger relief reserve $000	Translation reserve $000	Total $000
Balance at 1 January 2021	**595**	**153,327**	**10,905**	**19,641**	**1,008**	**185,476**
Comprehensive income for the year						
Profit for year	–	–	19,147	–	–	19,147
Other comprehensive income						
Exchange differences	–	–	–	–	(1,322)	(1,322)
Total comprehensive income for the year	–	–	19,147	–	(1,322)	17,825
Issue of share capital	1	177	–	–	–	178
Share-based payments	–	–	2,490	–	–	2,490
Share option tax charge – deferred	–	–	18	–	–	18
Total contributions by and distributions by owners	1	177	2,508	–	–	2,686
Balance at 31 December 2021	**596**	**153,504**	**32,560**	**19,641**	**(314)**	**205,987**
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 subsidiaries	–	–	(2,724)	–	2,724	–
Total comprehensive income for the year	–	–	(19,295)	–	12,949	(6,346)
Contributions by and distributions by owners						
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

The accompanying notes on pages 65-100 form part of these consolidated financial statements.

Notes to the consolidated financial statements
for the financial year ended 31 December 2021

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 UK-adopted international accounting standards ("UK-adopted IFRS"). They were authorised for issue by the Company's board of directors on 21 March 2022.

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

Other than as described below, the accounting policies, presentation and methods of calculation adopted are consistent with those of the Annual Report and Accounts for the year ended 31 December 2020, apart from standards, amendments to or interpretations of published standards adopted during the period.

The following standards, interpretations and amendments to existing standards are now effective and have been adopted by the Group. The impacts of applying these policies are not considered material:

- Amendments to References to the Conceptual Framework in IFRS Standards – Amendments to IFRS 2, IFRS 3, IFRS 6, IFRS 14, IAS 1, IAS 8, IAS 34, IAS 37, IAS 38, IFRIC 12, IFRIC 19, IFRIC 20, IFRIC 22, and SIC-32 to update those pronouncements with regard to the revised the Conceptual Framework.
- Amendments to IFRS 3 "Business Combinations", clarifies the definition of a business in acquisitions. – Amendments to IAS 1 and IAS 8: guidance on the definition of material.
- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 16 and IFRS 4: Interest rate benchmark reforms. Phase 1 covers hedge accounting impacts and discontinuance exemptions.
- Annual Improvements cycle 2018-2020 includes relevant amendments clarifying capitalisation of transaction fees/inclusion of specific fees in modification/extinguishment test within IFRS 9 Financial Instruments.
- Amendments to IFRS 3 "Business combinations", IAS 16 "Property, plant and equipment" and IAS 37 "Provisions, Contingent assets and Contingent liabilities".

New standards and interpretations not yet adopted

A number of new standards, amendments to standards, and interpretations are either not effective for 2022 or not relevant to the Group, and therefore have not been applied in preparing these accounts.

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 2021 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.

Notes to the consolidated financial statements continued
for the financial year ended 31 December 2021

4. Significant accounting policies continued

Basis of consolidation continued

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.

The Directors have prepared cash flow forecasts for the going concern period, which indicate that, taking account of severe but plausible downsides, the Group will have sufficient funds to meet the liabilities of the Group as they fall due for that period. The Group's severe but plausible downside scenario models revenue of $97.7m for 2022 and a marginal increase thereafter and reduces underlying administrative spend to $66.0m and a marginal increase thereafter for the same corresponding periods to reflect cost cutting measures that would be implemented. During the 2020 pandemic year the Group was able to reduce its underlying administrative expense to $56.5m (see page 20). The severe but plausible downside scenario indicates that the Group's cash balance reaches a low point of $54.0m and does not utilise any of its £18m loan facility.

At 31 December 2021 the Group has cash of $64.1m and an available undrawn loan facility of £18m. Covenants on the undrawn facility were passed during 2021 and are forecast to be passed through the going concern period.

Consequently, the Directors are confident that the Group and Company will have sufficient funds to continue to meet its liabilities as they fall due for the assessment period being at least 12 months from the date of signing 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.

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	Each contract provides the customer with the right to use the POS license (installed on premise) for terms between one and three years. The customer also receives support for typically a period of one year. This support is not necessary for the functionality of the licence and is therefore a distinct performance obligation from the right to use the POS licence. 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.	The transaction price is allocated using the residual approach, where the support revenue is carved out of the total consideration using an estimate that best reflects its stand-alone selling price. Revenue from sale of POS licenses is recognised at a point in time when the customer has been provided with the software. Point in time recognition is appropriate because the licence provides the customer with the right of use of the POS software as it exists and is fully functional from the date it is provided to the customer. Support revenue is recognised on a straight-line basis over the term of the contract, which in most cases is one year and is renewable at the option of the customer thereafter. The revenue recognition of POS licenses at a point in time gives rise to a contract asset at inception. The balance reduces as the consideration is billed annually/ quarterly in accordance with the agreement.
b. Software licences and the related maintenance and support revenue – Ticketing and distribution and Guest Experience	Each contract provides the customer with the right to use the software license (installed on premise) with annual support and maintenance. The support and maintenance is not required to operate the software and is considered a distinct performance obligation from the right to use the software license. The customer has an option to renew the license at no additional cost by annually renewing support and maintenance at each anniversary. This is considered a material right under IFRS 15 and represents a separate performance obligation. Invoices are raised at the beginning of each contract for the software license and annual support and maintenance. Subsequently, invoices are raised at each anniversary of the contract for annual support and maintenance (as software license is renewed at no additional cost).	The transaction price is allocated using the residual approach, where the annual support and maintenance revenue is carved out of the total consideration using an estimate that best reflects is stand-alone selling price. Annual support and maintenance revenue is recognised on a straight-line basis over the term of the contract, which in most cases is one year and is renewable at the option of the customer thereafter. Revenue from sale of annual software licenses is recognised at a point in time when the customer has been provided with the software. The revenue is recognised at a point in time because the licence provides the customer with the right of use of the software as it exists and is fully functional from the date it is provided to the customer. Revenue from sale of multi-year software license contracts is spread as the customer has the option to renew each year's licence at no additional cost by paying the annual support and maintenance fee. A proportion of the license payment 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. If the customer chooses not to exercise the above option, any residual deferred revenue would be recognised as income in that period. The deferred revenue gives rise to a contract liability at the inception of the contract. The balance reduces as revenue is recognised at each contract anniversary.
c. Virtual queuing system – Guest Experience	Virtual queuing systems are installed at a client's location, and revenue is recognised when a 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 and is contracted with the attraction owner, not end consumer.	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 which is paid to the attraction.

Notes to the consolidated financial statements continued
for the financial year ended 31 December 2021

4. Significant accounting policies continued

Foreign currency continued

Type of product/ service/ segment	Nature of the performance obligations and significant payment terms	Accounting policy
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 through our platform or the transaction takes place. *accesso* recognises only its fee for processing the transaction as the agent rather than the gross ticket value.
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 carries out customisation and delivers 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 recognises 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 procures 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. *accesso* takes control and risk of ownership on hardware procurement and recognises sales and costs on a gross basis as principal.
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.

Contract assets and contract liabilities

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

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

Where these assets or liabilities mature in periods beyond 12 months of the balance sheet date they are recognised within non-current assets or non-current liabilities as appropriate.

Interest expense recognition

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

accesso Technology Group plc Annual Report & Accounts 2021

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 our share awards with time-based and employment conditions are 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.

LTIP awards granted in 2020 included continued employment conditions only due to the unprecedented market instability, before being modified on 12 February 2021 by the Remuneration Committee to include a market-based total shareholder return condition and cash EBITDA non-market-based conditions. The fair value of these LTIP share awards were initially valued by use of a Black-Scholes model due to them including only continued employment conditions. On their modification they were reassessed using a Monte Carlo method, due to the market-based conditions upon which vesting is dependent, this resulted in a fair value below that on which the awards were initially granted, as such the fair value was not reduced in line with IFRS 2 Share-based payments and they continue to be recognised at their original grant date fair value.

Pension costs

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

Property, plant and equipment

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

Depreciation is charged 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.

Notes to the consolidated financial statements continued
for the financial year ended 31 December 2021

4. Significant accounting policies continued

Deferred tax continued

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

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

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

Current income tax

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

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities. See note 13 for further discussion on provisions related to tax positions.

Goodwill and impairment of non-financial assets

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.

Any non-financial assets other than goodwill which have suffered impairment are reviewed for possible reversal of the impairment at each reporting date. Assets that are subject to amortisation and depreciation are also reviewed for any possible impairment at each reporting date.

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 (2020: $nil).

Acquired intellectual property rights and patents

Intellectual property rights comprise assets acquired, being external costs, relating to know-how, patents, and licences. These assets have been capitalised at the fair value of the assets acquired and are amortised within administrative expenses on a straight-line basis over their estimated useful economic life of 5 to 7 years.

Fair value of contingent consideration

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

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

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

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 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.

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.

Notes to the consolidated financial statements continued
for the financial year ended 31 December 2021

4. Significant accounting policies continued

Government grants

The Group received government support for payroll costs throughout the year ended 31 December 2020 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. No government support was received during the year ended 31 December 2021.

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.

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 and lease liability are 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. Subsequently the right of use asset is adjusted for impairment losses and adjusted for certain remeasurements of the lease liability.

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.

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, $0.72m has been capitalised on new projects during 2021 (2020: $2.97m). 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:

Useful economic lives of capitalised development costs

The Group amortises 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 $2,298k higher and $1,534k lower respectively. Management will review this estimate each year to ensure it is reflective of the technologies being developed.

Deferred tax asset on US losses and tax credits

The Group has recognised a deferred tax asset of $11.4m (which comprises $8.4m of US losses ($1.7m of which expire in 2037) and $3.0m of US tax credits (with 20-year expiry dates ranging from 2033 and 2040). The recognition of these assets is based on the expected profitability of the US entities using the Group's 5-year Board approved forecasts and risk adjusted profitability reducing annually by 10% which indicates that the losses would be utilised over a 5-year period and the US tax credits over 10 years. The utilisation of the losses can only offset 80% of the tax liability and US tax credits cannot be used on the first $25k of tax liability up to a maximum of 25% of the remaining current tax liability. The key inputs are not sensitive to plausible changes in the assumptions, a further 10% risk adjustment was modelled across the 15-year forecast period which results in the US losses being recovered still in 5 years and the US credits in 11 years, within any loss or tax credit expiry limits. The US losses were assessed under the section 382 US tax legislation to validate they can be utilised, this assessment will need to be conducted on an annual basis to determine if any restriction is required.

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 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.

Notes to the consolidated financial statements continued
for the financial year ended 31 December 2021

7. Financial risk management continued

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 2021	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	**13,985**	**–**	**–**	**–**	**13,985**
Leases	30	**603**	**614**	**2,971**	**–**	**4,188**
Total		**14,588**	**614**	**2,971**	**–**	**18,173**
Company						
Financial liabilities	21	**5,665**	**–**	**–**	**–**	**5,665**
Leases	30	**88**	**88**	**457**	**–**	**633**
Total		**5,753**	**88**	**457**	**–**	**6,298**

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
Leases	30	813	643	4,237	–	5,693
Derivative financial liabilities	22	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
Leases	30	88	66	662	–	816
Derivative financial liabilities	30	768	–	–	–	768
Bank loan	22	–	–	26,808	–	26,808
Total		11,592	66	27,470	–	39,128

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 currently undrawn, which is subject to a floating interest rate. 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 2021	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	**–**	**–**	**15,942**	**15,942**	**–**
Financial assets – contract assets	9	**–**	**–**	**3,989**	**3,989**	**–**
Cash		**10,220**	**–**	**53,830**	**64,050**	**–**
Total		**10,220**	**–**	**73,761**	**83,981**	**–**
Company						
Financial assets – trade and other receivables	20	**–**	**–**	**6,069**	**6,069**	**–**
Financial assets – contract assets	9	**–**	**–**	**944**	**944**	**–**
Cash		**–**	**9,472**	**8,726**	**18,198**	**–**
Total		**–**	**9,472**	**15,739**	**25,211**	**–**

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

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	
	Note	2021 $000	2020 $000	2021 $000	2020 $000
Financial assets – intercompany loan	20	**–**	–	**–**	107,859
Financial assets – trade and other receivables	20	**16,369**	14,221	**6,436**	1,583
Financial assets – contract assets	9	**3,989**	4,512	**944**	2,731
Cash	29	**64,050**	56,355	**18,198**	47,690
Estimated irrecoverable amounts	20	**(427)**	(480)	**(367)**	(2,232)
		83,981	74,608	**25,211**	157,631

The maximum exposure is the carrying amount as disclosed in trade and other receivables. The average credit period taken by customers is 46 days (2019: 54 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 2021 and 31 December 2020, 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	
	2021 $000	2020 $000	2021 $000	2020 $000
Up to 3 months	**2,920**	4,577	**499**	322
3 to 6 months	**388**	551	**126**	10
	3,308	5,128	**625**	332

Notes to the consolidated financial statements continued
for the financial year ended 31 December 2021

7. Financial risk management continued

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.

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 both the period end and the prior period end, Group companies did not hold material monetary assets in currencies other than their local currency.

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 = 1.3761USD (2020: 1GBP = 1.2837USD). 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 profit before tax by $1,111,227 – 3.38% (2020, increased the Group loss before tax – $765,002 – 2.31%). If sterling had been an average of 5% weaker than the dollar through the year then it would have decreased Group profit before tax by $1,065,408 – 3.24% (2020, decreased the Group loss before tax – $728,568 – 2.2%).

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.

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.

	2021 $000	2020 $000
Ticketing and Distribution	**75,930**	37,966
Guest Experience	**48,864**	18,128
Total revenue	**124,794**	**56,094**

Year ended 31 December 2021	**Ticketing and Distribution $000**	**Guest Experience $000**	**Central unallocated costs $000**	**Group $000**
Cash EBITDA [(1) (2)]	**62,600**	**34,332**	**(68,794)**	**28,138**
Capitalised development spend				**720**
Depreciation and amortisation (excluding acquired intangibles)				**(12,183)**
Amortisation related to acquired intangibles				**(2,371)**
Share-based payments				**(2,490)**
Reversal of impairment of intangible assets				**1,707**
Finance income				**39**
Finance expense				**(1,450)**
Profit before tax				**12,110**

Year ended 31 December 2020	Ticketing and Distribution $000	Guest Experience $000	Central unallocated costs $000	Group $000
Cash EBITDA [(1) (2)]	33,371	10,042	(54,863)	(11,450)
Capitalised development spend				2,969
Depreciation and amortisation (excluding acquired intangibles)				(14,664)
Aborted sale process costs				(461)
Deferred and contingent payments (see note 10)				(150)
Amortisation related to acquired intangibles				(2,573)
Impairment related to TE2				(2,627)
Share-based payments				(1,398)
Finance income				10
Finance expense				(2,518)
Loss before tax				(32,862)

(1) 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.

(2) During 2020 the Group structurally realigned their key functions of Operations, Engineering, Product, Human Resources, Finance, Administration, Commercial Sales and Marketing to have single teams spanning across the Group and supporting the operating segments, from 1 January 2021 the Group no longer attribute their related costs to the segments for management reporting purposes. Consequently, our 31 December 2020 segment note has been restated to reflect a consistent presentation with 31 December 2021.

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

Notes to the consolidated financial statements continued
for the financial year ended 31 December 2021

8. Business and geographical segments continued
Segmental analysis continued

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	
	2021 $000	2020 $000	2021 $000	2020 $000
UK	17,118	5,228	24,826	26,866
Other Europe	3,251	1,826	18	10
Australia/South Pacific/Asia	4,537	2,413	109	255
USA and Canada	98,682	45,753	100,319	108,714
Central and South America	1,206	874	105	263
	124,794	56,094	125,377	136,108

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 $10.1m (2020: $5.4m) of Ticketing and Distribution revenue and for $25.2m (2020: $5.4m) of Guest Experience revenue. The second park and attractions operator accounted for $11.0m (2020: $5.0m) of Ticketing and Distribution revenue and for $3.8m (2020: $0.9m) of Guest Experience revenue.

Another customer within the Guest Experience segment accounted for $9.3m of Group revenue in 2021 (2020: $7.0m).

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 2021			Year ended 31 December 2020		
	Ticketing and Distribution $000	Guest Experience $000	Group $000	Ticketing and Distribution $000	Guest Experience $000	Group $000
Primary geographic markets						
UK	14,939	2,179	17,118	4,380	848	5,228
Other Europe	1,443	1,808	3,251	1,177	649	1,826
Australia/South Pacific/Asia	3,219	1,318	4,537	1,663	750	2,413
USA and Canada	55,344	43,338	98,682	30,014	15,739	45,753
Central and South America	985	221	1,206	732	142	874
	75,930	48,864	124,794	37,966	18,128	56,094
Product type						
Licence fees	2,162	–	2,162	2,322	–	2,322
Support and maintenance	7,281	–	7,281	7,711	–	7,711
Platform fees	–	2,592	2,592		2,263	2,263
Virtual queuing	–	32,888	32,888	–	7,407	7,407
Ticketing and eCommerce	62,587	23	62,610	23,840	43	23,883
Professional services	1,555	11,914	13,469	1,845	8,109	9,954
Hardware	1,265	1,439	2,704	1,250	243	1,493
Other	1,080	8	1,088	998	63	1,061
	75,930	48,864	124,794	37,966	18,128	56,094
Timing of transfer of goods and services						
Point in time licence fees	2,162	–	2,162	2,322	–	2,322
Point in time virtual queuing/ticketing/hardware/other	64,932	34,358	99,290	26,088	7,755	33,843
Over time maintenance, support, platform fees and professional services	8,836	14,506	23,342	9,556	10,373	19,929
	75,930	48,864	124,794	37,966	18,128	56,094
Revenue included within point in time licence fees above related to the exercise or lapse of renewal rights	1,135	–	–	1,412	–	1,412

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 2020	1,109	3,404	4,513	675	2,056	2,731
At 31 December 2021	375	3,614	3,989	19	925	944

Breakdown of contract assets at 31 December 2021

	Group $000	Company $000
Unbilled and accrued income	3,469	909
Contract commissions	481	35
Capitalised contract costs	39	–
	3,989	944

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

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.

• Overview • Strategic Report • Governance • Financial Statements

Notes to the consolidated financial statements continued
for the financial year ended 31 December 2021

9. Revenue continued

Contract balances continued

Contract assets have reduced by $0.5m during 2021 (2020: reduced by $5.1m) which is primarily a result of a reduction 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 2020	1,303	7,525	8,828	184	441	625
At 31 December 2021	**914**	**8,063**	**8,977**	**22**	**277**	**299**

Transfers of contract liabilities to revenue during the period were $8.6m Group, Company $386kk (2020 – $9.5m Group, Company $337k).

The contract liabilities primarily relate to material rights customers of the Group's guest management software receive at the time the contract is signed, which allows them to renew at a discount in subsequent years. Refer to item (b) the Group's revenue recognition policy table in note 4 covering software licences and the related maintenance and support revenue. 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.

Management has reviewed the classification of contract liabilities during the year. As a result, a liability relating to outstanding gift cards issued to customers of the Ingresso business has been included within contract liabilities at the year ended 31 December 2021. The value of the gift card liability for the year ended 31 December 2021 is $1.99m (2020: $2.70m). The equivalent liability for the year ended 31 December 2020 is included within trade payables and has not been restated. Management believes this allocation better reflects the nature of the liability and there is no impact on the Group's income statement or net assets.

No revenue was recognised in the period ended 31 December 2021 or 2020 from performance obligations satisfied (or partially satisfied) in previous periods.

Remaining performance obligations

No information is provided about remaining performance obligations at 31 December 2021 or 2020 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 2021		31 December 2020	
	Less than 1 year $000	Between 1 and 5 years $000	Less than 1 year $000	Between 1 and 5 years $000
Material rights over discounted licence fee renewal	**865**	**871**	1,173	1,091

10. Employees and directors

	2021 $000	2020 $000
Wages and salaries	**43,295**	35,865
Deferred compensation related to acquisitions	**–**	150
Social security costs	**3,494**	2,792
Defined contribution pension costs	**1,607**	693
Share-based payment transactions	**2,490**	1,398
	50,886	40,898

In the year ended 31 December 2020, included within the wages and salaries cost is $0.6m 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:

	2021	2020
Operations	**172**	176
Research & development	**259**	196
Sales & marketing	**38**	29
Finance & administration	**44**	57
Seasonal staff	**311**	145
	824	603

Key management compensation

The key management of the Company in 2021 and 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. Their remuneration is as follows:

	2021 $000	2020 $000
Salary	**1,974**	1,874
Bonus	**1,385**	–
Payment for loss of office	**–**	458
Short term non-monetary benefits	**102**	103
Contribution to retirement scheme	**55**	48
Employer's social security costs	**63**	107
Share-based payments	**1,733**	1,081
	5,312	3,671

Directors' emoluments, details of share options exercised and outstanding, and pension contribution are disclosed on page 45 and 46 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

	2021 $000	2020 $000
Park operating costs	**8,214**	3,422
Server costs*	**459**	1,931
Depreciation – owned assets	**1,827**	1,758
Depreciation – right of use assets	**1,035**	1,461
Amortisation of intangible assets	**11,692**	14,019
Reversal of/Impairment of intangible assets	**(1,707)**	2,627
Foreign exchange (gain)/loss	**401**	1,221
Research and development gross spend	**34,666**	21,157
Research and development capitalised to balance sheet (note 16)	**(720)**	(2,969)
Research and development recognised in operating profit	**33,946**	18,188

* 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, server costs linked to the delivery of revenue, previously shown within administrative costs have been reclassified to cost of sales in 2021. The value of server costs reclassified to cost of sales in 2021 was $2.1m, had 2020 been restated on a comparable basis, $1.6m of the server hosting costs would have been reclassified to cost of goods sold.

Notes to the consolidated financial statements continued
for the financial year ended 31 December 2021

11. Expenses by nature continued

Auditor's remuneration

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

	2021 $000	2020 $000
Audit services		
Fees payable to the Company's auditors of the Parent Company and consolidated accounts	**317**	308
Fees payable to the Company's auditors for the audit of subsidiaries	**352**	342
Non-audit services		
Tax compliance	**–**	166
Tax advisory	**–**	28
Other non-audit service	**–**	49
	669	893

12. Finance income and expense

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

	2021 $000	2020 $000
Finance income:		
Bank interest received	**35**	6
Interest received from customers	**1**	4
Gain on forward FX contracts	**3**	–
Total finance income	**39**	10
Finance costs:		
Bank interest	**(485)**	(636)
Amortisation of capitalised refinance costs (note 29)	**(316)**	(169)
Lease (note 30)	**(280)**	(376)
Loss on forward foreign exchange contracts	**(194)**	(1,233)
Interest on accrued balances	**(175)**	(104)
Total finance costs	**(1,450)**	(2,518)
Net finance expense	**(1,411)**	(2,508)

13. Tax

The table below provides an analysis of the tax charge for the periods ended 31 December 2021 and 31 December 2020:

	2021 $000	2020 $000
UK corporation tax		
Current tax on income for the period	**975**	352
Adjustment in respect of prior periods	**(49)**	(1,031)
	926	(679)
Overseas tax		
Current tax on income for the period	**165**	(531)
Adjustment in respect of prior periods	**(9)**	415
	156	(116)
Total current taxation	**1,082**	(795)
Deferred taxation		
Original and reversal of temporary difference – for the current period	**(10,889)**	(2,218)
Impact on deferred tax rate changes	**84**	(255)
Original and reversal of temporary difference – for the prior period	**(185)**	260
	(10,990)	(2,213)
Total taxation benefit	**(9,908)**	(3,008)

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:

	2021 $000	2020 $000
Profit/(loss) on ordinary activities before tax	**12,110**	(32,862)
Tax at United States tax rate of 24% (2020: 24%)	**2,906**	(7,887)
Effects of:		
Expenses not deductible for tax purposes	**142**	(89)
Refunds received	**(11)**	–
Profit/(loss) subject to foreign taxes at a lower marginal rate	**(179)**	(68)
Adjustment in respect of prior period – income statement	**(243)**	(356)
US R&D credits/other US tax credits	**–**	(2,584)
Share options	**–**	224
Impact of rate changes	**36**	(255)
Deferred tax on US losses (recognised)/not recognised	**(12,619)**	8,327
(Release)/recognition of uncertain tax positions	**363**	(262)
Other	**(303)**	(58)
Total tax benefit	**(9,908)**	(3,008)

Deferred taxation	Asset $000	Liability $000
Group		
At 31 December 2019	8,647	(10,778)
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)**
(Charged)/credited to income	**7,651**	**3,339**
Credited directly to equity	**921**	**–**
Foreign currency translation	**(13)**	**5**
At 31 December 2021	**16,260**	**(4,236)**
Company		
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)**
(Credited)/charged to income	**9**	**238**
Credited directly to equity	**18**	**–**
Foreign currency translation	**–**	**4**
Netted against the asset	**(27)**	**27**
At 31 December 2021	**–**	**(336)**

Notes to the consolidated financial statements continued
for the financial year ended 31 December 2021

13. Tax continued

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

	2021 $000	2020 $000
Group		
Recognised asset		
Tax relief on unexercised employee share options	**2,042**	539
Short-term timing differences	**2,767**	3,584
Net operating losses & tax credits	**11,445**	1,728
S163(j) US interest disallowance	**6**	1,850
Deferred tax asset	**16,260**	7,701
Recognised liability		
Capital allowances in excess of depreciation	**(1,399)**	(4,675)
Uncertain tax positions	**–**	(509)
Short-term timing differences	**(935)**	(456)
Business combinations	**(1,902)**	(1,940)
Deferred tax liability	**(4,236)**	(7,580)
Company		
Recognised asset		
Tax relief on unexercised employee share options	**68**	45
Short-term timing differences	**22**	18
Offset against Company deferred tax asset	**(90)**	(63)
Deferred tax asset	**–**	–
Recognised liability		
Capital allowances in excess of depreciation	**(426)**	(661)
Short-term timing differences	**–**	(7)
Offset against Company deferred tax asset	**90**	63
Deferred tax liability	**(336)**	(605)
Group		
Unrecognised asset		
Net operating losses and available tax credits – US	**–**	10,752
Unrecognised deferred tax asset	**–**	10,752

The tax rate in the US rate remained at 21%, before state taxes. Deferred tax assets and liabilities were measured at a rate 21% (2020: 21%) plus state taxes in the US.

A reduction in the UK corporation tax rate from 19% to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. The March 2020 Budget announced that a rate of 19% would continue to apply with effect from 1 April 2020, and this change was substantively enacted on 17 March 2020.

An increase in the UK corporation rate from 19% to 25% (effective 1 April 2023) was substantively enacted on 24 May 2021. This will increase the Company's future current tax charge accordingly. The deferred tax assets and liabilities at 31 December 2021 have been calculated based on these rates, reflecting the expected timing of reversal of the related temporary and timing differences (2020: 19%).

There are no material unrecognised deferred tax assets.

The critical assumptions used in the assessment for the recognition of the deferred tax asset on US losses and available tax credits are discussed in note 6.

Taxation and transfer pricing

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

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

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

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

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 $nil (2020: $0.5 million) in relation to transfer pricing risks and $0.9m (2020: $nil) in relation to availability of international R&D claims.

The US losses recognised in the year were assessed under the section 382 US tax legislation to validate they can be utilised, this assessment will need to be conducted on an annual basis to determine if any restriction is required.

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 profit for the financial year ended 31 December 2021 was $19.1m (2020: loss of $16.6m).

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 2021

15. 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.

	2021 $000	2020 $000
Profit/(loss) attributable to ordinary shareholders ($000)	**22,018**	(29,854)
Basic EPS		
Denominator		
Weighted average number of shares used in basic EPS (000s)	**41,240**	35,213
Basic earnings/ (loss) per share (cents)	**53.39**	(84.78)
Diluted EPS		
Denominator		
Weighted average number of shares used in basic EPS (000s)	**41,240**	35,213
Effect of dilutive securities		
Options (000s)	**1,552**	983
Weighted average number of shares used in diluted EPS (000s)	**42,792**	36,196
Diluted earnings/ (loss) per share (cents)	**51.45**	(84.78)

The Group made a loss in the year ended 31 December 2020, and therefore the options and equity settled deferred consideration are anti-dilutive. As a result, basic and diluted earnings per share are presented on the same basis for the year ended 31 December 2020.

	2021 $000	2020 $000
Adjusted EPS		
Profit/(loss) attributable to ordinary shareholders ($000)	**22,018**	(29,854)
Adjustments for the period related to:		
Amortisation relating to acquired intangibles from acquisitions	**2,371**	2,573
Impairment of intangible assets	**–**	2,627
Reversal of impairment of intangible assets	**(1,707)**	–
Aborted sale process costs	**–**	462
Deferred and contingent consideration linked to employment	**–**	150
Share-based compensation and social security costs on unapproved options	**2,490**	1,398
	25,172	(22,644)
Net tax related to the above adjustments (2021: 0.8%, 2020: 19.7%):	**26**	1,291
Adjusted profit attributable to ordinary shareholders ($000)	**25,198**	(21,353)
Adjusted basic EPS		
Denominator		
Weighted average number of shares used in basic EPS (000s)	**41,240**	35,213
Adjusted basic earnings/(loss) per share (cents)	**61.10**	(60.64)
Adjusted diluted EPS		
Denominator		
Weighted average number of shares used in diluted EPS (000s)	**42,792**	36,196
Adjusted diluted earnings/(loss) per share (cents)	**58.88**	(60.64)

37,583 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 2021 (2020: 81,718).

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 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**
Foreign currency translation	**(135)**	**–**	**–**	**9**	**(4)**	**(53)**	**(183)**
Additions	**–**	**–**	**–**	**–**	**–**	**720**	**720**
Disposals	**–**	**(4,737)**	**(1,372)**	**(28,620)**	**–**	**(17,932)**	**(52,661)**
At 31 December 2021	**117,376**	**13,577**	**469**	**24,426**	**779**	**57,298**	**213,925**
Amortisation/Impairment							
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**
Foreign currency translation	**–**	**–**	**–**	**9**	**(4)**	**(41)**	**(36)**
Charged	**–**	**882**	**1**	**1,490**	**28**	**9,291**	**11,692**
Reversal of impairment	**–**	**(301)**	**–**	**(484)**	**–**	**(922)**	**(1,707)**
Disposal	**–**	**(4,737)**	**(1,372)**	**(28,620)**	**–**	**(17,929)**	**(52,658)**
At 31 December 2021	**17,403**	**10,002**	**466**	**23,942**	**695**	**41,329**	**93,837**
Net book value							
At 31 December 2021	**99,973**	**3,575**	**3**	**484**	**84**	**15,969**	**120,088**
At 31 December 2020	100,108	4,156	4	1,490	112	23,633	129,503

Notes to the consolidated financial statements continued
for the financial year ended 31 December 2021

16. 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 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**
Foreign currency translation	**(4)**	**(76)**	**(80)**
Additions	**–**	**399**	**399**
Disposals	**–**	**(3)**	**(3)**
At 31 December 2021	**593**	**10,207**	**10,800**
Amortisation			
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**
Foreign currency translation	**(4)**	**(73)**	**(77)**
Impairment	**–**	**–**	
Charged	**28**	**1,984**	**2,012**
At 31 December 2021	**531**	**7,407**	**7,938**
Net book value			
At 31 December 2021	**62**	**2,800**	**2,862**
At 31 December 2020	**90**	**4,391**	**4,481**

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 required for 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.

The carrying amount of goodwill is allocated as follows:

	2021 $000	2020 $000
Ticketing and Distribution (CGU1, 2 and 3)*	**71,473**	71,609
LoQueue (CGU5)**	**28,500**	28,500
	99,973	100,109

* 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.

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

	2021 Guest Experience $000	2021 Ticketing and Distribution $000	2021 Total $000	2020 Guest Experience $000	2020 Ticketing and Distribution $000	2020 Total $000
Intangible assets	–	–	–	–	1,360	1,360
Impairment of specific development projects*	–	–	–	468	799	1,267
Impairment charge recorded within administrative expense	–	–	–	468	2,159	2,627

* A review of all project development costs capitalised was performed at year end with no impairment charges recorded. In 2020 an impairment charge of $1.27m was recorded against projects which are no longer considered commercially and technically feasible.

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

	2021 Guest Experience $000	2021 Ticketing and Distribution $000	2021 Total $000	2020 Guest Experience $000	2020 Ticketing and Distribution $000	2020 Total $000
Intangible assets	**(785)**	**–**	**(785)**	–	–	–
Impairment of specific development projects	**(922)**	**–**	**(922)**	–	–	–
Impairment (credit) recorded within administrative expense	**(1,707)**	**–**	**(1,707)**	–	–	–

The key assumptions used in the value in use calculations are as follows, note that CGU 4's inputs have been used for the assessment of intangible assets other than goodwill:

	2021	2020
Pre-tax discount rate (%)		
accesso, LLC & Siriusware, Inc. (CGU 1)	**13.3%**	14.0%
VisionOne Worldwide Limited and its subsidiaries (CGU 2)	**13.3%**	14.0%
Ingresso Group Limited and subsidiaries (CGU 3)	**11.6%**	11.9%
The Experience Engine (CGU 4)	**13.3%**	14.0%
LoQueue* (CGU 5)	**13.3%**	14.0%
Average annual EBITDA growth rate during forecast period (average %)**		
accesso, LLC & Siriusware, Inc. (CGU 1)***	**0.0%**	111.1%
VisionOne Worldwide Limited and its subsidiaries (CGU 2)	**22.9%**	520.8%
Ingresso Group (CGU 3)	**51.6%**	55.2%
The Experience Engine (CGU 4)	**10.2%**	-44.4%
LoQueue* (CGU 5)	**7.2%**	232.6%
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**	5
VisionOne Worldwide Limited and its subsidiaries (CGU 2)	**5**	5
Ingresso Group (CGU 3)	**5**	5
The Experience Engine (CGU 4)	**5**	5
LoQueue* (CGU 5)	**5**	5

* 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 for CGU 2 and CGU 3 are high due to the expected 2022 growth from a poor period of trade in 2021 following the difficult trading conditions faced by the live entertainment sector, both CGUs earn the majority of their transactional income from live entertainment which experienced significant COVID disruption during 2021, therefore both CGUs have high growth rates in 2022 as they recover towards pre-pandemic trading levels, followed by more typical growth rates from 2023 to 2026. The 2020 impairment test rates were high 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.

*** The average EBITDA growth rate for CGU 1 is 0% due to the exceptional result in 2021 and its impact on the average calculation. In 2021, transactional revenue rebounded quickly once COVID related restrictions on attractions were lifted. This sudden increase in demand arose during a period where the Group did not have a full cost base following the cost control actions taken during 2020, resulting in a larger than anticipated EBITDA result. The forecast period includes the full year impact of the Group returning to an appropriate cost base and the EBITDA for the CGU returning to a more typical level. The EBITDA growth rates across the forecast period for CGU 1 are; 2022: -40%, 2023: +11%, 2024: +28%, 2025: +1%, 2026: +1%.

Notes to the consolidated financial statements continued
for the financial year ended 31 December 2021

16. Intangible assets continued

Impairment testing of goodwill continued

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

The discount rates applied to all CGUs was a pre-tax measure estimated based on comparable listed company gearing and capital structures, an equity risk premium and 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.

Reversal of impairment of *The Experience Engine ('TE2')* intangible assets – Cash Generating Unit ('CGU') 4 as at 31 December 2021

As at 31 December 2021 the recoverable value of the *TE2* CGU was significantly improved following a period of strong trading, improved cost control and efficiency of the CGU. A review was conducted of the $29.2m of intangible assets impaired in 2019, updated to 31 December 2021 based on their original useful economic lives (periods of 2-5 years), to assess each category of asset to determine if they remain in existence and are generating economic returns. As a result of this reassessment of the conditions as at 31 December 2021, $0.9m of development costs, $0.3m of acquired customer relationships and $0.5m of acquired intellectual property was reversed with a credit of $1.7m to administrative expense. The recoverable value of the CGU was determined on a value in use basis using the assumptions and inputs noted above, the $1.707m reversal is not sensitive to changes in these assumptions due to a significant amount of headroom in excess of the revised book value of the *TE2* CGU. The recoverable value of the CGU was determined to be $25.0m as at 31 December 2021.

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 2021. 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**	
	2021	2020	2021	2020
Pre-tax discount rate	**Increase by 4.6%**	Increase by 1.1%	**Increase by 14.3%**	Increase by 7.5%
EBITDA Growth rate during detailed forecast period (average)	**Reduce by 33.5%**	Reduce by 7.8%	**Reduce by 62.2%**	Reduce by 40.0%
Terminal growth rate	**Reduce by 7.5% to a terminal rate of – 5.5%**	Reduce by 1.1%	**Reduce by 37.0% to terminal rate of – 35%**	Reduce by 8.6%
Excess over carrying value ($000)	**$42,843**	$10,481	**$79,147**	$36,138

* 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).

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

Environmental risk in cash flows

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 for 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.

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:

	2021 $000	2020 $000
accesso, LLC & Siriusware, Inc. (CGU 1)	–	49
accesso Technology Group plc (CGU 5)	386	–

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 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**
Foreign currency translation	**(4)**	**(12)**	**(3)**	**–**	**(19)**
Additions	**802**	**928**	**10**	**–**	**1,740**
Disposals	**(972)**	**(532)**	**(92)**	**(18)**	**(1,614)**
At 31 December 2021	**1,635**	**3,686**	**2,023**	**487**	**7,831**
Depreciation					
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**
Foreign currency translation	**(4)**	**(12)**	**(3)**	**–**	**(19)**
Charged	**915**	**586**	**266**	**60**	**1,827**
Disposals	**(867)**	**(521)**	**(92)**	**(18)**	**(1,498)**
At 31 December 2021	**1,078**	**2,595**	**1,565**	**357**	**5,595**
Net book value					
At 31 December 2021	**557**	**1,091**	**458**	**130**	**2,236**
At 31 December 2020	775	760	714	190	2,439

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 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**
Foreign currency translation	**(3)**	**(6)**	**(6)**	**(15)**
Additions	**22**	**137**	**–**	**159**
Disposals	**(42)**	**(25)**	**–**	**(67)**
At 31 December 2021	**158**	**1,006**	**690**	**1,854**
Depreciation				
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**
Foreign currency translation	**(4)**	**(7)**	**(5)**	**(16)**
Charged	**84**	**216**	**77**	**377**
Disposals	**(42)**	**(25)**	**–**	**(67)**
At 31 December 2021	**93**	**772**	**545**	**1,410**
Net book value				
At 31 December 2021	**65**	**234**	**145**	**444**
At 31 December 2020	9	462	316	787

Notes to the consolidated financial statements continued
for the financial year ended 31 December 2021

18. Investments

Investment in subsidiaries

The investment balance on the Company's books at 31 December 2021 is as detailed below:

	$000 Net Book Value
Cost	
At 31 December 2020	**61,570**
Capital contribution to subsidiaries(1)	**2,366**
Capitalisation of intercompany loan balance with US subsidiary	**107,265**
Reversal of impairment of investment in US subsidiary(2)	**15,949**
Foreign currency translation	**(2,382)**
At 31 December 2021	**184,768**
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

(1) Capital contribution to subsidiaries represents share based payment charges for awards made to employees of the subsidiary companies.

(2) **Reversal of investment impairment**
The US subsidiary impairments recognised in 2020 in respect of Lo-Q, Inc. of $15.9m was reversed in 2021 following a period of high cash generation by the collective CGUs and forecasts which now demonstrate a recoverable value in excess of the prior year's impairment charges. Lo-Q Inc is the intermediate US parent and therefore the value was calculated based on a value in use model using the inputs of CGU1, 2, 4 and 5 per note 16. The value in use is not sensitive to plausible movements in either the pre-tax discount rate or the EBITDA growth rate during the forecast period. The recoverable value of the investment was determined to be $205.1m as at 31 December 2021.

Name		Country of incorporation	% Ownership interest	% Voting Rights
Lo-Q, Inc. (1)	(10)	United States of America	100	100
Lo-Q Service Canada Inc (1)	(10)	Canada	100	100
Lo-Q (Trustees) Limited (2)	(11)	United Kingdom	100	100
accesso, LLC. (1)	(11)	United States of America	100	100
Siriusware, Inc. (1)	(11)	United States of America	100	100
Lo-Q Limited (2)	(11)	United Kingdom	100	100
VisionOne Worldwide Limited (3)	(10)	British Virgin Islands	100	100
VisionOne, Inc. (1)	(11)	United States of America	100	100
VisionOne S.A. de C.V. (4)	(11)	Mexico	100	100
ShoWare Brazil Ltda (5)	(11)	Brazil	100	100
VisionOne do Brazil Ltda (5)	(11)	Brazil	100	100
Accesso Australia PTY Limited (6)	(10)	Australia	100	100
Blazer and Flip Flops Inc (1)	(11)	United States of America	100	100
Ingresso Group Limited (2)	(10)	United Kingdom	100	100
accesso Netherlands BV (7)	(11)	Netherlands	100	100
Accesso (Shanghai) Co., Ltd (8)	(10)	China	100	100
Ingresso US, Inc. (9)	(11)	United States of America	100	100
Ingresso USA, Inc. (1)	(11)	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 Geneva Place, PO Box 3469, Waterfront Drive, Road Town, British Virgin Islands

(4) Registered address of Montecito #38, Piso 42 Oficinas 12 Colonia Napoles, 03810, Mexico City, Mexico, D.F.

accesso Technology Group plc Annual Report & Accounts 2021

(5) Registered address of Rua Realengo, 140 – Vila Madalena, Sao Paulo, Sao Paulo, Brazil, Zip Code 05451-030

(6) Registered address of PO Box 432, Chatswood, NSW 2057, Australia

(7) Registered address of Butterwick 1, London, W6 8DL, UK

(8) Registered address of No.778, Chuangxin West Road, FTA, Shanghai, China

(9) Registered address of 19C Trolley Square, Wilmington, Delaware, DE 19806, USA

(10) Wholly owned subsidiary directly by *accesso Technology Group* plc

(11) Owned through wholly owned subsidiary of *accesso Technology Group* plc

accesso, LLC, Siriusware, Inc., 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 both ticketing and virtual queuing customers pertaining to that region. The trade of *accesso*, LLC, Siriusware, Inc., the VisionOne subsidiaries, 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 formerly operated 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 which no longer exists, this entity was dormant during 2021.

19. Inventories

	Group		Company	
	2021 $000	2020 $000	**2021 $000**	2020 $000
Stock	**286**	1,795	**50**	105
Park installation	**–**	132	**–**	–
	286	1,927	**50**	105

The amount of inventories recognised as an expense and charged to cost of sales for the year ended 31 December 2021 was $1.9m (2020: $0.2m). 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	
	2021 $000	2020 $000	**2021 $000**	2020 $000
Trade debtors	**15,032**	13,498	**2,101**	1,562
Other debtors	**910**	243	**602**	15
Amounts owed by Group undertakings	**–**	–	**3,366**	8,473
Financial assets	**15,942**	13,741	**6,069**	10,050
VAT and other sales taxes	**–**	345	**–**	16
Prepayments	**2,863**	1,882	**628**	522
	18,805	15,968	**6,697**	10,588
Non-current amounts owed by Group undertakings	**–**	–	**–**	97,161
Financial assets	**15,942**	13,741	**6,069**	107,211

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 $0.4m (2020: $2.2m) 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.

Notes to the consolidated financial statements continued
for the financial year ended 31 December 2021

21. Trade and other payables

	Group 2021 $000	Group 2020 $000	Company 2021 $000	Company 2020 $000
Current				
Trade creditors	**13,222**	9,049	**476**	165
Current other creditors	**763**	557	**47**	31
Amounts owed to Group undertakings	**–**	–	**5,142**	10,540
Financial liabilities	**13,985**	9,606	**5,665**	10,736
Social security and other taxes	**1,733**	1,529	**218**	254
Accruals	**13,501**	6,193	**1,419**	837
	29,219	17,328	**7,302**	11,827

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.

22. Borrowings

	Group 2021 $000	Group 2020 $000	Company 2021 $000	Company 2020 $000
Bank loans	**–**	26,808	**–**	26,808
Arrangement fees, less amortised cost*	**(590)**	(109)	**(590)**	(109)
	(590)	26,699	**(590)**	26,699

* While the Group remains undrawn on the loan facility, capitalised arrangement fees are included within Other Debtors.

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 did not breach any covenants during 2020.

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. Total arrangement fees incurred on the Investec facility were $0.8m. The facility remains undrawn at the balance sheet date and the Group did not breach any covenants during 2021.

23. Derivative financial liability

	Group 2021 $000	Group 2020 $000	Company 2021 $000	Company 2020 $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. All contracts were settled during 2021.

24. Called up share capital

Ordinary shares of 1p each	2021 Number	2021 $000	2020 Number	2020 $000
Opening balance	**41,215,291**	**595**	27,642,822	427
Issued in relation to exercised share options	**52,085**	**1**	50,187	1
Issued in relation to deferred acquisition consideration	**–**	**–**	40,538	1
Issued in relation to the placing and open offer	**–**	**–**	13,481,744	166
Closing balance	**41,267,376**	**596**	41,215,291	595

On 9 June 2020 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 2021, 52,085 shares (2020: 50,187 shares), with a nominal value $726 (2020: $630), were allotted following the exercise of share options.

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

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 2021.

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:

	2021 $000	2020 $000
Pension charge in the period	**1,607**	693
Payable to the funds (included within other creditors)	**253**	167

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 on 31 December 2020, invoiced the Company in respect of director's fees $nil (2020: $36,394), of which $nil (2020: $3,693) was outstanding and included within trade creditors at 31 December 2021.

Notes to the consolidated financial statements continued
for the financial year ended 31 December 2021

28. Share-based payment schemes and transactions

Share option schemes

At 31 December 2021 the following share-based incentives were outstanding in respect of the ordinary shares:

Scheme	Number of shares	Period of Option	Price per share
EMI Scheme	4,476	30 November 2014 to 29 November 2022	323.5p
	6,000	25 April 2015 to 25 April 2023	600p
	3,000	23 January 2017 to 22 January 2024	697.5p
UK CSOP Scheme	22,705	22 March 2020 to 21 March 2028	775p
	36,280	13 May 2022 to 13 May 2029	775p
UK unapproved Scheme	7,400	15 April 2018 to 15 April 2025	557.5p
	9,550	29 April 2019 to 28 April 2026	1105p
	1,895	22 March 2020 to 21 March 2028	775p
	20,000	30 March 2021 to 21 March 2028	775p
US Scheme	14,000	25 April 2015 to 25 April 2023	600p
	28,900	23 January 2018 to 22 January 2024	697.5p
	52,200	15 April 2018 to 15 April 2025	557.5p
	116,400	29 April 2019 to 28 April 2026	1105p
	7,500	12 July 2020 to 21 March 2028	775p
	111,600	21 March 2021 to 21 March 2028	775p
	118,180	13 May 2022 to 13 May 2029	775p
Other schemes	7,500	15 April 2018 to 14 April 2025	557.5p
	12,000	29 April 2019 to 28 April 2026	1105p
	12,900	22 March 2021 to 22 March 2028	775p
	18,120	13 May 2022 to 13 May 2029	775p
Long-term incentive plan	145,551	10 May 2019 to 9 May 2022	1p(1)
	5,000	14 August 2019 to 13 August 2022	1p(1)
	582,567	27 January 2020 to 25 April 2023	1p(1)
	277,544	16 September 2020 to 16 September 2023	1p(1)
	114,500	17 March 2021 to 30 October 2024	1p(1)
	296,041	25 March 2021 to 30 October 2024	1p(1)
Share plan 2021	152,850	31 July 2021 to 31 July 2031	–
	2,184,659		

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

Equity-settled share option schemes

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

	2021		2020	
	Number	WAEP (pence)	Number	WAEP (pence)
Outstanding at beginning of year	**1,796,948**	**327.77**	1,739,279	464.47
Granted during the year	**575,591**	**–**	860,111	1.00
Exercised during the year	**(52,085)**	**251.46**	(50,187)	45.81
Leavers, lapsed & other	**(135,795)**	**552.15**	(752,255)	194.69
Outstanding at end of the year	**2,184,659**	**227.76**	1,796,948	327.77
Exercisable at the end of the year	**438,026**	**827.36**	348,895	831.27

The exercise price of options outstanding at 31 December 2021 range between 0p and 775p (2020: 1p and 775p) and their weighted average contractual life was 3.53 years (2020: 2.87 years).

The weighted average share price at the date of exercise for share options exercised during the period was 727.76p (2020: 181.32p). Share awards were granted in the period and the inputs to the model for options issued in the current period were as follows:

	2021
Weighted average exercise price of options issued during the period (pence)	**–**
Expected volatility (%)	**75%**
Expected life beyond vesting date (years)	**3**
Risk free rate (%)	**0.3%**
Dividend yield (%)	**–**

Both share awards and long-term incentives were issued in the current year. 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 with their vesting periods set out in the table above. Awards are required to be held for a further six months after the vest date as well as being 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:

Long term incentive awards issued 2021	**25 March 2021**	**17 March 2021**
Awards issued	**296,041**	**122,900**
Expected volatility (%)	**75%**	**75%**
Expected life years	**3**	**3**
Risk-free rate (%)	**0.3%**	**0.3%**
Dividend yield (%)	**–**	**–**

Long term incentive 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 (%)	–	–

Refer to the remuneration report on page 46 for a breakdown of the vesting conditions related to each Award.

Change of control provisions

The change of control provisions explained on page 44 of the Remuneration Report have not impacted the current period share-based payment charges as no change of control is considered probable as at 31 December 2021.

Notes to the consolidated financial statements continued
for the financial year ended 31 December 2021

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.

	2020 $000	Cash flow $000	Exchange movement $000	2021 $000
Group				
Cash in hand & at bank	56,355	**7,473**	**222**	**64,050**
Company				
Cash in hand & at bank	47,690	**(29,941)**	**449**	**18,198**

	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

The cash in hand & at bank includes the following amounts held on short-term deposit:

65 day notice Sterling account denominated in Sterling: $9.5m (2020: $6.8m).

Group net cash reconciliation

	Note	2021 $000	2020 $000
Borrowings (including capitalised finance costs)	22	–	(26,699)
Less: Cash in hand & at bank		**64,050**	56,355
Net cash		**64,050**	29,656

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

	Note	2021 $000	2020 $000
At beginning of period		**26,699**	15,851
Cash flows			
Drawings on loan		–	10,116
Repayments of drawings		**(27,033)**	–
Payment of finance costs		**(813)**	(150)
Non-cash movements			
Effects of foreign exchange		**225**	713
Release of capitalised finance costs		**332**	169
Reclassed to Other debtors*		**590**	–
At end of period	22	–	26,699

* The balance as at 31 December 2021 comprises only the remaining unamortised capitalised arrangement fees on the new Investec facilities. It is included within Other debtors at the balance sheet date.

30. Leases

The Group leases commercial office space and a single warehouse. The leases typically run for periods of 10 years, with a 5 year break clause. Lease liabilities are assumed to extend to the full term of the lease where there is a reasonable assumption that the break period will not be utilised. 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 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.

During the year the Group also took action to rationalise its property leases and exited properties in San Diego, London, Sydney, Belfast, Sao Paulo and Annapolis, reflecting the $214k reduction in property lease payments in 2021 relative to 2020. Each of these properties reached the end of their respective lease agreements during 2021 and were not renewed. No termination penalties were incurred during the period.

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 2020	7,043	906
Modification of lease terms	7	24
Foreign currency translation	20	32
At 31 December 2020	7,070	962
Disposals	**(1,013)**	–
Modification of lease terms	–	–
Foreign currency translation	**(15)**	**(5)**
At 31 December 2021	**6,042**	**957**
Depreciation		
At 1 January 2020	(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)
Charged	**(1,035)**	**(131)**
Disposals	**1,015**	–
Modification of lease terms	**(71)**	–
Foreign currency translation	**6**	**2**
At 31 December 2021	**(2,989)**	**(483)**
Net book value		
At 31 December 2020	4,166	608
At 31 December 2021	**3,053**	**474**

Notes to the consolidated financial statements continued
for the financial year ended 31 December 2021

30. Leases continued
Lease liabilities

	Group $000	Company $000
Cost		
At 1 January 2019	(6,283)	(843)
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)
Interest expense	**(280)**	**(25)**
Lease payments cash flow	**1,408**	**158**
Impact of lease modification	**81**	**10**
Foreign currency translation	**8**	**4**
At 31 December 2021	**(3,736)**	**(575)**

Maturity

	Group			Company		
	Current $000	Non current $000	Total $000	Current $000	Non current $000	Total $000
At 31 December 2020	(1,163)	(3,790)	(4,953)	(121)	(601)	(722)
At 31 December 2021	**(1,003)**	**(2,733)**	**(3,736)**	**(149)**	**(426)**	**(575)**

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 2021 $000	Company 2021 $000
Lease liability maturity		
Up to 3 months	**301**	**44**
Between 3 and 12 months	**916**	**132**
Between 1 and 2 years	**1,248**	**175**
Between 2 and 5 years	**1,723**	**282**

	Group 2020 $000	Company 2020 $000
Short-term and low-value leases		
Up to 3 months	1	2
Between 3 and 12 months	6	6
Between 1 and 2 years	6	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 2021. The weighted average rate applied is 6.69% (2020: 6.67%).

Company information
for the financial year ended 31 December 2021

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

accesso Technology Group plc
Unit 5, The Pavilions
Ruscombe Park
Twyford
Berkshire
RG10 9NN

www.accesso.com