Registered number 03959429

accesso Technology Group plc

2017 Annual report and financial statements

Contents of the consolidated financial statements
for the financial year ended 31 December 2017

Company information
for the financial year ended 31 December 2017

Directors:	Tom Burnet, Executive Chairman John Alder, Executive Steve Brown, Executive David Gammon, Non-Executive Karen Slatford, Non-Executive John Weston, Senior Independent Director
Secretary:	Martha Bruce 7 Clifton Terrace Cliftonville, Dorking Surrey RH4 2JG
Registered office:	Unit 5, The Pavilions Ruscombe Park Twyford Berkshire RG10 9NN
Registered number:	03959429 (England and Wales)
Auditor:	KPMG LLP Arlington Business Park Theale Reading Berkshire RG7 4SD
Bankers:	Lloyds Bank plc The Atrium Davidson House Forbury Square Reading Berkshire RG1 3EU

Introduction and key financial highlights
for the financial year ended 31 December 2017

Financial Highlights	Year ended 31 Dec 17 (audited) $m	Year ended 31 Dec 16 (audited) $m	Change
Revenue	**133.4**	102.5	+30.1%
Operating profit	**9.2**	10.5	-12.4%
Adjusted operating profit *	**19.1**	15.7	+21.7%
Adjusted EBITDA*	**24.6**	19.1	+28.8%
Cash generated from operations	**33.1**	18.6	+78.0%
Adjusted cash generated from operations**	**21.2**	18.6	+14.0%
Underlying cash conversion***	**86.2%**	97.4%	
Net cash/ (debt) ****	**12.5**	(3.4)	$15.9m
Earnings per share – basic (cents)	**40.83**	33.95	+20.3%
Adjusted Earnings per share – basic (cents) *****	**56.73**	51.48	+10.2%

** Adjusted operating measures are based on reported profit numbers excluding acquisition expenses, amortisation of acquired intangibles, charges relating to any contingent element of acquisition consideration, and share-based payments. Page 14.*
*** Cash generated from operations, less specific cash balances as detailed on page 10*
**** Adjusted cash generated from operations as a percentage of Adjusted EBITDA*
***** Cash less Borrowings. Page 14*
****** Adjusted for acquisition expenses, amortisation of acquired intangibles, charges relating to any contingent element of acquisition consideration, share-based payments, net of tax effect, and the revaluation of US deferred tax assets and liabilities. Page 48*

Operational Highlights – Broadening our horizons

- Strong performance continues with new business wins, renewed partnerships, geographic expansion and new acquisitions driving growth from our evolved offering
- *accesso* extends leadership in traditional verticals through product innovation, while applying expertise to greenfield opportunities with similar guest-management challenges
- Acquisitions of Ingresso and *The Experience Engine* (*TE2)* broaden our reach, enhance our technology offering and help us impact more of the digital guest journey

Strength at our core, innovating for the future in our Established Verticals (Theme Parks, Water Parks)

- Installed *accesso Prism* as the backbone of the world's first 100% virtual queuing based water park, winning the IAAPA award for most impactful new product across the industry
- Total *accesso Passport* volumes up 37% reflecting, in part, the continued Merlin rollout
- Key new customer win in geography of growing importance with Village Roadshow Theme Parks, Queensland (*accesso Passport*)

Growing scale and expanding globally in our Adjacent Verticals (ski resorts, cultural attractions, tours and live event ticketing)

- 55 new customers for *accesso ShoWare* during the year including ski resorts, walking destinations, sports clubs and museums
- Real-time interface between *accesso ShoWare* and Ingresso completed, allowing *accesso ShoWare* customers to list and sell their tickets on numerous eCommerce platforms, expanding reach and driving revenue
- Event tickets sold for concerts given by Bruno Mars, Ed Sheeran, John Mayer, Green Day and Jack Johnson among others
- *accesso Siriusware* continues its global expansion with customer wins now including Watercourse Distillery Limited in Ireland and Experiencias Xcaret in Mexico, rolling out 400 *accesso Siriusware* salespoints across its 6 popular ecotourism venues

Expanding our impact on the digital guest journey across a number of Greenfield Opportunities

- *TE2*, acquired in July 2017, extending *accesso's* offer with digitalisation and personalisation software
- Mobile technology allows operators to reach out to their guests and offer seamless, integrated experiences using data-driven insights to understand and act on preferences
- Impressive early performance opening up new verticals including healthcare with the announcement of Henry Ford Health Systems partnership post period end
- Ingresso, acquired in March 2017, helps ticket-sellers find new routes to market via third party channels
- Volume growth of 67% year-on-year reflects customer wins including Ticketmaster UK, opening up access to West End theatres in London

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

"This has been another strong year. We continue to execute on our strategy with precision and focus, and we are continuing to see the rewards.

Our financial performance was ahead of our expectations, and our resilience as a global business is becoming more evident. Our clients are increasingly seeing the benefit we bring to their customers, and in turn their own profitability. This is evidenced by today's results with another profitable period for our own growth at Accesso.

We have pushed boundaries this year as we continued to focus on investment, building and improving our business, and finding new ways to support the digital customer journey. Two important strategic acquisitions present us with many more opportunities, and we are excited about the new markets they open up for us as well as how they can support our existing customer base.

I am excited by where we are as an organisation, and I see enormous growth opportunities in our future."

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

"These results speak to the quality of our technology and our ability to create innovative solutions for our customers. Ensuring the quality of our product offering in terms of both functionality and security remains a key part of our ongoing plan and we will invest behind our platform to make certain of our continued leadership in this area.

The acquisitions we made in 2017 have both broadened and strengthened our offering, and our approach to M&A reflects our continued ambition to bring the best technology, people and ideas to Accesso.

Having decided to step down from my role as CEO, I know I am leaving the Group in fantastic hands. Accesso has an extremely bright future ahead with Paul Noland at the helm."

Chairman's Statement

Redefining the guest journey

2017 was another year of growth and expansion for *accesso* as we integrated new acquisitions, rolled-out market-leading technology and won new business across the world. At the heart of our success remains our focus on the digital guest journey: helping our customers improve their guests' experience and in turn driving increased revenues. From the initial online research and buying decision to arrival and at the attraction itself, to the feedback and follow-up processes operators use to better understand their customers, *accesso's* technology continues to help clients upgrade the experiences they can offer. Our ambition to support the largest operators has taken our business to every corner of the globe and it is pleasing to see that our solutions are as applicable in different geographies as they are across a number of vertical markets is being proven as we expand.

The year's financial results reflect the progress being made across the business. During the year we delivered revenue of $133.4m up from $102.5m last year, while operating profit was $9.2m in 2017, from $10.5m in 2016, as the income statement absorbed the acquisition expenses of the two acquisitions made in the period and ongoing non-cash charges related to the acquisition strategy that the Group has followed over recent years. More importantly, adjusted EBITDA was $24.6m up from $19.1m, which is more representative of the Group's underlying performance. These revenue and adjusted EBITDA numbers translate into 30.1% and 28.8% growth respectively, indicating our ability to deliver meaningful profit from our revenue despite ongoing investment in R&D to ensure our product remains the best in our industry. We are proud to have now delivered a 7-year revenue CAGR of 23.9% and a 7-year adjusted EBITDA CAGR of 32.2%.

Broad thinking focused on solutions

At a*ccesso* we think in terms of solutions rather than individual product lines. Over the past years, we have evolved our offering to include a range of complementary technologies designed to meet a wide range of client needs, and we engage with existing and prospective customers on this basis. We continue to increase the number of combined deployments of *accesso* technologies, with the addition of Ingresso and TE2 strengthening our hand still further.

Looking through a different lens

The range and flexibility of our solutions also makes *accesso* particularly well placed to expand into new and exciting industry verticals. We are increasingly establishing ourselves beyond our traditional theme and water park markets, making particular progress in ski and snow sports, cultural attractions, museums, sports stadia, live music events and many more areas where we see the opportunity to expand. Gradually, we have come to see our business progress more in terms of these established, adjacent and greenfield areas than we have in terms of our individual products in isolation. This review of our 2017 results reflects that evolution in our thinking, and lays out how *accesso* technology is helping operators in each of these three areas meet the challenges that mean the most to them.

One Team

accesso's people are the bedrock of the Company's success. Our culture of self-improvement and passionate innovation delivers results for our customers year after year, and it is our nearly 500 dedicated employees that translate the spirit of that idea into action. On behalf of the Board, I thank them all wholeheartedly for their efforts.

Opening 2018

accesso has started 2018 with a number of new business wins, a significant contract extension with our long-term partner Cedar Fair and an exciting new partnership with the Henry Ford Health System, *accesso*'s initial step into a material Greenfield opportunity, Healthcare. We have also announced that Steve Brown will be stepping down as *accesso's* CEO in April 2018 to be replaced by Paul Noland. Steve has made an outstanding contribution to the Group since 2012 and we wish him all the very best for the future. We are delighted to be welcoming Paul to accesso. He brings a wealth of industry experience from heading up IAAPA, the largest international trade association for amusement facilities and attractions worldwide, a range of senior executive roles with Walt Disney Parks and Resorts during a 16-year tenure and at Marriott. I am confident he is exactly the right leader for the next phase of development for our company and along with the rest of the Board, I'm very much looking forward to working with him.

Tom Burnet
Executive Chairman

Chief Executive's Statement

Operational Review
accesso has once again made significant strides in 2017. We continue to win a range of business across the Group and geographic expansion continues at a good pace. New clients of varying size have deployed accesso technology for this first time this year, while on a geographic view, deployments have also gone live for the first time in India, Singapore, Thailand, Ireland, Portugal and New Zealand.

We also continue to progress well with the rollout of technology related to our agreement with Merlin Entertainments Group Ltd ("Merlin"). With the majority of the initial investment required to deliver on that project now behind us, we are well placed to begin benefiting from the longer-term international expansion opportunities that we always envisaged would be available as a result of enhancing our global technology offering, establishing regional support networks and integrating with local payment and regulatory systems.

We have also spent part of the year ensuring the smooth integration of Ingresso and *TE2* into the *accesso* family. These acquisitions have improved both the breadth and impact of our offering and are already being set to work with our existing products to improve the range of solutions we can offer our customers.

People
We are acutely aware that our ability to attract and retain the best available talent across our organisation is vital to our ongoing success, and during the year we have introduced a number of initiatives with this goal in mind. We continue to expand our workforce to meet the growing demands of our scaling business and, our year end non-seasonal employee count, including those who joined as part of the acquisitions, totaled nearly 500 at the end of the year, up from 362 in 2016. To better integrate our functional teams we are currently combining three of our US East Coast offices into our largest office in Lake Mary, Florida, and we have also launched a substantial computer-based training initiative available for all staff. I want to thank the whole team for its commitment and endeavour during 2017, and we look forward to welcoming many more new faces in 2018.

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

During 2017 we saw a number of positive developments in these verticals, with none more important than the continued roll out of *accesso Prism*, our state-of-the-art in-park wearable device. In May, *accesso Prism* was successfully installed as the backbone of the world's first 100% queueless water park, bringing to life a long-held company ambition that has the potential to redefine our industry with long queue lines remaining the single greatest dissatisfaction metric amongst theme park attendees worldwide. The device has been well received across the board and was recognised as the most impactful new product globally by IAAPA at its Attractions Expo event in Florida in November. During the period *accesso Prism* also proved its ability to act as a replacement for our *Qbot* device in a number of successful trials, and we expect the device to be rolled out across large parts of our existing *accesso LoQueue* customer base over the next 12 to 24 months. We are excited about the opportunities that this should present to enhance revenue within our existing estate.

Another important dynamic in these markets is the growing desire among some operators to move substantial parts of their guest bases to pre-committed season pass arrangements. Supported by *accesso Passport*, their ability to utilise monthly payment plans accelerated the trend. While the adjustment has led to certain changes in guest visitation behaviour, the strength and versatility of *accesso Prism's* commercial model opens up a range of new in-park revenue opportunities.

In addition to the continued deployment of our technology to Merlin, we were delighted to secure an agreement with Village Roadshow Theme Parks in Queensland, Australia, with four of their attractions now live with *accesso Passport* for ticketing, eCommerce and point-of-sale. This installation also included Ingresso to support the client's third-party ticket distribution efforts, underscoring the value of our combined solution offering. Wins like these are particularly important as we seek to broaden our reach in the Asia-Pacific region, which is now supported by offices and technology infrastructure in the region and provides a good example of our ability to add incremental new business on the back of global investments undertaken in recent years. The proportion of our queuing revenues coming from Europe also continues to increase and we have secured a commitment to add the *Qsmart* mobile app to three European properties, ensuring that all of our European queueing clients can now access our services through their mobile device.

Adjacent Verticals
The acquisitions of *accesso Siriusware* and *accesso ShoWare* supported both our technology offering within our established vertical and provided the impetus for *accesso* to break out beyond its traditional markets into new verticals including ski resorts, cultural attractions, tours and live event ticketing. Our ambition is to increase penetration in these areas and we were able to make excellent progress against this aim during 2017.

accesso ShoWare continued to make excellent strides adding 55 new customers during the period, with 38 coming from North America and 17 coming from Latin America. Among these new customers were Welk Resorts, a collection of premiere destination and travel resorts in California; SLS Las Vegas, a luxury boutique hotel and Casino; Charleston Battery, a football club from South Carolina; and Museo Anahuacalli, a museum in Coyocan, Mexico. Also in Mexico, *accesso Siriusware* secured its largest ever agreement with Experiencias Xcaret, which is rolling out 400 salespoints across its 6 luxury ecotourism venues. *accesso Siriusware* also won its second European contract during the period with Watercourse Distillery Limited in Ireland, which owns the Jameson whiskey brand. This

Chief Executive's Statement (continued)

represented a joint win with *accesso Passport*, which also is now used by the NFL Experience in Times Square, New York and The CNN Studio Tour in Atlanta, Georgia.

Within *accesso ShoWare* we continue to make good progress in the live event ticketing space, supporting concerts given by Ed Sheeran, Bruno Mars, John Mayer, Green Day and Jack Johnson among others during the period. We also rolled out our complete solution for Toluca FC and its new 31,000 seat football stadium.

Greenfield Opportunities
Last year's acquisitions of Ingresso and *TE2* have brought a range of new capability to *accesso* and, in addition to supporting our product offerings in our existing verticals, have enabled the Group to make its first steps into a new set of entirely greenfield areas including London's West End Theatre market and the Healthcare space.

With Ingresso as part of our offering, we are now able to tap in to the vast third-party distribution market, helping our clients find new routes to buyers for their tickets while increasing the platform's ability to serve its existing clients by significantly enhancing the range of inventory it can access. We have established connectivity between Ingresso and pre-existing *accesso* systems and the initial *accesso* clients' inventory is now available via Ingresso's global distribution system. This acquisition has also helped us reach further into London's fragmented West End Theatre market and will, over time, allow *accesso* to exploit the significant inefficiencies that exist within the travel and leisure industry.

Ingresso delivered calendar year-on-year growth of 67%, achieved with a strong showing across all its major channels and we continue to invest in their distribution technology paying particular attention to its high-volume, high-speed sale capabilities. Whilst our distribution partner, Amazon, announced post-period end that they are discontinuing their ticketing distribution business, we have been delighted to welcome major customer wins from Ticketmaster UK and Superbreak.com, a major UK tour operator. We see broader future opportunity with the focus we have made on integrating with our other *accesso* offerings and facilitating access to the wide range of third-party distribution channels that are important to our customers. As the distribution landscape continues to evolve and modernise, a key part of our strategy is to underpin our core ticketing technologies with multi-point distribution capabilities and Ingresso provides that critical infrastructure and know-how.

The July acquisition of *TE2* enables *accesso* to offer highly personalised user experiences to our customers, leveraging data-led insights to capture, model and anticipate guest behaviour and preferences. As previously reported, *TE2* has performed well ahead of its business plan since acquisition, generating greater than expected levels of non-recurring services revenue and operating with lower costs than expected. We have made significant progress with the integration of our HR, payroll and sales & marketing teams and have focused on a range of product integrations initially with *accesso Passport*. We expect to see tangible signs of progress on this combined offering later in 2018.

After the period end we also announced a significant win for *TE2* with the Henry Ford Health System (HFHS), a six-hospital system in Detroit, Michigan. HFHS will leverage *TE2* to digitalise and personalise the entire patient journey, using its technology to build unique patient profiles which can be easily integrated with existing electronic medical records. This process will enable healthcare providers to offer convenient and frictionless experiences in real-time, with features such as wayfinding support, concierge services, smartphone bill-payments and patient feedback and communication. This groundbreaking partnership will begin with technology pilots in Autumn 2018, in preparation for full launch to coincide with the grand opening of the Brigitte Harris Cancer Pavilion, the new home of the Henry Ford Cancer Institute, expected in 2020.

This agreement marks a bold new step for *accesso* beyond the leisure, entertainment and cultural markets that has been its home, and provides a significant endorsement of the versatility and range of technology within the Group's portfolio.

Investing in technology
accesso aspires to be the premier technology solutions provider to the verticals it serves. To maintain this position, we continue to invest heavily to expand the functionality, effectiveness and robustness of our technology across our full range of offerings. In addition to development work carried out during the period on *accesso Prism* and a range of longer-term initiatives to support our growth into the future, 2017 saw a host of significant enhancements to our platforms.

In particular, we continue to invest in readying our products for the international expansion driving our growth. During the year we introduced localised user-interface elements that now allows for distribution of *accesso Passport* in 20 languages, and added enhanced support for Global Sales Tax configuration including tax tiers, tax percentages and GL code linking. We also expanded our support of alternative payment solutions, added true-multi-language support for *accesso Siriusware* and opened a new datacentre in Sydney.

In *accesso Passport* we launched Passport Exchange: our new platform enabling fully integrated third-party ticket sales, and introduced a full-featured API for clients desiring more direct integration. Through a new booking portal, we also now offer service management of date and time-based tickets helping to mitigate risk for whose operations may be impacted by cancellations due to weather or other external factors.

We also continued to improve our *accesso ShoWare* product, enhancing our dynamic pricing capability, completing an important PayPal integration including PayPal Credits, improving event messaging technology and seatmap wizards.

Chief Executive's Statement (continued)

Information Security
Another increasingly important element of our business relates to information security, which is at the heart of all development decisions. The business continues to focus increasing levels of resource and technology on initiatives to ensure data minimization, more robust monitoring of our applications, enhanced response capabilities and increased staff training across the whole business.

The start of 2018
accesso is pleased to report that the Group is showing good momentum at the start of 2018. We look forward to a promising year ahead.

Financial Review
accesso continues to deliver strong financial performance as a result of our increasingly global revenue base and diversified product portfolio. Our business continues to be driven forward by long term transaction-based agreements with several of the world's leading operators that deliver high-quality and highly-visible revenue underpinned by long-term relationships.

Alternative Performance Measures
The Board utilises consistent alternative performance measures ("APMs") in evaluating and presenting the results of the business. APMs include adjusted EBITDA, adjusted operating profit, adjusted administrative expenses, adjusted net debt, and adjusted cash from operations. A reconciliation of these measures from IFRS is provided below.

The Board views these APMs as more representative of the Group's performance as they remove certain items which are not reflective of the underlying business, including acquisition expenses, amortisation related to acquired intangibles, deferred and contingent payments related to acquisitions, changes to earn-out considerations and share-based payments. The APMs help ensure the Group is focused on translating sales growth into profit. By making these adjustments, the Group is more readily comparable against a business that does not have the same acquisition history and share-based payment policy. Additionally, these are the measures commonly used by the Group's investor base.

Key Financial Metrics
Revenue for the year ended 31 December 2017 was $133.4m, an increase of 30.1% on the previous year's result of $102.5m, benefitting from our increased global footprint, the broader range of markets we now serve and the acquisition of Ingresso at the end of March and *TE2* in July. This growth was delivered despite challenging weather events impacting certain clients, an earthquake in Mexico City, unprecedented forest fires in California and to a lesser extent, European terror-related incidents. The impact of foreign exchange movements on revenue, or costs, was not material.

accesso tracks a number of specific operational metrics that influence Group revenue as follows:

- Total transactional ticket sales, including Ingresso distribution, increased 20.2%, with like for like increasing 14.8%
- Total ticket volumes, processed via our hosted solutions, increased 30.9%, exceeding 100m for the first time. On a like for like basis the increase was 28.0%
- North America now accounts for 70% of eCommerce ticket volume (2016: 89%), with Europe accelerating to 25% (2016: 9%)
- 42% of eCommerce volume now takes place via a mobile device (2016: 35%)
- *accesso LoQueue* like for like attendance data was broadly flat

The gross profit margin in 2017 was 55.0%, compared to 54.0% in 2016, reflecting the improvement in our mix of revenue towards higher margin offerings and a higher level of non-recurring services revenues than in the comparative period.

We estimate that for the full year 81% (2016: 91%) of Group revenue is repeatable in nature. This represents the proportion of Group revenue that is derived on a transactional basis plus annual support and annual license revenue. The decrease from 2016 is largely driven by the acquisition of *TE2*, which currently derives the majority of its revenues from professional services, but remains at a level that gives the Board the continued confidence to innovate to extend our product leadership and provides the opportunity to outperform revenue expectations through winning new business.

Adjusted EBITDA and operating profit
Adjusted EBITDA of $24.6m was up from $19.1m, an increase of 28.8%. Operating Profit for 2017 was $9.2m (2016: $10.5m), while adjusted operating profit, which the Board considers a key underlying metric, was $19.1m in 2017, equating to 21.7% growth when compared to 2016 ($15.7m). Our adjusted operating margin was 14.3% for 2017 (2016: 15.3%) but as previously identified, the Board maintains its view that there is potential for future improvement in this metric as the Group benefits from the step-down in investment across the business to support the global rollout.

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

Chief Executive's Statement (continued)

	2017	2016
	$000	$000
Operating profit	**9,241**	10,512
Add: Acquisition expenses	**1,249**	-
Add: Deferred and contingent payments	**2,131**	-
Add: Amortisation related to acquired intangibles	**8,591**	4,227
Less: Profit recognised on reduction of earn out -liability	**(3,228)**	-
Add: Share-based payments	**1,089**	987
Adjusted Operating Profit	**19,073**	15,726
Add: Amortisation and depreciation (excluding acquired intangibles)	**5,531**	3,387
Adjusted EBITDA	**24,604**	19,113

Administrative expenses were up 43.3% to $64.2m (2016: $44.8m). Adjusted administrative expenses reflect the adjusting items shown in the table above were $48.9m, representing an increase of 35.1% on 2016 ($36.2m) and driven primarily by a continued increase in headcount and operational infrastructure to support our short and medium term growth, and by the acquisition of Ingresso and *TE2* in March and July respectively.

The table below sets out a reconciliation between the statutory and adjusted measure:

	2017	2016
	$000	$000
Administrative expenses	**64,204**	44,813
Net adjustments detailed above	**(15,363)**	(8,601)
Adjusted administrative expenses	**48,841**	36,212

Profit before tax of $7.2m was down from $10.1m in 2016 as the income statement absorbed the increase in non-cash charges related to the acquisition strategy that the Group has followed over recent years, together with the acquisition expenses incurred in the period.

Profit after tax of $9.9m (2016: $7.5m) is after a tax credit for the year ended 31 December 2017 of $2.7m. Tax is covered in more detail below and within note 10.

As a result, earnings per share (basic) were 40.83 cents for 2017, an increase of 20.3% on 2016 (33.95 cents). Adjusted earnings per share, were 56.73 cents for 2017, an increase of 10.2% on 2016 (51.48 cents).

These results reflect a well-optimised and efficient group capable of delivering sustainable profit expansion while continuing to execute on its shorter-term commitments and heavily investing in its future. As time goes on, *accesso* expects earnings expansion ahead of top line growth as the business benefits from improving operating leverage as a result of investments made in products, including *accesso Prism.*

Total R&D expenditure during 2017 of $20.0m, (2016: $17.9m) represents 15.0% of revenues (2016: 17.5%). The slight step down in this percentage from 2016, reflects the heavy initial investment in *accesso Prism* in 2016 and leads us on a track towards what we expect will be a normalised rate on an ongoing basis. Capitalised development expenditure was $12.4m (2016: $11.7m) representing 62.0% (2016: 65.4%) of total R&D expenditure. The net benefit of development capitalisation less related amortisation, fell to $8.2m from $9.8m in 2016.

Net debt and cash flow

Our closing net cash balance of $12.5m (2016 net debt: $3.4m), includes balances of approximately $5.5m in respect of cash paid back to the Group by the sellers of TE2 to make payments to employees in lieu of a pre-acquisition option scheme over a three year period. In addition, cash balances totaling approximately $11.0m are held by the Group to make near term settlements to venue operators in respect of the Ingresso platform.

These balances are beneficially owned by the Group but, while there are no restrictions on their use, they have been excluded from our current definition of net debt. Adjusting for these items offers an adjusted net debt position of $4.0m at 31 December 2017.

Cash generated from operations of $33.1m (2016: $18.6) includes the benefit of these *TE2* and Ingresso balances, and is after acquisition related expenses. Adjusted cash generated from operations was $21.2m for the year ended 31 December 2017, per the table below, and was 14.0% better than in 2016 ($18.6m). This represents an underlying cash conversion from adjusted EBITDA of 86.2% (2016: 97.4%). This cash conversion percentage remains an indication of a business with a sustainable and strong cash conversion cycle.

Chief Executive's Statement (continued)

	2017 $000	2016 $000
Cash flow from operating activities	**33,097**	18,632
Add: Acquisition related expenses (including debt arrangement)	**1,249**	-
Less: TE2 option cash	**(5,500)**	-
Less: Increase in Ingresso near term settlement cash since acquisition	**(7,600)**	-
Adjusted cash from operations	**21,246**	18,632

Financing costs included interest of $0.7m (2016: $0.2m) and an arrangement fee of $0.4m relating to the extension of the Group's borrowing facility.

Financing and investing activities

During the year, the Group extended its borrowing facilities, and undertook a share placing in order to fund the acquisitions of Ingresso and *TE2*.

The acquisition of Ingresso Group Limited in March 2017 was funded via an initial cash investment (net of cash acquired) of $18.7m.

To allow for sufficient headroom, the Group extended its borrowing facility with Lloyds Bank plc. The extended Facility provides the Group with the ability to draw down a total of $60m, denominated in either US dollars, GB Pound Sterling or Euros, and has a term of four years, with an option to extend by a further twelve months at the end of the first year. The facility is at an agreed rate of 140 basis points above LIBOR at a borrowing to EBITDA ratio of less than 1.5 times, rising to a maximum 190 basis points if the borrowing to EBITDA ratio is greater than 2.25 times. It provides an additional accordion mechanism allowing for a further $10m relating to future acquisitions, and includes a commitment interest on undrawn funds of 35% of the relevant interest rates above. The total available for drawdown is subject to a reduction of US$10m on each of the first, second and third anniversaries of the Extended Facility. The Facility had an arrangement fee of $0.4m.

In July 2017, the Group announced the acquisition of Blazer and Flip Flops Inc *(TE2)*. The cash element of the acquisition costs (net of cash acquired) was $69.2m and was funded via an underwritten vendor and cash placing, raising gross proceeds of $75.6m.

Cash balances at 31 December 2017 totaled $28.7m (including the $16.5m of 'excluded cash' referenced above), while borrowings at 31 December 2017 totaled $16.1m, versus the facility of $60m.

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

Taxation

On a statutory basis, the Group had a tax credit of $2.7m (2016: tax expense $2.6m). This includes an initial beneficial impact to the Group of changes to the US tax code that were introduced via The Tax Cuts and Jobs Act of 2017 resulting in a revaluation of US deferred tax assets and liabilities to incorporate the reduction in the headline federal tax rates. This resulted in a one-off credit to 2017 earnings of $5.1m.

On an adjusted basis, which excludes the US tax code benefit, the Group's effective tax rate on its underlying earnings, was 24%.

The Group has for a number of years focused on tax planning that lowers its effective rate. Taking into account the relative taxable territories in which the Group operates, and its growth in the relative territories, together with the benefit of the reduced US income tax rates introduced by The Tax Cuts and Jobs Act of 2017, the Group expects the tax rate on its adjusted earnings to be between 21% and 23% in the short term.

Dividend

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

Summary and Outlook

This year has been one of significant progress at *accesso*, and these results reflect a business pleasing its customers, thinking about the future and translating its potential into financial results. While 2018 has only just begun, the Board remains confident in its expectations for the full year and is focused fully on delivering its growth plan. After joining the *accesso* Board in 2012, I will formally step down in April and hand the baton to Paul Noland who I have known, trusted and worked with for more than 20 years. I can think of no one better suited to lead *accesso* through its next exciting stage of growth.

Steve Brown
Chief Executive Officer

The Board of directors
for the financial year ended 31 December 2017

Tom Burnet, Executive Chairman

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

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

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

John Alder, Chief Financial Officer

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

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

He also held Finance Director and Controller positions in quoted and private pan-European businesses.

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

Steve Brown, President, Chief Executive Officer

Steve Brown brings a strong operations and finance background to the *accesso* team with extensive experience in ticketing, pricing strategy, eCommerce and revenue management. As the company's President and Chief Executive Officer, he guides *accesso's* global operations.

Steve's theme park career began during college at Walt Disney World Resort. Over the course of sixteen years, he held a variety of roles with increasing responsibility in financial planning and pricing strategy including Director, Walt Disney World Ticketing and Vice President, Revenue Management for Disneyland Resort, where he drove dramatic growth in park admission and hotel revenues utilizing strategic and promotional pricing.

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

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

David Gammon, Non-Executive Director

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

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

David joined *accesso* in November 2010 and is a member of the remuneration committee and the Chair of the audit committee.

The Board of directors (continued)
for the financial year ended 31 December 2017

Karen Slatford, Non-Executive Director

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

Karen is a member of *accesso*'s audit committee and the Chair of the remuneration committee.

John Weston, Senior Independent Director

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

John brings vast experience in the electronics and technology industries and in addition to *accesso*, he currently is Chairman of Brittpac PLC.

Previously, John served on the board of directors for MB Aerospace, AWS Electronics, Torotrak, Acra Control, Ufi Charitable Trust and Ufi Ltd, Fibercore PLC, Windar Photonics PLC and Pro-Drive Composites.

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

Strategic report
for the financial year ended 31 December 2017

Review of business

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

Principal risks and key performance indicators

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

Principal risks and uncertainties

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

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

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

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

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

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.

Key performance indicators and alternative performance measures

Key performance indicators are used to measure and control both financial and operational performance. Ticket volumes, revenues, margins, costs, cash and sales pipeline are trended to ensure plans are on track and corrective actions taken where necessary. See the Chief Executive's Statement on pages 6-10 for a discussion of the metrics. Product development performance is also monitored and tracked through measurement against agreed milestones. In addition, further key performance indicators include the proportion of business that is delivered via mobile technology and the sales mix of services offered.

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

The Board views these APMs as more representative of the Group's performance as they remove certain items which are not reflective of the underlying business, including acquisition expenses, amortisation related to acquired intangibles, deferred and contingent payments related to acquisitions, changes to earn-out considerations and share-based payments. The APMs help ensure the Group is focused on translating sales growth into profit. By making these adjustments, the Group is more readily comparable against a business that does not have the same acquisition history and share-based payment policy. Additionally, these are the measures commonly used by the Group's investor base.

Strategic report (continued)
for the financial year ended 31 December 2017

Reconciliation of APMs

	2017	2016
Adjusted operating profit and adjusted EBITDA	**$000**	$000
Operating profit	**9,241**	10,512
Add: Acquisition expenses	**1,249**	-
Add: Deferred and contingent payments	**2,131**	-
Add: Amortisation related to acquired intangibles	**8,591**	4,227
Less: Profit recognised on reduction of earn out -liability	**(3,228)**	-
Add: Share-based payments	**1,089**	987
Adjusted operating Profit	**19,073**	15,726
Add: Amortisation and depreciation (excluding acquired intangibles)	**5,531**	3,387
Adjusted EBITDA	**24,604**	**19,113**
Adjusted administrative expenses		
Administrative expenses	**64,204**	44,813
Net adjustments detailed above	**(15,363)**	(8,601)
Adjusted administrative expenses	**48,841**	36,212
Net cash/ (debt) and adjusted net cash/ (debt)		
Cash and cash equivalents	**28,668**	5,866
Less: Borrowings	**(16,140)**	(9,298)
Net cash/ (debt)	**12,528**	(3,432)
Less: TE2 option cash	**(5,500)**	-
Less: Ingresso near term settlements treated as non-cash	**(11,000)**	-
Adjusted net cash/ (debt)	**(3,972)**	(3,432)

Definitions of APMs

- Adjusted operating profit: operating profit before the deduction of amortisation related to acquisitions, acquisition costs, deferred and contingent payments, profit recognised on the reduction of the earn-out liability, and costs related to share-based payments
- Adjusted EBITDA: operating profit before the deduction of amortisation, depreciation, acquisition costs, deferred and contingent payments, profit recognised on the reduction of the earn-out liability, and costs related to share-based payments
- Adjusted administrative expenses: Administrative expenses adjusted for the items in adjusted operating profit
- Repeatable revenue: transactional revenue that the Group would expect to occur every year from a current customer without a new customer being acquired; for example, ecommerce income (see page 8)
- Adjusted EPS: earnings per share after adjusting operating profit for amortisation on acquired intangibles, deferred and contingent payments, profit recognised on the reduction of the earn-out liability, acquisition costs, finance charges relating to refinance for acquisition purposes and share-based payments, net of tax at the effective rate for the period (see page 48)

Risk management and internal control

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

On behalf of the Board:

John Alder
Chief Financial Officer
26 March 2018

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

Report of the directors
for the financial year ended 31 December 2017

The directors present their report with the financial statements of the company and the Group for the financial year ended 31 December 2017.

Dividends

No dividends will be proposed for the financial year ended 31 December 2017.

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 2017 the Group invested $20.0m into research and development (year ended 31 December 2016: $17.9m).

Directors

The directors during the period under review were:

Tom Burnet, Executive Chairman
John Alder, Executive
Steve Brown, Executive
David Gammon, Non-Executive
Karen Slatford, Non-Executive
John Weston, Senior Independent Director

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

The beneficial interests of the directors holding office on 31 December 2017 in the issued share capital of the company were as follows:

Ordinary share capital £0.01 shares	As at 31 December 2017	As at 1 January 2017
Tom Burnet, Executive Chairman (1)	426,909	426,909
John Alder, Executive	6,612	6,612
Steve Brown, Executive	633,916	633,916
David Gammon, Non-Executive	48,000	48,000
Karen Slatford, Non-Executive (Appointed 24 March 2016)	-	-
John Weston, Senior Independent Director	165,144	165,144

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

Details of the directors' share options are disclosed 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 4 to the financial statements.

Substantial shareholdings

As at 31 December 2017 the company had been notified that the following were interested in 3% or more of the ordinary share capital of the company:

Shareholder	Number of ordinary shares	% of Issued ordinary share capital
Hargreave Hale Limited	2,957,618	11.21%
Standard Life Investments Limited	2,843,497	10.78%
BlackRock Investment Management	2,796,560	10.60%
Allianz Global Investors	1,502,114	5.70%
Old Mutual Global Investors	810,394	3.07%
Mr Leonard Sim	804,635	3.05%

Report of the directors (continued)
for the financial year ended 31 December 2017

Annual general meeting

The annual general meeting of the company will be held on Tuesday, 22nd May 2018. The notice convening the meeting is enclosed with these financial statements.

Branch registration

The company operates a branch in Germany.

Corporate governance

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

The committees of the Board

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

Audit committee

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

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

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

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

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

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

Remuneration committee

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

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

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

Going concern

After making appropriate enquiries, the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, with an underlying business that has good revenue visibility and strong cash generation, continues to perform well, a confident Group outlook for 2018, and a strong balance sheet and cash position and significant headroom to its borrowing facility. For this reason, the Board continues to adopt the going concern basis in preparing the accounts.

Report of the directors (continued)
for the financial year ended 31 December 2017

Disabled employees

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

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

Employees

The Group's policy is to consult and engage with employees, by way of meetings, surveys and through personal contact by directors and other senior executives, on matters likely to affect employees' interests. Information on matters of concern to employees is given in meetings, handouts, letters and reports, which seek to achieve a common awareness on the part of all employees on the financial and economic factors affecting the Group's performance.

Relations with shareholders

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

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

Notice of the date of the 2018 annual general meeting is included with this report. Separate resolutions on each substantially separate issue, in particular any proposal relating to the annual report and accounts, will be made at the annual general meeting.

Website publication

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

Statement as to disclosure of information to auditor

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the Group's auditor is unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Group's auditor is aware of that information.

Auditor

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

On behalf of the Board

John Alder
Chief Financial Officer
26 March 2018

Directors' remuneration report
for the financial year ended 31 December 2017

This report is for the year to 31 December 2017 and sets out the remuneration details in respect of the Executive and Non-Executive Directors of the Company.

As an AIM-quoted company, the information provided is disclosed to fulfil the requirements of AIM Rule 19. Accesso Technology Group plc is not required to comply with Schedule 8 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008.

Remuneration

Remuneration of the Executive Directors is designed to ensure that the Group achieves its potential and increases shareholder value. In respect of all aspects of the Executives remuneration package, the objective is to ensure that the Group attracts and retains high calibre Executives with the skills, experience and motivation necessary to direct and manage the affairs of the Group.

Base remuneration consists of salary, retirement benefits and other benefits, such as the provision of medical and life insurance arrangements. In terms of retirement benefits, the Executive Chairman, Chief Executive and the Chief Financial Officer are all entitled to receive a payment in lieu of a pension or a matching contribution to a retirement scheme operated by a Group company.

In addition, annual bonuses and Long-Term Incentive Programs (LTIPs) are seen as an important element of each Director's total remuneration and are designed to drive and reward exceptional performance.

The Remuneration Committee

The Board has appointed a remuneration committee consisting of independent non-executive directors John Weston, David Gammon and Karen Slatford, who chairs the committee. The committee takes regard of the return to the shareholders in its deliberations. It reviews the performance of the executive directors, sets their remuneration, considers the grant of options under any of the share option scheme and ensures that the Executive Directors are properly rewarded and motivated. In addition, they provide guidance on pay and conditions for other employees in the Group. The Remuneration Committee meets on an "as required" basis.

The Remuneration Committee reviews remuneration of the Executives in light of market conditions, performance and developments in good corporate governance, whilst taking account of the Company's status as a larger AIM company. Remuneration is benchmarked against similar listed companies and takes into account company performance and any increase in scale and complexity, the role, experience and performance of the individual Director, and average workforce salary adjustments within the Company.

Executive Directors are entitled to be considered for the grant of awards under a Long-Term Incentive Plan ("LTIP"). The over-riding objective of this plan is to drive and reward exceptional performance, while aligning the interests of Executives and shareholders.
The awards currently take the form of nominal cost options over a specified number of Ordinary Shares. Awards are released to participants after a performance period of three years, subject to certain performance and service conditions being met. The LTIP rewards the future performance of the Executive Directors and certain other employees by linking the size of the award to the achievement of Group performance targets. Participation is at the discretion of the Remuneration Committee and will typically be made annually based on a percentage of annual salary.

The Remuneration Committee will make LTIP awards at a level they believe is consistent with its underlying objective to attract and retain high calibre Executives. The maximum annual award permissible under the plan is 200% of salary. The performance conditions for the LTIP scheme are normally related to the achievement of stringent compound share price growth rates from the date of the award. The specific performance conditions related to each award that has been made are set out within this report.

Performance and decisions on remuneration taken in 2017

Salaries are normally reviewed annually, in March, and any change applied retrospectively to the beginning of the year. In light of the criteria presented above, the Remuneration Committee determined, from 1 January 2017, to increase the salary of the Executive Chairman by 2.75% to £298,488, to increase the salary of the CEO by 2.75% to $359,624 and to increase the salary of the CFO by 5% to $313,250.

The Company produced strong financial results for the 2017 financial year with adjusted earnings per share ("EPS") 10.2% above the prior year and basic EPS 20.3% higher and the Group completed two important strategic acquisitions.

For 2017, the bonus awarded to the Executive Chairman and CEO was 120% (maximum: 150%) of base pay and for the CFO was 100% (maximum: 120%) of base pay.

During 2017 the first awards of share options under the Shareholder Approved 2014 LTIP Scheme also matured. The target CAGR for full vesting of LTIPs issued in 2014 was 15% per year over 3 years. This target has been substantially exceeded and, therefore, 100% of the options granted have vested. No additional awards were made to the Executive Directors in 2017.

Directors' remuneration report (continued)
for the financial year ended 31 December 2017

Non-Executive Director remuneration

The Senior Independent Director and the other Non-Executive Directors remuneration comprises only fees. They are reviewed annually with changes effective from 1 January each year. Their fees are approved by the Board on the recommendation of the Executive Chairman. The Non-Executive Directors are not involved in any decisions about their own remuneration. The Senior Independent Director and the other independent Non-Executive Directors are entitled to be reimbursed for reasonable expenses.

Directors Remuneration for the year ended 31 December 2017

	Salary	Fees	Bonus	Share-based payments	Other Benefits	2017 Total	2016 Total	2017 Retirement Contributions	2016 Retirement Contributions
	$000	$000	$000	$000	$000	$000	$000	$000	$000
Non - Executive Directors									
Matt Cooper (1)	-	-	-	-	-	-	11	-	-
David Gammon (2)	-	52	-	-	-	52	51	-	-
Karen Slatford	-	52	-	-		52	31	-	-
John Weston	-	77	-	-	-	77	78	-	-
Executive Directors									
John Alder	313	-	313	121	21	768	615	9	9
Steve Brown	360	-	432	136	14	942	758	-	-
Tom Burnet	385	-	480	162	2	1,029	812	13	17
Leonard Sim (3)	-	-	-	-	-	-	18	-	1
Total	**1,058**	**181**	**1,225**	**419**	**37**	**2,920**	**2,374**	**22**	**27**

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

Summary of share option and LTIP awards

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

	31 December 2016	Exercised in the period	31 December 2017	Exercise price	Date from which exercisable	Expiry Date
Share Options						
John Alder (1)	100,000	-	100,000	156p	10 Mar 12	9 Mar 21
David Gammon (2)	80,000	(40,000)	40,000	156p	10 Mar 12	9 Mar 21
LTIP (3)						
John Alder	29,818	-	29,818	1p	8 July 2017	-
	42,127	-	42,127	1p	15 Apr 2018	-
	59,571	-	59,731	1p	14 Mar 2019	-
Steve Brown	32,027	-	32,027	1p	8 July 2017	-
	42,463	-	42,463	1p	15 Apr 2018	-
	69,653	-	69,653	1p	14 Mar 2019	-
Tom Burnet	45,395	-	45,395	1p	8 July 2017	-
	47,805	-	47,805	1p	15 Apr 2018	-
	82,960	-	82,960	1p	14 Mar 2019	-

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

Employee benefit trust share subscription and Tom Burnet equity incentive plan

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

Directors' remuneration report (continued)
for the financial year ended 31 December 2017

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

On 5 April 2016, Tom Burnet terminated his interest in 426,909 of the New Ordinary Shares and the EBT subsequently disposed of these in order to settle its obligations relating to the value above £2. The remaining shares are registered in the name of Lo-Q (Trustees) Limited, a wholly owned subsidiary of the company. John Alder and David Gammon are the directors of Lo-Q (Trustees) Limited.

Long-Term Incentive Plan (LTIP) Awards

There have been three awards to the executive Directors since the introduction of the LTIP scheme in 2014. The performance conditions are identical for each executive director subject to the award. No awards were made during the year ended 31 December 2017.

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

John Alder
Chief Financial Officer
26 March 2018

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

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

Company law requires the directors to prepare group and parent company financial statements for each financial year. Under that law they have elected to prepare both the group and the parent company financial statements in accordance with International Financial Reporting Standards as adopted by the European Union (IFRSs as adopted by the EU) and applicable law.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and parent company and of their profit or loss for that period. In preparing each of the group and parent company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable, relevant and reliable;
- state whether they have been prepared in accordance with IFRSs as adopted by the EU;
- assess the group and parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

On behalf of the Board

John Alder
Chief Financial Officer
26 March 2018

Independent auditor's report

to the members of accesso Technology Group plc

1. Our opinion is unmodified

We have audited the financial statements of accesso Technology Group plc ("the Company") for the year ended 31 December 2017 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, Statement of Changes in Group Equity, Statement of Changes in Company Equity and the related notes, including the accounting policies in note 2.

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 2017 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRSs as adopted by the EU);
- the parent Company financial statements have been properly prepared in accordance with IFRSs as adopted by the EU and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Overview	
Materiality: Group financial statements as a whole	$360,000 (2016: $465,000) 4.3% (2016: 5%) of Group profit before tax and exceptional items
Coverage	90% (2016: 81%) of revenue

Risks of material misstatement		vs 2016
New risks	Valuation of acquisition intangibles (Ingresso and TE2)	▲
Recurring risks	Goodwill impairment	◀▶
	R&D capitalisation	◀▶
	Recoverability of parent company's investment in subsidiaries	◀▶

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

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

	The risk	Our response
Valuation of acquisition intangibles (Ingresso and TE2) ($41.9m, 2016: $nil) *Refer to page 39 (accounting policy) and pages 52 to 57 (financial disclosures).*	**Subjective valuation** The group acquired Ingresso in March 2017 for $28.3m and TE2 in July 2017 for $74.3m. The assets and liabilities acquired have been measured at their acquisition-date fair values and previously unrecognised intangible assets recognised on the balance sheet. The identification and measurement of these intangible assets requires judgment and the application of complex valuation techniques. Acquisition intangibles are also valued using cash flow models and therefore the recoverable amount is subjective due to the inherent uncertainty involved in forecasting and discounting future cash flows.	Our procedures included: — **Methodology choice:** Involving our own valuation specialists to assess whether the valuation methodology applied to each asset was appropriate; — **Benchmarking assumptions:** Comparing the key assumptions used in the cash flow and replacement cost models to externally available industry data or post-acquisition results. For replacement cost models the key assumptions are those relating to cost inputs and the relevant mark ups applied and for cash flow models, attrition and gross margin; — **Assessing transparency:** We assessed whether the group's disclosures of the critical judgments reflected the risks inherent in the valuation of these intangible assets.

	The risk	Our response
Recoverability of group goodwill and of parent's investment in subsidiaries (Group: $117.3m; 2016: $43.9m; Parent: $73.4m; 2016: $37.8m) *Refer to page 39 (accounting policy) and pages 52 to 57 (financial disclosures).*	**Forecast-based valuation** Goodwill in the group and the carrying amount of the parent company's investments in subsidiaries are significant and recoverability is dependent on achieving sufficient levels of future cash flows. These assets relate to businesses located in highly competitive markets resulting in pricing pressures which may impact future cash flows. The estimated recoverable amount is therefore highly subjective due to the inherent uncertainty involved in forecasting and discounting future cash flows.	Our procedures included: — **Benchmarking assumptions:** Comparing the assumptions used in cash flow forecasts to externally derived data in relation to key inputs such as long term growth and inputs to discount rates. Inputs to discount rate include risk free rates, size premium and market risk premium; — **Historical comparisons:** Comparing previous forecast revenue growth and EBITDA margins to actual performance to assess the historical accuracy of the group's forecasting; — **Sensitivity analysis:** Performing breakeven analysis on the key assumptions noted above, including discount rate and projected cash flows; — **Assessing transparency:** We considered whether the group's disclosures about the sensitivity of the outcome of the impairment assessment to changes in key assumptions reflected the risks inherent in the valuation of goodwill. We also assessed the adequacy of the parent company's disclosures in respect of the investment in subsidiaries.

	The risk	Our response
Capitalised development costs (Costs capitalised in the year $12.4m, 2016: $11.6m) *Refer to page 39 (accounting policy) and pages 52 to 57 (financial disclosures).*	**Subjective estimate** Eligible employment costs in respect of software developers working to develop new software products are capitalised if they meet the relevant criteria, which materially impacts the groups' profitability. There is judgement involved in determining whether costs incurred meet the criteria for capitalisation as the future financial and technical feasibility of new products is often uncertain. There is also judgment required to identify those costs that are directly attributable to development projects from those that relate to speculative R&D and bug fixes.	Our procedures included: — **Tests of detail:** For a sample of projects we assessed the allocation of time to development projects with reference to the developers' timesheets; — **Test of detail:** For a sample of development projects where costs were capitalised we corroborated the directors' analysis that the projects met the criteria for capitalisation by comparing to sales forecasts and obtaining evidence of the project being technically feasible; — **Assessing transparency:** We assessed the adequacy of the Group's disclosures in respect of the judgements made in relation to capitalised development costs.

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 $360,000 (2016: $465,000), determined with reference to a benchmark of group profit before tax normalised to exclude acquisition related costs, deferred and contingent payments and profit recognised on reduction of earn out liability incurred in the year, of $8,280,000 (2016: $10,102,000, of which it represents 4.3% (2016: 5%).

Materiality for the parent company financial statements as a whole was set at $149,000 (2016: $131,000), determined with reference to a benchmark of parent company revenue, of which it represents 1% (2016: 5% of profit before tax).

We agreed to report to the Audit Committee any corrected or uncorrected identified misstatements exceeding $18,000 (2016: $23,000), in addition to other identified misstatements that warranted reporting on qualitative grounds.

Of the group's 18 (2016: 12) reporting components, we subjected 6 (2016: 3) to full scope audits for group purposes and 0 (2016: 1) to an audit of account balances. The components for which we performed an audit of account balances in 2016 were not individually financially significant enough to require an audit for group reporting purposes in the prior year, but did present specific individual risks that needed to be addressed.

The components within the scope of our work accounted for the percentages illustrated opposite.
For the residual 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 work on all 6 of the components (2016: all 4 of the components), including the audit of the parent company, was performed by the group team. Component materiality ranged from $100,000 to $200,000 (2016: $150,000 to $250,000), subject to the mix of size and risk profile of the Group across the components. The group team performed procedures on the items excluded from normalised group profit before tax.

4. We have nothing to report on going concern

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

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

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

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

Strategic report and Directors' report

Based solely on our work on the other information:

- we have not identified material misstatements in the strategic report and the Directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

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

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

a. 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

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

c. certain disclosures of Directors' remuneration specified by law are not made; or

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

We have nothing to report in these respects.

7. Respective responsibilities

Directors' responsibilities

As explained more fully in their statement set out on page 21, the Directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group and parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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

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

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

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Simon Haydn-Jones
(Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants
Arlington Business Park
Reading
RG7 4SD
27 March 2018

Consolidated statement of comprehensive income
for the financial year ended 31 December 2017

	Notes	2017 $000	2016 $000
Revenue	6	**133,429**	102,511
Cost of sales		**(59,984)**	(47,186)
Gross profit		**73,445**	55,325
Administrative expenses (including credit of $3,228 ($'000) (2016: $nil) related to reversal of Ingresso earn out liability – see note 13)		**(64,204)**	(44,813)
Operating profit		**9,241**	10,512
Finance expense	9	**(2,099)**	(414)
Finance income	9	**24**	4
Profit before tax		**7,166**	10,102
Income tax benefit / (expense)	10	**2,735**	(2,576)
Profit for the period		**9,901**	7,526
Other comprehensive income			
Items that will be reclassified to income statement			
Exchange differences on translating foreign operations		**166**	(1,579)
Total comprehensive income		**10,067**	5,947
All profit and comprehensive income is attributable to the owners of the parent			
Earnings per share expressed in cents per share:			
Basic	12	**40.83**	33.95
Diluted	12	**38.70**	32.02

All activities of the company are classified as continuing
The accompanying notes on pages 34 to 65 form part of these consolidated financial statements

Consolidated statement of financial position
as at 31 December 2017

Registered Number: 03959429 Registered address: Unit 5, The Pavilions, Ruscombe Park, Twyford, Berkshire RG10 9NN	Notes	31 December 2017 $000	31 December 2016 $000
Assets			
Non-current assets			
Intangible assets	13	**198,298**	81,612
Property, plant and equipment	14	**3,400**	3,494
Deferred tax assets	10	**8,937**	6,008
		210,635	91,114
Current assets			
Inventories	16	**506**	491
Trade and other receivables	17	**19,761**	10,232
Income tax receivable		**-**	681
Cash and cash equivalents		**28,668**	5,866
		48,935	17,270
Liabilities			
Current liabilities			
Trade and other payables	18	**49,874**	11,242
Finance lease liabilities		**9**	54
Income tax payable		**613**	-
		50,496	11,296
Net current (liabilities) / assets		**(1,561)**	5,974
Non-current liabilities			
Deferred tax liabilities	10	**14,629**	9,990
Finance lease liabilities		**-**	9
Other non-current liabilities	18	**3,024**	-
Borrowings	19	**16,140**	9,298
		33,793	19,297
Total liabilities		**84,289**	30,593
Net assets		**175,281**	77,791
Shareholders' equity			
Called up share capital	20	**411**	357
Share premium		**105,207**	28,150
Own shares held in trust		**(1,163)**	(1,163)
Other reserves		**14,453**	9,242
Retained earnings		**39,820**	29,919
Merger relief reserve		**19,641**	14,540
Translation reserve		**(3,088)**	(3,254)
Total shareholders' equity		**175,281**	77,791

The financial statements were approved by the Board of directors on 26 March 2018 and were signed on its behalf by:

Tom Burnet
Executive Chairman

Company statement of financial position
as at 31 December 2017

Registered Number: 03959429 **Registered address: Unit 5, The Pavilions, Ruscombe Park, Twyford, Berkshire RG10 9NN**	Notes	**31 December 2017** **$000**	31 December 2016 $000
Assets			
Non-current assets			
Intangible assets	13	**7,375**	6,426
Investments in subsidiaries	15	**73,353**	37,806
Property, plant and equipment	14	**1,309**	1,353
Deferred tax asset	10	**353**	1,014
		82,390	46,599
Current Assets			
Inventories	16	**279**	303
Trade and other receivables	17	**91,634**	16,306
Income tax receivable		**-**	238
Cash and cash equivalents		**1,909**	1,303
		93,822	18,150
Liabilities			
Current liabilities			
Trade and other payables	18	**11,412**	1,258
Income tax payable		**1,614**	-
		13,026	1,258
Net current assets		**80,796**	16,892
Non-current liabilities			
Deferred tax	10	**-**	1,069
Borrowings	19	**16,140**	9,298
		16,140	10,367
Total liabilities		**29,166**	10,625
Net assets		**147,046**	53,124
Shareholders' equity			
Called up share capital	20	**411**	357
Share premium		**105,207**	28,150
Other reserves		**7,138**	4,439
Retained earnings		**24,806**	20,364
Merger relief reserve		**19,641**	14,540
Translation reserve		**(10,157)**	(14,726)
Total shareholders' equity		**147,046**	53,124

The financial statements were approved by the Board of directors on 26 March 2018 and were signed on its behalf by:

Tom Burnet
Executive Chairman

Consolidated statement of cash flow
for the financial year ended 31 December 2017

	Notes	2017 $000	2016 $000
Cash flows from operations			
Profit for the period		**9,901**	7,526
Adjustments for:			
Depreciation	14	**1,321**	1,393
Amortisation on acquired intangibles	13	**8,591**	4,227
Amortisation on development costs	13	**4,166**	1,927
Amortisation on other intangibles	13	**44**	67
Share-based payment	7	**1,089**	987
Finance expense	9	**2,099**	414
Finance income	9	**(24)**	(4)
Loss on disposal of fixed assets	14	**12**	5
Foreign exchange gain		**(241)**	(1,465)
Income tax (benefit) / expense	10	**(2,735)**	2,576
		24,223	17,653
(Increase) / decrease in inventories		**(15)**	70
Increase in trade and other receivables		**(2,792)**	(1,152)
Increase in trade and other payables		**11,681**	2,061
Cash generated from operations		**33,097**	18,632
Tax paid		**(224)**	(810)
Net cash inflow from operating activities		**32,873**	17,822
Cash flows from investing activities			
Purchase of subsidiary, net of cash acquired	13	**(78,074)**	-
Purchase of intangible fixed assets		**-**	(84)
Capitalised internal development costs	13	**(12,395)**	(11,591)
Purchase of property, plant and equipment	14	**(936)**	(1,948)
Interest received		**24**	4
Net cash used in investing activities		**(91,381)**	(13,619)
Cash flows from financing activities			
Share issue		**77,112**	1,313
Sale of shares held in trust		**-**	1,240
Interest paid		**(741)**	(414)
Payments to finance lease creditors		**(54)**	(51)
Cash paid to refinance	19	**(410)**	(184)
Proceeds from borrowings		**31,376**	5,550
Repayments of borrowings		**(26,037)**	(10,825)
Net cash generated from / (used) in financing activities		**81,246**	(3,371)
Increase in cash and cash equivalents		**22,738**	832
Cash and cash equivalents at beginning of year		**5,866**	5,307
Exchange gain / (loss) on cash and cash equivalents		**64**	(273)
Cash and cash equivalents at end of year		**28,668**	5,866

The accompanying notes on pages 34 to 65 form part of these consolidated financial statements

Company statement of cash flow
for the financial year ended 31 December 2017

	Notes	2017 $000	2016 $000
Cash flows from operations			
Profit for the period		4,442	6,096
Adjustments for:			
Amortisation on development costs	13	1,323	544
Depreciation and amortisation on other fixed assets	14	468	567
Share-based payment		289	276
Finance expense		1,890	414
Finance income		(3,944)	(1)
Foreign exchange loss / (gain)		79	(651)
Income tax expense		2,028	990
		6,575	8,235
Decrease in inventories		24	57
(Decrease) / increase in trade and other receivables		(64,971)	2,356
(Decrease) / increase in trade and other payables		(1,624)	11
Cash (used in) / generated from operations		(59,996)	10,659
Tax paid		(79)	(393)
Net cash (outflow) / inflow from operating activities		(60,075)	10,266
Cash flows from investing activities			
Purchase of subsidiary	13	(18,736)	-
Purchase of intangible fixed assets		-	(84)
Capitalised internal development costs	13	(1,642)	(4,883)
Purchase of property, plant and equipment	14	(307)	(947)
Interest received		2	1
Net cash used in investing activities		(20,683)	(5,913)
Cash flows from financing activities			
Share Issue		77,112	1,313
Interest paid		(741)	(414)
Cash paid to refinance	19	(410)	(184)
Repayments of borrowings		31,376	5,550
Proceeds from borrowings		(26,037)	(10,825)
Net cash generate from / (used in) from financing activities		81,300	(4,560)
Increase / (decrease) in cash and cash equivalents		542	(207)
Cash and cash equivalents at beginning of year		1,303	1,734
Exchange gain / (loss) on cash and cash equivalents		64	(224)
Cash and cash equivalents at end of year		1,909	1,303

The accompanying notes on pages 34 to 65 form part of these consolidated financial statements

Consolidated statement of changes in equity
for the financial year ended 31 December 2017

	Share capital	Share premium	Retained earnings	Merger relief reserve	Other reserves	Own shares held in trust	Translation reserve	Attributable to equity holders	Non-controlling interest	Total
	$000	$000	$000	$000	$000	$000	$000	$000	$000	$000
Balance at 31 December 2016	**357**	**28,150**	**29,919**	**14,540**	**9,242**	**(1,163)**	**(3,254)**	**77,791**	**-**	**77,791**
Comprehensive income for the year										
Profit for period	-	-	9,901	-	-	-	-	**9,901**	-	**9,901**
Other comprehensive income	-	-	-	-	-	-	166	**166**	-	**166**
Total comprehensive income for the year	-	-	9,901	-	-	-	166	**10,067**	-	**10,067**
Contributions by and distributions to owners										
Issue of share capital	54	77,057	-	5,101	-	-	-	**82,212**	-	**82,212**
Share-based payments	-	-	-	-	1,089	-	-	**1,089**	-	**1,089**
Equity-settled deferred consideration	-	-	-	-	1,314	-	-	**1,314**	-	**1,314**
Change in tax rates	-	-	-	-	(2,213)	-	-	**(2,213)**	-	**(2,213)**
Share option tax credit	-	-	-	-	5,021	-	-	**5,021**	-	**5,021**
Total contributions by and distributions by owners	54	77,057	-	5,101	5,211	-	-	**87,423**	-	**87,423**
Balance at 31 December 2017	**411**	**105,207**	**39,820**	**19,641**	**14,453**	**(1,163)**	**(3,088)**	**175,281**	**-**	**175,281**
Balance at 31 December 2015	353	26,841	22,169	14,540	3,470	(2,136)	(1,675)	63,562	2	63,564
Comprehensive income for the year										
Profit for period	-	-	7,526	-	-	-	-	7,526	-	7,526
Other comprehensive income	-	-	-	-	-	-	(1,579)	(1,579)	-	(1,579)
Total comprehensive income for the year	-	-	7,526	-	-	-	(1,579)	5,947	-	5,947
Contributions by and distributions to owners										
Issue of share capital	4	1,309	-	-	-	-	-	1,313	-	1,313
Share-based payments	-	-	-	-	987	-	-	987	-	987
Reduction of shares held in trust	-	-	222	-	-	973	-	1,195		1,195
Removal of NCI	-	-	2	-	-	-	-	2	(2)	-
Change in tax rates	-	-	-	-	(11)	-	-	(11)	-	(11)
Share option tax credit	-	-	-	-	4,796	-	-	4,796	-	4,796
Total contributions by and distributions by owners	4	1,309	224	-	5,772	973	-	8,282	(2)	8,280
Balance at 31 December 2016	357	28,150	29,919	14,540	9,242	(1,163)	(3,254)	77,791	-	77,791

Company statement of changes in equity
for the financial year ended 31 December 2017

	Share capital $000	Share premium $000	Retained Earnings $000	Merger relief reserve $000	Other reserves $000	Translation reserve $000	Total $000
Balance at 31 December 2016	357	28,150	20,364	14,540	4,439	(14,726)	53,124
Comprehensive income for the year							
Profit for period	-	-	4,442	-	-	-	4,442
Other comprehensive income	-	-	-	-	-	4,569	4,569
Total comprehensive income for the year	-	-	4,442	-	-	4,569	9,011
Contributions by and distributions by owners							
Issue of share capital	54	77,057	-	5,101	-	-	82,212
Share-based payments	-	-	-	-	1,089	-	1,089
Equity-settled deferred consideration	-	-	-	-	1,314	-	1,314
Change in tax rates	-	-	-	-	-	-	-
Share option tax credit	-	-	-	-	296	-	296
Total contributions by and distributions by owners	54	77,057	-	5,101	2,699	-	84,911
Balance at 31 December 2017	**411**	**105,207**	**24,806**	**19,641**	**7,138**	**(10,157)**	**147,046**
Balance at 31 December 2015	353	26,841	14,268	14,540	2,643	(4,691)	53,954
Comprehensive income for the year							
Profit for period	-	-	6,096	-	-	-	6,096
Other comprehensive income	-	-	-	-	-	(10,035)	(10,035)
Total comprehensive income for the year	-	-	6,096	-	-	(10,035)	(3,939)
Contributions by and distributions by owners							
Issue of share capital	4	1,309	-	-	-	-	1,313
Share-based payments	-	-	-	-	987	-	987
					(11)		(11)
Share option tax credit	-	-	-	-	820	-	820
Total contributions by and distributions by owners	4	1,309	-	-	1,796	-	3,109
Balance at 31 December 2016	357	28,150	20,364	14,540	4,439	(14,726)	53,124

Notes to the consolidated financial statements
for the financial year ended 31 December 2017

1. Reporting entity

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

The Group's principal activities are the development and application of ticketing, mobile and eCommerce technologies, and licensing and operation of virtual queuing solutions for 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 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. Significant accounting policies

Basis of accounting

The Group's financial statements have been prepared in accordance with International Financial Reporting Standards, as adopted by the European Union ("adopted IFRSs").

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

New standards that have been adopted during the period

- Annual improvements to IFRSs
- IAS 16 and 38: Amendments to Clarification of Acceptable Methods of Depreciation and Amortisation
- IAS 27: Amendments related to Equity Method in Separate Financial Statements
- IAS 11: Amendments relating to Acquisitions of Interest in Joint Operations
- IAS 7: Amendments related to Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The adoption of the above has not had a material impact on the financial statements during the period ended 31 December 2017.

New standards and interpretations not yet adopted

A number of new standards, amendments to standards, and interpretations are not effective for 2017, and therefore have not been applied in preparing these accounts. The effective dates shown are for periods commencing on the date quoted.

- IFRS 15 Revenue from Contracts with Customers (effective for year ending 31 December 2018)
- IFRS 9 Financial Instruments (effective for year ending 31 December 2018)
- IFRS 16 Leases (effective for year ending 31 December 2019)
- Annual improvements to IFRSs

Management have been considering the impact IFRS 15 and IFRS 9 will have on the Group's financial statements in the period of initial application, and its review is still in process.

Management is currently starting its assessment of the impact of IFRS 16 on the Group's financial statements, but has not yet completed its assessment of the impact on the financial statements. The assessment is ongoing.

IFRS 15 *Revenue from Contracts with Customers*

IFRS 15 establishes a comprehensive framework for determining whether, how much, and when revenue is recognized. It replaces existing revenue recognition guidance, including IAS 18 *Revenue*, and IAS 11 *Construction Contracts.*

The following areas are those management anticipate may have the greatest impact or are the most judgemental under the new standard:

Queuing revenue
The Group has developed virtual queuing technology which enables guests to virtually queue using proprietary software and hardware. The technology is installed in theme parks under agreement with the theme park operator. Revenue is earned as guests use the product while visiting the park and is recognised on either a gross or net basis, when the Group is acting as the principal or agent, respectively.

Notes to the consolidated financial statements (continued)
for the financial year ended 31 December 2017

Significant accounting policies (continued)

Currently where revenue is recognised on a gross basis, the group recognise the entire fee payable by the park guest and recognises costs payable to the theme park operator. Where revenue is recognised on a net basis the group recognises only a portion of the fee payable by the park guest representing the services provided by the group to the theme park operator

The factors in determining whether the Group is acting as principal or agent in the transaction are different under IFRS 15 than current guidance, and reflect who has control over the good or service prior to delivery to the end customer.

In some agreements, management considers that the technology, hardware, and virtual queue provided to the end customer are controlled by the Group prior to transfer to the end customer. Effectively, the Group has purchased the right to operate and control the virtual queue, and accepts responsibility for staffing the sales office and operation, maintaining the concession from which the product is sold, and ensuring guest satisfaction.

In other agreements, management considers that the Group has passed control of the technology, hardware, and virtual queue to the park operator, and has minimal responsibility for the operation. The Group will be responsible for maintenance and support of the technology, but not take part in daily operating decisions. These agreements generally take the form of a licensing contract.

Management is still assessing the impact on the Group. Regardless of the outcome of its review, it will not result in an impact to net profit, as only the classification of revenue and cost of sales are impacted.

Software licenses and maintenance and technical support
The Group sells software licenses for its guest management and POS software, which requires a large initial investment and yearly maintenance and technical support. Additionally, it licenses its on-site ticketing system, requiring an annual payment.

In regard to the guest management and POS software, the customer is required to purchase the yearly maintenance and technical support to maintain an active license. The fees are typically higher in the first year, with an upfront license fee payable, than in subsequent years, when only the annual support fee is payable.

Under IFRS 15, these types of agreements are treated as containing an option for a renewal at a discounted price – the cost of the yearly support – after the initial up-front purchase of the license. Accordingly, the Group will defer revenue on the initial license sale and recognize a portion of the up-front license payment at the time of the subsequent annual renewal. Where no term is agreed, the contract renews perpetually until the customer declines the yearly support, or the Group terminates the contract. In these circumstances, the initial fee will be spread over 5 years, which is in line with the expected useful life of software.

For on-site ticketing licenses, the customer generally agrees to a fixed term over which it is required to pay annual instalments if the agreement is longer than one year. As the customer has control of the license upon delivery by the Group, the total amount of revenue related to the license, for the term of the agreement, will be recognized at the point of delivery. This will create a receivable which future annual instalment payments will be applied against. Revenue related to maintenance and support of the license, such as updates and technical support, will be spread over the contract term.

Contract costs
The Group pays commission on certain contracts and currently expenses the cost when incurred, unless there is a clawback provision. IFRS 15 requires incremental costs associated with obtaining a contract, such as commissions, be capitalised and amortised over the life of the contract. Accordingly, commissions will become an asset on the consolidated statement of financial position and tested annually for impairment.

Transition
The Group plans to adopt IFRS 15 using the retrospective method, using the practical expedient in paragraph C5(c) of the standard, allowing non-disclosure of the amount of the transaction price allocated to the remaining performance obligations or an explanation of when the Group expects to recognize that amount as revenue for all reporting periods presented before the date of initial application – i.e. 1 January 2018.

IFRS 9 *Financial Instruments*

IFRS 9 sets out requirements for recognising and measuring financial assets, financial liabilities, and some contracts to buy or sell non-financial items. This standard replaces IAS 39 *Financial Instruments: Recognition and Measurement.*

Management's assessment of the impact on the financial statements is still ongoing.

Significant accounting policies (continued)

Functional and presentation currency

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

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 2017 using the acquisition method. Subsidiaries are all entities over which the Group has the ability to affect the returns of the entity and has the rights to variable returns from its involvement with the entity. The results of subsidiary undertakings are included from the date of acquisition.

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

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

Disclosure and details of the subsidiaries are provided in note 15.

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

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

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

Foreign currency

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

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

Foreign operations
The assets and liabilities of foreign operations, including goodwill, are translated into USD at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into USD at the rates ruling when the transactions occur, or appropriate averages.

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

Revenue recognition

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

Notes to the consolidated financial statements (continued)
for the financial year ended 31 December 2017

Significant accounting policies (continued)

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

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

Where the contract is a profit-share, revenue represents the total payment by the park guest, net of sales taxes, to utilise the technology. The park's share is deducted in cost of sales within the statement of comprehensive income. Typically in these agreements, the Group accepts responsibility for the operation within the park, including sales, operation, maintenance of the equipment and facility, and guest relations.

In a revenue-share contract, only the Group's share of the revenue generated by the technology, as per the customer agreement, is recognised as revenue. Any costs incurred by the Group are deducted within cost of sales within the statement of comprehensive income. The Group generally does not influence operation of the product, sales, maintenance, guest relations, or employees.

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

The Group provides implementation, support, and customisation services (collectively, "professional services") in relation to its products. Professional services revenue is either earned on a time and materials basis as the services are provided to the customer, or on a percentage of completion method when it's a fixed price contract.

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

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

Interest expense recognition

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

Employee benefits

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

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

The LTIP awards contain market-based vesting conditions. Market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether the market

Notes to the consolidated financial statements (continued)
for the financial year ended 31 December 2017

Significant accounting policies (continued)

vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition or where a non-vesting condition is not satisfied.

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

Property, plant and equipment

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

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

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

Inventories

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

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

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

Deferred tax

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

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

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

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

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

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

Notes to the consolidated financial statements (continued)
for the financial year ended 31 December 2017

Significant accounting policies (continued)

Current income tax

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

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities. See note 10 for further discussion on provisions related to tax positions.

Goodwill and intangible assets

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

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

Externally acquired intangible assets

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

Intangible assets are recognised on business combinations if they are separable from the acquired entity. The amounts ascribed to such intangibles are arrived at by using appropriate valuation techniques (see note 13). The significant intangibles recognised by the Group and their useful economic lives are as follows:

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

Internally generated intangible assets and research and development

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

In accordance with IAS 38 'Intangible Assets', expenditure incurred on research and development is distinguished as either to a research phase or to a development phase. Development expenditure not satisfying the above criteria and expenditure on the research phase of internal projects is recognised in the Consolidated income statement as incurred.

Development expenditure is capitalised and amortised within administrative expenses on a straight-line basis over its useful economic life, which is considered to be up to a maximum of 5 years. 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 criteria noted above.

The Group has contractual commitments for development costs of $nil (2016: $nil).

Notes to the consolidated financial statements (continued)
for the financial year ended 31 December 2017

Significant accounting policies (continued)

Intellectual property rights and patents

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

Financial assets

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

- *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. 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 policy:

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

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

Employee benefit trust (EBT)

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

3. 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.

Critical judgements and key sources of estimation uncertainty (continued)

Judgements

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

Capitalised development costs
The Group capitalises development costs in line with IAS 38, *Intangible Assets*. Management applies judgement in determining if the costs meet the criteria, and are therefore eligible for capitalisation. Significant judgements include the technical feasibility of the development, recoverability of the costs incurred, and economic viability of the product and potential market available considering its current and future customers. See Internally generated intangible assets and research and development within note 2 for details on the Group's capitalisation and amortisation policies, and Intangible Assets, note 13, for the carrying value of capitalised development costs.

Agent versus principal
As identified in note 2, revenue in respect of the Group's queuing contracts is recognised on either a gross or net basis. When analysing whether the Group is acting as a principal or agent in a given arrangement, this requires management to consider several judgemental factors. These factors include whether the Group has the ability to influence operating hours, employees, and prices, whether it bears significant credit and inventory risk, and whether it has primary responsibility for providing the goods or services to the ultimate customer (the park guest or venue).

When revenue is recognised on a gross basis, management has determined that the Group is operating the product with enough autonomy and control over the outcome that is bears significant risk and responsibility such that it is acting as the principal. The Group is generally responsible for the operation within the attraction, including sales, operation, employee management (including hiring), maintenance of the equipment and facility, and guest relations.

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

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:

Determination of fair values of intangible assets acquired in business combinations
Intangible assets acquired in business combinations are important to the revenue generating capacity of the Group. The recognition of intangible assets requires management to apply judgement, and may require management to contract with specialists to assist when it deems necessary. The recognition of goodwill in a business combination results from assets which do not qualify for separate recognition, such as an assembled workforce, and buyer-specific synergies.

The fair values are based on a market participant's ability to utilise the assets, determined using a method appropriate to the specific intangible asset, and reflect assumptions and estimates that have a material effect on the carrying value of the asset.

Key assumptions and estimates made in valuing the acquired intangible assets include:
- Cash flow forecasts prepared at the time of acquisition, which involve estimating future business volumes;
- The discount rate applied to the forecasted future cash flows; and
- The costs to recreate the asset.

The nature and inherent uncertainty relating to these assumptions and estimates means that the actual cash flow may be materially different from the forecast, and would therefore have led to a different asset value. See note 2 for the useful lives and amortisation policies regarding intangible assets acquired in business combinations.

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

Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the smallest group of assets to which it belongs for which there are separately identifiable cash flows; its cash generating units ('CGUs'). Goodwill is allocated on initial recognition to each of the Group's CGUs that are expected to benefit from the synergies of the combination giving rise to the goodwill. As the Group's CGUs have become more interrelated, and acquisitions are made with the intention of platform integration, the allocation of goodwill is monitored across the CGUs.

Notes to the consolidated financial statements (continued)
for the financial year ended 31 December 2017

Critical judgements and key sources of estimation uncertainty (continued)

Management must make estimates of the pre-tax discount rate, operating margin, and terminal growth rate when testing for impairment. These inputs are based upon historical data and estimates of future events which can be difficult to predict, and actual results could vary from the estimate. See note 13 for management's assumptions used in testing for impairment.

4. 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 17 and 18, the Group's financial instruments comprise cash, borrowings, and finance leases. The fair values of these instruments are not materially different to their book values. The objective of holding financial instruments is to finance the Group's operations and manage related risks.

Liquidity risk

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

Maturity analysis

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

31 December 2017	Note	**Less than 6 months $000**	**Between 6 months and 1 year $000**	**Between 1 and 5 years $000**	**Over 5 Years $000**	**Total $000**
Group						
Financial liabilities	18	**18,123**	**1,240**	**3,024**	**-**	**22,387**
Finance lease		**9**	**-**	**-**	**-**	**9**
Bank loan	19	**-**		**16,462**	**-**	**16,462**
Total		**18,132**	**1,240**	**19,486**	**-**	**38,858**
Company						
Financial liabilities	18	**583**	**-**	**-**	**-**	**583**
Bank loan	19	**-**	**-**	**16,462**	**-**	**16,462**
Total		**583**	**-**	**16,462**	**-**	**17,045**

Notes to the consolidated financial statements (continued)
for the financial year ended 31 December 2017

Financial risk management (continued)

31 December 2016	Note	Less than 6 months $000	Between 6 months and 1 year $000	Between 1 and 5 years $000	Over 5 Years $000	Total $000
Group						
Financial liabilities	18	1,701	99	-	-	1,800
Finance lease		27	27	9	-	63
Bank loan	19	-	-	9,434	-	9,434
Total		1,728	126	9,443	-	11,297
Company						
Financial liabilities	17	149	-	-	-	149
Bank loan	19	-	-	9,434	-	9,434
Total		149	-	9,434	-	9,583

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

Interest rate risk

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

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

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

31 December 2017	Note	**Fixed rate $000**	**Floating rate $000**	**Non-interest bearing $000**	**Total assets $000**	**Total liabilities $000**
Group						
Financial assets	17	**-**	**-**	**17,141**	**17,141**	**-**
Cash		**-**	**-**	**28,668**	**28,668**	**-**
Total		**-**	**-**	**45,809**	**45,809**	**-**
Bank loan	19		**(16,462)**	**-**	**-**	**(16,462)**
Finance lease		**(9)**	**-**	**-**	**-**	**(9)**
Total		**(9)**	**(16,462)**	**-**	**-**	**(16,471)**
Company						
Financial assets	17	**79,819**	**-**	**10,954**	**90,773**	**-**
Cash		**-**	**-**	**1,909**	**1,909**	**-**
Total		**79,819**	**-**	**12,863**	**92,682**	**-**
Bank loan	19	**-**	**(16,462)**	**-**	**-**	**(16,462)**
Total		**-**	**(16,462)**	**-**	**-**	**(16,462)**

Notes to the consolidated financial statements (continued)
for the financial year ended 31 December 2017

Financial risk management (continued)

31 December 2016	Note	Fixed rate $000	Floating rate $000	Non-interest bearing $000	Total assets $000	Total liabilities $000
Group						
Financial assets	17	-	-	8,905	8,905	-
Cash		-	-	5,866	5,866	-
Total		-	-	14,771	14,771	-
Bank loan	19	-	(9,434)	-	-	(9,434)
Finance lease		(63)	-	-	-	(63)
Total		(63)	(9,434)	-	-	(9,497)
Company						
Financial assets	17	13,973	-	1,985	15,958	-
Cash		-	-	1,303	1,303	-
Total		13,973	-	3,288	17,261	-
Bank loan	19	-	(9,434)	-	-	(9,434)
Total		-	(9,434)	-	-	(9,434)

Credit risk exposure

Credit risk predominantly arises from trade receivables, cash and cash equivalents, and deposits with banks. Credit risk is managed on a Group basis. External credit checks are obtained for larger customers. In addition, the credit quality of each customer is assessed internally before accepting any terms of trade. Internal procedures take into account a 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	**2017 $000**	2016 $000	**2017 $000**	2016 $000
Financial assets	19	**17,141**	8,905	**90,773**	15,958
Cash	18	**28,668**	5,866	**1,909**	1,303
Estimated irrecoverable amounts		**(222)**	(75)	**-**	-
		45,587	14,696	**92,682**	17,261

The maximum exposure is the carrying amount as disclosed in trade and other receivables. The average credit period taken by customers is 31 days (2016: 31 days). The allowance for estimated irrecoverable amounts has been made based upon the knowledge of the financial circumstances of individual trade receivables at the balance sheet date. The Group holds no collateral against these receivables at the balance sheet date.

The following table provides an analysis of trade and other receivables that were past due at 31 December 2017 and 31 December 2016, 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	
	2017 $000	2016 $000	**2017 $000**	2016 $000
Up to 3 months	**10,173**	3,542	**644**	505
3 to 6 months	**612**	515	**59**	2
	10,785	4,057	**703**	507

Notes to the consolidated financial statements (continued)
for the financial year ended 31 December 2017

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, other reserves, accumulated retained earnings and borrowings as disclosed in the Consolidated statement of financial position. Further details of the Group's borrowing facilities are included in note 19. The Group manages its capital structure in the light of changes in economic conditions and financial markets generally and regularly evaluates its compliance with covenants applicable to their borrowing facilities.

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

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

Foreign currency exposure

The Group primarily has operations or customers in the UK, USA, Canada, Italy, Germany, Australia, Brazil, and Mexico, and, as such, is exposed to the risk of foreign currency fluctuations. The main operating currencies of its operations are in sterling, US dollars, and euros. The Group's currency exposure comprises the monetary assets and liabilities of the Group that are not denominated in the operating or 'functional' currency of the operating unit involved. At the period end, Group companies held monetary assets in currencies other than their local currency. Balances at 31 December 2017 are (in $'000s):

$714 (2016: $280) denominated in US dollars
AUD$9 (2016: AUD$80) denominated in Australian dollars
€85 (2016: €133) denominated in euros
Kr856 (2016: Kr419) denominated in Danish krone
CAD$nil (2016: CAD$16) denominated in Canadian dollars

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

The Group considers the volatility of currency markets over the year to be representative of the potential foreign currency risk it is exposed to. The main currency the Group's results were exposed to was sterling and over the year the average rate for 1GBP = 1.2906USD (2016: 1GBP = 1.345USD). 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 $199,805 (1.77%). 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 $199,805 (1.77%).

Fair Value Measurement

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

5. 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 as a whole and monitors its operational performance against this strategy.

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

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

Notes to the consolidated financial statements (continued)
for the financial year ended 31 December 2017

Business and geographical segments (continued)

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

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

	Revenue		Non-current assets	
	2017 $000	2016 $000	**2017 $000**	2016 $000
UK	**22,701**	4,384	**38,788**	7,459
Other Europe	**2,138**	2,053	**67**	86
Australia/South Pacific	**1,565**	765	**637**	93
USA and Canada	**103,294**	92,993	**162,048**	77,353
Central and South America	**3,731**	2,316	**158**	115
	133,429	102,511	**201,698**	85,106

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

Major customers

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

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

The customers of one of the park operators with which the Group has a contractual relationship accounts for $44.8m of Group revenue for 2017 (2016: $51.3m).

6. Revenue

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

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

	2017 $000	2016 $000
Transactional revenue	**99,188**	84,912
Other repeatable revenue	**9,045**	7,942
Non-repeatable revenue	**17,297**	5,415
Other revenue	**7,899**	4,242
	133,429	102,511

See note 2 for a description of revenue recognition policies, and note 5 for a geographical breakdown of revenue.

7. Employees and directors

	2017 $000	2016 $000
Wages and salaries	**34,315**	28,725
Social security costs	**2,600**	2,464
Defined contribution pension costs	**904**	750
Share-based payment transactions	**1,089**	987
	38,908	32,926

Notes to the consolidated financial statements (continued)
for the financial year ended 31 December 2017

Employees and directors (continued)

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

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

	2017	2016
Operations	**169**	131
Research & development	**200**	140
Sales & marketing	**34**	33
Finance & administration	**60**	47
Seasonal staff	**418**	398
	881	749

8. Expenses by nature

	2017 $000	2016 $000
Park operating costs (i) and costs associated with ticket sales	**59,071**	44,274
Staff costs, less costs associated with research and development	**24,549**	21,050
Deferred and contingent compensation related to acquisitions	**2,131**	-
Legal and professional costs	**5,784**	3,067
Travel	**2,249**	1,621
Marketing	**1,679**	1,733
Inventories and consumables	**315**	678
Other costs	**4,777**	5,035
Other operating leases	**1,675**	1,229
Depreciation - owned assets	**1,277**	1,345
Depreciation - finance leased assets	**44**	48
Amortisation	**12,801**	6,221
Research and development	**20,025**	17,869
Research and development capitalized to balance sheet	**(12,395)**	(11,591)
Foreign exchange differences	**206**	(582)
	124,188	91,997

(i) Park operating costs include an amount payable to the park when the Group is acting as the principal in the contract, along with the Group's other park operating costs, regardless of whether it is principal or agent. See notes 2 and 3 for details on how the Group recognises revenue and determines whether principal or agent treatment is appropriate.

Auditor's remuneration

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

	2017 $000	2016 $000
Audit services		
Fees payable to the company's auditors of the parent company and consolidated accounts	**148**	91
Fees payable to the company's auditors for the audit of subsidiaries	**138**	84
Non-audit services		
Tax compliance	**32**	8
Tax advisory	**291**	20
Tax other	**5**	-
Corporate finance	**203**	96
Audit-related assurance services	**29**	-
	846	299

Notes to the consolidated financial statements (continued)
for the financial year ended 31 December 2017

9. Finance income and expense

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

	2017 $000	2016 $000
Finance income:		
Bank interest received	5	4
Interest received from customers	19	-
Total finance income	24	4
Finance costs:		
Bank interest	(741)	(360)
Amortisation of capitalised refinance costs	(224)	(48)
Interest expense associated with contingent and deferred compensation	(1,131)	-
Finance lease	(3)	(6)
Total finance costs	(2,099)	(414)
Net finance expense	(2,075)	(410)

10. Tax

The table below provides an analysis of the tax charge for the periods ended 31 December 2017 and 31 December 2016:

	2017 $000	2016 $000
UK corporation tax		
Current tax on income for the period	1,012	179
Adjustment in respect of prior periods	154	(113)
	1,166	66
Overseas tax		
Current tax on income for the period	1,289	1,432
Adjustment in respect of prior periods	(707)	129
	582	1,561
Total current taxation	1,748	1,627
Deferred taxation		
Original and reversal of temporary difference - for the current period	382	831
Impact on deferred tax of US rate change	(5,094)	-
Original and reversal of temporary difference - for the prior period	229	118
	(4,483)	949
Total taxation (benefit) / charge	(2,735)	2,576

Notes to the consolidated financial statements (continued)
for the financial year ended 31 December 2017

Tax (continued)

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

	2017 $000	2016 $000
Profit on ordinary activities before tax	**7,166**	10,102
Tax at United States tax rate of 40% (2016: 40.0%)	**2,866**	4,041
Effects of:		
Expenses not deductible for tax purposes	**1,380**	60
Additional deduction for patent box	**(175)**	(104)
Additional deduction for R&D expenditure – current period	**(130)**	(200)
Profit subject to foreign taxes at a lower marginal rate	**(1,050)**	(1,197)
Adjustment in respect of prior period – income statement	**(324)**	134
Deferred tax not recognized	**1**	70
Impact of US tax rate change	**(5,094)**	-
Other including impact of rate differential	**(209)**	(228)
Total tax (benefit) / charge	**(2,735)**	2,576

Deferred taxation

	Asset $000	Liability $000
Group		
At 31 December 2015	1,377	(9,196)
Charged to income	(105)	(843)
Credited directly to equity	4,736	49
At 31 December 2016	**6,008**	**(9,990)**
Charged to income	**(5,056)**	**9,539**
Credited directly to equity	**2,793**	**(181)**
Acquired from business combinations	**5,192**	**(13,997)**
At 31 December 2017	**8,937**	**(14,629)**
Company		
At 31 December 2015	283	(228)
Charged to income	(29)	(890)
Credited directly to equity	760	49
At 31 December 2016	**1,014**	**(1,069)**
Charged to income	**(62)**	**(115)**
Credited directly to equity	**585**	**-**
Netted against the asset	**(1,184)**	**1,184**
At 31 December 2017	**353**	**-**

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

	2017 $000	2016 $000
Group		
Recognised asset		
Tax relief on unexercised employee share options	**6,977**	5,796
Short term timing differences	**974**	180
Net operating losses & tax credits	**986**	32
Deferred tax asset	**8,937**	6,008

Notes to the consolidated financial statements (continued)
for the financial year ended 31 December 2017

Tax (continued)

	2017	2016
	$000	$000
Recognised liability		
Depreciation in excess of capital allowances	**(3,078)**	(4,116)
Short term timing differences	**(272)**	(257)
Business combinations	**(11,279)**	(5,617)
Deferred tax liability	**(14,629)**	(9,990)
Company		
Recognised asset		
Tax relief on unexercised employee share options	**1,535**	1,012
Short term timing differences	**2**	2
Offset against Company deferred tax asset	**(1,184)**	-
Deferred tax asset	**353**	1,014
Recognised liability		
Depreciation in excess of capital allowances	**(1,184)**	(1,069)
Offset against Company deferred tax asset	**1,184**	-
Deferred tax liability	**-**	(1,069)

Tax rates in the UK will reduce from 19% to 17% with effect from 1 April 2020. Tax rates in the US will reduce from 35% to 21%, before state taxes, with effect from 1 January 2018. As both rate changes have been substantively enacted at the balance sheet date, deferred tax assets and liabilities have been measured at a rate of 17% and 21% plus state taxes in the UK and US, respectively (2016: 17% and 40%, respectively). The significant reduction in the US corporate rate will also reduce the Group's effective tax rate in future periods. There are no material unrecognized deferred tax assets.

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

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

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

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

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

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

Notes to the consolidated financial statements (continued)
for the financial year ended 31 December 2017

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

The Group has recognised provisions where it is not probable that tax positions taken will be accepted, totalling $0.6 million in relation to transfer pricing risks and $0.4 million in relation to availability of tax losses and international R&D claims.

11. Profit of parent company

As permitted by Section 408 of the Companies Act 2006, the profit and loss account of the parent company is not presented as part of these financial statements. The parent company's profit for the financial year ended 31 December 2017 was (in $'000) $4,442 (2016: $6,096).

12. Earnings per share

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

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

Earnings for adjusted earnings per share, a non-GAAP measure, are defined as profit before tax before the deduction of amortisation related to acquisitions, acquisition costs, deferred and contingent consideration, credits to the income statement from the reversal of the earn-out liability, and costs related to share-based payments, less tax at the effective rate.

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

	2017	2016
Profit attributable to ordinary shareholders ($000)	**9,901**	7,526
Basic EPS		
Denominator		
Weighted average number of shares used in basic EPS	**24,250**	22,169
Basic earnings per share (cents)	**40.83**	33.95
Diluted EPS		
Denominator		
Weighted average number of shares used in basic EPS	**24,250**	22,169
Effect of dilutive securities		
Options	**1,337**	1,332
Weighted average number of shares used in diluted EPS	**25,587**	23,501
Diluted earnings per share (cents)	**38.70**	32.02
Adjusted EPS		
Profit attributable to ordinary shareholders ($000)	**9,901**	7,526
Adjustments for the period related to:		
Amortisation relating to acquired intangibles from acquisitions	**8,591**	4,227
Interest expense related to deferred and contingent liabilities	**1,131**	-
Acquisition expenses (including debt arrangement fees)	**1,474**	-
Deferred and contingent payments	**2,131**	-
Profit recognised on reduction of earn out -liability	**(3,228)**	-
Share-based compensation and social security costs on unapproved options	**1,089**	987
US tax code – tax credit from revaluation of US deferred balances	**(4,450)**	-
	16,639	12,740
Net tax related to the above adjustments (2017: 24.0%, 2016: 25.5%):	**(2,880)**	(1,330)
Adjusted profit attributable to ordinary shareholders ($000)	**13,759**	11,410

Notes to the consolidated financial statements (continued)
for the financial year ended 31 December 2017

Earnings per share (continued)

	2017	2016
Adjusted profit attributable to ordinary shareholders ($000)	**13,759**	11,410
Adjusted basic EPS		
Denominator		
Weighted average number of shares used in basic EPS	**24,250**	22,169
Adjusted basic earnings per share (cents)	**56.73**	51.48
Adjusted diluted EPS		
Denominator		
Weighted average number of shares used in diluted EPS	**25,587**	23,501
Adjusted diluted earnings per share (cents)	**53.77**	48.55

13. Intangible assets

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

	Goodwill $000	Customer relationships & supplier contracts $000	Trademarks $000	Internally developed technology $000	Patent & IPR costs $000	Development costs $000	Totals $000
Cost							
At 31 December 2015	43,862	10,240	470	20,280	658	13,775	89,285
Foreign currency translation	-	-	(1)	-	(93)	(989)	(1,083)
Additions	-	-	-	-	84	11,591	11,675
At 31 December 2016	43,862	10,240	469	20,280	649	24,377	99,877
Foreign currency translation	1,533	129	109	834	51	993	3,649
Additions	-	-	-	-	-	12,395	12,395
Acquired with acquisition	71,942	8,046	1,349	32,522	64	-	113,923
At 31 December 2017	**117,337**	**18,415**	**1,927**	**53,636**	**764**	**37,765**	**229,844**
Amortisation							
At 31 December 2015	-	1,676	241	6,129	416	4,267	12,729
Foreign currency translation	-	-	-	-	(58)	(624)	(682)
Charged	-	882	142	3,205	62	1,927	6,218
At 31 December 2016	-	2,558	383	9,334	420	5,570	18,265
Foreign currency translation	-	8	3	55	33	381	480
Charged	-	1,837	170	6,585	43	4,166	12,801
At 31 December 2017	**-**	**4,403**	**556**	**15,974**	**496**	**10,117**	**31,546**

Notes to the consolidated financial statements (continued)
for the financial year ended 31 December 2017

Intangible assets (continued)

	Goodwill $000	Customer relationships & supplier contracts $000	Trademarks $000	Internally developed technology $000	Patent & IPR costs $000	Development costs $000	Totals $000
Net book value							
At 31 December 2017	**117,337**	**14,012**	**1,371**	**37,662**	**268**	**27,648**	**198,298**
At 31 December 2016	43,862	7,682	86	10,946	229	18,807	81,612

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 2015	551	5,937	6,488
Foreign currency translation	(93)	(988)	(1,081)
Additions	84	4,883	4,967
At 31 December 2016	542	9,832	10,374
Foreign currency translation	51	995	1,046
Additions	-	1,642	1,642
At 31 December 2017	**593**	**12,469**	**13,062**
Amortisation			
At 31 December 2015	329	3,732	4,061
Foreign currency translation	(57)	(622)	(679)
Charged	62	504	566
At 31 December 2016	334	3,614	3,948
Foreign currency translation	33	383	416
Charged	43	1,280	1,323
At 31 December 2017	**410**	**5,277**	**5,687**
Net Book Value			
At 31 December 2017	**183**	**7,192**	**7,375**
At 31 December 2016	208	6,218	6,426

Acquisition of Ingresso Group Limited

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

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

Notes to the consolidated financial statements (continued)
for the financial year ended 31 December 2017

Intangible assets (continued)

The earn out, payable in 2018, is based on the financial performance of Ingresso for the year ended 31 December 2017 exceeding its financial performance in 2016. It is payable in cash and secured by a floating charge on the assets of Ingresso.

The full earn out was not achieved, resulting in a credit to the Consolidated and company statement of comprehensive income of $3.2m. The Group's statement of financial position includes a liability in relation to the earn out of $9.1m. Under IFRS 3, consideration payable to employees of the acquired company is compensation expense, rather than deferred consideration. The Group’s income statement contains $1.0m of compensation expense due to this treatment within administrative expenses, and $0.2m of interest expense related to this treatment.

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

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

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

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

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

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

The main factors leading to the recognition of goodwill are the presence of certain intangible assets, such as the assembled workforce of the acquired entity and the expected synergies of the enlarged Group, which do not qualify for separate recognition, including the ability to integrate into the Group’s current product mix and enable increased sales through third party channels, unavailable to other market participants without its contracts.

The net cash outflow in respect of the acquisition comprised:

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

Notes to the consolidated financial statements (continued)
for the financial year ended 31 December 2017

Intangible assets (continued)

Acquisition of Blazer and Flip Flops Inc DBA The Experience Engine ("TE2")

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

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

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

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

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

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

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

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

Deferred consideration consisting of 454,547 shares will be issued to certain key employees of TE2, contingent upon their continued employment, over 36 months. Shares will be issued in 3 separate tranches: one-third 12 months after the completion date; a further one-third 24 months after the completion date; and the final one-third is released rateably over 12 months from the 25th to 36th month after the completion date. A charge in relation to this of $1.3m is booked to Other Reserves.

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

Notes to the consolidated financial statements (continued)
for the financial year ended 31 December 2017

Intangible assets (continued)

The net cash outflow in respect of the acquisition comprised:

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

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

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

The Group considers acquisitions based upon their ability to add accretive earnings to the Group and leverage off customer relationships already in place, or bring the Group's portfolio into new markets. As such, the goodwill of cash generating units (CGUs) is monitored at a Group level, rather than at the individual CGU level. Accordingly, for the impairment test of goodwill, the CGUs are tested collectively.

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

The key assumptions used for value in the calculations in 2017 and 2016 are as follows:

	2017 $000	2016 $000
Pre-tax discount rate (%)		
Acquired cash generating unit: accesso, LLC & Siriusware, Inc. (CGU 1)	**9.1**	15.5
Acquired cash generating unit: VisionOne Worldwide Limited and its subsidiaries (CGU 2)	**9.1**	15.5
Acquired cash generating unit: Ingresso Group (CGU 3)	**10.1**	-
Acquired cash generating unit: TE2 (CGU 4)	**12.5**	-
Average operating margin (%)		
Acquired cash generating unit: accesso, LLC & Siriusware, Inc. (CGU 1)	**25.8**	19.1
Acquired cash generating unit: VisionOne Worldwide Limited and its subsidiaries (CGU 2)	**17.9**	35.8
Acquired cash generating unit: Ingresso Group (CGU 3)	**4.7**	-
Acquired cash generating unit: TE2 (CGU 4)	**16.3**	-
Average EBITDA growth rate (%)		
Acquired cash generating unit: accesso, LLC & Siriusware, Inc. (CGU 1)	**7.0-21.0**	8.0-20.0
Acquired cash generating unit: VisionOne Worldwide Limited and its subsidiaries (CGU 2)	**11.0-27.0**	11.0-15.5
Acquired cash generating unit: Ingresso Group (CGU 3)	**10.0-48.0**	-
Acquired cash generating unit: TE2 (CGU 4)	**(56.0)-65.0**	-
Terminal growth rate (%)		
Acquired cash generating unit: accesso, LLC & Siriusware, Inc. (CGU 1)	**3**	3
Acquired cash generating unit: VisionOne Worldwide Limited and its subsidiaries (CGU 2)	**3**	3
Acquired cash generating unit: Ingresso Group (CGU 3)	**3**	-
Acquired cash generating unit: TE2 (CGU 4)	**3**	-
Forecast period (years)		
Acquired cash generating unit: accesso, LLC & Siriusware, Inc. (CGU 1)	**5**	5
Acquired cash generating unit: VisionOne Worldwide Limited and its subsidiaries (CGU 2)	**5**	5
Acquired cash generating unit: Ingresso Group (CGU 3)	**5**	-
Acquired cash generating unit: TE2 (CGU 4)	**5**	-

Notes to the consolidated financial statements (continued)
for the financial year ended 31 December 2017

Intangible assets (continued)

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

In respect of the pooled goodwill, a reasonable change in the key assumptions of the terminal growth rate and operating margin did not significantly impact the recoverable value. If the pre-tax discount rate used for the test was 34.4%, the carrying amount and recoverable amount would be equal.

The value-in-use of the CGUs exceeds their carrying value by $247m.

14. Property, plant and equipment

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

	Installed systems	Plant, machinery and office equipment	Furniture & fixtures	Leasehold improvements	Totals
	$000	$000	$000	$000	$000
Cost					
At 31 December 2015	5,435	3,635	1,637	1,114	11,821
Foreign currency translation	(683)	(88)	(105)	-	(876)
Additions	361	859	573	155	1,948
Disposals	(104)	(1,087)	(93)	(8)	(1,292)
At 31 December 2016	5,009	3,319	2,012	1,261	11,601
Foreign currency translation	364	104	74	-	542
Additions	146	705	64	21	936
Acquired with acquisition	-	195	100	-	295
Disposals	(30)	(301)	(35)	-	(366)
At 31 December 2017	**5,489**	**4,022**	**2,215**	**1,282**	**13,008**
Depreciation					
At 31 December 2015	4,179	3,173	734	658	8,744
Foreign currency translation	(500)	(209)	(34)	-	(743)
Charged	671	337	242	143	1,393
Disposals	(104)	(1,087)	(92)	(4)	(1,287)
At 31 December 2016	4,246	2,214	850	797	8,107
Foreign currency translation	343	48	28	-	419
Charged	473	461	284	103	1,321
Acquired with acquisitions	-	95	20	-	115
Disposals	(27)	(298)	(29)	-	(354)
At 31 December 2017	**5,035**	**2,520**	**1,153**	**900**	**9,608**
Net book value					
At 31 December 2017	**454**	**1,502**	**1,062**	**382**	**3,400**
At 31 December 2016	763	1,105	1,162	464	3,494

Notes to the consolidated financial statements (continued)
for the financial year ended 31 December 2017

Property, plant and equipment (continued)

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

	Installed systems $000	Plant, machinery and office equipment $000	Furniture & fixtures $000	Totals $000
Cost				
At 31 December 2015	4,264	509	637	5,410
Foreign currency translation	(683)	(85)	(105)	(873)
Additions	224	473	250	947
At 31 December 2016	3,805	897	782	5,484
Foreign currency translation	364	94	73	531
Additions	6	292	9	307
At 31 December 2017	**4,175**	**1,283**	**864**	**6,322**
Depreciation				
At 31 December 2015	3,652	410	216	4,278
Foreign currency translation	(587)	(68)	(36)	(691)
Charged	418	56	70	544
At 31 December 2016	3,483	398	250	4,131
Foreign currency translation	343	44	27	414
Charged	221	161	86	468
At 31 December 2017	**4,047**	**603**	**363**	**5,013**
Net book value				
At 31 December 2017	**128**	**680**	**501**	**1,309**
At 31 December 2016	322	499	532	1,353

15. Investments

Investment in subsidiaries

The investment balance on the company's books at 31 December 2017 is as detailed below:

	$000
Cost	
At 31 December 2016	37,806
Purchase of subsidiaries	28,289
Foreign currency translation	7,258
At 31 December 2017	**73,353**
At 31 December 2015	45,614
Foreign currency translation	(7,808)
At 31 December 2016	37,806
Net book value	
At 31 December 2016	37,806
At 31 December 2017	**73,353**

Notes to the consolidated financial statements (continued)
for the financial year ended 31 December 2017

Investments (continued)

Name	Country of incorporation	% Ownership interest	% Voting Rights
Lo-Q, Inc. (1)	United States of America	100	100
Lo-Q Service Canada Inc (1)	Canada	100	100
Lo-Q (Trustees) Limited (2)	United Kingdom	100	100
accesso, LLC. (3)	United States of America	100	100
Siriusware, Inc. (4)	United States of America	100	100
Lo-Q Limited (5)	United Kingdom	100	100
VisionOne Worldwide Limited (6)	British Virgin Islands	100	100
VisionOne, Inc. (7)	United States of America	100	100
VisionOne S.A. de C.V. (8)	Mexico	100	100
ShoWare do Brazil Ltda (9)	Brazil	100	100
VisionOne do Brazil Ltda (9)	Brazil	100	100
Accesso Australia PTY Limited (10)	Australia	100	100
Blazer and Flip Flops Inc (11)	United States of America	100	100
TE2 Ireland (12)	Ireland	100	100
Ingresso Group Limited (13)	United Kingdom	100	100
accesso Nederland NV (14)	Netherlands	100	100

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

(1) Registered address of 420 Thornton Rd, Suite 109, Lithia Springs, GA, USA
(2) Registered address of Unit 5, The Pavilions, Ruscombe Park, Twyford, Berkshire RG10 9NN, UK
(3) Registered address of 1025 Greenwood Blvd, Suite 500, Lake Mary, FL, USA
(4) Registered address of 302 Camino de la Placita, Taos, NM, USA
(5) Registered address of Unit 5, The Pavilions, Ruscombe Park, Twyford, Berkshire RG10 9NN, UK
(6) Registered address of Geneva Place, PO Box 3469, Waterfront Drive, Road Town, British Virgin Islands
(7) Registered address of 6781 N Palm Ave, #120, Fresno, CA 93704, USA
(8) Registered address of Montecito #38, Piso 30 Oficinas 26 y 27, Colonia Napoles, 03810, Mexico City, Mexico, D.F.
(9) Registered address of Rua Joaquim Floriano, no. 888, Suite 1003, Itaim Bibi, CEP 04534-003, Sao Paulo, Sao Paulo, Brazil
(10) Registered address of 135 King Street, Floor 13, Sydney City, 2000, NSW, Australia
(11) Registered address of 4660 La Jolla Village Dr, Suite 620, Sand Diego, CA 92122
(12) Registered address of Block 3, Harcourt Centre, Harcourt Rd, Dublin 2 Ireland
(13) Registered address of Unit 5, The Pavilions, Ruscombe Park, Twyford, Berkshire RG10 9NN, UK
(14) Registered address of Butterwick 1, London, W6 8DL, UK

accesso, LLC, Siriusware, Inc. and VisionOne, Inc. and Blazer and Flip Flops Inc are 100% owned by Lo-Q, Inc. VisionOne do Brazil Ltda and VisionOne do Mexico Ltda are 100% owned by VisionOne Worldwide Ltd. Showare Do Brazil Ltda is 100% owned by VisionOne do Brazil Ltda. TE2 Ireland is 100% owned by Blazer and Flip Flops Inc.

The trade for both Lo-Q, Inc. and Lo-Q Service Canada Inc is that of the application of virtual queue technologies. The trade of accesso, LLC, Siriusware, Inc., the VisionOne subsidiaries, Accesso Australia PTY Limited, Ingresso Group Limited and Blazer and Flip Flops Inc is that of ticketing, point-of-sale and experience management technology solutions. The economic characteristics of the entities are similar, including customer bases, and operating margins, and therefore they are classified as one segment.

Lo-Q (Trustees) Limited operates an employee benefit trust on behalf of accesso Technology Group plc to provide benefits in accordance with the terms of a joint share ownership plan. Further details of this can be found on page 19.

16. Inventories

	Group		Company	
	2017 $000	2016 $000	**2017 $000**	2016 $000
Stock	**443**	478	**279**	303
Park installation	**63**	13	**-**	-
	506	491	**279**	303

The amount of inventories recognised as an expense and charged to cost of sales for the year ended 31 December 2017 was $2,468,289 (2016: $1,878,066). Park installation balances includes equipment installed at a theme or water park on a trial basis or during the phase prior to a new or updated operation commencing.

Notes to the consolidated financial statements (continued)
for the financial year ended 31 December 2017

17. Trade and other receivables

	Group		Company	
	2017	2016	**2017**	2016
	$000	$000	**$000**	$000
Trade debtors	**15,013**	5,903	**1,533**	970
Accrued income	**1,428**	2,812	**108**	129
Social security and other taxes	**17**	-	**17**	-
Other debtors	**683**	190	**137**	38
Amounts owed by Group undertakings	**-**	-	**88,978**	14,821
Financial assets	**17,141**	8,905	**90,773**	15,958
VAT	**-**	(1)	**-**	4
Prepayments	**2,620**	1,328	**861**	344
	19,761	10,232	**91,634**	16,306

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

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

18. Trade and other payables

	Group		Company	
	2017	2016	**2017**	2016
	$000	$000	**$000**	$000
Current				
Trade creditors	**14,212**	1,281	**585**	150
Current other creditors	**5,151**	519	**(2)**	(1)
	19,363	1,800	**583**	149
Non-current other creditors	**3,024**	-	**-**	-
Financial liabilities	**22,387**	1,800	**583**	149
Deferred revenue	**12,004**	4,050	**356**	-
Social security and other taxes	**1,934**	42	**175**	(19)
Accruals	**16,573**	5,350	**10,298**	1,128
	52,898	11,242	**11,412**	1,258

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

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

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

Included within accruals for the Group and company are amounts owed related to contingent and deferred consideration resulting from acquisitions ($9.1m, 2016: $nil).

Notes to the consolidated financial statements (continued)
for the financial year ended 31 December 2017

19. Borrowings

	Group		Company	
	2017	2016	**2017**	2016
	$000	$000	**$000**	$000
Bank loans	**16,462**	9,434	**16,462**	9,434
Arrangement fees, less amortised cost	**(322)**	(136)	**(322)**	(136)
	16,140	9,298	**16,140**	9,298

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

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

As discussed in note 13, on 30 March 2017, in conjunction with the purchase of Ingresso Group Ltd, the Group entered into an amendment and restatement agreement in relation to the facility dated 14 March 2016, extending the facility to allow for the ability to draw down $60m, denominated in US dollars, GB Pound Sterling, or Euros. The agreement has a four-year term, with a $10m reduction in the total available for drawdown on the first, second and third anniversaries of the restatement. There is an option to extend the agreement for a further 12 months at the end of the first year, and an accordion mechanism allowing for a further $10m related to future acquisitions.

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

20. Called up share capital

	2017		2016	
Ordinary shares of 1p each	**Number**	**$000**	Number	$000
Opening balance	**22,277,631**	**357**	21,984,321	353
Issued in relation to exercised share options	**189,962**	**2**	293,310	4
Issued in relation to acquisitions	**3,908,155**	**52**	-	-
Closing balance	**26,375,748**	**411**	22,277,631	357

During the period, 189,962 shares, with a nominal value $2,381, were allotted following the exercise of share options.

On 30 March 2017, the Group entered into a subscription agreement, subsequent to the acquisition of Ingresso Group Limited, with Bart Van Schriek, Chief Executive Officer of Ingresso Group plc. Mr Van Schriek agreed to subscribe for 31,685 new ordinary shares of 1p each for a total cash payment of $0.6m ($19.71 per share). Shares are subject to certain lock-up restrictions, under which no disposals are allowed during the first 12 months from the subscription date, with one third being released from the restriction at each 12 month period from the subscription date.

On 19 July 2017, the Group issued 3,631,342 ordinary shares, with a nominal value of $0.05m, in connection with the purchase of Blazer and Flip Flops Inc as part of an accelerated book build. The shares issued in relation to the vendor placing were 3,304,507, with 326,835 issued in relation to a cash placing. The shares had a placing price of $20.81, resulting in gross proceeds of $75.6m. Shares

On 20 July 2017, the Group issued 245,128 ordinary shares as consideration for the acquisition of Blazer and Flip Flops Inc. The shares had a nominal value of $0.004m. Additional shares will be issued over the next 36 months as contingent consideration.

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

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

Notes to the consolidated financial statements (continued)
for the financial year ended 31 December 2017

21. Reserves

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

Reserve	***Description and purpose***
Share premium:	Amount subscribed for share capital in excess of nominal value
Own shares held in trust:	Weighted average cost of own shares held by the EBT
Other reserve:	Reserve to account for share option equity-based transactions and equity-settled deferred consideration
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

22. Pension commitments

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

	2017	2016
	$000	$000
Pension charge in the period	**904**	750
Payable to the fund (included within other creditors)	**85**	57

23. Related party disclosures

Ultimate controlling party

There is no ultimate controlling party.

Subsidiaries

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

Other related parties

Rockspring, a company in which David Gammon, an accesso Technology Group plc director, is a director invoiced the company in respect of director’s fees $51,625 (2016: $43,357), of which $4,254 (2016: $7,032) was outstanding at year end.

Maven Creative, LLC., a company in which Steve Brown, an accesso Technology Group plc director, is a member and has a 33% interest, invoiced the Group $55,434 (2016: $197,627) in respect of marketing services, of which $1,778 (2016: $164) was outstanding at year end.

Siriusware Inc, a subsidiary of the Group, is party to a property lease, in respect of a corporate office of the Group, with B Sirius LLC and lease payments totaling $80,400 (2016: $80,400) were payable in 2017 to B Sirius LLC, of which $nil (2016: $nil) was outstanding at year end. An officer of Siriusware Inc is a member of B Sirius LLC.

All the above outstanding amounts are included within trade creditors.

Key management compensation

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

	2017	2016
	$000	$000
Executive director’s remuneration	**2,283**	1,987
Executive director's contribution to retirement scheme	**22**	27
Employer’s social security costs	**229**	166
Share-based payments	**324**	198
	2,858	2,378

Notes to the consolidated financial statements (continued)
for the financial year ended 31 December 2017

24. Share-based payment schemes and transactions

Share option schemes

At 31 December 2017 the following share options were outstanding in respect of the ordinary shares:

Scheme	Number of shares	Period of Option	Price per share
EMI Scheme	1,850	25 June 2010 to 24 June 2019	57.5p
	18,235	24 June 2013 to 23 June 2021	179p
	6,714	30 November 2014 to 29 November 2022	323.5p
	8,000	25 April 2015 to 25 April 2023	600p
	4,750	23 January 2017 to 22 January 2024	697.5p
	18,000	15 April 2018 to 15 April 2025	557.5p
	17,300	29 April 2019 to 28 April 2026	1105p
US Scheme	100,000	10 March 2012 to 9 March 2021 (1)	156p
	2,500	24 June 2013 to 23 June 2021	179p
	9,789	30 November 2014 to 29 November 2022	323.5p
	5,000	26 March 2014 to 25 March 2022	292.5p
	61,250	25 April 2015 to 25 April 2023	600p
	92,400	23 January 2017 to 22 January 2024	697.5p
	175,110	15 April 2018 to 15 April 2025	557.5p
	2,008	14 January 2018 to 14 January 2026	851p
	201,450	29 April 2019 to 28 April 2026	1105p
	2,262	23 May 2019 to 22 May 2026	1061p
UK unapproved Scheme	95,000	10 March 2012 to 9 March 2021	156p
Long term incentive plan	182,205	8 July 2017	-p (2)
	40,400	27 October 2017	-p (2)
	277,534	15 April 2018	-p (2)
	216,125	13 March 2019	-p (2)
	18,851	30 March 2017	-p (2)

(1) Options may only be exercised when the share price is above £1.82.
(2) Vesting is conditional on achievement of certain market based conditions.

Equity-settled share option schemes

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

	2017		2016	
	Number	**WAEP (pence)**	Number	WAEP (pence)
Outstanding at beginning of year	**1,823,684**	**340.04**	1,591,300	289.10
Granted during the year	**18,851**	**.01**	558,345	496.39
Exercised during the year	**(189,962)**	**449.64**	(293,310)	321.29
Leavers, lapsed & other	**(45,240)**	**834.14**	(32,651)	683.64
Outstanding at end of the year	**1,607,333**	**309.90**	1,823,684	340.04
Exercisable at the end of the year	**365,488**	**394.30**	387,250	289.02
Weighted average share price at date of exercise for share options exercised during the year:		**1,737.04**		1,092.3

The exercise price of options outstanding at 31 December 2017 range between £.01 and 1,105p (2016: £.01 and 1,105p) and their weighted average contractual life was 3.3 years (2016: 4.5 years).

The weighted average share price at the date of exercise for share options exercised during the period was 1,737.04p (2016: 1,092.3p). The only awards granted during the year were under the LTIP, and more information is provided below.

The inputs to the model for options issued in the prior period were as follows:

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

Notes to the consolidated financial statements (continued)
for the financial year ended 31 December 2017

Share-based payment schemes and transactions (continued)

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

Expected volatility was determined by calculating the historic volatility of the Group's share price over the previous twelve-month period. Expected life is based on the Group's assessment of the average life of the option following the vesting period. The market vesting condition was factored into the valuation of shares issued under the LTIP as explained on page 20.

Long-term incentive plan

On 30 March 2017, the Group granted conditional share award ("Awards") over a total of 18,851 ordinary shares of 1 penny under the Long-Term Incentive Plan, which was approved by shareholders on 27 May 2014.

On 14 March and 14 September 2016 the Group granted Awards over a total of 306,974 ordinary shares of 1 penny under the LTIP, and during 2014 and 2015, the company granted Awards over 222,206 and 277,534 ordinary shares of 1 penny under the LTIP, respectively.

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

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

	30 March 2017	14 March 2016	14 September 2016
Expected volatility (%)	**30.0**	28.0	28.0
Expected life years	**3.0**	3.0	2.5
Risk free rate (%)	**0.16**	0.73	0.16
Dividend yield (%)	**-**	-	-

25. 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.

	2016 $000	Acquired with acquisitions $000	Cash Flow $000	Exchange movement $000	**2017 $000**
Group					
Cash in hand & at bank	5,866	9,852	12,886	64	**28,668**
	5,866	9,852	12,884	64	**28,668**
Company					
Cash in hand & at bank	1,303	-	542	64	**1,909**
	1,303	-	542	64	**1,909**

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

Notes to the consolidated financial statements (continued)
for the financial year ended 31 December 2017

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

Group net debt reconciliation

	Note	**2017 $000**	2016 $000
Borrowings (including capitalised finance costs)	19	**16,140**	9,298
Less: Cash in hand & at bank		**(28,668)**	(5,866)
Net (cash) / debt		**(12,528)**	3,432

26. Commitments under operating leases

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

	2017 $000	2016 $000
Group		
Land & buildings		
Less than one year	**1,306**	935
Within one to five years	**3,147**	3,123
Greater than five years	**436**	1,003
	4,889	5,061
Other		
Less than one year	**48**	39
Within one to five years	**28**	34
Greater than five years	**-**	-
	76	73
Company		
Land & buildings		
Less than one year	**154**	100
Within one to five years	**308**	365
Greater than five years	**-**	-
	462	465
Other		
Less than one year	**37**	39
Within one to five years	**-**	34
Greater than five years	**-**	-
	37	73

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