

21 March 2017

accesso® Technology Group plc

(“accesso” or the “Group”)

PRELIMINARY RESULTS
for the year ended 31 December 2016

accesso® Technology Group plc (AIM: ACSO), the premier technology solutions provider to leisure, entertainment and cultural markets, announces audited preliminary results for the year ended 31 December 2016. These results reflect a year of continued growth across our portfolio, and demonstrate the ongoing success of the investments we have made. Today’s *accesso* is now a truly global business of scale, which continues to lead the market in terms of ambition, technology and customer experience.

Financial Highlights	Year ended	Year ended	Change
	31 Dec 16 (audited) \$m	31 Dec 15 (audited) \$m	
Revenue	102.5	93.2	+10.0%
Adjusted EBITDA (i)	19.1	15.2	+25.7%
Adjusted operating profit (ii)	15.7	12.6	+24.6%
Profit before tax	10.1	7.2	+40.3%
Cash generated from operations	18.6	14.7	+26.5%
Cash conversion (iii)	97.4%	96.7%	
Net debt (iv)	3.4	9.4	(\$6.0m)
Adjusted Earnings per share – basic (cents) (v)	51.48	40.96	+25.7%
Earnings per share – basic (cents)	33.95	24.47	+38.7%

- (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) *Cash conversion is defined as Cash generated from operations as a percentage of adjusted EBITDA*
- (iv) *Net debt is defined as borrowings less cash and cash equivalents*
- (v) *Earnings used in the adjusted earnings per share calculation is defined as profit before tax 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

Scaling up and leading the market

- Strong performance in all key financial metrics resulting from greater scale of the business, contract wins and new ideas
- Growth driven by a combination of new wins and long-term extensions
- Planned rollout of Merlin contract remains on track
- Continued investment in people and technology, expanding the platform and readying it for the world stage
- Launch of *accesso PrismSM*, the world’s most technologically advanced smart park wearable device

accesso LoQueueSM – Wearing the future on your sleeve

- Important new contract wins in three separate continents with Wet'n'Wild Sydney, Denmark's LEGOLAND® Billund and Schlitterbahn Waterpark and Resort in Texas
- Wet'n'Wild win reflects growing importance of Asia-Pacific region to the Group, where a new regional MD has been appointed
- Expanding client-base and improving mix reflected in total guest revenue up 5.7%
- Significant one-off investment in the development of *accesso Prism*, a new smart park wearable device which can facilitate queuing, payments, messaging, photography, park access and trip intelligence

accesso Passport® – Globalising the platform

- Total volumes up 30% year-on-year, with continued consumer migration and revenue mix shift towards mobile transactions. 38% of unit sales now take place on a mobile device (2015: 25%)
- 2016 saw particular cross-selling success coming from within existing *accesso Siriusware* customers adopting *accesso Passport* ecommerce: The Henry Ford Museum in Dearborn, Michigan and The Pacific Science Center, Seattle, Washington
- Planned investment in our technology platform to improve functionality, language capability and payments systems
- Merlin rollout remains on track, with rollout targeted to be complete at most major sites by the end of 2017

accesso SiriuswareSM – Making its mark in the UK

- 9 new wins in the year, demonstrating good momentum at the heart of *accesso's* point-of-sale and guest management business
- Breakthrough year for *accesso Siriusware* in the UK & Ireland, winning its maiden contracts with Blackpool Pleasure Beach and Jameson Distillery
- Continued strong progress made within and beyond traditional ski markets, including 5 new ski resort clients, NLand Surf Park in Austin, Texas and the Catalina Island Conservancy in California

accesso ShoWareSM – Leveraging our scale

- Rebrand completed in May 2016, completing integration into *accesso*
- Leveraging *accesso's* brand and broad resource capabilities to improve the product and differentiate from the competition
- 51 customer wins during the year, showing ability to rapidly acquire new customers in a new segment for the Group, including sports stadiums where we now sell tickets for 3 major league Mexican soccer teams
- A central part of *accesso's* expansion into Mexico and throughout the Americas

Post Period-End – Broadening our horizons

- Completed initial production run of *accesso Prism* devices and commenced onsite installation of first water park to use this new product offering with go-live scheduled for early summer 2017
- Continued global rollout of *accesso Passport* across Merlin Entertainments. The new LEGOLAND® Japan theme park has become the first location to use *accesso Passport* in Asia and onsite installation is complete at London cluster attractions
- Signed a range of new customers including ten for *accesso ShoWare*, the CNN Studio Tour in Atlanta for *accesso Passport* and a major Canadian visitor attraction for *accesso Siriusware*

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

"2016 has been the year in which I believe Accesso has achieved meaningful scale. As a result, we are now beginning to see the positive impact this step-change in activity can have on our financial performance.

It is particularly encouraging that this performance has been delivered during what we consider to be an investment phase for Accesso, as we continue to prepare for what remains a significant global opportunity in the medium term.

As ever, we base our success on the quality of the relationships we have with some of the largest and most ambitious operators in the world, helping us to expand or extend our existing relationships as well as to initiate new ones. This approach, fully aligned with our business model, allows us to focus on the execution of our plans to generate sustainable and increasing profitable growth."

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

*“This year we have continued to make excellent progress in our quest to extend *Accesso*’s market leadership in all our operating areas. Our technology is second-to-none and is delivered by our team with world class service standards. A range of enhancements across our platforms along with the launch of *Accesso Prism* earlier in the year demonstrates the extent of our commitment to improving our product offering on an ongoing basis.*

Accesso continues to invest to ensure we are at the forefront of product functionality, customer relationship management and internal talent acquisition. Beyond these investments to prepare us for long term growth, these efforts are already delivering results for our customers and our business today.”

accesso will also be hosting a capital markets event in London this morning at 10.30am at the offices of Canaccord Genuity Limited, 88 Wood Street, London EC2V 7QR. The event will be hosted by Tom Burnet, Executive Chairman, Steve Brown, CEO and John Alder, CFO, with presentations and demonstrations by various senior leaders within the Group. No material new information will be provided and the presentations will be available on the Group's website after the event.

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Chairman's Statement

Success at scale

2016 has been another successful year for *accesso*. The Group has depth in its leadership team and has a comprehensive suite of products that lead in the markets it currently serves. This year has seen the Group continue to develop its global aspirations, expanding into new geographies and further embedding itself in the markets it has historically served. From established relationships in North America to flourishing ones in Europe, and from a rapidly growing customer base in South America to a burgeoning presence in Australia, *accesso* continues to serve its customers both as a technology partner and revenue enabler, gaining the trust and confidence of some of the largest and most ambitious operators in the industry.

The Group's financial performance reflects *accesso's* circumstances well. This year, *accesso* achieved adjusted EBITDA of \$19.1m, which amounts to growth of 25.7% year-on-year. This performance reflects increasing operational leverage as the Group gains scale, and has been delivered despite a significant ongoing investment in our core platforms and infrastructure as well as an accelerated development relating to *accesso Prism*, the most technologically advanced smart park wearable device available today. These investments reflect the Group's ongoing commitment to look to the future, and to ensure it remains ahead of its competition from a technology and product standpoint. The strides made already have contributed to the high-quality performance delivered in 2016, while work currently underway, including our progress in relation to the transformational agreement with Merlin Entertainments Group Ltd, promises an even greater acceleration in the future.

Earning the right

Our long-term investment strategy is underpinned by the platform we have built. Through acquisition and organically, we have worked hard to shape a business that offers queuing, ticketing, point-of-sale and guest management solutions across a wide range of leisure markets, and builds products that can serve clients at any stage of development. Moreover, the breadth of our offering is increasing the number of *accesso* customers who now take more than one service from the Group, blending our ticketing and queuing heritage to take us beyond a product-by-product selling strategy and towards a more solutions-based approach. As a result, we are becoming more deeply embedded with our customers and this, combined with our enduring commercial model, allows us to plan more strategically about the future.

Mapping out the future

Whilst we continue to make strong progress, there is more to do. This year, for example, we have seen tremendous advances in the globalisation of our *accesso Passport* ticketing suite and we have launched *accesso Prism* which we believe takes us close to realising our ambition of enabling an entirely queueless park. Looking ahead, we believe there are other opportunities to acquire complementary technologies which will help drive improved guest experience and revenues for our customers and we continue to actively evaluate these.

Our team

As ever, none of this would be possible without an exceptional group of people working together. *accesso* employees continue to outdo themselves, working tirelessly to face and overcome the complex challenges of providing market leading technology and superior service. On behalf of the Board, I thank them once again for their efforts.

2017 so far

The Group has started 2017 in good order. We are on schedule with planned installations and our current direction of travel indicates the beginnings of another good year. That said, the key trading months are ahead of us and will take place in the context of an extremely strong comparator first half from 2016. Nevertheless, we believe fully in our prospects, and look forward to the rest of the year with confidence.

Tom Burnet
Executive Chairman

Chief Executive's Statement

Operational Review

accesso is a truly global business, currently serving clients in 27 countries across the globe. We now stand before current and prospective customers as a mature and balanced Group capable of solving problems and thinking across product lines to provide the best solutions available in the market.

During 2016, a significant amount of thought, work and capital has been invested in the business. Firstly, this relates to the investment required in executing the transformational agreement with Merlin Entertainments Group Ltd, to roll *accesso Passport* out across its entire estate. This work has already taken us a considerable way in our rollout at Merlin sites, and is all about enhancing our operating capability to exceed their high expectations, ensuring we make the most of the significant opportunity it lays out before us.

The second major investment has been in *accesso Prism*, a significant step forward for our entire industry when it comes to in-park wearable technology. Queueing is our heritage at *accesso*, and it is fitting that the idea that underpins our business lives on in this latest product evolution. It is also fitting that while queueing is at the foundation of both Group and product, *accesso Prism* also reminds us how far we've come. Its expansive capabilities incorporate a range of elements that build on the original idea in the same way *accesso* has done, overlaying the core queueing functionality with state-of-the-art technologies that complement it. We are enormously excited about *accesso Prism* and what it says about the way we approach technology leadership at *accesso*. As we continue to improve our business on all fronts, we can look forward to an exciting future.

Our People

As *accesso* expands, attracting and retaining the best talent in the industry is becoming all-the-more important. We take this aspect of our growth extremely seriously, and think with as much energy about our people as we do any other aspect of our business. Our ambition is to create a highly motivated, mobile and collaborative workforce, which, like the Group we currently have, is capable of generating the ideas and energy that keep us ahead of our competition.

This year, we have taken a number of steps to reaffirm our commitment to our people. These include the implementation of Workplace (Facebook at Work) to improve intra-Group, global communication, the piloting of *accesso* core competencies and career path planning, and the start of cross-product and cross-country work assignments which have led to four employees taking temporary assignments in different countries, and four employees permanently transferring into a different part of the business. We also implemented iValue, a peer recognition programme; undertook our second annual global employee engagement survey, with 99% participation; and supported engagement with the local communities by offering employees paid volunteer time annually to a charitable organisation of their choice. All in all, we hired and onboarded 82 new employees in 2016, bringing our non-seasonal employee count at the end of the year to 362. I want to thank each of them for their commitment and outstanding performance as we move into 2017.

accesso LoQueue

2016 was a solid year for *accesso's* queueing products, achieving a number of important new wins and delivering improved results against a backdrop of unfavourable weather conditions at the beginning of H2. Most notable among the new wins were Denmark's LEGOLAND® Billund and the Schlitterbahn Waterpark and Resort in Texas, while in H2, the three-year agreement with Village Roadshow Theme Parks to install *accesso LoQueue* at Wet'n'Wild Sydney marked an important further expansion for the Group in the Asia-Pacific region. Each of these contracts were won at venues in different continents reflects *accesso's* growing global footprint and strengthening international brand. Our win in Australia follows *accesso's* 2014 agreement to install QsmartSM at Malaysia's newest theme park, the Movie Animation Park Studios in Ipoh. *accesso* continues to focus on the Asia-Pacific region, and has appointed a regional MD to oversee progress there. The Wet'n'Wild agreement was also a good example of *accesso* expanding a relationship with an existing customer, as Wet'n'Wild became the second Village Roadshow venue to leverage the *accesso Qband* product.

As a result of its expanding footprint, albeit offset by the challenge of weather, total guest revenue in *accesso LoQueue* was up 5.7%, on the back of a stable average revenue per guest.

Perhaps most significantly within *accesso LoQueue*, in November 2016 the Group unveiled *accesso Prism*, the new smart-park wearable device, the most technologically advanced device of its kind available today. The device includes a range of capabilities, from virtual queueing and payments to park access and guest intelligence for operators. These are all capabilities that position *accesso* as the technology provider of choice for tomorrow's attractions, allowing venues to

increase the volume and range of in-park spending and to drive increased transaction-based revenue for the Group. We look forward to the first site rollout of *accesso Prism* in early Summer 2017.

accesso Passport

During 2016, *accesso Passport* has reaffirmed its position at the heart of the Group's growth. Across the platform, total volumes were up 30% year-on-year reflecting the continued roll-out of our agreement with Merlin and new contract wins including the Jameson Distillery, The Henry Ford Museum and The Philadelphia Museum of Art. Moreover, we continue to experience the rapid shift in consumer behavior towards mobile, accounting for 38% of total transactions, up from 25% in 2015. *accesso* continues to benefit from its early sense that the transition to mobile would only accelerate, and has developed the *accesso Passport* platform to work seamlessly across mobile devices so consumers can shop in their own time, in comfort and well in advance of their visit.

Beyond mobile, our ticketing platform's functionality has also been improved in terms of fraud prevention, client support and technology functionality. As a result of the improvements, during 2016 we were able to successfully prevent more than \$10m in fraudulent transactions on behalf of our customers, fulfill beyond 27,000 client service requests and have our *accesso Passport* point-of-sale solution certified to the highest standards for payment applications as per the Payment Card Industry Security Standards Council. We also introduced *accesso Passport Control*, a module providing a modernised, easy-to-use interface for our clients to manage all their ticketing business. This new product allows users to create and modify ticket products and pricing, adjust capacity around timed products and much more. Lastly, the introduction of our new *accesso Passport Exchange* solution has provided our clients with significantly expanded capabilities to reach resellers, trade partners, and other 3rd parties to more fully leverage their sales networks.

During 2016, *accesso Passport* has also continued to be a focal point for the Group's cross-selling activity. The Group regularly seeks opportunities to increase the number of *accesso* products taken by a single operator, and this year we have seen several installations where *accesso Passport* has been combined with *accesso Siriusware* to provide operators with more comprehensive solutions to meet their needs. The combination of ticketing, point-of-sale and guest management solutions is a particularly compelling one, and the Group continues to pursue avenues where the two products can be deployed together. To date, the combination has been particularly successful in our museum and ski resort clients, and as a result, we have undertaken an in-depth evaluation of the ski market with the goal of improving the way we integrate these two important solutions. This has seen a significant improvement in our understanding of this market, and a number of tailored enhancements to the product as a result.

The planned investment to right-size *accesso Passport* for the Merlin rollout has also been progressing to plan during 2016. The platform has been enhanced to deal with the myriad requirements associated with a global rollout of this nature, which itself has been progressing well.

accesso Siriusware

accesso Siriusware fared well in 2016, winning 9 new clients during the year. Perhaps even more notably, 2016 was the year that *accesso Siriusware* won its first contract in the European market through our agreement with the long-term *accesso LoQueue* customer, Blackpool Pleasure Beach. This success was quickly followed by a further agreement with Jameson Distillery, which will operate onsite alongside *accesso Passport* for ecommerce. We now have seven same-site integrations of *accesso Passport* and *accesso Siriusware*, with an eighth to follow in the first half of 2017.

accesso Siriusware continues to be successful in adding Ski clients to its roster, yet the Blackpool Pleasure Beach agreement also reflects the product's growing ability outside its core Ski market and helps the Group move into new markets and geographies. NLand Surf Park in Austin, Texas and the Catalina Island Conservancy in California are good examples of client wins from across industries, showing *accesso Siriusware's* continued appeal.

accesso ShoWare

In May 2016, we completed the rebranding of *ShoWare* to *accesso ShoWare*, completing the brand's integration into the *accesso* Group. During that process, we have nearly doubled *accesso ShoWare's* sales force, and consolidated its sales and marketing group into the single joined up team that spans the entire Group. Since the acquisition in 2014, *accesso ShoWare* has acquired new business quickly, taking *accesso* into the assigned-seating market and opening the Group up to a new type of customer: the event promoter or organiser. Good examples of this new success come from Mexico, where we continue to make progress into the exciting sports market, now providing ticketing services for three major league soccer teams.

This year, *accesso ShoWare* won 51 new contracts, some which continue the cross-selling theme by coming from customers already taking other *accesso* services. For example, Six Flags' La Ronde theme park (*accesso Passport & accesso LoQueue*), Longwood Gardens (*accesso Siriusware*) and Taos Center for the Arts (*accesso Siriusware*) all became *accesso ShoWare* customers in 2016, providing further evidence that the potential for cross-sell in *accesso's* portfolio stretches right across our offering.

Importantly, *accesso ShoWare* has a significant opportunity to differentiate from the competition by leveraging the brand and expertise within the wider Group. In this regard, a number of product enhancements have already been rolled out in the business, including an integrated marketing campaign manager, a streamlined checkout system and enhanced language support. With the integration now complete, we are delighted to report that the start of the process has exceeded our expectations, and we look forward to progressing with *accesso ShoWare* in the coming years.

Striding in to 2017

Beyond the period-end, all business lines are showing good momentum. In terms of new business, we have already signed a range of new customers including ten for *accesso ShoWare*, the CNN Studio Tour in Atlanta for *accesso Passport* and a major Canadian visitor attraction for *accesso Siriusware*. We have also completed the first production run of our new *accesso Prism* devices, and have commenced its first onsite installation. That installation is scheduled to go live early in the summer of 2017.

We are also continuing with the global rollout of *accesso Passport* across for Merlin Entertainments. The start of 2017 has seen go-lives at Merlin's London cluster, and the *accesso Passport* installation in Asia at the new *LEGOLAND®* Japan Theme Park.

Financial Review

2016 has been another strong financial year for *accesso*, as the business continues to benefit from its expanding global footprint and increasing scale.

accesso's business model is largely founded on transaction-based agreements that provide high-quality, highly-visible and repeatable revenue for the Group. These agreements are often long-term, and as such, we are able to look forward to our future revenue with significant levels of confidence. In line with the previous year, we would consider that approximately 91% of 2016 group revenue consisted of revenues in this category. This, combined with the fact that the Group often benefits from pricing increases implemented by our customers and the longevity of the agreements, clearly permits the opportunity to outperform future revenue expectations by delivering new business.

Key financial metrics

accesso once again performed strongly in 2016 despite some challenging trading conditions during the North American summer where hot weather in certain markets was not helpful to attraction attendance. The strong performance also came in the context of a material expansion in the cost base owing in part to the aforementioned platform improvements, investment in our global team, development expenditure around *accesso Prism* and the required scale-up to deliver on our global rollout commitment of *accesso Passport* with Merlin.

Revenue for the year ended 31 December 2016 of \$102.5m increased by \$9.3m (+10.0%) when compared to 2015 (\$93.2m) and benefited from *accesso's* expanded reach. On a constant currency basis, revenues would have been \$1m higher. The gross profit margin in 2016 was 53.9%, compared to 49.4% in 2015, once again principally reflecting a change in mix towards higher margin ticketing revenue.

Administrative expenses in the business, ignoring share based payments, depreciation and amortisation, were \$36.2m, which represented an increase of 17% on 2015 (\$30.9m), as the Group continued to invest ahead of revenue to support the more global nature of our opportunities.

Adjusted operating profit, which the Board considers a key underlying metric, for the year ended 31 December 2016 was \$15.7m and this equates to 24.6% growth when compared to 2015 (\$12.6m). Our adjusted operating margin improved to 15.3% in 2016 (2015: 13.5%) and the Board believes there is potential for future improvement in this metric as we exit this investment period.

Profit before tax of \$10.1m increased by \$2.9m from \$7.2m (+40.3%) in the prior year. On a constant currency basis, profit before tax would have been \$9.8m.

Earnings per share (basic) was 33.95 cents for 2016, an increase of 38.7% on 2015 (24.47 cents).

These results are evidence of a harmonised and increasingly diversified portfolio capable of delivering overall growth while overcoming challenges. More specifically, *accesso* is increasingly able to derive expanding earnings from its growth at the top line, as the investments made come through and allow the Group to reap the benefits of improving operating leverage.

Total R&D expenditure during 2016 was \$17.9m, (2015: \$12m) represents 17.5% of revenues (12.9%) and of which \$11.7m (2015: \$6.2m) was capitalised. The increase from 2015 is attributable to the development of *accesso Prism* and the continued expansion of functionality to enhance the offering generally and to support our geographic aspirations.

Debt refinancing and cash flow

Cash generated from operations at \$18.6m for the year ended 31 December 2016 was 26.5% better than in 2015 (\$14.7m) and represents a cash conversion from adjusted EBITDA of 97.4% (2015: 96.7%).

Our closing net debt balance of \$3.4m (2015: \$9.4m), represents 17.8% (2015: 62%) of current year adjusted EBITDA and was ahead of our expectations, notwithstanding the increased investment. The Board believes that the Group remains in a strong financial position at the period end, with excellent opportunities to access debt finance on attractive terms.

On 14 March 2016, the Group amended its facility with Lloyds Bank. That amended facility extended the original 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. That facility was due to terminate on 14 March 2019 with the possibility for this to extend for a further 24 months in two separate 12 month extensions.

Tax

The full year tax rate of 25.5% (2015: 25.6%) was lower than the guidance that we provided for 2016 of 28%.

The Group continues to focus on and review 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 that currently have significantly higher headline tax rates than the UK. The Board expects the Group's 2017 tax rate to be within the range of 20% to 23%.

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.

Adjustment

A prior year adjustment has been incorporated within the comparative balances as at 31 December 2015 relating to the acquisition accounting for *accesso LLC* within the accounts for the year ending 31 December 2013. This fair value accounting included the recognition of a deferred tax asset. After consultation with KPMG LLP, who were appointed as auditors to the Group in Nov 2016, the Board has decided that the deferred tax was overstated and goodwill understated by \$4.6m. If this adjustment was retrospectively applied, there would not have been any change in reported earnings, net assets or cash flows for 2013, 2014 or 2015.

Summary and Outlook for 2017

accesso has once again performed strongly during 2016 and despite a strong comparator period, has made a reassuringly vibrant start to the first half of the new year.

What is clear to the Board is that *accesso* has all the ingredients and attributes required to enjoy a sustained period of increasingly profitable growth in the future. The Board believes that the Group is currently within a stage of its development that should be considered an investment period as it invests heavily in product, people and infrastructure to support the global opportunities that present themselves. While this may restrict our operating margin growth in the short-term, it presents opportunities for accelerated margin improvement as we exit this investment period. During 2017 the Board will continue to drive *accesso* along its growth path, executing its plan to expand the Group's capabilities in terms of technology, geographical diversity and personnel to ensure it can make the most of the opportunity before it. The Board is confident that the Group will meet its expectations for 2017.

Steve Brown
Chief Executive Officer

**Consolidated statement of comprehensive income
for the financial year ended 31 December 2016**

	Notes	2016 \$000	2015 \$000
Revenue		102,511	93,169
Cost of sales		(47,186)	(47,206)
Gross profit		55,325	45,963
Administrative expenses		(44,813)	(38,255)
Operating profit		10,512	7,708
Finance expense		(414)	(491)
Finance income		4	3
Profit before tax		10,102	7,220
Income tax	6	(2,576)	(1,851)
Profit for the period		7,526	5,369
Other comprehensive income			
<i>Items that will be reclassified to income statement</i>			
Exchange differences on translating foreign operations		(1,579)	32
Other comprehensive income net of tax		(1,579)	32
Total comprehensive income		5,947	5,401
Profit attributable to:			
Owners of the parent		7,526	5,367
Non-controlling interest		-	2
		7,526	5,369
Total comprehensive income attributable to:			
Owners of the parent		5,947	5,399
Non-controlling interest		-	2
		5,947	5,401
Earnings per share expressed in cents per share:			
Basic	7	33.95	24.47
Diluted	7	32.02	23.49

**Consolidated statement of financial position
as at 31 December 2016**

Registered Number: 03959429	31 December 2016 \$000	Restated* 31 December 2015 \$000	Restated* 31 December 2014 \$000
Assets			
Non-current assets			
Intangible assets	81,612	76,559	75,718
Property, plant and equipment	3,494	3,077	2,733
Deferred tax assets	6,008	1,377	1,407
	<u>91,114</u>	<u>81,013</u>	<u>79,858</u>
Current assets			
Inventories	491	561	648
Trade and other receivables	10,232	9,080	6,946
Income tax receivable	681	878	1,052
Cash and cash equivalents	5,866	5,307	5,693
	<u>17,270</u>	<u>15,826</u>	<u>14,339</u>
Liabilities			
Current liabilities			
Trade and other payables	11,242	9,181	7,999
Finance lease liabilities	54	51	48
Income tax payable	-	84	-
	<u>11,296</u>	<u>9,316</u>	<u>8,047</u>
Net current assets	<u>5,974</u>	<u>6,510</u>	<u>6,292</u>
Non-current liabilities			
Deferred tax liabilities - restated	9,990	9,196	9,150
Finance lease liabilities	9	63	114
Borrowings	9,298	14,700	20,000
	<u>19,297</u>	<u>23,959</u>	<u>29,264</u>
Total liabilities	<u>30,593</u>	<u>33,275</u>	<u>37,311</u>
Net assets	<u>77,791</u>	<u>63,564</u>	<u>56,886</u>
Shareholders' equity			
Called up share capital	357	353	352
Share premium	28,150	26,841	26,491
Own shares held in trust	(1,163)	(2,136)	(2,136)
Other reserves	9,242	3,470	2,544
Retained earnings	29,919	22,169	16,802
Merger relief reserve	14,540	14,540	14,540
Translation reserve	(3,254)	(1,675)	(1,707)
Total attributable to equity holders	<u>77,791</u>	<u>63,562</u>	<u>56,886</u>
Non-controlling interest	-	2	-
Total shareholders' equity	<u>77,791</u>	<u>63,564</u>	<u>56,886</u>

*See note on restatement on pages 19 to 20

**Consolidated statement of cash flow
for the financial year ended 31 December 2016**

Notes	2016 \$000	2015 \$000
Cash flows from operations		
Profit for the period	7,526	5,369
<i>Adjustments for:</i>		
Depreciation	1,393	1,360
Amortisation on acquired intangibles	4,227	4,235
Amortisation on development costs	1,927	1,187
Amortization on other intangibles	67	99
Share based payment	987	629
Finance expense	414	491
Finance income	(4)	(3)
Loss on disposal of fixed assets	5	-
Foreign exchange gain	(1,465)	359
Income tax expense	6 2,576	1,851
	<u>17,653</u>	<u>15,577</u>
Increase in inventories	70	87
Decrease in trade and other receivables	(1,152)	(2,134)
Increase in trade and other payables	<u>2,061</u>	<u>1,182</u>
Cash generated from operations	18,632	14,712
Tax paid	<u>(810)</u>	<u>(1,094)</u>
Net cash inflow from operating activities	<u>17,822</u>	<u>13,618</u>
Cash flows from investing activities		
Additional consideration to sellers of subsidiary	-	(293)
Purchase of intangible fixed assets	(84)	-
Capitalised internal development costs	(11,591)	(6,224)
Purchase of property, plant and equipment	(1,948)	(1,785)
Interest received	4	3
Net cash used in investing activities	<u>(13,619)</u>	<u>(8,299)</u>
Cash flows from financing activities		
Share issue	1,313	351
Sale of shares held in trust	1,240	-
Interest paid	(414)	(468)
Payments to finance lease creditors	(51)	(48)
Cash paid to refinance	(184)	-
Proceeds from borrowings	5,550	3,375
Repayments of borrowings	<u>(10,825)</u>	<u>(8,675)</u>
Net cash used in financing activities	<u>(3,371)</u>	<u>(5,465)</u>
Increase / (decrease) in cash and cash equivalents	832	(146)
Cash and cash equivalents at beginning of year	5,307	5,693
Exchange loss on cash and cash equivalents	<u>(273)</u>	<u>(240)</u>
Cash and cash equivalents at end of year	<u>5,866</u>	<u>5,307</u>

**Statement of changes in Group equity
for the financial year ended 31 December 2016**

	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 2015 as restated*	353	26,841	22,169	14,540	3,470	(2,136)	(1,675)	63,562	2	63,564
Comprehensive income for the year										
Profit for period	-	-	7,526	-	-	-	-	7,526	-	7,526
Other comprehensive income	-	-	-	-	-	-	(1,579)	(1,579)	-	(1,579)
Total comprehensive income for the year	-	-	7,526	-	-	-	(1,579)	5,947	-	5,947
Contributions by and distributions to owners										
Issue of share capital	4	1,309	-	-	-	-	-	1,313	-	1,313
Share based payments	-	-	-	-	987	-	-	987	-	987
Reduction of shares held in trust	-	-	222	-	-	973	-	1,195	-	1,195
Removal of NCI	-	-	2	-	-	-	-	2	(2)	-
Change in tax rates	-	-	-	-	(11)	-	-	(11)	-	(11)
Share option tax credit	-	-	-	-	4,796	-	-	4,796	-	4,796
Total contributions by and distributions by owners	4	1,309	224	-	5,772	973	-	8,282	(2)	8,280
Balance at 31 December 2016	357	28,150	29,919	14,540	9,242	(1,163)	(3,254)	77,791	-	77,791
Balance at 31 December 2014 as restated*	352	26,491	16,802	14,540	2,544	(2,136)	(1,707)	56,886	-	56,886
Comprehensive income for the year										
Profit for period	-	-	5,367	-	-	-	-	5,367	2	5,369
Other comprehensive income	-	-	-	-	-	-	32	32	-	32
Total comprehensive income for the year	-	-	5,367	-	-	-	32	5,399	2	5,401
Contributions by and distributions to owners										
Issue of share capital	1	350	-	-	-	-	-	351	-	351
Share based payments	-	-	-	-	629	-	-	629	-	629
Share option tax credit	-	-	-	-	297	-	-	297	-	297
Total contributions by and distributions by owners	1	350	-	-	926	-	-	1,277	-	1,277
Balance at 31 December 2015 as restated*	353	26,841	22,169	14,540	3,470	(2,136)	(1,675)	63,562	2	63,564

*See note regarding restatement on pages 19 to 20

1. Reporting entity

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

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

2. Basis of accounting

The financial information set out in this release does not constitute the company's full statutory accounts for the year ended 31 December 2016 for the purposes of section 435 of the Companies Act 2006, but it is derived from those accounts that have been audited. Statutory accounts for 2015 have been delivered to the Registrar of Companies and those for 2016 will be delivered after the forthcoming AGM. The auditors have reported on those accounts; their report was unqualified, did not draw attention to any matters by way of emphasis without qualifying their report and did not contain statements under s498(2) or (3) Companies Act 2006 in either 2016 or 2015.

While the financial information included in this announcement has been prepared in accordance with the recognition and measurement criteria of International Financial Reporting Standards (IFRS), this announcement does not itself contain sufficient information to comply with IFRS. The Company expects to publish full financial results for the year ended 31 December 2016 that comply with IFRS in March 2017.

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 2016.

New standards and interpretations not yet adopted

- A number of new standards, amendments to standards, and interpretations are not effective for 2016, and therefore have not been applied in preparing these accounts. The effective dates shown are for periods commencing on the date quoted.
- IFRS 15 Revenue from Contracts with Customers (effective for year ending 31 December 2018)
- IFRS 9 Financial Instruments (effective 31 December 2018)
- IFRS 16 Leases (effective for year ending 31 December 2019)
- IAS 16 and 38: Amendments to Clarification of Acceptable Methods of Depreciation and Amortisation (effective for year ending 31 December 2017)
- IAS 27: Amendments related to Equity Method in Separate Financial Statements (effective for year ending 31 December 2017)
- IAS 11: Amendments relating to Acquisitions of Interest in Joint Operations (effective for year ending 31 December 2017)
- IAS 7: Amendments related to Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (effective for year ending 31 December 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.

Management is assessing the impact of IFRS 15 “Revenue from Contracts with Customers” and whether the application of IFRS 15, once effective, will have a material impact on the results of the company. Management is also currently assessing the impact of IFRS 16 on the Group’s financial statements, but has not yet formed a conclusion.

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.

3. Functional and presentation currency

These consolidated financial statements are presented in United States dollars (USD), which differs from the company’s functional currency of sterling.

4. Significant accounting policies

Basis of consolidation

The consolidated financial statements incorporate the results of accesso Technology Group plc and all of its subsidiary undertakings as at 31 December 2016 using the acquisition method. Subsidiaries are all entities over which the Group has the ability to affect the returns of the entity, and has the rights to variable returns from its involvement with the entity. The results of subsidiary undertakings are included from the date of acquisition.

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

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

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

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

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

Foreign currency

Foreign currency transactions

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

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

Foreign operations

The assets and liabilities of foreign operations, including goodwill, are translated into United States dollars (USD) at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into USD at the rates ruling when the transactions occur.

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

Revenue recognition

Revenue primarily arises from the development and application of virtual queuing technologies, eCommerce ticketing and sales in relation to point of sale and guest management software licences, and related hardware.

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

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

Where the contract is a profit-share, revenue represents the total payment by the park guest, net of sales taxes, to utilise the technology. The Group is generally responsible for the operation within the customer's attraction, including sales, operation, maintenance of the equipment and facility, and guest relations.

In a revenue-share contract, the Group's share of the revenue generated by the technology, as per the customer agreement, is recognised as revenue. The Group generally does not influence operation of the product, sales, maintenance, guest relations, or employees.

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

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

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

Interest expense recognition

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

Employee benefits

Share-based payment arrangements

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

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

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

Pension costs

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

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.

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

Plant, machinery, and office equipment	20.0 - 33.3% of the original costs each year
Installed systems	25 - 33.3%, or life of contract, of the original costs each year
Furniture and fixtures	20% of the original costs each year
Leasehold Improvements	Shorter of useful life of the asset or time remaining within the lease contract of the original costs each year

Inventories

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

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

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

Deferred tax

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

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

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

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

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

- the same taxable Group company; or

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

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 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 provision for impairment.

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

Externally acquired intangible assets

Intangible assets are capitalised at cost and amortised to nil by equal 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. The significant intangibles recognised by the Group and their useful economic lives are as follows:

- Brand name over 3 years
- Customer relationships over 10 to 15 years
- Intellectual property over 5 to 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 is 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.

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 (2015: \$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.

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. Debts are written off when they are identified as being uncollectible. 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.

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 goodwill and deferred tax

The consolidated statement of financial position as at 31 December 2014 and 31 December 2015 has been restated in relation to the acquisition of accesso LLC. Initially, a deferred tax asset of \$4.6m was recognised in relation to the acquisition. Management determined that the deferred tax asset was overstated, and goodwill understated by \$4.6m as at 31 December 2014 and 31 December 2015. Accordingly, the deferred tax asset was reclassified as goodwill within the consolidated statement of financial position as at 31 December 2014 and 31 December 2015. The restatement has no effect on net assets, cash flow, or reported earnings in prior periods, nor the current period.

Restatement of Group and company equity balances

In addition to the above, management identified that a number of capital and reserve balances were being retranslated each year for presentation purposes through the foreign currency translation reserve, when they should have been carried at the historical exchange rate. As a result, the statements of financial position and statements of changes in equity for the years ended 31 December 2014 and 31 December 2015 have been restated to remove this foreign exchange movement. The effect of the restatement is set out below:

Group	Share capital \$000	Share premium \$000	Retained earnings \$000	Merger relief reserve \$000	Other reserves \$000	Own shares held in trust \$000	Translation reserve \$000	Attributable to equity holders \$000
Balance at 31 December 2014 (as previously reported)	342	25,229	16,236	14,540	2,593	(2,076)	22	56,886
Restatement	10	1,262	566	-	(49)	(60)	(1,729)	-
Balance at 31 December 2014 (restated)	352	26,491	16,802	14,540	2,544	(2,136)	(1,707)	56,886
Group	Share capital \$000	Share premium \$000	Retained earnings \$000	Merger relief reserve \$000	Other reserves \$000	Own shares held in trust \$000	Translation reserve \$000	Attributable to equity holders \$000
Balance at 31 December 2015 (as previously reported)	326	24,313	21,033	13,810	3,427	(1,971)	2,624	63,562
Restatement	27	2,528	1,136	730	43	(165)	(4,299)	-
Balance at 31 December 2015 (restated)	353	26,841	22,169	14,540	3,470	(2,136)	(1,675)	63,562
Company	Share capital \$000	Share premium \$000	Retained earnings \$000	Merger relief reserve \$000	Other reserves \$000	Translation reserve \$000	Attributable to equity holders \$000	
Balance at 31 December 2014 (as previously reported)		342	25,229	11,672	14,540	1,831	(88)	53,526
Restatement		10	1,262	267	-	75	(1,614)	-
Balance at 31 December 2014 (restated)		352	26,491	11,939	14,540	1,906	(1,702)	53,526
Company	Share capital \$000	Share premium \$000	Retained earnings \$000	Merger relief reserve \$000	Other reserves \$000	Translation reserve \$000	Attributable to equity holders \$000	
Balance at 31 December						-	354	53,954

2015 (as previously reported)	326	24,313	13,384	13,810	2,475			
Restatement	27	2,528	884	730	168	-	4,337	
Balance at 31 December 2015 (restated)	353	26,841	14,268	14,540	2,643	-	4,691	53,954

The restatement has no effect on net assets, cash flow, or statement of comprehensive income in prior periods, nor the current period.

5. Critical judgments and key sources of estimation uncertainty

In preparing these consolidated financial statements, the Group makes judgements, estimates and assumptions concerning the future that impact the application of policies and reported amounts of assets, liabilities, income and expenses.

The resulting accounting estimates calculated using these judgements and assumptions are based on historical experience and expectations of future events, and may not equal the actual results. Estimates and underlying assumptions are reviewed on an ongoing basis, and revisions to estimates are recognised prospectively.

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

Judgements

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

Agent vs. principal

As identified in note 4, revenue in respect of the Group's queuing contracts is recognised on either a gross or net basis. When analysing whether the Group is acting as a principal or agent in a given arrangement, this requires management to consider several judgemental factors. These factors include whether the Group has the ability to influence operating hours, employees, and prices, whether it bears significant credit and inventory risk, and whether it has primary responsibility for providing the goods or services to the ultimate customer (the park guest or venue).

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

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

Capitalised development costs

The Group capitalises development costs in line with IAS 38, *Intangible Assets*. Management applies judgement in determining if the costs meet the criteria, and are therefore eligible for capitalisation. Significant judgements include the technical feasibility of the development, recoverability of the costs incurred, and economic viability of the product and potential market available considering its current and future customers. See Research and Development within note 4 for details on the Group's capitalisation and amortisation policies.

Point-of-sale and guest management software license and maintenance revenue

As detailed in note 4, revenue relating to a point-of-sale and guest management software license consists of both an up-front license fee in the first year of a contract (or when an additional license is purchased in subsequent years), and maintenance revenue spread over a 12 month period. The Group determines the split between the license and maintenance by allocating the fair value of the contract between the two components.

Determining the fair value of the license requires management to exercise judgement. Significant judgements include determining the expected level of support required by the customer, the extent of and type of updates to the software that are made available to the customer, and the value of the license for the software. Management's value of each of these and allocation across the consideration received is based upon historical experience, which may or may not reflect the reality of the individual client.

Determination of fair values of intangible assets acquired in business combinations

Intangible assets acquired in business combinations are important to the revenue generating capacity of the Group. The recognition of goodwill as the result of a business combination is dependent upon the allocation of the purchase price to the fair value of identifiable assets acquired and liabilities assumed.

The fair values are based on management's judgement of the acquiree's business and how the assets and liabilities will be utilized, and the value attributed directly impacts the value of goodwill. The fair value of these intangible assets is based on a method appropriate to the specific intangible asset, and reflect assumptions and estimates that have a material effect on the carrying value of the asset.

Key assumptions and estimates made in valuing the acquired intangible assets include:

- Cash flow forecasts prepared at the time of acquisition, which involve estimating future business volumes;
- The discount rate applied to the forecasted future cash flows; and
- The costs to recreate the asset.

The nature and inherent uncertainty relating to these assumptions and estimates means that the actual cash flow may be materially different from the forecast, and would therefore have led to a different asset value. See note 4 for the useful lives and amortisation policies regarding intangible assets acquired in business combinations.

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in material adjustments in the following year are:

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

Impairment tests on goodwill are subject to yearly review. Other non-financial assets are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable.

Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the smallest group of assets to which it belongs for which there are separately identifiable cash flows; its cash generating units ('CGUs'). Goodwill is allocated on initial recognition to each of the Group's CGUs that are expected to benefit from the synergies of the combination giving rise to the goodwill.

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

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, and reflect current technological and economic developments that could impact the usability of the asset.

6. Tax

The table below provides an analysis of the tax charge for the periods ended 31 December 2016 and 31 December 2015:

	2016	2015
	\$000	\$000
UK corporation tax		
Current tax on income for the period	179	466
Adjustment in respect of prior periods	(113)	(134)
	66	332
Overseas tax		
Current tax on income for the period	1,432	1,181
Adjustment in respect of prior periods	129	-
	1,561	1,181
Total current taxation	1,627	1,513
Deferred taxation		
Original and reversal of temporary difference - for the current period	831	268
Original and reversal of temporary difference - for the prior period	118	70
	949	338
Total taxation charge	2,576	1,851

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:

	2016	2015
	\$000	\$000
Profit on ordinary activities before tax	10,102	7,220
Tax at United States tax rate of 40% (2015: 40.0%)	4,041	2,888
Effects of:		
Expenses not deductible for tax purposes	60	76
Additional deduction for patent box	(104)	(148)
Additional deduction for R&D expenditure – current period	(200)	(295)
Profit subject to foreign taxes at a lower marginal rate	(1,197)	(583)
Adjustment in respect of prior period – income statement	134	(134)
Deferred tax not recognized	70	47
Other including impact of rate differential	(228)	-
Total tax charge	2,576	1,851

7. 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.

	<u>2016</u>	<u>2015</u>
Profit attributable to ordinary shareholders (\$000)	7,526	5,369
Basic EPS		
<i>Denominator</i>		
Weighted average number of shares used in basic EPS	<u>22,169</u>	<u>21,942</u>
Basic earnings per share (cents)	<u>33.95</u>	<u>24.47</u>
Diluted EPS		
<i>Denominator</i>		
Weighted average number of shares used in basic EPS	22,169	21,942
Effect of dilutive securities		
Options	<u>1,332</u>	<u>911</u>
Weighted average number of shares used in diluted EPS	<u>23,501</u>	<u>22,853</u>
Diluted earnings per share (cents)	<u>32.02</u>	<u>23.49</u>
Adjusted EPS		
Profit attributable to ordinary shareholders (\$000)	7,526	5,369
Adjustments for the period related to:		
Amortisation relating to acquired intangibles from acquisitions	4,227	4,235
Share-based compensation and social security costs on unapproved options	987	629
	12,740	10,233
Tax related to the above adjustments (2016: 25.5%, 2015: 25.6%):		
Amortisation relating to acquired intangibles from acquisitions	(1,078)	(1,084)
Share based compensation and social security costs on unapproved options	(252)	(161)
Adjusted profit attributable to ordinary shareholders (\$000)	<u>11,410</u>	<u>8,988</u>
Adjusted basic EPS		
<i>Denominator</i>		
Weighted average number of shares used in basic EPS	<u>22,169</u>	<u>21,942</u>
Adjusted basic earnings per share (cents)	<u>51.48</u>	<u>40.96</u>
Adjusted diluted EPS		
<i>Denominator</i>		
Weighted average number of shares used in diluted EPS	<u>23,501</u>	<u>22,853</u>
Adjusted diluted earnings per share (cents)	<u>48.55</u>	<u>39.33</u>