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16 March 2016

accesso® Technology Group plc

("accesso" or the "Group")

PRELIMINARY RESULTS
for the year ended 31 December 2015

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 2015. These results reflect a year of significant growth across our market-leading portfolio and demonstrate the continued success of our strategic focus on investment, innovation and the pursuit of sustainable, repeatable revenue streams. The Group also announces a change to its Board of Directors.

Financial Highlights	12 months ended 31 Dec 15 (audited) **$m**	12 months ended 31 Dec 14 (audited) $m	Change
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 LoQueue*[SM] – 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 *Qbot*[sm] with a major North American theme park and a five-year contract for *Qsmart*[sm] 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 global 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 Siriusware[sm]* – 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 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
- 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
- Extension of its *accesso Passport* ticketing and *accesso LoQueue* queuing partnerships 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."

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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'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 (up 10.4% year-on-year across our accesso LoQueue customer base). 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 *Qsmart*[sm], and the installation of our *Qbot*[sm] 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 queuing 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 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.

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. The gross profit margin was 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 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 *Qbot*[sm] solution at LEGOLAND California and further enhancement's 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. The Board expects the Group's 2016 tax rate to be between 28% and 30%.

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.

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

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

	Notes	**2015 $000**	2014 $000
Revenue		**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		**(491)**	(344)
Finance income		**3**	2
Profit before tax		**7,220**	5,129
Income tax	3	**(1,851)**	(1,344)
Profit for the period		**5,369**	3,785
Other comprehensive income			
Items that will be reclassified to income statement			
Exchange differences on translating foreign operations – 2014 restated – 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	4	**24.47**	18.49
Diluted	4	**23.49**	18.16

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

	31 December 2015	31 December 2014
	$000	$000
Assets		
Non-current assets		
Intangible assets	**71,924**	71,083
Property, plant and equipment	**3,077**	2,733
Deferred tax assets	**5,666**	5,696
	80,667	79,512
Current assets		
Inventories	**561**	648
Trade and other receivables	**9,080**	6,946
Income tax receivable	**878**	1,052
Cash and cash equivalents	**5,307**	5,693
	15,826	14,339
Liabilities		
Current liabilities		
Trade and other payables	**9,181**	7,999
Finance lease liabilities	**51**	48
Income tax payable	**84**	-
	9,316	8,047
Net current assets	**6,510**	6,292
Non-current liabilities		
Deferred tax liabilities	**8,850**	8,804
Finance lease liabilities	**63**	114
Borrowings	**14,700**	20,000
	23,613	28,918
Total liabilities	**32,929**	36,965
Net assets	**63,564**	56,886
Shareholders' equity		
Called up share capital	**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	**63,562**	56,886
Non-controlling interest	**2**	-
Total shareholders’ equity	**63,564**	56,886

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	5	**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		**(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		**5,307**	5,693

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**

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 financial information set out in this release does not constitute the company's full statutory accounts for the year ended 31 December 2015 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 2014 have been delivered to the Registrar of Companies and those for 2015 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 2015 or 2014.

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 2015 that comply with IFRS in March 2016.

The accounting policies set out below have been applied to all periods presented in these Group financial results and are in accordance with IFRS, as adopted by the European Union, and International Financial Reporting Interpretations Committee ("IFRIC") interpretations that were applicable for the year ended 30 June 2015.

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

The following new standards have been adopted during the period

- Annual improvements to IFRSs

The adoption of the above new standard has not had a material impact on the financial information 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 results, the directors have considered the standards and interpretations which have not been applied in these financial results, 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.

Basis of accounting

The financial information has been prepared under the historic cost convention.

Basis of consolidation

The consolidated financial information incorporates 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.

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 information 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.

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 operating 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.

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 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 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. 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.

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 their 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.

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 information. 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 information. 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 has 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 judgements and key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial information 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 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.

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 accruals 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.

3. Tax

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

	2015	2014
	$000	$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		
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

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	2014
	$000	$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

4. 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
Basic EPS		
Profit attributable to ordinary shareholders ($000)	**5,369**	3,785
Denominator		
Weighted average number of shares used in basic EPS	**21,942**	20,469
Basic earnings per share (cents)	**24.47**	18.49
Diluted EPS		
Denominator		
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 earnings per share		
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
Denominator		
Weighted average number of shares used in basic EPS	**21,942**	20,469
Adjusted earnings per share (cents)	**40.96**	30.81

5. Notes to cash flow

Reconciliation of cash generated from operations

Group	**2015**	2014 - restated *
	$000	$000
Profit before tax	**7,220**	5,129
Depreciation and amortisation charges		
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)
	15,218	10,376
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	**14,712**	10,640

* 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.