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accesso Technology Group plc

Annual Report and financial statements

Year Ended

31 December 2015

Company Number 03959429



**Contents of the consolidated financial statements
for the financial year ended 31 December 2015**

	Page
Company information	2
Introduction and key financial highlights	3
Chairman's statement	5
Chief Executive Officer's statement	6
The board of directors	11
Strategic report	13
Report of the directors	15
Report of the independent auditors to the members of accesso Technology Group plc	22
Consolidated statement of comprehensive income	23
Consolidated statement of financial position	24
Company statement of financial position	25
Consolidated statement of cash flow	26
Company statement of cash flow	27
Statement of changes in Group equity	28
Statement of changes in company equity	29
Notes to the consolidated financial statements	30

accesso Technology Group plc

Company information for the financial year ended 31 December 2015

Directors:	John Weston, Non-Executive Chairman John Alder, Executive Steve Brown, Executive Tom Burnet, Executive Matt Cooper, Non-Executive David Gammon, Non-Executive Leonard Sim, Executive
Secretary:	Martha Bruce Bruce Wallace Associates Limited 120 Pall Mall London SW1Y 5EA
Registered office:	Unit 5, The Pavilions Ruscombe Park Twyford Berkshire RG10 9NN
Registered number:	03959429 (England and Wales)
Auditors:	BDO LLP Kings Wharf 20-30 Kings Road Reading Berkshire RG1 3EX
Bankers:	Lloyds Bank plc The Atrium Davidson House Forbury Square Reading Berkshire RG1 3EU

accesso Technology Group plc

Introduction and key financial highlights for the financial year ended 31 December 2015

Financial Highlights	12 months ended	12 months ended	Change
	31 Dec 15	31 Dec 14	
	(audited)	(audited)	
	\$m	\$m	
Revenue	93.2	75.1	+24.1%
Adj EBITDA (i)	15.2	11.0	+38.2%
Adj operating profit (ii)	12.6	8.7	+44.8%
Profit before tax	7.2	5.1	+41.2%
Cash generated from operations	14.7	10.7	+37.4%
Net debt (iii)	9.4	14.3	(34.3%)
Adjusted Earnings per share – basic (cents) (iv)	40.96	30.81	+32.9%
Earnings per share – basic (cents)	24.47	18.49	+32.3%

- (i) Adjusted EBITDA is defined as operating profit before the deduction of amortisation, depreciation, acquisition costs and costs related to share based payments
- (ii) Adjusted operating profit is defined as operating profit before the deduction of amortisation related to acquisitions, acquisition costs and costs related to share based payments
- (iii) Net debt is defined as borrowings less cash and cash equivalents
- (iv) Earnings used in the adjusted earnings per share calculation is defined as PBT before the deduction of amortisation related to acquisitions, acquisition costs and costs related to share based payments, less tax at the effective rate

Operational Highlights

accesso LoQueueSM – Higher volumes and intelligent selling drive growth

- Total guest revenue up 16.6% year-on-year
- Improved sales execution and optimised pricing drives an average revenue per guest improvement of 4.1% year-on-year
- Key contract wins included an expansion with Blackpool Pleasure Beach, an agreement for QbotSM with a major North American theme park and a five-year contract for QsmartSM at the Movie Animation Park Studios in Ipoh, Malaysia

accesso Passport[®] – Contract wins and product improvements extend market leadership and enhance growth platform

- Year-on-year volume growth of 20.5%. Mobile volumes up 159%, now representing 24% of total (2014: 11%)
- Transformative agreement with Merlin Entertainments Group Ltd to install accesso Passport across Merlin's entire estate
- Other notable wins include the One World Observatory at the One World Trade Centre in New York, Navy Pier in Chicago, and a 3 year contract extension with Cedar Fair Entertainments

Accesso SiriuswareSM – Technology enhancements delivering new business momentum

- 13 new contract wins during the year including Taos Ski Valley, Brooklyn Museum of Art, The Asian Art Museum and the Black Ball Ferry Line
- Blackpool Pleasure Beach is now accesso Siriusware's first European client; the second client globally to feature a same-site integration of accesso LoQueue and accesso Siriusware
- Improved technology enhances best-in-class guest-management solution

ShoWare[®] – Successfully integrated, adding value and performing well

- First full year after acquisition characterised by strong growth, reflecting quality of the asset and speed of integration
- Performance in line with expectations despite currency headwinds from key markets in Brazil and Mexico

Operational Highlights *(continued)*

- 68 new contracts won in the year demonstrates demand for the solution and its potential
- First live customer integrations with Siriusware and Passport complete

Post Period-End – Landmark Six Flags extension a transformative moment for our Group

- Strong momentum continues across all lines of business
- *accesso LoQueue* extension of its ticketing and queuing partnership with Six Flags Entertainment Corporation through 2025, underscores the value of our offering and confidently underpins future earnings projections
- Significant continued momentum in sales to mobile devices
- Successful debt refinancing completed

Directorate Change

Leonard Sim, who developed and prototyped our very first queuing solution in 1998 and who subsequently founded Lo-Q in the year 2000, has announced his retirement from the Group's board of directors with immediate effect. Leonard has made an outstanding contribution to our business – not just over this year, but since the Group's very first days of operation. He steps down from the Board today, but will remain with the Group as an employee as we move forward with our growth plans. All of us at today's strong, successful and global *accesso* owe Leonard a significant debt of gratitude: not just for his original 'bright idea', but for the energy and passion with which he has pushed that idea forward. The board of directors has no immediate plans to recruit a replacement, but will keep the situation under review.

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

"2015 was another strong year for accesso, across every part of our business. We have devoted considerable time, investment and technical attention to our product suite over the past twelve months. The rewards of those efforts are now starting to show through financially, operationally and in the quality of conversation we are able to have with our customers. It gives me huge pleasure that those conversations have led to 92 new accounts comprising between them over 200 new venues being added to our customer base during the year.

The clearest signal of our progress lies not in the numbers, and not even in the many achievements of the year in review. Rather, I would urge people to look at the significant, long-term trust that both Merlin and Six Flags have placed in us over the last six months. To select a partner for one year, even two is a big step to take. To select a partner for seven or even ten years, however, is quite a vote of confidence in our technology and our team – and it is this which underpins my confidence in 2016 and the years ahead of us."

Chairman's statement

A bolder, bigger and better accesso

2015 has been another year to remember for *accesso*. Our industry continues to change at a rapid pace, but new challenges have been met and overcome, and new opportunities have been seized. The measure of our response to these challenges is reflected not only in our financial performance, but also in the quality of our reputation which continues to grow. Our efforts have taken us from a helpful supplier, and transformed the Group into a trusted, talented and innovative partner.

The Group's financial performance has been strong this year, achieving adjusted operating profit of \$12.6m. We have further integrated our acquisitions, cross-sold between business lines and grown our revenues, profits and earnings per share. We continue to deepen our presence within our existing customer base, renewing numerous contracts, often incorporating added services and extended terms. We share a belief with our clients that outstanding customer experience is the key to success and are as committed as ever to providing them with the most sophisticated technology solutions in pursuit of that aim.

During the year we have also advanced our progress in new strategic areas for the Group. Sports stadia, museums and cultural sites have joined our more traditional attractions and snow sports clients in increasing number, proving the value of the acquisitions we have made. We have always sought to recognise the commonalities rather than the differences among the venues we serve, and this approach has enabled us to develop solutions for numerous vendors with varying requirements, all of which strengthen our brand and increase our market opportunity.

A trusted partner

In 2015 we have deepened our relationships with many of the leading players in our industry. In particular, our important agreement with Merlin reflects a level of confidence and trust in *accesso* that marks a significant inflection point in the Group's history. We have worked hard to build a company with a particular set of values, which can grow with its clients and share in their successes. This deal, as well as the extensions of our existing agreements with Cedar Fair Entertainment and post period-end with Six Flags Entertainment, prove the effectiveness of this approach, and gathered together suggest a watershed moment has been reached.

I have said before that perhaps the strongest signal of our strength is the success of the customers we serve. We can be proud of the trust they have placed in us, and of the fact that our technology is an important constituent of their success.

Investing in execution and innovation

Our challenge now is to extend the market leadership position we hold. Knowing that the longevity of our business is determined by the quality of the technology we sell, we remain committed to upgrading the core functionality of our products on an ongoing basis. We continue to invest heavily in the business to ensure we stay ahead of our competition, and while our landmark agreement with Merlin Entertainments has provided the impetus for a significant scaling of our operations, we have no intention of *pausing in our ambition to remain the very best technology vendor to the markets we serve.*

Our team

Results like those presented here are not achieved without hard work. In every area of our business, our teams have worked tirelessly this year on some of the biggest projects in the organisation's history. They have risen to those tasks and delivered an outstanding result. On behalf of the entire Board I say thank you to them. I would also like to add my personal thanks to Leonard Sim who leaves our Board today. Leonard has not only played a key role in developing our firm, but can also proudly claim to be one of the original architects of virtual queuing and the industry we now lead.

Looking ahead

We have entered 2016 with something of a spring in our step. With some significant successes under our belt and a clear idea of where our focus *this* year needs to rest, I look forward to the coming year with confidence.

John Weston
Non-Executive Chairman

Chief Executive Officer's statement

Operational Review

For some time now, *accesso* has been pursuing a strategy to deliver sustainable, repeatable revenue growth through both acquisitive and organic means. During 2015, we saw *accesso's* balanced, diverse and complementary portfolio of businesses continue to mature as one company, and continue to deliver on the promise that first drove its composition.

Behind the scenes there has been a great deal of time spent harmonising the systems, processes and day-to-day procedures that we rely on to run our business. Our approach to integrating acquisitions, where we carefully get to know our new colleagues, their technology and customers over time before implementing change, continues to pay off and we now have a business which relies on the best practice we can find across all of our antecedents. I believe that the feeling of "one company" is an important one. It allows us to stand a little taller, think a little bigger and importantly invest a little more deeply to ensure we maintain and extend our leading market position.

A key reference point for this was the July 2015 agreement with Merlin Entertainments Group Ltd. To be trusted to serve a business of Merlin's global scale is a particular honour and one which the whole company is proud of, and working hard to deliver. All *accesso* clients, current and future, will feel the benefit of those efforts as we improve our ability to serve new markets, countries and languages together with their rapidly evolving consumer demands.

But we are not finished yet. The Group continues to challenge itself and develop its technological expertise. We continue to trial our queueing technology for entirely 'queueless' parks, and constantly evaluate our portfolio to ensure we can deliver the best available solutions to our customers and their guests. Now, as we start not just a new year but a new decade with Six Flags, our focus on innovation and execution will grow even sharper still.

accesso LoQueue

This year has been a successful one for our queueing products with total guest revenue up 16.6% year-on-year. A number of factors helped this, not least good weather helping to deliver strong attendance growth. Other key value drivers have been the work we have done on pricing, staff training and the in-park retail experience for guests. Our pricing strategy has shifted the revenue mix making the product entry price point more attractive whilst increasing premium pricing. This has delivered strong overall growth while reducing reliance on premium product sales which fell as a proportion of total sales. We have also continued to experiment with more demand led pricing based on expected attendance.

Notable other events in the year included the formalisation of our Memorandum of Understanding with the Movie Animation Park Studios (MAPS) in Malaysia for the use of *Qsmartsm*, and the installation of our *Qbotsm* solution at LEGOLAND California. The MAPS agreement will go live later in 2016, and take *accesso LoQueue* into the important Asian market for the first time.

accesso LoQueue's success in 2015 demonstrates its ongoing value to the Group. With an increasing focus on the cross-and upselling opportunities that exist within *accesso*, our queueing solutions continue to provide a key entry-point and a firm foundation from which we can offer more comprehensive services to our clients.

accesso Passport

2015 has also been strong for *accesso Passport*, which continues to emerge as the market leading cloud-based general admission ticketing platform. Our entirely revamped 'Shopland 5.0' platform has delivered significant new business to the Group and proven our ability not just to capitalise on the mobile opportunity but to actually help shape how mobile commerce in all of our markets is evolving.

We believe that having a world class ecommerce capability is increasingly important for all of our customers. To be able to appropriately cross and upsell products to consumers whilst they shop is vital to maximise the revenue opportunity in any single customer interaction. We also know that the best way to engage with guests is to ensure the shopping experience is customer-centric: they must be able to shop in comfort, in their own time, and on any device they choose. With these factors in mind, we have developed a one-of-a-kind solution designed with mobile customers at its centre and it is that expertise which is at the heart of our accelerating growth.

The impact of this approach can be seen in the increasing number of transactions taking place in the *accesso Passport* ecosystem each year. In 2015, ticketing volumes were up 20.5% year-on-year, while mobile volumes increased 159% year-on-year and now

Chief Executive Officer's statement (*continued*)

represent 24% of our total (2014: 11%). These figures reflect *accesso Passport's* ability to create significant value for operators, which then flows through to the Group as a result of our transaction based business model.

That promise of value continues to generate new business for the Group, with a number of significant contracts signed in the year. Key moments included an agreement with the One World Observatory at the newly opened One World Trade Centre in New York City, as well as three-year agreements with both Chicago's Navy Pier and Tennessee's Nashville Zoo at Grassmere. In March, we were also able to announce a three-year extension to our existing agreement with Cedar Fair Entertainment, another of *accesso's* long-term partners and one of the world's largest attractions operators, each of whom contribute to the significant underpinning of our forward revenue visibility. Our ability to generate and sustain these durable relationships is a mark of the quality of our products and their central place in our customers' operations.

Lastly, this year has seen the start of our Merlin rollout, as we begin the process of installing *accesso Passport* across Merlin's global estate. This will see *accesso* expand into new geographies and scale rapidly, benefitting from a year of investment in the operational capacity of our business. To date we have installed at nearly thirty venues, mostly in the United States and London with pleasing early feedback. 2016 will see us install widely across Europe, Australia and New Zealand, to be followed in 2017 by their Asian locations.

accesso Siriusware

2015 was also a landmark year for *accesso Siriusware*, achieving thirteen new contract wins in the period for its enhanced point-of-sale and guest management software and delivering on the promise at the time of its acquisition of stepping in to the European marketplace. Financial performance was equally as impressive, with a significant improvement in contribution achieved since the acquisition in late 2013.

The variety of those thirteen contract wins underscores *accesso Siriusware's* versatility, winning business in areas as diverse as the Taos Ski Valley resort, the Brooklyn Museum of Art, the Black Ball Ferry Line and The Whitney Museum now located in its impressive new headquarters in New York City. Each of these operators has a very different attraction proposition – but for all of that diversity, there is a common need that all of them share which is the need to provide a high-quality user experience to guests. Using *accesso Siriusware*, they can achieve this by tracking guest rentals, purchases, reservations, loyalty information and much more using its customisable modular software solutions.

During the year, Blackpool Pleasure Beach also became *accesso Siriusware's* first European client, adopting the service as part of the contract that also extended its agreement to utilise *accesso's* queueing solutions. This sale marked an important strengthening of *accesso's* relationship with an historic UK venue, and is a useful example of our portfolio's complementary nature. Deals of this nature embed *accesso* at the heart of a venue's operations, and exemplify the Group's ability to maximise existing opportunities as well as capitalise on new ones. We have also continued to invest in the product, making some significant functional enhancements and expanding API capabilities allowing deeper integration with *accesso Passport*.

accesso ShoWare

2015 was *ShoWare's* first full year as a part of *accesso*. Having bedded down quickly and proven its ability to generate transactional and repeatable revenue for the Group, performance was in line with expectations despite challenging currency dynamics in Brazil and in Mexico where the business performed particularly strongly.

Now fully integrated into the Group, *ShoWare* is helping *accesso* address a large market of assigned-seat venues in previously untapped geographies and verticals. The *ShoWare* platform allows venues to manage all aspects of their advanced ticket sales, with options for call centre ticket sales, mobile ticketing, online ticketing and social ticket sales through Facebook pages. Unlike *accesso Passport*, *ShoWare* is operated by vendors themselves, allowing them the flexibility and control to maximize profits in the way that suits them best. During the year, *ShoWare* continued to invest heavily in the platform with notable firsts like the launch of a fully responsive shopping cart.

Importantly, 2015 has seen *ShoWare* prove itself capable of rapidly acquiring new contracts, with 68 announced in the year. New clients crossed a number of verticals but range from the Hard Rock Casino in Lake Tahoe to an existing *Siriusware* customer, Longwood Gardens, now also using *ShoWare*, to selling out concerts for Rod Stewart and Ed Sheeran in Brazil.

Chief Executive Officer's statement (*continued*)

This level of client acquisition demonstrates both a keen appetite for the solution and the helpful leverage it has gained as part of the accesso family.

Starting as we mean to go on

Beyond the period-end, all business lines are showing good momentum. The most notable achievement thus far has been the extension to our existing agreement with Six Flags Entertainment Corporation, the world's largest regional theme park company, to continue providing our queuing and ecommerce solutions across its parks until 2025. This win is a further example of *accesso's* ability to establish long-term relationships that provide excellent future revenue visibility. The start of the year has also seen *ShoWare* sign 16 new contracts, *accesso Siriusware* sign four new contracts.

Financial Review

These results represent another good year for *accesso*, notwithstanding the significant investment made in the first half ahead of our securing the Merlin contract. We have delivered performance comfortably in line with expectations, and look forward to another strong year in 2016.

Key financial metrics

2015 was the year in which *accesso* began to see the dual-benefit of its diversified geographical footprint and versatile product portfolio. Weather conditions were generally better than last year, but the increasingly global nature of our business and its capacity to serve a wider variety of venues provides a degree of balance that increases robustness across the seasons.

Revenue for the 12 months ended 31 December 2015 of \$93.2m increased by \$18.1m (24.1%) when compared to the 12 month period ended 31 December 2014 and benefited from a full 12 months of Showare revenues (2014: One month) combined with good organic growth. Gross profit margin at 49.4% in 2015, compared to 42.6% in 2014, principally reflecting the increased proportion of higher margin ticketing revenue in 2015.

Administrative expenses in the business, ignoring share based payments and amortisation related to the acquisitions, were \$33.6m in the 12 months ended 31 December 2015, which represented an increase of 41% on 2014. This included a full year of Showare expenditure but also demonstrates the significant investment in our development and customer facing teams throughout the year in anticipation of new business growth and in particular related to the Merlin agreement.

Adjusted operating profit, which the board considers a key underlying metric, for the 12 months ended 31 December 2015 was \$12.6m and this equates to 44.8% growth when compared to the 12 month period ended 31 December 2014.

Profit before tax of \$7.2m increased by \$2.1m from \$5.1m (41.2%) on the 12 month period ended 31 December 2014.

Earnings per share (basic) at 24.47 cents for 2015 increased by 5.98 cents (32.3%) on the 12 months ended 31 December 2014.

These results reflect the manifestation of a mature and well-aligned Group, deriving profitability from supportive businesses offering distinct but related services to complementary markets. The majority of revenues and expenditure continue to be US dollar denominated and the impact of currency movements on revenues or profit before tax is not material.

Debt refinancing and cash flow

To prepare the Group for the next stage in its development we renewed and extended our banking facility with Lloyds Bank on 14 March 2016. The extended facility allows the Group a drawdown facility of \$25m, with no step downs, plus an additional \$10m for potential M&A investments, 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 12 months.

Cash generated from operations at \$14.7m for the 12 months ended 31 December 2015 was 37.4% better than the 12 month period ended 31 December 2014 and represents a cash conversion from adjusted EBITDA of 96.7% (2014: 97.3%).

Purchases of intangible fixed assets, which substantially represents capitalised development expenditure, was \$6.2m in the period (2014: \$2.7m) and reflected a full year of Showare expenditure together with significant investments across our product

Chief Executive Officer's statement (*continued*)

portfolio as we look to support global deployment and enhancement of our mobile offering. We see product investment as key to remaining innovative and market leading and do not expect expenditure on development to reduce in 2016.

Other fixed asset additions at \$1.8m (2014: \$0.8m) increased principally due to the installation of our *Qbotsm* solution at LEGOLAND California and further enhancements to the accesso LoQueue in-park retail locations at specific locations.

Our closing net debt balance of \$9.4m (2014: \$14.3m) represents 62% (2014: 130%) of current year adjusted EBITDA, was ahead of our expectations, notwithstanding the increased product investment and the board believes that the company remains in a strong financial position at the period end.

Tax

When we announced our interim results, we indicated an underlying annual effective rate of 28%. The full year rate at 25.6% is in line with this guidance and includes a 2% benefit in respect of 2014.

The Group continues to review and implement opportunities for maintaining or lowering its effective rate, while mindful of the fact that the majority of taxable income will continue to be generated in markets with significantly higher headline tax rates than the UK.

Dividend

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

IP Protection

The Group continues to seek opportunities to make best use of its intellectual property. As announced during the period, we have appointed Dominion Harbour Group to develop and implement a campaign for an element of the Group's IP portfolio in market verticals not served by *accesso*. We are pleased with the progress made in this area, and remain committed to defending, monetising and expanding our IP.

Revenue Visibility

The Group has historically operated via agreements that offer repeatable, transactional revenue streams that fully align us with our customers' interests. A key element of our M&A activity has been to build on this model, allowing us the luxury of looking forward with increasing levels of confidence in our future revenue. While we are clear that these agreements do not formally offer guaranteed recurring revenue, the Board gains considerable assurance that our contracted agreements offer growth opportunities across their respective terms.

Broadly, we would expect approximately 85% of our full year revenue stream to be repeatable and transactional in nature, with a further 6% repeatable from ongoing support agreements with the licensed element of our customer base. The balance is largely unrepeatable in nature and split between custom client work and software license sales.

This combined with the long term nature of many newly signed or extended agreements in 2015 and post period end, together with a low level of attrition of those customers on shorter term agreements, now allows us to look out several years with substantial confidence at our revenue expectations. To put this into context, the Board estimates that contracted arrangements already in place with our top 5 customers alone will generate 60% to 70% of total Group revenues, for each respective year, through to at least 2022. This clearly allows the opportunity to out-perform future revenue expectations by delivering further new business.

Summary and Outlook for 2016

accesso has started 2016 in good order. We have an exciting new business pipeline and can rest assured that the opportunity in both ticketing and queuing is significant well beyond our current level of business. Operationally, we continue to develop our products to ensure they are ready to meet the challenges of tomorrow. In 2015 we spent well over ten percent of our Group's revenue on their development and would expect the figure to be similar in 2016.

Chief Executive Officer's statement (*continued*)

The success and longevity of that development process is owed largely to an important dynamic within our cloud-based ticketing systems, *accesso Passport* and *ShoWare*, whereby every customer's unique set of functionality requirements ensures a direct link between new customer acquisition and subsequent product improvement. Where new client functionality requirements don't already exist within our systems, we incorporate them into our products on a non-exclusive basis so they can be shared by all *accesso* users. This mutually beneficial approach to product development allows us to build exceptionally well specified products and, as demonstrated, become a trusted long-term partner for our customers.

Looking ahead, the Board is full of confidence in our prospects for the remainder of 2016. All the necessary elements are now in place to accelerate growth; we have the right team, a uniquely differentiated offering and the hunger to make the best of both. We are full of belief that the start we've made will translate into a good year for *accesso*, extending our lead as the premier technology solutions provider to leisure, entertainment and cultural markets.



Tom Burnet
Chief Executive Officer

The board of directors for the financial year ended 31 December 2015

John Weston, Non-executive Chairman

John Weston joined accesso in 2011 and serves as the Non-Executive Chairman of the Board. 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.

Weston brings vast experience in the electronics and technology industries and in addition to accesso, he currently chairs several other companies including Fibercore PLC, Windar Photonics PLC, Pro-Drive Composites and Brittpac PLC.

Previously, Weston served on the board of directors for MB Aerospace, AWS Electronics, Torotrak, Acra Control, Ufi Charitable Trust and Ufi Ltd.

Weston also serves as a member of accesso's audit and remuneration committees.

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, Alder 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.

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

Steve Brown, Chief Operating 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 Chief Operating Officer, he guides accesso operations across North America and Europe.

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

Prior to joining accesso, Brown served as the corporate Vice President of Ticket Strategy and Sales for Six Flags. While at Six Flags, Brown 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.

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

Tom Burnet, Chief Executive Officer

Tom Burnet joined accesso as the CEO in late 2010 and is responsible for the company's leadership, strategic direction and growth. He was formerly Managing Director of a division of Serco Group plc, a global outsourcing company, overseeing the 5000 person Defense Services division. Burnet also served as a Non-Executive director of Kainos Group plc.

Burnet's expertise includes risk management, business analysis, strategic planning and business management. 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.

The board of directors (*continued*) for the financial year ended 31 December 2015

Burnet also has an MBA from the University of Edinburgh.

Matt Cooper, Non-executive Director

Matt Cooper currently works as a Non-Executive Chairman and/or director with a range of public and private companies. These include Octopus Capital Ltd, Imaginatik Plc, accesso Technology Group Plc, ClearlySo Ltd, VouchedFor Ltd, RNM Financial Ltd, and the National Centre for Circus Arts.

Cooper's areas of expertise include corporate strategy formulation, brand and marketing, implementation, organisational culture and design, and executive coaching and leadership.

Previously, Cooper was Principal Managing Director of Capital One Bank Europe plc until leaving the company in 2001. In addition he also served as director for a number of companies including Which? Financial UK Ltd, 10Duke Software Ltd, MyDish Ltd and KMI Brands Ltd.

Originally from New Jersey, Cooper graduated first in his class in Chemistry from Princeton University in 1988.

David Gammon, Non-executive Director

David Gammon has widespread experience in developing and building technology-based businesses. Since 2001, Gammon has focused on finding, advising and investing in UK technology companies. Gammon founded Rockspring, an advisory and investment firm, which focuses on early stage technology companies and where Gammon continues as CEO today. Other current positions include a Non-Executive directorship at Frontier Developments plc and Group Strategic Advisor to Marshall of Cambridge (Holdings) Limited.

Gammon's 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, Gammon spent 15 years working as an investment banker.

Gammon joined accesso in November 2010 and is chairman of the remuneration committee and a member of the audit committee.

Leonard Sim, Founding Director

Leonard Sim is the inventor of the accesso LoQueueSM virtual queuing system, which was conceived while he ran Tellurian, a sales agency in data communication devices and software. He brings over 30 years of experience in software, electrical engineering and business strategy.

Previously, Sim ran technical sales teams for Rockwell Semiconductor and Ferranti Semiconductor after a period as an electronics engineer at Plessey Radar. He gained an Honours Electronic Engineering degree from Heriot-Watt University, Edinburgh in 1971.

Sim serves as Founding director and his responsibilities include business development, strategic planning, product marketing and managing the engineering team.

Sim has moved to a part time role supporting activities in intellectual property, business development and strategic planning.

Strategic report for the financial year ended 31 December 2015

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 operating parks, including the introduction of additional park operators by introducing new technologies and extending its geographical presence. In addition, the Group continues to seek appropriate complementary acquisitions to reduce reliance on specific customers, sectors or geographies.

The Group has a 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, the Brazilian real, the Mexican peso or the Canadian dollar. This exposure is managed via entering into appropriate forward contracts.

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. The Group has accelerated its investments in the year across its product portfolio as it looks to support global deployment and enhancement of its technologies offering. 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

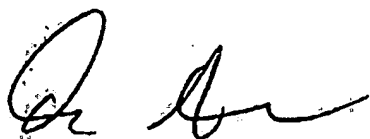
Key performance indicators are used to measure and control both financial and operational performance. Guest attendance, transactional volumes and average revenue per guest, revenues, margins, costs and cash are trended to ensure plans are on track and corrective actions taken where necessary. Product 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, number of venues where our technology is implemented, the proportion of guests that utilise our products and the sales mix of services offered.

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.

**Strategic report (*continued*)
for the financial year ended 31 December 2015**

On behalf of the board:

A handwritten signature in black ink, appearing to read 'John Alder', written in a cursive style.

**John Alder
Chief Financial Officer
15 March 2016**

accesso Technology Group plc

Report of the directors for the financial year ended 31 December 2015

The directors present their report with the financial statements of the company and the Group for the financial year ended 31 December 2015.

Dividends

No dividends will be proposed for the financial year ended 31 December 2015.

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 2015 the Group invested \$12,004,257 into research and development (year ended 31 December 2014: \$8,691,088).

Directors

The directors during the period under review were:

John Weston, Non-Executive Chairman
John Alder, Executive
Steve Brown, Executive
Tom Burnet, Executive
Matt Cooper, Non-Executive
David Gammon, Non-Executive
Leonard Sim, Executive

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 2015 in the issued share capital of the company were as follows:

Ordinary share capital £0.01 shares	As at 31 December 2015	As at 1 January 2015
John Weston, Non-Executive Chairman	125,144	165,144
John Alder, Executive	6,612	6,612
Steve Brown, Executive	1,133,916	1,133,916
Tom Burnet, Executive (1)	853,818	853,818
Matt Cooper, Non-Executive	22,442	22,442
David Gammon, Non-Executive	48,000	48,000
Leonard Sim, Executive	2,043,575	2,043,575

(1) Shares held by the employee benefit trust of the company.

Details of the directors' share options are disclosed on page 20.

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 3 to the financial statements.

**Report of the directors (continued)
for the financial year ended 31 December 2015**

Substantial shareholdings

As at 10 March 2016 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
BlackRock Investment Management	1,722,735	7.83%
FIL Limited	1,093,886	4.98%
Prudential plc group of companies	1,084,140	4.93%
Vision Invest Enterprises Limited	1,519,364	6.91%
Standard Life Investments Limited	1,318,963	6.00%
Mr Leonard Sim, Director	2,043,575	9.30%
Mr Steve Brown, Director	1,133,916	5.16%
accesso Employee Benefit Trust (On behalf of Mr Tom Burnet, Director)	853,818	3.98%

Annual general meeting

The annual general meeting of the company will be held on Tuesday 24th May 2016. 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 four Executive directors and three independent Non-Executive directors, one of whom is the Chairman. 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, John Weston and Matt Cooper, who chairs the committee.

The committee met twice during the year to fulfil its duties. The Chairman, Chief Executive Officer, Chief Financial Officer and external auditors 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 auditors 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 auditors, and for discussing with the auditors 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.

**Report of the directors (continued)
for the financial year ended 31 December 2015**

The committee looks to ensure that the auditors' 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 BDO LLP be reappointed as the company's auditors 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 Matt Cooper, John Weston and David Gammon, who chairs the committee.

The full committee met five times during the year to fulfil its duties. The committee considers and approves specific remuneration packages for each executive director following consultation with the chairman. 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 continues to perform well, confident Group outlook for 2016, and a strong balance sheet and cash position. For this reason, the Board continues to adopt the going concern basis in preparing the accounts.

Disabled employees

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

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

Employees

The Group's policy is to consult and engage with employees, by way of meetings, surveys and through personal contact by directors and other senior executives, 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, remuneration and nominations committees being available to answer shareholders' questions.

Report of the directors (continued) for the financial year ended 31 December 2015

Notice of the date of the 2016 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.

Directors' responsibilities

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 financial statements for each financial period. Under that law the directors have elected to prepare the Group and company financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. 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 company and of the profit or loss of the Group and company for that period. The directors are also required to prepare financial statements in accordance with the rules of the London Stock Exchange for companies trading securities on the Alternative Investment Market.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRSs as adopted by the European Union, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the requirements of the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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 auditors

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 auditors are 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 auditors are aware of that information.

Auditors

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

Remuneration committee policy

The policy is to provide remuneration packages for Executive directors which aim to attract and retain high quality executives and which link their reward to the Group's performance. The committee regularly reviews the effectiveness of incentive schemes and, where considered necessary or appropriate in order to maximise shareholder value, the committee will consider updating existing scheme rules and/or implementing new schemes.

Report of the directors (continued)
for the financial year ended 31 December 2015

Executive directors' remuneration package

The components of the remuneration package are base salary and benefits, bonuses, pension contributions and long-term incentive arrangements. Base salaries are reviewed by the committee annually, normally in January. The executives may also receive bonuses, depending on whether certain financial, operational or strategic objectives are met. The annual standard bonus plan for the Executive directors has a maximum threshold of between 80% and 100% of base salary and exceptional bonuses are considered at the committee's discretion. The benefits packages offered include private health insurance and payments to money purchase pension schemes. Notice periods for all executive directors are set at six months.

Details of the directors' emoluments who served during the current or prior period are also set out below:

Directors' emoluments

	Salary	Fees (1)	Bonus	Other benefits	2015 Total	2014 Total	2015 Retirement contributions	2014 Retirement contributions
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Non - Executive directors								
John Weston	84	-	-	-	84	89	-	-
Anthony Bone (3)	-	-	-	-	-	28	-	-
Matt Cooper	9	44	-	-	53	57	-	-
David Gammon (1)	9	44	-	-	53	57	-	-
Executive directors								
John Alder (2)	278	-	111	19	408	379	19	32
Steve Brown (2)	299	-	149	6	454	420	-	-
Tom Burnet	393	-	292	2	687	671	32	33
Leonard Sim	39	-	-	7	46	61	4	5
	1,111	88	552	34	1,785	1,762	55	70
Share-based payments					115	41		
Total					1,900	1,803		

(1) Fee payments in respect of the services provided by David Gammon were paid to Rockspring

(2) John Alder and Steve Brown are US citizens and are part of the US healthcare programs

(3) Resigned 27 May 2014

Tom Burnet was the highest paid director in 2015 (2014: Tom Burnet).

Report of the directors (continued)
for the financial year ended 31 December 2015

Share option scheme

The share options of the directors are set out below:

	31 December 2014	Issued in the period	Exercised in the period	31 December 2015	Exercise price	Date from which exercisable	Expiry Date
Share Options							
John Alder	40,000	-	-	40,000	57.5p	25 Jun 10	24 Jun 19
	160,000	-	-	160,000	156p (1)	10 Mar 12	9 Mar 21
Steve Brown	-	-	-	-	-	-	-
Tom Burnet	-	-	-	-	-	-	-
Leonard Sim	-	-	-	-	-	-	-
John Weston	-	-	-	-	-	-	-
David Gammon (2)	80,000	-	-	80,000	156p	10 Mar 12	9 Mar 21
Matt Cooper	30,400	-	-	30,400	600p	25 Apr 15	25 Apr 23
LTIP							
John Alder	29,818	-	-	29,818	-	8 July 2017	-
	-	42,127	-	42,127	-	15 Apr 2018	-
Steve Brown	32,028	-	-	32,028	-	8 July 2017	-
	-	42,463	-	42,463	-	15 Apr 2018	-
Tom Burnet	45,395	-	-	45,395	-	8 July 2017	-
	-	47,805	-	47,805	-	15 Apr 2018	-

(1) Options may only be exercised when the share price is above £1.82

(2) Held by Rockspring

Employee benefit trust share subscription and Tom Burnet equity incentive plan

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

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

The shares are registered in the name of Lo-Q (Trustees) Limited, a wholly owned subsidiary of the company. John Alder and Leonard Sim are directors of Lo-Q (Trustees) Limited.

Long Term Incentive Plan Awards

On 15 April 2015, the company granted conditional share awards ("Awards") over ordinary shares of 1 penny each under the accesso Technology Group 2014 Long Term Incentive Plan which was approved by shareholders on 27 May 2014. Awards were granted to Tom Burnet (47,805 shares), John Alder (42,127 shares) and Steve Brown (42,463 shares).

On 8 July 2014, the company granted conditional share awards ("Awards") over ordinary shares of 1 penny each under the accesso Technology Group 2014 Long Term Incentive Plan which was approved by shareholders on 27 May 2014. Awards were granted to Tom Burnet (45,395 shares), John Alder (29,818 shares) and Steve Brown (32,028 shares).

The Awards vest three years from the date of grant and are required to be held for a further six months and are subject to certain performance conditions relating to the achievement of compound share price growth rates as detailed in note 25. No consideration will be paid for the conditional shares upon their vesting.

**Report of the directors (continued)
for the financial year ended 31 December 2015**

On behalf of the board

A handwritten signature in black ink, appearing to read 'John Alder', written in a cursive style.

John Alder
Chief Financial Officer
15 March 2016

accesso Technology Group plc

Report of the independent auditors to the members of accesso Technology Group plc for the financial year ended 31 December 2015

We have audited the financial statements of accesso Technology Group plc for the financial year ended 31 December 2015 which comprise the consolidated statement of comprehensive income, the consolidated and company statements of financial position, the consolidated and company statements of cash flow, the consolidated and company statements of changes in equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by European Union and, as regards the parent company financial statements, as applied in accordance with the provisions of Companies Act 2006.

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.

Respective responsibilities of directors and auditors

As explained more fully in the director's responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

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 2015 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union 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.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the strategic report and directors' reports for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Simon Brooker (senior statutory auditor)

For and on behalf of
BDO LLP, statutory auditors
Reading, United Kingdom

15 March 2016

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

accesso Technology Group plc

Consolidated statement of comprehensive income for the financial year ended 31 December 2015

	Notes	2015 \$000	2014 \$000
Revenue	4	93,169	75,091
Cost of sales		(47,206)	(43,086)
Gross profit		45,963	32,005
Administrative expenses		(38,255)	(26,534)
Operating profit		7,708	5,471
Finance expense	7	(491)	(344)
Finance income	7	3	2
Profit before tax		7,220	5,129
Income tax	8	(1,851)	(1,344)
Profit for the period		5,369	3,785
Other comprehensive income			
<i>Items that will be reclassified to income statement</i>			
Exchange differences on translating foreign operations – 2014 restated – see note 1		32	(1,297)
Other comprehensive income net of tax		32	(1,297)
Total comprehensive income		5,401	2,488
Profit attributable to:			
Owners of the parent		5,367	3,785
Non-controlling interest		2	-
		5,369	3,785
Total comprehensive income attributable to:			
Owners of the parent		5,399	2,488
Non-controlling interest		2	-
		5,401	2,488
Earnings per share expressed in cents per share:			
Basic	10	24.47	18.49
Diluted	10	23.49	18.16

All activities of the company are classified as continuing.
The notes on pages 30 to 66 form part of these consolidated financial statements.

accesso Technology Group plc

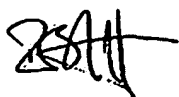
Consolidated statement of financial position for the financial year ended 31 December 2015

Registered Number: 03959429

	Notes	31 December 2015 \$000	31 December 2014 \$000
Assets			
Non-current assets			
Intangible assets	11	71,924	71,083
Property, plant and equipment	12	3,077	2,733
Deferred tax assets	18	5,666	5,696
		<u>80,667</u>	<u>79,512</u>
Current assets			
Inventories	14	561	648
Trade and other receivables	16	9,080	6,946
Income tax receivable		878	1,052
Cash and cash equivalents	15	5,307	5,693
		<u>15,826</u>	<u>14,339</u>
Liabilities			
Current liabilities			
Trade and other payables	17	9,181	7,999
Finance lease liabilities	19	51	48
Income tax payable		84	-
		<u>9,316</u>	<u>8,047</u>
Net current assets			
		<u>6,510</u>	<u>6,292</u>
Non-current liabilities			
Deferred tax liabilities	18	8,850	8,804
Finance lease liabilities	19	63	114
Borrowings	20	14,700	20,000
		<u>23,613</u>	<u>28,918</u>
Total liabilities			
		<u>32,929</u>	<u>36,965</u>
Net assets			
		<u>63,564</u>	<u>56,886</u>
Shareholders' equity			
Called up share capital	21	326	342
Share premium		24,313	25,229
Own shares held in trust		(1,971)	(2,076)
Other reserves		3,427	2,593
Retained earnings		21,033	16,236
Merger relief reserve		13,810	14,540
Translation reserve		2,624	22
Total attributable to equity holders		<u>63,562</u>	<u>56,886</u>
Non-controlling interest			
		<u>2</u>	<u>-</u>
Total shareholders' equity			
		<u>63,564</u>	<u>56,886</u>

The financial statements were approved by the board of directors on 15 March 2016 and were signed on its behalf by:

Tom Burnet
Chief Executive Officer



The notes on pages 30 to 66 form part of these consolidated financial statements.

accesso Technology Group plc

Company statement of financial position for the financial year ended 31 December 2015

Registered Number: 03959429

	Notes	31 December 2015 \$000	31 December 2014 \$000
Assets			
Non-current assets			
Intangible assets	11	2,428	2,356
Investments in subsidiaries	13	45,614	47,948
Property, plant and equipment	12	1,132	1,377
Deferred tax asset	18	283	195
		<u>49,457</u>	<u>51,876</u>
Current Assets			
Inventories	14	360	403
Trade and other receivables	16	18,662	20,528
Income tax receivable		-	903
Cash and cash equivalents	15	1,734	1,309
		<u>20,756</u>	<u>23,143</u>
Liabilities			
Current liabilities			
Trade and other payables	17	1,247	1,461
Income tax payable		84	-
		<u>1,331</u>	<u>1,461</u>
Net current assets		<u>19,425</u>	<u>21,682</u>
Non-current liabilities			
Deferred tax	18	228	32
Borrowings	20	14,700	20,000
		<u>14,928</u>	<u>20,032</u>
Total liabilities		<u>16,259</u>	<u>21,493</u>
Net assets		<u>53,954</u>	<u>53,526</u>
Shareholders' equity			
Called up share capital	21	326	342
Share premium		24,313	25,229
Other reserves		2,475	1,831
Retained earnings		13,384	11,672
Merger relief reserve		13,810	14,540
Translation reserve		(354)	(88)
Total shareholders' equity		<u>53,954</u>	<u>53,526</u>

The financial statements were approved by the board of directors on 15 March 2016 and were signed on its behalf by:



Tom Burnet
Chief Executive Officer

The notes on pages 30 to 66 form part of these consolidated financial statements.

accesso Technology Group plc

Consolidated statement of cash flow for the financial year ended 31 December 2015

	Notes	2015 \$000	2014 \$000
Cash flows from operating activities			
Cash generated from operations	26	14,712	10,640
Tax paid		(1,094)	(1,340)
Net cash inflow from operating activities		13,618	9,300
Cash flows from investing activities			
Acquisition of subsidiary, net of cash acquired		-	(18,088)
Additional consideration to sellers of subsidiary	11	(293)	-
Purchase of intangible fixed assets		(6,224)	(2,697)
Purchase of property, plant and equipment		(1,785)	(825)
Interest received		3	2
Net cash used in investing activities		(8,299)	(21,608)
Cash flows from financing activities			
Share Issue		351	402
Interest paid		(468)	(344)
Payments to finance lease creditors		(48)	(46)
(Repayments) / proceeds of borrowings		(5,300)	12,500
Net cash (used in) / generated from financing activities		(5,465)	12,512
(Decrease) / increase in cash and cash equivalents		(146)	204
Cash and cash equivalents at beginning of year		5,693	5,489
Exchange loss on cash and cash equivalents		(240)	-
Cash and cash equivalents at end of year	15	5,307	5,693

The notes on pages 30 to 66 form part of these consolidated financial statements.

accesso Technology Group plc

Company statement of cash flow for the financial year ended 31 December 2015

	Notes	2015 \$000	2014 \$000
Cash flows from operating activities			
Cash generated from operations	26	7,070	5,957
Tax received		666	97
Net cash inflow from operating activities		<u>7,736</u>	<u>6,054</u>
Cash flows from investing activities			
Acquisition of subsidiary		-	(18,781)
Additional consideration to sellers of subsidiary	11	(293)	-
Purchase of intangible fixed assets		(1,027)	(1,004)
Purchase of property, plant and equipment		(518)	(473)
Interest received		-	2
Net cash used in investing activities		<u>(1,838)</u>	<u>(20,256)</u>
Cash flows from financing activities			
Share Issue		351	402
Interest paid		(458)	(332)
(Repayments) / proceeds from borrowings		(5,300)	12,500
Net cash (used in) / generated from financing activities		<u>(5,407)</u>	<u>12,570</u>
Increase/ (decrease) in cash and cash equivalents		491	(1,632)
Cash and cash equivalents at beginning of year		1,309	2,941
Exchange loss on cash and cash equivalents		(66)	-
Cash and cash equivalents at end of year	15	<u><u>1,734</u></u>	<u><u>1,309</u></u>

The notes on pages 30 to 66 form part of these consolidated financial statements.

Statement of changes in Group equity
for the financial year ended 31 December 2015

	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 2014	342	25,229	16,236	14,540	2,593	(2,076)	22	56,886	-	56,886
Comprehensive income for the year										
Profit for period	-	-	5,367	-	-	-	-	5,367	2	5,369
Exchange differences on translating foreign operations	-	-	-	-	-	-	32	32	-	32
Total comprehensive income for the year	-	-	5,367	-	-	-	32	5,399	2	5,401
Contributions by and distributions by owners										
Issue of share capital	1	350	-	-	-	-	-	351	-	351
Share based payments	-	-	-	-	629	-	-	629	-	629
Share option tax credit - current	-	-	-	-	35	-	-	35	-	35
Share option tax credit - deferred	-	-	-	-	262	-	-	262	-	262
Exchange differences on opening balances	(17)	(1,266)	(570)	(730)	(92)	105	2,570	-	-	-
Total contributions by and distributions by owners	(16)	(916)	(570)	(730)	834	105	2,570	1,277	-	1,277
Balance at 31 December 2015	326	24,313	21,033	13,810	3,427	(1,971)	2,624	63,562	2	63,564
Balance at 31 December 2013	335	26,404	13,148	-	2,658	(2,133)	(873)	39,539	-	39,539
Comprehensive income for the year										
Profit for period	-	-	3,785	-	-	-	-	3,785	-	3,785
Exchange differences on translating foreign operations – restated see note 1	-	-	-	-	-	-	(1,297)	(1,297)	-	(1,297)
Total comprehensive income for the year	-	-	3,785	-	-	-	(1,297)	2,488	-	2,488
Contributions by and distributions by owners										
Issue of share capital	27	399	-	14,540	-	-	-	14,966	-	14,966
Share based payments	-	-	-	-	353	-	-	353	-	353
Share option tax credit - current	-	-	-	-	316	-	-	316	-	316
Share option tax credit - deferred	-	-	-	-	(776)	-	-	(776)	-	(776)
Exchange differences on opening balances – restated see note 1	(20)	(1,574)	(697)	-	42	57	2,192	-	-	-
Total contributions by and distributions by owners - restated	7	(1,175)	(697)	14,540	(65)	57	2,192	14,859	-	14,859
Balance at 31 December 2014	342	25,229	16,236	14,540	2,593	(2,076)	22	56,886	-	56,886

accesso Technology Group plc

Statement of changes in Company equity for the financial year ended 31 December 2015

	Share capital	Share premium	Retained earnings	Merger relief reserve	Other reserves	Translation reserve	Total
	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Balance at 31 December 2014	342	25,229	11,672	14,540	1,831	(88)	53,526
Comprehensive Income for the year							
Profit for period	-	-	2,329	-	-	-	2,329
Exchange differences on translating foreign operations	-	-	-	-	-	(2,989)	(2,989)
Total comprehensive income for the year	-	-	2,329	-	-	(2,989)	(660)
Contributions by and distributions by owners							
Issue of share capital	1	350	-	-	-	-	351
Share based payments	-	-	-	-	629	-	629
Share option tax credit - current	-	-	-	-	108	-	108
Exchange differences on opening balances	(17)	(1,266)	(617)	(730)	(93)	2,723	-
Total contributions by and distributions by owners	(16)	(916)	(617)	(730)	644	2,723	1,088
Balance at 31 December 2015	326	24,313	13,384	13,810	2,475	(354)	53,954
Balance at 31 December 2013	335	26,404	10,785	-	1,516	(21)	39,019
Comprehensive Income for the year							
Profit for period	-	-	1,216	-	-	-	1,216
Exchange differences on translating foreign operations – restated see note 1	-	-	-	-	-	(1,854)	(1,854)
Total comprehensive income for the year	-	-	1,216	-	-	(1,854)	(638)
Contributions by and distributions by owners							
Issue of share capital	27	399	-	14,540	-	-	14,966
Share based payments	-	-	-	-	353	-	353
Share option tax credit - current	-	-	-	-	318	-	318
Share option tax credit - deferred	-	-	-	-	(492)	-	(492)
Exchange differences on opening balances – restated see note 1	(20)	(1,574)	(329)	-	136	1,787	-
Total contributions by and distributions by owners - restated	7	(1,175)	(329)	14,540	315	1,787	15,145
Balance at 31 December 2014	342	25,229	11,672	14,540	1,831	(88)	53,526

Notes to the consolidated financial statements for the financial year ended 31 December 2015

1. Accounting Policies

Basis of preparation

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 9 NN.

The Group's principal activities are the development and application of ticketing, mobile and eCommerce technologies, and virtual queuing solutions for the attractions and leisure industry.

Statement of compliance with IFRS

The Group's financial statements have been prepared in accordance with International Financial Reporting Standards, International Accounting Standards, and related interpretations (collectively IFRSs) issued by the International Accounting Standards Board (IASB) 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

The adoption of the above has not had a material impact on the financial statements during the period ended 31 December 2015.

New standards and interpretations not yet adopted

A number of new standards, amendments to standards, and interpretations are not effective for 2015, 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 1 January 2018)
- IFRS 9 Financial Instruments (effective 1 January 2018)
- IFRS 16 Leases (effective 1 January 2019)
- Clarification of Acceptable Methods of Depreciation and Amortisation: Amendments to IAS 16 and IAS 38 (effective 1 January 2016)
- Equity Method in Separate Financial Statements (Amendments to IAS 27) (effective 1 January 2016)
- Disclosure Initiative: Amendments to IAS 1 (effective 1 January 2016)
- Disclosure Initiative: Amendments to IAS 7 (effective 1 January 2017)
- Annual improvements to IFRSs

At the date of authorisation of these financial statements, the directors have considered the standards and interpretations which have not been applied in these financial statements, were in issue but not yet effective (and in some cases had not yet been adopted by the EU) and only IFRS 15 "Revenue from Contracts with Customers" was considered to be relevant. The directors are still assessing whether the application of IFRS 15, once effective, will have a material impact on the results of the company. Adoption of the other standards and interpretations referred to above is not expected to have a material impact on the results of the company. Application of these standards may result in some changes in presentation of information within the company's financial statements.

Notes to the consolidated financial statements (continued) for the financial year ended 31 December 2015

Basis of accounting

The financial statements of accesso have been prepared in accordance with EU Endorsed International Financial Reporting Standards and IFRIC interpretations (IFRS) and the Companies Act 2006, applicable to companies reporting under IFRS.

Basis of consolidation

The consolidated financial statements incorporate the results of accesso and all of its subsidiary undertakings as at 31 December 2015 using the acquisition method of accounting. Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than half of the voting rights. The results of subsidiary undertakings are included from the date of acquisition.

Disclosure and details of the subsidiaries are provided in note 13.

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.

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

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.

The acquisition of subsidiaries is accounted for using the purchase 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.

Presentation currency

Effective 1 January 2014 the Group's presentation currency was changed to USD, as the Board considered that this is more closely aligned with the global operations of the Group. Additionally, the company's presentation currency of USD is different to its functional currency. Equity in the company is retranslated at closing rate with the retranslation difference recognised directly 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.

Revenue recognition

Revenue primarily arises from the development and application of virtual queuing technologies and the rental of such technology by theme park, water park or attraction guests, eCommerce ticketing and sales in relation to point of sale and guest management software licences, and related hardware.

Revenue, in relation to virtual queuing, represents either total rentals, net of sales taxes, to theme park, water park or attraction guests, where the Group is responsible for the operation within the park or attraction, or the Group's share of such rental. Where total revenue is accounted for, the park operator's share of such rental is included within cost of sales.

Notes to the consolidated financial statements (continued)
for the financial year ended 31 December 2015

Revenue recognition (continued)

Ticketing revenue is recognised on a transactional basis and point of sale revenue is recognised on transfer of the goods or services.

Revenue in relation to point of sale and guest management software licences is recognised at the point that the customer accepts the installation.

Interest expense recognition

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

Employee expenses

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. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest.

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

The LTIP awards contain market-based vesting conditions. Market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether the market vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition or where a non-vesting condition is not satisfied.

Commitments under leases

Where substantially all of the risks and rewards incidental to ownership are not transferred to the Group (an "operating lease"), the total rentals payable under the lease are charged to the consolidated statement of comprehensive income on a straight-line basis over the lease term. The aggregate benefit of lease incentives is recognised as a reduction of the rental expense over the lease term on a straight-line basis.

Where substantially all of the risks and rewards incidental to ownership of a leased asset have been transferred to the Group (a "finance lease"), the asset is treated as if it had been purchased outright. The amount initially recognised as an asset is the lower of the fair value of the leased property and the present value of the minimum lease payments payable over the term of the lease. The corresponding lease commitment is shown as a liability.

Finance lease payments are analysed between capital and interest. The interest element is charged to the consolidated statement of comprehensive income over the period of the lease and is calculated so that it represents a constant proportion of the lease liability. The capital element reduces the balance owed to the lessor.

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.

Notes to the consolidated financial statements (continued)
for the financial year ended 31 December 2015

Property, plant and equipment (continued)

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

Plant and machinery	33.3%
Office equipment	20.0 - 33.3%
Installed systems	25 - 33.3%, or seasons within life of contract
Furniture and fixtures	20%

For installed systems the depreciation is charged over a season of operation as this directly reflects the period of operation of the assets in which economic benefits are generated.

Inventories

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

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

Deferred tax

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

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

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

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

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

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

Current income tax

The tax expense 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

Notes to the consolidated financial statements (continued)
for the financial year ended 31 December 2015

Current income tax (continued)

subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Goodwill and intangible assets

Goodwill is carried at cost less any provision for impairment. Intangible assets are valued at cost less amortisation and any provisions 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 annual 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 11). The significant intangibles recognised by the Group and their useful economic lives are as follows:

- Brand name over 3 years
- Customer relationships over 10-15 years
- Intellectual property over 5-7 years

Internally generated intangible assets (research and development costs)

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.

Capitalised development costs are amortised over the periods the Group expects to benefit from selling the products developed, which is estimated to be 3 to 5 years. The amortisation expense is included within administrative expenses in the consolidated income statement.

Development expenditure not satisfying the above criteria and expenditure on the research phase of internal projects are recognised in the consolidated income statement as incurred.

Research and development

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.

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.

Notes to the consolidated financial statements (continued)
for the financial year ended 31 December 2015

Research and development (continued)

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 Group has contractual commitments for development costs of \$nil (2014: \$nil).

Intellectual property rights and patents

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

Foreign currency exchange

Transactions entered into by Group entities in a currency other than the currency of the primary economic environment in which they operate (their "functional currency") are recorded at the rates ruling when the transactions occur. Foreign currency monetary assets and liabilities are translated at the rates ruling at the reporting date.

The company's statement of financial position has been retranslated from its functional currency to United States dollars at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations, including goodwill arising on the acquisition of those operations, are translated at the rate ruling at the reporting date. Exchange differences on translating the opening net assets at opening rate and the results of operations at actual rates are recognised in other comprehensive income and accumulated in the translation reserve.

On disposal of a foreign operation, the cumulative exchange differences recognised in the foreign exchange reserve relating to that operation up to the date of disposal are transferred to the consolidated statement of comprehensive income as part of the profit or loss on disposal.

Pension costs

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

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:

- **Loans and 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.
- **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. Bad debts are written off when they are identified as being bad. Other receivables are recognised at fair value.
- **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 cash flow statement.
- **Impairment** is recognised if there is objective evidence that the balance will not be recovered.

Notes to the consolidated financial statements (continued)
for the financial year ended 31 December 2015

Financial assets (continued)

The Group's loans and receivables comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

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.

Equity instruments

Equity instruments are recorded at the proceeds received, net of direct issue costs.

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.

Restatement of other comprehensive income

The 2014 consolidated statement of comprehensive income and statement of changes in Group equity have been restated to remove from other comprehensive income \$2.192m of exchange gains predominantly arising on the retranslation of the parent company's equity from Sterling (its functional currency) into US Dollars (the Group's presentational currency). This retranslation difference has instead been recognised directly in equity. The exchange loss recognised in the consolidated statement of comprehensive income now includes only the net exchange differences arising on the retranslation of the recognised assets, liabilities and profit of the Group's non-US Dollar-functional currency operations. The restatement has had no effect on the consolidated statement of financial position. The 2014 statement of changes in the company's equity has been restated to remove from other comprehensive income \$1.787m of exchange differences gains, arising on the translation of the parent company's equity from Sterling (its functional currency) into US Dollars (its presentational currency). The exchange loss recognised in other comprehensive income now includes only the net exchange differences arising on the retranslation of the company's recognised assets, liabilities and loss in the year. The restatement has had no effect on the company statement of financial position.

2. Critical estimates and judgements

The Group makes judgements and assumptions concerning the future that impact the application of policies and reported amounts. The resulting accounting estimates calculated using these judgements and assumptions may not equal the related actual results, but are based on historical experience and expectations of future events. The

Notes to the consolidated financial statements (continued)
for the financial year ended 31 December 2015

Critical estimates and judgements (continued)

Judgements and key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are discussed below.

Impairment of assets

Financial and non-financial assets, including other intangibles, are subject to impairment reviews based on whether current or future events and circumstances suggest that their recoverable amount may be less than their carrying value. Recoverable amount is based on a calculation of expected future cash flows which includes management assumptions and estimates of future performance.

The recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which this asset belongs. An intangible asset with an indefinite useful life is tested for impairment annually and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of the fair value less costs to sell and value in use. In assessing value in use, the estimated pre-tax future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of the future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately, unless the relevant asset is carried at a re-valued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior periods. A reversal of an impairment loss is recognised as income immediately unless the relevant asset is carried at a re-valued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Impairment of non-financial assets (excluding inventories and deferred tax assets)

Impairment tests on goodwill and other intangible assets with indefinite useful economic lives are undertaken annually at the financial year end. 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 the carrying value of an asset exceeds its recoverable amount (i.e. the higher of value in use and fair value less costs to sell), the asset is written down accordingly.

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.

Impairment charges are included in profit or loss, except to the extent they reverse gains previously recognised in other comprehensive income. An impairment loss recognised for goodwill is not reversed.

Agent vs. principal

Revenue for queuing services is recognised on either a gross or net basis. The determination for this basis is made through analysing whether the Group is acting as a principal or agent in a given arrangement. Revenue and costs will be recognised on a gross basis when the Group is responsible for the operations within the theme parks and bears the

**Notes to the consolidated financial statements (continued)
for the financial year ended 31 December 2015**

Agent v principal (continued)

risk and benefits of the activities. Revenue will be recognised on a net basis when the Group supplies their intellectual property and product but the responsibility for the operation is that of the theme park. Additional detail over the revenue recognition policy for the Group is included in note 1.

Useful lives of intangible assets

Intangible assets are amortised over their estimated useful lives with the charge recorded in administrative expenses. Useful lives are based on management's estimates of the period that the assets will generate revenue, which are periodically reviewed for continued appropriateness. Changes to estimates can result in significant variations in the carrying value and amounts charged to the consolidated income statement in specific periods. More details including carrying values are included in note 11.

Determination of fair values of intangible assets acquired in business combinations

The fair value of intangible assets acquired in business combinations is based on a method appropriate to the specific intangible asset. The accesso, LLC intangible assets were derived as follows:

- Customer relationships on multiple period excess earnings; and
- Internally developed technology on an estimated cost to recreate the intellectual property.

The Siriusware, Inc. and VisionOne, Inc. intangible assets were derived as follows:

- Internally developed technology on a multiple period excess earnings method;
- Customer relationships on a cost-based approach; and
- Trademarks on a relief from royalty method.

Income taxes

The Group is subject to income tax in several jurisdictions and significant judgement is required in determining the provision for income taxes. During the ordinary course of business, there are transactions and calculations for which the ultimate tax determination is uncertain. As a result, the Group recognises tax liabilities based on estimates of whether additional taxes and interest will be due. The Group believes that its accruals for tax liabilities are adequate for all open audit years based on its assessment of many factors, including past experience and interpretations of tax law. This assessment relies on estimates and assumptions, and may involve a series of complex judgements about future events. To the extent that the final tax outcome of these matters is different than the amounts recorded, such differences will impact income tax expense in the period in which such determination is made.

The recognition of deferred tax assets is based upon whether it is more likely than not that sufficient and suitable taxable profits will be available in the future against which the reversal of temporary differences can be deducted. Where the temporary differences are related to losses, the availability of the losses to offset against forecast taxable profits is also considered.

Deferred tax arising on business combinations reflects the difference in tax base and book base. The tax base of the intangible assets depends on the local jurisdiction and the nature of the acquisition as to whether it's a stock or asset purchase.

Research and development tax credit

Research and development tax credits are recognised on an accrual basis and are included as an income tax credit under current assets. The Group has history of successfully estimating research and development tax credits as set out by applicable tax legislation.

Notes to the consolidated financial statements (continued)
for the financial year ended 31 December 2015

3. 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 16 and 17, the Group's financial instruments comprise cash. 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 2015	Note	Less than	Between 6	Between 1	Over 5	Total
		6 months	months and	and 5 years	Years	
		\$000	1 year	\$000	\$000	\$000
Group						
Financial liabilities	17	9,022	72	-	-	9,094
Finance lease	19	25	26	63	-	114
Bank loan	20	-	-	14,700	-	14,700
Interest payable on bank loan		174	174	377	-	725
Total		9,221	272	15,140	-	24,633
Company						
Financial liabilities	17	1,235	-	-	-	1,235
Bank loan	20	-	-	14,700	-	14,700
Interest payable on bank loan		174	174	377	-	725
Total		1,409	174	15,077	-	16,660

Notes to the consolidated financial statements (continued)
for the financial year ended 31 December 2015

Maturity analysis (continued)

31 December 2014	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	17	7,950	-	-	-	7,950
Finance lease	19	24	24	114	-	162
Bank loan	20	-	-	20,000	-	20,000
Interest payable on bank loan		201	201	804	-	1,206
Total		8,175	225	20,918	-	29,318
Company						
Financial liabilities	17	1,461	-	-	-	1,461
Bank loan	20	-	-	20,000	-	20,000
Interest payable on bank loan		201	201	804	-	1,206
Total		1,662	201	20,804	-	22,667

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 variation 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 2015	Note	Fixed rate \$000	Floating rate \$000	Non-interest bearing \$000	Total assets \$000	Total liabilities \$000
Group						
Financial assets	16	-	-	7,807	7,807	-
Cash	15	-	-	5,307	5,307	-
Total		-	-	13,114	13,114	-
Bank loan	20	-	(14,700)	-	-	(14,700)
Finance lease	19	(114)	-	-	-	(114)
Total		(114)	(14,700)	-	-	(14,814)
Company						
Financial assets	16	-	-	16,656	16,656	-
Cash	15	-	-	1,734	1,734	-
Total		-	-	18,390	18,390	-
Bank loan	20	-	(14,700)	-	-	(14,700)
Total		-	(14,700)	-	-	(14,700)

Notes to the consolidated financial statements (continued)
for the financial year ended 31 December 2015

Interest rate risk (continued)

31 December 2014	Note	Fixed rate \$000	Floating rate \$000	Non-interest bearing \$000	Total assets \$000	Total liabilities \$000
Group						
Financial assets	16	-	-	4,028	4,028	-
Cash	15	-	-	5,693	5,693	-
Total		-	-	9,721	9,721	-
Bank loan	20	-	(20,000)	-	-	(20,000)
Finance lease	19	(162)	-	-	-	(162)
Total		(162)	(20,000)	-	-	(20,162)
Company						
Financial assets	16	-	-	20,243	20,243	-
Cash	15	-	-	1,309	1,309	-
Total		-	-	21,552	21,552	-
Bank loan	20	-	(20,000)	-	-	(20,000)
Total		-	(20,000)	-	-	(20,000)

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 customers' financial position, their reputation in the industry, and past trading experience. As a result, the Group's exposure to bad debts is 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	
	2015 \$000	2014 \$000	2015 \$000	2014 \$000
Trade and other receivables	7,807	4,028	16,656	20,243
Cash	5,307	5,693	1,734	1,309
Estimated irrecoverable amounts	(198)	(55)	-	-
	12,916	9,666	18,390	21,552

The maximum exposure is the carrying amount as disclosed in trade and other receivables. The average credit period taken by customers is 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 2015 and 31 December 2014, 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.

Notes to the consolidated financial statements (continued)
for the financial year ended 31 December 2015

Credit risk exposure (continued)

	Group		Company	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Up to 3 months	3,639	2,401	75	23
3 to 6 months	353	486	-	19
	3,992	2,887	75	42

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 20. 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 has operations 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, Canadian 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 accesso Technology Group plc and accesso LLC held monetary assets in currencies other than its local currency, sterling and US dollars, respectively. Balances at 31 December 2015 are:

accesso Technology Group plc	\$156,804 (2014: \$130,653) denominated in US dollars
	AUD\$14,436 (2014: AUD\$56,958) denominated in Australian dollars
	€81,235 (2014: €250,952) denominated in euros
accesso LLC	CAD\$10,550 (2014: CAD\$nil) denominated in Canadian dollars
	€32,220 (2014: €nil) denominated in euros
	£3,386 (2014: £nil) denominated in sterling

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

The Group considers the volatility of currency markets over the year to be representative of the potential foreign currency risk it is exposed to. The main currency the Group's results were exposed to was sterling and over the year the average rate for 1GBP = 1.526 USD (2014: 1GBP = 1.65USD). 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 \$140,000 (1.95%). If sterling had been

Notes to the consolidated financial statements (continued)
for the financial year ended 31 December 2015

Foreign currency exposure (continued)

an average of 5% weaker than the dollar through the year then it would have decreased Group profit before tax by \$140,000 (1.95%).

The impact on revenue of these movements would be insignificant.

Fair Value Measurement

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

4. **Business and geographical segments**

Segmental analysis

The Group's operating segments under IFRS have been determined with reference to the information presented in the management accounts reviewed by the board of directors.

The principle revenue generating activity of the Group is the provision of technology solutions to the global attractions and leisure industry.

The Group's segments are evaluated by the Board as a whole and are not appraised on their entity level performance. This is because the operations of the segments are merging as the business gains more scale. Allocation of resources is driven by customer needs across the Group rather than entity level performance. Therefore, the Board consider the Group in its current form to be a single Operating Segment.

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 single sales teams, transferable staff, and is appraised on a Group basis in terms of incentive arrangements.

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

Entity-wide disclosures

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

	Revenue		Non-current assets	
	2015 \$000	2014 \$000	2015 \$000	2014 \$000
UK	2,807	2,005	2,987	3,734
Other Europe	1,543	971	42	-
Australia	373	161	-	-
USA and Canada	86,411	71,954	71,897	70,082
Central and South America	2,035	-	75	-
	93,169	75,091	75,001	73,816

Revenue generated in each of the geographical locations is generally in the local currency of the theme park or attraction based in that location.

Notes to the consolidated financial statements (continued)
for the financial year ended 31 December 2015

Business and geographical segments (continued)

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. Major customers as defined by IFRS 8.34 accounted for \$54.0m of Group revenue for 2015 (2014: \$53.5).

5. Employees and directors

	2015 \$000	2014 \$000
Wages and salaries	25,791	20,948
Social security costs	1,836	1,390
Defined contribution pension costs	548	315
Share based payment transactions	629	353
	<u>28,804</u>	<u>23,006</u>

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 report of the directors.

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

	2015	2014
Operations	113	76
Research & development	113	79
Sales	20	14
Finance & administration	42	25
Marketing	2	1
Seasonal staff	420	432
	<u>710</u>	<u>627</u>

Notes to the consolidated financial statements (continued)
for the financial year ended 31 December 2015

6. Expenses by nature

	2015	2014
	\$000	\$000
Park operating costs (i)	43,259	38,421
Staff costs	17,405	11,321
Legal and professional costs	2,051	1,717
Travel	1,407	883
Marketing	1,164	790
Inventories and consumables	540	3,354
Other costs	5,958	5,308
Other operating leases	998	541
Depreciation - owned assets	1,312	1,410
Depreciation - finance leased assets	48	48
Amortisation	5,521	3,094
Research and development	12,004	8,691
R&D capitalized to balance sheet	(6,224)	(2,592)
Foreign exchange differences	18	(12)

(i) Park operating costs include the operator's share of the revenue, along with the Group's operating costs per the agreement with the park.

Auditor's remuneration

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

	2015	2014
	\$000	\$000
Audit services		
Fees payable to the company's auditors of the parent company and consolidated accounts	114	80
Fees payable to the company's auditors for the audit of subsidiaries	84	34
Non audit services		
Tax compliance	72	66
Tax advisory	33	66
Corporate finance services	8	80
Interim agreed upon procedures	9	13
Other non-audit services	2	2
	<u>322</u>	<u>341</u>

Notes to the consolidated financial statements (continued)
for the financial year ended 31 December 2015

7. Finance income and expense

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

	2015 \$000	2014 \$000
Bank interest received	3	2
Finance costs:		
Bank interest	(481)	(169)
Finance lease	(10)	(12)
Refinance costs	-	(163)
Total finance costs	(491)	(344)
Net finance expense	(488)	(342)

8. Tax

The table below provides an analysis of the tax charge for the periods ended 31 December 2015 and 31 December 2014:

	Note	2015 \$000	2014 \$000
UK corporation tax			
Current tax on income for the period		466	449
Adjustment in respect of prior periods		(134)	-
		332	449
Overseas tax			
Current tax on income for the period		1,181	1,397
Adjustment in respect of prior periods		-	(250)
		1,181	1,147
Total current taxation		1,513	1,596
Deferred taxation	18		
Original and reversal of temporary difference - for the current period		268	(253)
Original and reversal of temporary difference - for the prior period		70	1
		338	(252)
Total taxation charge		1,851	1,344

Notes to the consolidated financial statements (continued)
for the financial year ended 31 December 2015

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:

	2015 \$000	2014 \$000
Profit on ordinary activities before tax	7,220	5,129
Tax at United States tax rate of 40% (2014: 40.0%)	2,888	2,052
Effects of:		
Expenses not deductible for tax purposes	76	294
Additional deduction for patent box	(148)	-
Additional deduction for R&D expenditure – current period	(295)	(315)
Additional deduction for R&D expenditure – prior periods	-	(250)
Profit subject to foreign taxes at a (lower)/ higher marginal rate	(583)	(301)
Adjustment in respect of prior period – income statement	(134)	-
Adjustment in respect of prior periods – deferred tax	-	1
Deferred tax not recognized	47	-
Income not chargeable for tax purposes	-	(124)
Change in tax rates	-	(13)
Total tax charge	1,851	1,344

9. 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 2015 was \$2,329,072 (2014: \$1,215,196).

10. 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 PBT before the deduction of amortisation related to acquisitions, acquisition costs and costs related to share based payments less tax at the effective rate.

The following reflects the income and share data used in the total operations, diluted, and adjusted earnings per share computations.

	2015	2014
Profit attributable to ordinary shareholders (\$000)	5,369	3,785
Basic EPS		
<i>Denominator</i>		
Weighted average number of shares used in basic EPS	21,942	20,469
Basic earnings per share (cents)	24.47	18.49

Notes to the consolidated financial statements (continued)
for the financial year ended 31 December 2015

Earnings per share (continued)

	<u>2015</u>	<u>2014</u>
Diluted EPS		
<i>Denominator</i>		
Weighted average number of shares used in basic EPS	21,942	20,469
Effect of dilutive securities		
Options	911	377
Weighted average number of shares used in diluted EPS	22,853	20,846
Diluted earnings per share (cents)	23.49	18.16
Adjusted EPS		
Profit attributable to ordinary shareholders (\$000)	5,369	3,785
Adjustments for the period related to:		
Costs of acquisition and related refinancing	-	728
Amortisation relating to acquired intangibles from acquisitions	4,235	2,273
Share-based compensation and social security costs on unapproved options	629	415
	10,233	7,201
Tax related to the above adjustments (2015: 25.6%, 2014: 26.2%):		
Costs of acquisition and related refinancing	-	(190)
Amortisation relating to acquired intangibles from acquisitions	(1,084)	(596)
Share based compensation and social security costs on unapproved options	(161)	(109)
Adjusted profit attributable to ordinary shareholders (\$000)	8,988	6,306
<i>Denominator</i>		
Weighted average number of shares used in basic EPS	21,942	20,469
Adjusted earnings per share (cents)	40.96	30.81

Notes to the consolidated financial statements (continued)
for the financial year ended 31 December 2015

11. Intangible assets

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

	Goodwill \$000	Customer relationships \$000	Trademarks \$000	Internally developed technology \$000	Patent costs \$000	IPR costs \$000	Development costs \$000	Totals \$000
At 31 December 2013	16,566	5,781	236	8,904	643	264	5,486	37,880
Foreign currency translation	-	-	-	-	(32)	(15)	(267)	(314)
Acquired through acquisition	22,407	4,459	205	11,376	-	-	-	38,447
Additions	-	-	29	-	76	-	2,592	2,697
At 31 December 2014	38,973	10,240	470	20,280	687	249	7,811	78,710
Foreign currency translation	-	-	-	-	(29)	(12)	(260)	(301)
Additions	254	-	-	-	-	-	6,224	6,478
At 31 December 2015	39,227	10,240	470	20,280	658	237	13,775	84,887
Amortisation								
At 31 December 2013	-	321	7	1,209	237	232	2,705	4,711
Foreign currency translation	-	-	-	-	(10)	(15)	(153)	(178)
Charged	-	473	86	1,715	129	4	687	3,094
At 31 December 2014	-	794	93	2,924	356	221	3,239	7,627
Foreign currency translation	-	-	-	-	(14)	(12)	(159)	(185)
Charged	-	882	148	3,205	74	25	1,187	5,521
At 31 December 2015	-	1,676	241	6,129	416	234	4,267	12,963
Net book value								
At 31 December 2015	39,227	8,564	229	14,151	242	3	9,508	71,924
At 31 December 2014	38,973	9,446	377	17,356	331	28	4,572	71,083

Notes to the consolidated financial statements (continued)
for the financial year ended 31 December 2015

Intangible assets (continued)

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

	Patent costs \$000	IPR costs \$000	Development costs \$000	Totals \$000
At 31 December 2013	552	264	4,492	5,308
Foreign currency translation	(31)	(16)	(267)	(314)
Additions	59	-	945	1,004
At 31 December 2014	580	248	5,170	5,998
Foreign currency translation	(29)	(12)	(260)	(301)
Additions	-	-	1,027	1,027
At 31 December 2015	551	236	5,937	6,724
Amortisation				
At 31 December 2013	202	232	2,572	3,006
Foreign currency translation	(10)	(15)	(153)	(178)
Charged	77	4	733	814
At 31 December 2014	269	221	3,152	3,642
Foreign currency translation	(14)	(10)	(158)	(182)
Charged	74	24	738	836
At 31 December 2015	329	235	3,732	4,296
Net Book Value				
At 31 December 2015	222	1	2,205	2,428
At 31 December 2014	311	27	2,018	2,356

Prior period acquisition of VisionOne Worldwide Ltd.

On 28 November 2014, the Group acquired 100% of the voting equity of VisionOne Worldwide Ltd., a leading US ticketing and e-commerce provider to the entertainment sector. Further details and disclosures relating to the acquisition, including the provisional fair value of identifiable assets and liabilities acquired, purchase consideration and goodwill are included within the 2014 Annual report and financial statements.

The principal reason for this acquisition was to take advantage of the complimentary opportunities available within the sector in which the Group operates.

The revenue included in the consolidated statement of comprehensive income for the period ended 31 December 2014 is that from 28 November 2014. The amount contributed by VisionOne Worldwide Ltd. and its subsidiaries was \$0.7m and contributed gross profit of \$0.18m over the same period.

Had VisionOne Worldwide Ltd. and its subsidiaries been consolidated from 1 January 2014 the consolidated statement of comprehensive income would have included revenue of approximately \$8.4m and gross profit of \$7.7m. Acquisition

Notes to the consolidated financial statements (continued)
for the financial year ended 31 December 2015

Intangible assets (continued)

related costs of \$0.72m were incurred in relation to this acquisition and are included within administrative expenses (\$0.56m) and finance costs (\$0.16m) within the statement of comprehensive income in 2014.

Details of the final fair value of identifiable assets and liabilities acquired, purchase consideration and goodwill together with the provisional fair values included within the 2014 Annual report and financial statements are:

	Book value \$000	Adjustment \$000	Final fair value \$000	Provisional fair value \$000
Identifiable intangible assets				
Internally developed technology	1,526	9,850	11,376	11,376
Customer relationships	-	4,459	4,459	4,459
Trademarks	-	205	205	205
Property, plant and equipment	198		198	198
Receivables and other debtors	1,656	(180)	1,476	1,656
Payables and other liabilities	(956)	-	(956)	(956)
Cash	693	-	693	693
Deferred tax Liability	(622)	(5,806)	(6,428)	(6,428)
Total net assets	<u>2,495</u>	<u>8,528</u>	<u>11,023</u>	<u>11,203</u>
Cash paid at completion	18,781	-	18,781	18,781
Equity instruments (1,519,364 ordinary shares)	14,610	(1) -	14,610	14,610
Working capital true-up	293	-	293	219
Total consideration	<u>33,684</u>	<u>-</u>	<u>33,684</u>	<u>33,610</u>
Goodwill on acquisition			<u>22,661</u>	<u>22,407</u>

- (1) In accordance with IFRS 3 Business Combinations (revised 2008), the consideration paid in shares is based on the share price at the date on which the company obtained control of VisionOne Worldwide Ltd. The price determined in the Membership Interest Purchase Agreement for calculating the number of shares to be issued to the vendors is based on an average price of 577.5p. Shares are subject to certain lock-up restrictions, namely that one third is fully restricted until twelve months after the completion date; a further one third is fully restricted until 24 months after the completion date; and the final one third is fully restricted until 36 months after the completion date.

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.

The fair value uplift of intangible assets recognised does not attract tax deductions under applicable local tax jurisdictions.

The net cash outflow in each year in respect of acquisition comprised:

	2015 \$000	2014 \$000	Total \$000
Cash paid	(293)	(18,781)	(19,074)
Net cash acquired	-	693	693
Total cash outflow in respect of acquisition	<u>(293)</u>	<u>(18,088)</u>	<u>(18,381)</u>

Notes to the consolidated financial statements (continued)
for the financial year ended 31 December 2015

Intangible assets (continued)

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.

Details of goodwill allocated to acquired cash generating units (CGUs) is as follows:

	2015 \$000	2014 \$000
Goodwill carrying amount		
Acquired cash generating unit: accesso, LLC & Siriusware, Inc. (CGU 1)	16,566	16,566
Acquired cash generating unit: VisionOne Worldwide Limited and its subsidiaries (CGU 2)	22,661	22,407
Recoverable amount of CGU's		
Acquired cash generating unit: accesso, LLC & Siriusware, Inc. (CGU 1)	65,120	69,636
Acquired cash generating unit: VisionOne Worldwide Limited and its subsidiaries (CGU 2)	33,668	35,704
Excess of recoverable value of CGU above carrying value		
Acquired cash generating unit: accesso, LLC & Siriusware, Inc. (CGU 1)	24,654	29,981
Acquired cash generating unit: VisionOne Worldwide Limited and its subsidiaries (CGU 2)	184	4,556

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 2015 and 2014 are as follows:

	2015		2014	
	CGU 1	CGU 2	CGU 1	CGU 2
Pre-tax discount rate (%)	14.5	14.5	14.5	14.5
Average operating margin (%)	16.0	25.6	19.3	19.3
Terminal growth rate (%)	3	3	3	3
Forecast period (years)	8	8	8	8

Operating margins have been based on past 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 management's assessment of specific risks related to the cash generating unit. Growth rates beyond the formally budgeted period are based on economic data pertaining to the region concerned.

The Group considers the use of a forecast period of 8 years to be acceptable based on the long term agreements within the business that support a longer term view on revenue visibility. Management have a proven track record of accurately forecasting over extended forecast periods.

In respect of CGU 1, if any one of the changes indicated below were made to the above key assumptions, the carrying amount and recoverable amount would be equal.

	Per test %	Change %
Pre-tax discount rate	14.5	+7.0
Average operating margin	16.0	(7.9)

Notes to the consolidated financial statements (continued)
for the financial year ended 31 December 2015

Intangible assets (continued)

In respect of CGU 2, if any one of the changes indicated below were made to the above key assumptions, the carrying amount and recoverable amount would be equal.

	Per test	Change
	%	%
Pre-tax discount rate	14.5	+0.1
Average operating margin	25.6	(0.2)

12. 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 2013	4,450	1,630	814	456	7,350
Foreign currency translation	(257)	(26)	(13)	-	(296)
Acquired through acquisition	345	1,553	13	561	2,472
Additions	440	114	271	-	825
Disposals	-	(5)	(3)	-	(8)
At 31 December 2014	4,978	3,266	1,082	1,017	10,343
Foreign currency translation	(242)	(52)	(13)	-	(307)
Additions	699	421	568	97	1,785
At 31 December 2015	5,435	3,635	1,637	1,114	11,821
Amortisation					
At 31 December 2013	2,433	1,175	365	86	4,059
Foreign currency translation	(146)	(22)	(10)	-	(178)
Acquired through acquisition	184	1,628	7	459	2,278
Charged	1,031	186	199	42	1,458
Disposals	-	(4)	(3)	-	(7)
At 31 December 2014	3,502	2,963	558	587	7,610
Foreign currency translation	(169)	(46)	(11)	-	(226)
Charged	846	256	187	71	1,360
At 31 December 2015	4,179	3,173	734	658	8,744
Net book value					
At 31 December 2015	1,256	462	903	456	3,077
At 31 December 2014	1,476	303	524	430	2,733

Notes to the consolidated financial statements (continued)
for the financial year ended 31 December 2015

Property, plant and equipment (continued)

The cost and depreciation of the company'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 2013	4,302	446	244	-	4,992
Foreign currency translation	(257)	(26)	(15)	-	(298)
Additions	439	34	-	-	473
At 31 December 2014	4,484	454	229	-	5,167
Foreign currency translation	(240)	(23)	(12)	-	(275)
Additions	20	78	420	-	518
At 31 December 2015	4,264	509	637	-	5,410
Amortisation					
At 31 December 2013	2,363	381	162	-	2,906
Foreign currency translation	(146)	(22)	(10)	-	(178)
Charged	989	34	39	-	1,062
At 31 December 2014	3,206	393	191	-	3,790
Foreign currency translation	(167)	(20)	(10)	-	(197)
Charged	613	37	35	-	685
At 31 December 2015	3,652	410	216	-	4,278
Net book value					
At 31 December 2015	612	99	421	-	1,132
At 31 December 2014	1,278	61	38	-	1,377

Notes to the consolidated financial statements (continued)
for the financial year ended 31 December 2015

13. Investments

Investment in subsidiaries

	<u>\$000</u>
Cost	
At 31 December 2014	47,948
Additions	74
Foreign currency translation	(2,408)
At 31 December 2015	<u>45,614</u>
At 31 December 2013	14,935
Additions	33,903
Foreign currency translation	(890)
At 31 December 2014	<u>47,948</u>
Net book value	
At 31 December 2014	<u>47,948</u>
At 31 December 2015	<u>45,614</u>

<u>Name</u>	<u>Country of incorporation</u>	<u>% Ownership interest</u>	<u>% Voting Rights</u>
Lo-Q, Inc.	United States of America	100	100
Lo-Q Service Canada Inc	Canada	100	100
Lo-Q (Trustees) Limited	United Kingdom	100	100
accesso, LLC.	United States of America	100	100
Siriusware, Inc.	United States of America	100	100
Lo-Q Limited	United Kingdom	100	100
VisionOne Worldwide Limited	British Virgin Islands	100	100
VisionOne, Inc.	United States of America	100	100
VisionOne S.A. de C.V.	Mexico	100	100
ShoWare do Brazil Ltda	Brazil	60	60
VisionOne do Brazil Ltda	Brazil	100	100

accesso, LLC, Siriusware, Inc. and VisionOne, 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 60% owned by VisionOne do Brazil Ltda, and 40% owned by GG Participacoes Ltda, a Brazilian company.

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. and the VisionOne subsidiaries is that of ticketing and point-of-sale software solutions.

Lo-Q (Trustees) Limited operates an employee benefit trust on behalf of accesso Technology Group plc to provide benefits in accordance with the terms of a joint share ownership plan. Further details of this can be found on page 20.

Immediately on the acquisition of VisionOne Worldwide Limited the shares of VisionOne, Inc. were transferred to Lo-Q Inc. The non-controlling interests of all subsidiaries that are not 100% owned by the Group are considered to be immaterial.

Notes to the consolidated financial statements (continued)
for the financial year ended 31 December 2015

14. Inventories

	Group		Company	
	2015 \$000	2014 \$000	2015 \$000	2014 \$000
Stock	561	639	360	403
Park installation	-	9	-	-
	561	648	360	403

The amount of inventories recognised as an expense and charged to cost of sales for the year ended 31 December 2015 was \$1,878,066 (2014: \$1,796,084). 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.

15. Cash and cash equivalents

	Group		Company	
	2015 \$000	2014 \$000	2015 \$000	2014 \$000
Petty cash	1	1	1	1
Bank accounts	5,306	5,692	1,733	1,308
	5,307	5,693	1,734	1,309

16. Trade and other receivables

	Group		Company	
	2015 \$000	2014 \$000	2015 \$000	2014 \$000
Trade debtors	6,407	2,885	413	43
Accrued income	1,400	1,143	51	50
Amounts owed by Group undertakings	-	-	17,701	20,150
Financial assets	7,807	4,028	18,165	20,243
Social security and other taxes	18	-	1	-
Other debtors	85	1,882	31	33
VAT	140	20	138	35
Prepayments	1,030	1,016	327	217
	9,080	6,946	18,662	20,528

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

Notes to the consolidated financial statements (continued)
for the financial year ended 31 December 2015

17. Trade and other payables

	Group		Company	
	2015 \$000	2014 \$000	2015 \$000	2014 \$000
Trade creditors	2,493	1,062	220	337
Sundry creditors	159	776	44	219
Accruals	6,442	6,112	971	905
Financial liabilities	9,094	7,950	1,235	1,461
Social security and other taxes	87	49	12	-
	9,181	7,999	1,247	1,461

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

18. Deferred taxation

	Asset \$000	Liability \$000
Group		
At 31 December 2014	5,696	(8,804)
Charged to income (see note 8)	(292)	(46)
Charged directly to equity	262	-
At 31 December 2015	5,666	(8,850)
At 31 December 2013	6,539	(2,670)
Foreign currency translation	(154)	129
Charged to income (see note 8)	90	162
Charged directly to equity	(779)	3
Business combinations	-	(6,428)
At 31 December 2014	5,696	(8,804)
Company		
At 31 December 2014	195	(32)
Charged to income	15	(196)
Charged directly to equity	73	-
At 31 December 2015	283	228
At 31 December 2013	629	(116)
Foreign currency translation	93	2
Charged to income	(35)	82
Charged directly to equity	(492)	-
At 31 December 2014	195	(32)

Notes to the consolidated financial statements (continued)
for the financial year ended 31 December 2015

Deferred taxation (continued)

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

	2015 \$000	2014 \$000
Group		
Recognised asset		
Tax relief on unexercised employee share options	1,108	831
Short term timing differences	3	289
Business combinations	4,555	4,576
Deferred tax asset	5,666	5,696
Recognised liability		
Depreciation in excess of capital allowances	(2,380)	(1,246)
Business combinations	(6,470)	(7,558)
Deferred tax liability	(8,850)	(8,804)
Company		
Recognised asset		
Tax relief on unexercised employee share options	280	195
Short term timing differences	3	-
Deferred tax asset	283	195
Recognised liability		
Depreciation in excess of capital allowances	(228)	(32)
Deferred tax liability	(228)	(32)

Deferred tax assets and liabilities have been measured at an enacted rate of 18% and 40% in the UK and US respectively (2014: 20% and 40% respectively).

19. Financial lease

Certain office equipment in one of the Group's properties is classified as a finance lease, and included within the Group tangible asset net book value of \$3.1m are assets with a net book value of \$0.1m held under finance lease arrangements. The depreciation charged in the year in respect of these assets was \$0.05m.

Future lease payments are due as follows:

	Minimum lease payments \$000	Interest \$000	Present Value \$000
Not later than one year	57	6	51
Repayable between one and five years	67	4	63
	124	10	114
Current liabilities			51
Non-current liabilities			63
			114

Notes to the consolidated financial statements (continued)
for the financial year ended 31 December 2015

Finance lease (continued)

At 31 December 2014, the future lease payments were as follows:

	Minimum lease payments \$000	Interest \$000	Present Value \$000
Not later than one year	58	10	48
Repayable between one and five years	124	10	114
	182	20	162
Current liabilities			48
Non-current liabilities			114
			162

20. Borrowings

	Group		Company	
	2015 \$000	2014 \$000	2015 \$000	2014 \$000
Bank loans	14,700	20,000	14,700	20,000
	14,700	20,000	14,700	20,000

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. The amended facility includes a borrowing rate of 1.75 per cent above three month LIBOR on funds subject to drawdown and a commitment rate of 0.7 per cent on funds not drawdown. The facility is US dollar denominated and has been secured on the Group's assets and intellectual property in the US and UK. The carrying value of these borrowings approximate to the fair value.

The maximum available for drawdown through to its expiry on 31 December 2017 are as follows:

7 November 2014 to 31 October 2015: \$29m
1 November 2015 to 31 October 2016: \$22m
1 November 2016 to 31 December 2017: \$8m

Lloyds Bank plc holds security in the form of a debenture, including a fixed charge over the freehold and leasehold property and a first floating charge over the other assets of the Group.

No changes were made to this facility in 2015. The costs incurred in refinancing this facility in 2014 are found in note 7.

On 14 March 2016, the Group amended the above facility with Lloyds Bank. 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 12 months.

Notes to the consolidated financial statements (continued)
for the financial year ended 31 December 2015

21. Called up share capital

Ordinary shares of 1p each	2015 Number	2015 \$000	2014 Number	2014 \$000
Opening balance	21,924,537	342	20,203,011	335
Foreign currency translation	-	(17)	-	(20)
Issued for acquisitions	-	-	1,519,364	24
Issued in relation to exercised share options	59,784	1	202,162	3
Closing balance	<u>21,984,321</u>	<u>326</u>	<u>21,924,537</u>	<u>342</u>

During the period, 59,784 shares, with a nominal value \$909, were allotted following the exercise of share options.

On 28 November 2014, the Group issued 1,519,364 shares, with a nominal value of \$23,686, in respect of the acquisition of VisionOne Worldwide Ltd., with a fair value of \$14.6m (\$9.62 per share). Shares are subject to certain lock-up restrictions, namely that one third is fully restricted until twelve months after the completion date; a further one third is fully restricted until 24 months after the completion date; and the final one third is fully restricted until 36 months after the completion date.

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

All issued share capital is fully paid, except for 853,818 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.

Share option schemes

At 31 December 2015 the following share options were outstanding in respect of the ordinary shares:

Scheme	Number of shares	Period of Option	Price per share
EMI Scheme	3,000	25 June 2010 to 24 June 2019	57.5p
	28,235	24 June 2013 to 23 June 2021	179p
	88,083	30 November 2014 to 29 November 2022	323.5p
	15,000	25 April 2015 to 25 April 2023	600p
	12,000	23 January 2017 to 22 January 2024	697.5p
	22,600	15 April 2018 to 15 April 2025	557.5p
US Scheme	40,000	(1)	57.5p
	160,000	10 March 2012 to 9 March 2021 (2)	156p
	32,370	24 June 2013 to 23 June 2021	179p
	16,222	30 November 2014 to 29 November 2022	323.5p
	15,000	26 March 2014 to 25 March 2022	292.5p
	137,500	25 April 2015 to 25 April 2023	600p
	167,700	23 January 2017 to 22 January 2024	697.5p
UK unapproved Scheme	212,800	15 April 2018 to 15 April 2025	557.5p
	110,000	10 March 2012 to 9 March 2021	156p
	30,400	25 April 2015 to 25 April 2023	600p
Long term incentive plan	182,206	8 July 2017	-p (3)
	40,400	27 October 2017	-p (3)
	277,534	15 April 2018	-p (3)

Notes to the consolidated financial statements (continued)
for the financial year ended 31 December 2015

Called up share capital (continued)

- (1) Options vested in three equal tranches on the 25 June 2010, 2011 and 2012 and expire on the 10th anniversary of the grant.
- (2) Options may only be exercised when the share price is above £1.82.
- (3) Vesting is conditional on achievement of certain market based conditions (see note 25).

22. Reserves

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

<i>Reserve</i>	<i>Description and purpose</i>
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
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

23. Pension commitments

The Group operates a defined contribution pension scheme 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 and amounted to \$548,044 (2014: \$315,416). Contributions amounting to \$48,647 (2014: \$38,900) were payable to the fund and are included in creditors.

24. Related party disclosures

Ultimate controlling party

There is no ultimate controlling party.

Subsidiaries

The company has outstanding balances and transactions with its subsidiaries as set out below:

	Outstanding balances		Transactions in year	
	2015 \$000	2014 \$000	2015 \$000	2014 \$000
Lo-Q, Inc.	14,220	15,627	7,629	6,040
Lo-Q Service Canada Inc	197	708	75	151
Lo-Q (Trustees) Limited	1,971	2,076	-	-
accesso, LLC	114	383	568	401
VisionOne Worldwide Limited	1,509	1,578	-	-
VisionOne, Inc.	(222)	(222)	-	-
Siriusware, Inc.	(88)	-	-	-
	17,701	20,150	8,272	6,592

accesso Technology Group plc

Notes to the consolidated financial statements (continued) for the financial year ended 31 December 2015

Related party disclosures (continued)

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 directors fees \$44,256 (2014: \$44,080) of which \$3,578 (2014: \$3,673) was outstanding at year end.

Matt Cooper, an accesso Technology Group plc director, invoiced the company in respect of directors fees \$44,256 (2014: \$44,080) of which \$3,578 (2014: \$3,673) was outstanding at year end.

Maven Creative, LLC., a company in which Steve Brown, an accesso Technology Group plc director, is a director and has a 33% interest, invoiced the Group \$100,928 (2014: \$56,382) in respect of marketing services of which \$3,082 (2014: \$3,818) was outstanding at year end.

All of the above outstanding amounts are included within trade creditors.

Key management compensation

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

	2015 \$000	2014 \$000
Director's remuneration	1,785	1,761
Director's contribution to retirement scheme	55	69
Employer's social security costs	126	221
Share-based payments	115	41
	<u>2,081</u>	<u>2,092</u>

Included in employer's social security costs is an amount of \$nil related to the exercise of unapproved share options by directors (2014: \$72,000).

25. Share-based payment transactions

Equity settled share option schemes

For details of share option schemes in place during the period see note 21. Details of the number of share options and the weighted average exercise price (WAEP) outstanding during the period are as follows:

	2015		2014 restated *	
	Number	WAEP (pence)	Number	WAEP (pence)
Outstanding at beginning of year	1,178,200	313.21	977,159	284.56
Granted during the year	527,334	264.09	469,356	355.77
Exercised during the year	(59,784)	388.58	(202,162)	127.59
Leavers, lapsed & other	(54,450)	626.43	(66,153)	609.28
Outstanding at end of the year	<u>1,591,300</u>	<u>289.10</u>	<u>1,178,200</u>	<u>313.21</u>
Exercisable at the end of the year	<u>676,060</u>	<u>300.95</u>	<u>955,603</u>	<u>176.85</u>
Weighted average share price at date of exercise for share options exercised during the year:		<u>795.80</u>		<u>745.39</u>

* The 2014 share-based payment disclosure has been restated for the inclusion of the LTIP share options in issue.

Notes to the consolidated financial statements (continued)
for the financial year ended 31 December 2015

Share based payment transactions (continued)

The exercise price of options outstanding at 31 December 2015 range between £nil and 697.5p (2014: £nil and 600.0p) and their weighted average contractual life was 5.4 years (2014: 5.5 years).

The weighted average share price at the date of exercise for share options exercised during the period was £7.95 (2014: £7.45).

The fair values were calculated using the Black-Scholes valuation method. The inputs to the model were as follows:

	2015	2014
Weighted average share price (pence)	795.80	745.39
Exercise price of options issued during the period	575.5	697.5
Expected volatility %	27.63	31.00
Expected life (years)	2.00	1.00
Risk free rate (%)	1.00	1.00
Dividend yield (%)	-	-

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 EBT as explained on page 20.

Long term incentive plan

In addition to those above, on 15 April 2015 the Group granted conditional share awards ("Awards") over 277,534 ordinary shares of 1 penny under the Long Term Incentive Plan ("LTIP"), which was approved by shareholders on 27 May 2014.

During 2014, the company granted Awards over 222,206 ordinary shares of 1 penny under the LTIP.

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 performance conditions for the 2015 Awards are achieved via compound share price growth rates from a share price of 545 pence per share over the vesting period. If the average share price ("ASP") during the thirty days prior to 15 October 2018 (the "test date") is 864.37 pence or more, 100% of the shares pursuant to the Award shall vest and the award shall be exercisable in full. The resulting shares from these awards are required to be held for a further six months following the test date.

The Awards shall vest and become exercisable in respect of 30% of the shares comprised in it if the ASP is 805.16 pence. Between ASP of 805.16 and 864.37 pence, the Award shall vest and become exercisable 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. No consideration will be paid for the conditional shares upon their vesting.

The performance conditions for the 2014 Awards are achieved via compound share price growth rates from a share price of 528.25 pence per share over the vesting period. If the ASP during the thirty days prior to 8 July 2017 (the "test date") is 803.40 pence or more, 100% of the shares pursuant to the Award shall vest and the award shall be exercisable in full. The resulting shares from these awards are required to be held for a further six months following the test date.

Notes to the consolidated financial statements (continued)
for the financial year ended 31 December 2015

Share based payment transactions (continued)

The Awards shall vest and become exercisable in respect of 30% of the shares comprised in it if the ASP is 748.37 pence. Between ASP of 748.37 and 803.40 pence, the Award shall vest and become exercisable on a straight line basis between 30% and 100%.

Awards shall not vest at all if the ASP is less than 748.37 pence. No consideration will be paid for the conditional shares upon their vesting.

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:

	2015	2014
Expected volatility (%)	30.00	32.00
Expected life years	3.00	1.00
Risk free rate (%)	0.60	0.89
Dividend yield (%)	-	-

26. Notes to cash flow

Reconciliation of cash generated from operations

Group	2015	2014 - restated *
	\$000	\$000
Profit before tax	7,220	5,129
<i>Depreciation and amortisation charges</i>		
Tangible fixed assets (excluding finance leases)	1,312	1,411
Development costs	1,187	687
Acquired intangibles	4,235	2,273
Finance leased assets	48	48
Other intangibles	99	133
Share based payment	629	353
Finance costs	491	344
Finance income	(3)	(2)
	<u>15,218</u>	<u>10,376</u>
Decrease in inventories	86	186
Increase in trade and other receivables	(1,912)	(1,821)
Increase in trade and other payables	1,320	1,899
Cash generated from operations	<u>14,712</u>	<u>10,640</u>

* The presentation of the 2014 foreign exchange movement has been represented within the movements of working capital to which the foreign exchange relates. The amount restated was not material to the Group.

Notes to the consolidated financial statements (continued)
for the financial year ended 31 December 2015

Notes to cash flow (continued)

Company	2015 \$000	2014 - restated * \$000
Profit before tax	2,843	1,620
<i>Depreciation and amortisation charges</i>		
Tangible fixed assets	685	1,062
Development costs	738	733
Other intangibles	98	81
Share based payment	629	323
Finance costs	480	332
Finance income	-	(2)
	<u>5,473</u>	<u>4,149</u>
Decrease in inventories	44	44
Decrease in trade and other receivables	1,898	1,278
(Decrease) / Increase in trade and other payables	(345)	486
Cash generated from operations	<u>7,070</u>	<u>5,957</u>

* The presentation of the 2014 foreign exchange movement has been represented to reclassify \$1.388m to the movements of working capital to which the foreign exchange has arisen.

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.

	2014 \$000	Cash Flow \$000	Exchange movement \$000	2015 \$000
Group				
Cash in hand & at bank	5,693	(146)	(240)	5,307
	<u>5,693</u>	<u>(146)</u>	<u>(240)</u>	<u>5,307</u>
Company				
Cash in hand & at bank	1,309	491	(66)	1,734
	<u>1,309</u>	<u>490</u>	<u>(66)</u>	<u>1,734</u>

Notes to the consolidated financial statements (continued)
for the financial year ended 31 December 2015

27. Commitments under operating leases

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

	2015 \$000	2014 \$000
Group		
Land & buildings		
Less than one year	720	813
Within one to five years	3,495	1,730
Greater than five years	1,871	-
	<u>6,086</u>	<u>2,543</u>
Other		
Less than one year	47	98
Within one to five years	87	24
Greater than five years	-	-
	<u>134</u>	<u>122</u>
Company		
Land & buildings		
Less than one year	93	104
Within one to five years	604	-
Greater than five years	817	-
	<u>1,514</u>	<u>104</u>
Other		
Less than one year	47	30
Within one to five years	87	24
Greater than five years	-	-
	<u>134</u>	<u>54</u>

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.