



**SITA Advanced Travel Solutions Limited**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**For the year ended 31 December 2020**

**Company Registration Number**

01391626

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**COMPANY INFORMATION**

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**LEGAL FORM**

Private company limited by shares domiciled and incorporated in United Kingdom

**OFFICERS AND PROFESSIONAL ADVISERS**

**DIRECTORS**

Nicolas Husson  
Jeremy Springall

**COMPANY SECRETARY**

Alain Brodeur  
Aileen McEntee

**REGISTERED OFFICE**

SITA Legal,  
Royal Pavilion,  
Wellesley Road,  
Aldershot,  
Hampshire,  
GU11 1PZ

**REGISTERED NUMBER**

01391626

**INDEPENDENT AUDITORS**

PricewaterhouseCoopers LLP  
One Kingsway  
Cardiff, CF10 3PW  
United Kingdom

**BANKER**

JPMorgan Chase Bank, N.A.  
25 Bank Street,  
Canary Wharf  
London, E14 5JP

**SOLICITOR**

Dentons UKMEA LLP  
One Fleet Place  
London  
EC4M 7WS

The directors present their strategic report together with the audited financial statements of SITA Advanced Travel Solutions Limited for the year ended 31 December 2020.

## **BUSINESS REVIEW**

### **Principal activities**

The primary activity of SITA Advanced Travel Solutions Limited is the provision of integrated information and solutions to the Air Transport Community essentially in the field of government border management, and passenger solutions. To a lesser extent, the company also delivers IT solutions and services to Airports, and network services to the Air Transport Community.

### **Results for the year and dividends**

In 2020, the Company generated a turnover of £66,361,257 (2019: £95,125,271).

The result for the year 2020, as set out in the Statement of Comprehensive Income on page 13, represents profit of £1,652,759 (2019: £12,391,635).

The net current assets amounted to £9,649,724 (2019: £16,941,504) and net assets amounted to £17,797,588 (2019: £16,144,829).

The directors have recommended that no dividend be paid this year (2019: £ nil).

### **Objectives**

The Company is constantly striving to develop systems and strategies to help the air transport industry to maximise performance and profitability. The Company meets this objective with the provision of e-commerce, border management products to both new and existing customers in the industry.

These solutions enable the customer to manage the complete passenger experience, from sales enquiry through to check-in, including all the supporting functions that surround these processes. Through our current product portfolio we aim to help airlines simplify distribution to meet today's industry challenge.

### **Principal risks, financial risks and uncertainties**

#### **(a) Financial risks**

The management of financial risks is done in compliance with the SITA Group's Board-approved Financial Risk Management Policy, which stipulates that the Company will manage foreign exchange risk arising on expected future cash flows with the objectives of protecting budget and planned results. Currency options, forwards and swaps to hedge future transactions are utilized in addition to natural hedging of cash flows in foreign exchange currencies.

The Company diversifies its customer credit risk centrally within the SITA Group. The Company falls within the SITA Group's treasury investment policy and limits credit risks from treasury counterparts. The Group manages this risk by requiring minimum credit quality of financial instruments. Risk on the credit worthiness of the customer base is managed through the assessment of the financial strength of new customers through credit checks and the use of the IATA Clearing House.

Liquidity risk is managed by the SITA Group through the maintenance of adequate reserves, banking facilities and reserve borrowing facilities. The Company continuously monitors forecast and actual cash flows, matches expected maturities of financial assets and liabilities and monitors the credit worthiness of counterparties of financial arrangements that the Company has entered into.

#### **(b) Competition**

The Company operates in a highly competitive market with significant product innovations. Although the company strives to be ahead of its competitors the risk of a competitor developing a unique and more technologically advanced product is ever present. This risk directly affects revenue through reduced sales of existing products and potential reduced interest in new products. The Company mitigates this risk by continuing to develop existing products and developing new products for both new and existing customers.

**(c) Commercial relationships**

The SITA Group benefits from close commercial relationships with large global suppliers. Poor relationships with these suppliers can adversely impact existing and future projects creating downtime and delays as well as potential loss of discounts. SITA Group maintains strong working relationships with all suppliers by ensuring all payments are made by the due date.

**Performance for the year and key performance indicators**

SITA Advanced Travel Solutions Limited provides worldwide services to global customers and is managed globally.

The key performance indicators are also mainly set on the group level and each group entity supports the group business and activities in the respective country. Main performance indicators measured are turnover and result for the financial year which are provided below:

In 2020, the Company generated a turnover of £66,361,257 (2019: £95,125,271).

The result for the year 2020, as set out in the Statement of Comprehensive Income on page 13, represents profit of £1,652,759 (2019: £12,391,635).

**Companies Act, section 172 statement**

The directors of the Company acted in the way they considered, in good faith, would have been most likely to promote the success of the Company for the benefit of its member (shareholder), and in doing so have regarded (amongst other matters) to the following:

*(a) the likely consequences of any decision in the long term*

Any decisions taken by directors in the financial year are considered and debated so that a solid strategy is in place to maintain a good long term performance of the Company and with a view to ensuring that the Company can perform in unforeseeable and unpredictable circumstances.

*(b) the interests of the company's employees*

As described in the Directors report (Employees section) the company employees are considered as a strategic resource for the company's success. More details on employees strategy are described in the Directors report.

*(c) the need to foster the company's business relationships with suppliers, customers and others*

The Directors of the Company continued to support close business relationship with suppliers, customers and others stakeholders of the air transportation industry community.

*(d) the impact of the company's operations on the community and the environment*

The Company is a part of SITA group that within its Corporate Social Responsibility (CSR) strategy, is also focused on improving the environmental performance of the air transport industry and, in addition, is aiming to become carbon neutral by 2022.

*(e) the desirability of the company maintaining a reputation for high standards of business conduct*

The Directors of the Company continued to support high standards of business conduct in accordance with the rules and policies established in SITA group.

*(f) the need to act fairly as between members of the company*

The company has only one shareholder, another company from SITA group.

**BREXIT IMPACT**

The Company has performed residual risk analysis on the basis of which the following moderate level risks related to Brexit were assessed and the corresponding mitigation procedures were applied.

**Supply Chain – Procurement of hardware through UK**

Risk that hardware sourced via the UK could impact customers across Europe if there are supply chain or customs issues. Key suppliers process reviewed. Timely supply of hardware and software, minimising additional tariffs on SITA.

**Operations – customer**

Risk that Brexit has an impact on our customers and therefore our ability to support them operationally. Major customer review was performed and appropriate plans put in place to ensure a smooth operation for our customers.

**Legal – GDPR Model Clauses**

Risk around changes to the UK status around GDPR leading to potential issues with our contracts. UK shall become a third country and therefore Model Clause contracts shall be implemented to transfer data to/from UK.

**Commercial – Impact on revenues**

Risk that our revenues and margins are impacted by delayed contracts, or reduced volumes due to Brexit. Account managers tasked to discover growth opportunities.

**COVID-19**

As we close 2020, the COVID-19 pandemic evolved from a short-term slump to a longer-term crisis reshaping the air transport industry, testing the financial strength of major actors and pushing airlines, airports and governments to adopt new health control measures, while focusing even more on cost effectiveness and business efficiency.

In this context, the SITA Group put in place a dedicated task force to continuously monitor the evolution of the health crisis and mitigate its impacts on revenue, margins and cash.

Actions taken across the whole SITA Group included short-term cost savings like unpaid leaves, furlough or salary cuts; but also longer-term measures with the implementation of the Transformation Program “EVOLVE” aiming at providing sustainable savings and reviewing the Group’s strategic positioning.

The SITA Group managed the growing credit risk by:

- continuing its selective acceptance of treasury partners that are regularly used and are evaluated as financially strong;
- using in priority the IATA Clearing House and performing a regular assessment of the credit worthiness of the customers;
- applying of a more conservative expected credit loss (‘ECL’) provision calculation where, for accounts identified as having a high credit risk profile, the SITA Group decided to fully provision receivables above 90 days with subsequent revenue to be recognized on a payment basis only.

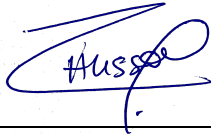
The SITA Group also took action to maintain a strong liquidity position by securing US\$ 345 million of undrawn credit lines for 2021.

As a result, despite a significant drop in revenue of 27%, the SITA Group only consumed 12% of its cash balance held on 31st December 2019 and confirmed its ability to continue on going concern basis and financially support its subsidiaries and branches across the world.

Despite the mitigation actions implemented in the whole SITA Group that significantly reduced the impacts of the pandemic on the Company, the Group still ended the year in a loss-making position.

The Company had revenue of £66,361,257 and achieved a profit of £1,652,759.

Approved by the Board of Directors  
and signed on behalf of the Board



Nicolas Husson

Director

Date: 23 September 2021

The directors present their report together with the audited financial statements of SITA Advanced Travel Solutions Limited for the year ended 31 December 2020.

**Directors**

The directors of the Company who were in office during the year and up to the date of signing the financial statements are listed on page 3.

Nicolas Husson  
Jeremy Springall

**Research & Development**

During 2020, SITA Advanced Travel Solutions Limited continued investing and working on several development projects, essentially in the field of government and security business (such as e.g., working on project iBorder to deliver Visitor Information System (VIS) and an eVisa system for processing travellers). Critical success factors that underlie the iBorder business case and the discounted cash flow model are the timely completion of the technical development in line with customer requirements, the retention and the organic growth of our existing customer base and the ability to attract new customers.

**Going concern**

The ultimate parent company SITA N.V. has confirmed in writing continued financial support to the Company. Ongoing support will enable the Company to continue as a going concern for the foreseeable future and will provide additional funding, as and when required, to the Company to meet its financial obligations as they fall due.

After making enquiries, the directors have a reasonable expectation that the Company and the group have adequate resources to continue in operational existence for the foreseeable future, being a period at least 12 months from the date of signing and approving the financial statements. The Company recorded net current assets of £9,649,724 (2019: £16,941,504 and the directors are of the opinion the Company can continue to meet its current obligations as and when they fall due. Accordingly, they continue to adopt the going concern basis in preparing the annual financial statements. The above mentioned consideration includes also COVID-19 that is detailed in the Strategic report.

**Future developments**

For details of future developments please see the strategic report on page 4.

**Dividends**

For details of dividends please see the strategic report on page 4.

**Financial instruments**

The Company's operations expose it to a variety of financial risks that include the effects of foreign exchange risks, credit risk and liquidity risk. For further detail as to how the Company manages these risks, refer to the strategic report.

**Employees****(a) Employee involvement**

The Company operates in a dynamic environment and recognises the value of high quality staff and their contribution to the success of the Company. The Company is focused on employing high quality staff with appropriate skill sets to help the Company achieve its goals and maintain the competitive advantage. The Company has a highly competitive bonus scheme and other financial and non-financial benefits as incentive for the employees to work towards meeting the goals of the Company and also to mitigate the risk of losing valued employees.

The Company's policy is to consult and discuss with employees on matters likely to affect employees' interests. Information on matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the Company's performance.

**(b) Employment of disabled persons**

It is the Company's policy that disabled people are given the same consideration as other applicants for all job vacancies for which they offer themselves as suitable candidates. Similarly, the Company's policy is to continue to employ and train employees who have become disabled whenever possible.

Every effort has been made to ensure that line managers fully understand that disabled people must have the same prospects and promotional opportunities that are available to other employees. The Company makes appropriate modification to procedures and equipment where it is practical and safe to do so.

**Streamlined Energy and Carbon Reporting (SECR)**

SITA's carbon emissions have been calculated by an independent emissions assessor, RSK Group, as part of the SITA 2020 Carbon Neutral Certification based on the CarbonNeutral Protocol. SITA was able to provide 60% primary data for our Greenhouse Gas Assessment in 2020, the other 40% being based on RSK benchmarks depending on the region and or country where the site is located.

On top of SITA efforts to reduce its emissions, SITA has offset the remaining emission with verified EACs (Energy Attribute Certificates) and carbon offset programs.

*Methodologies used:*

- To extract the energy usage for the two UK entities, SITA INC UK Ltd, and SITA ATS UK, the calculations were based on the percentage of FTE at 5 of its UK sites (namely London Gate, Royal Pavilion, Heathrow Airport, Gatwick Airport and Manchester Airport).
- SITA Two main offices in the UK (London Gate and Royal Pavilion) are using Natural Gas
- Emissions from flights for business travel are computed following the Defra standard
- Emissions from SITA owned vehicles at airport were computed based on miles, fuel type, average consumption and CO2 calculation on internet co2.myclimate.org)
- Scope 3 carbon emissions also include electricity transport and distribution losses, office waste, water and waste water, and homeworking, hotel stays and rail and road business travels

*Measures taken in 2020 to reduce emissions:*

- 63.5% floor print reduction in London Gate
- Use of teleconferencing services as an alternative to business travels
- Switch to green energy provider for the London Gate office

<b>Total energy use kWh</b>	<b>604,685</b>
<b>Total tCO2e</b>	<b>200.0</b>
Scope 1 carbon emissions	76.8
Scope 2 carbon emissions	58.6
Scope 3 carbon emissions	64.6
from flights	41.1
<b>Intensity Ratio tCO2/FTE</b>	<b>2.67</b>
<b>FTE</b>	<b>75</b>

**Directors' and officers' liability insurance**

The Company purchases directors' and officers' liability insurance to cover the directors, and has in place a directors' and officers' indemnity. The indemnity was in force throughout the last financial year and is currently in force. The insurance operates to protect the directors in circumstances where, by law, SITA Advanced Travel Solutions Limited cannot provide the indemnity.

**Disclosure of information to auditors**

Each of the persons who is a director at the date of approval of this report confirms that:

1. so far as the director is aware, there is no relevant information of which the Company's auditors are unaware;  
and
2. the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s 418 of the Companies Act 2006.

**Independent auditors**

The independent auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the Annual General Meeting.



**Directors' responsibilities statement**

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

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

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

**Directors' confirmations**

In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Approved by the Board of Directors  
and signed on behalf of the Board



Nicolas Husson

Director

Date: 23 September 2021

# Independent auditors' report to the members of SITA Advanced Travel Solutions Limited

## Report on the audit of the financial statements

### Opinion

In our opinion, SITA Advanced Travel Solutions Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Balance Sheet as at 31 December 2020; the Statement of Comprehensive Income and the Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

### Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

## Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

### Strategic report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' Report for the year ended 31 December 2020 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' Report.

## Responsibilities for the financial statements and the audit

### Responsibilities of the directors for the financial statements

As explained more fully in the Directors' responsibilities statement, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### Auditors' responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to the requirements of UK tax law, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to revenue recognition and the recoverability of internally generated assets. Audit procedures performed by the engagement team included:

- Enquiries of management including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Reviewing relevant meeting minutes, including those of the Board;
- Identified and testing journals entries, in particular any journal entries posted with unusual account combinations and entries posted by unexpected users, where any such journal entries were identified; and
- Challenged key assumptions in managements impairment assessment.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

### Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

## Other required reporting

### Companies Act 2006 exception reporting

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

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

We have no exceptions to report arising from this responsibility.



Jason Clarke (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Cardiff  
24 September 2021

**STATEMENT OF COMPREHENSIVE INCOME**  
**For the year ended 31 December 2020**

	<b>Note</b>	<b>2020 £</b>	<b>2019 £</b>
<b>Turnover</b>	6	66,361,257	95,125,271
Cost of sales		(63,958,738)	(79,751,615)
<b>Gross profit</b>		2,402,519	15,373,656
Distribution costs		(37,348)	(56,451)
Administrative expenses		(874,631)	(1,104,706)
Other operating income/(expense)		765,024	(454,448)
<b>Operating profit</b>	7	2,255,564	13,758,051
Net finance cost	9	(44,160)	(70,145)
<b>Profit before taxation</b>		2,211,404	13,687,906
Tax on profit	10	(558,645)	(1,296,271)
<b>Profit for the financial year</b>		1,652,759	12,391,635
<b>Total comprehensive income for the financial year</b>		<b>1,652,759</b>	<b>12,391,635</b>

All results derive from continuing operations.

The accompanying notes on pages 16 to 26 form an integral part of the financial statements.

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Intangible assets	11	10,877,807	8,728,454
Tangible assets	12	705,427	1,598,659
		<u>11,583,234</u>	<u>10,327,113</u>
<b>Current assets</b>			
Stocks		13,193	36,750
Debtors	13	17,529,259	33,081,245
- due within one year		16,929,188	30,023,331
- due after more than one year		600,071	3,057,914
Cash at bank and in hand		-	-
		<u>17,542,452</u>	<u>33,117,995</u>
<b>Creditors: Amounts falling due within one year</b>	14	(7,892,728)	(16,176,491)
<b>Net current assets</b>		<u>9,649,724</u>	<u>16,941,504</u>
<b>Total assets less current liabilities</b>		<u>21,232,958</u>	<u>27,268,617</u>
Creditors - amounts falling due after more than one year	15	-	(274,402)
Provisions for liabilities	16	(3,435,370)	(10,849,386)
		<u>(3,435,370)</u>	<u>(11,123,788)</u>
<b>Net assets</b>		<u>17,797,588</u>	<u>16,144,829</u>
<b>Capital and reserves</b>			
Called up share capital	18	4,227,185	4,227,185
Retained earnings		13,570,403	11,917,644
<b>Total equity</b>		<u>17,797,588</u>	<u>16,144,829</u>

The accompanying notes on pages 16 to 26 form an integral part of the financial statements.

The financial statements on pages 13 to 26 of SITA Advanced Travel Solutions Limited (company registration number 01391626) were approved by the Board of Directors and authorised for issue on 23 September 2021 and signed on its behalf.

  
 \_\_\_\_\_  
 Nicolas Husson  
 Director

	Called up share capital £	(Accumulated losses) / Retained earnings £	Total equity £
<b>At 1 January 2019</b>	4,227,185	(473,991)	3,753,194
<b>Total comprehensive income for the financial year</b>			
Profit for the financial year	-	12,391,635	12,391,635
<b>At 31 December 2019</b>	<u>4,227,185</u>	<u>11,917,644</u>	<u>16,144,829</u>
<b>At 1 January 2020</b>	4,227,185	11,917,644	16,144,829
<b>Total comprehensive income for the financial year</b>			
Profit of the financial year	-	1,652,759	1,652,759
<b>At 31 December 2020</b>	<u>4,227,185</u>	<u>13,570,403</u>	<u>17,797,588</u>

The accompanying notes on pages 16 to 26 form an integral part of the financial statements.

**1 GENERAL INFORMATION**

The primary activity of SITA Advanced Travel Solutions Limited ("the Company") is the provision of integrated information and solutions to the Air Transport Community essentially in the field of government border management, and passenger solutions. To a lesser extent, the Company also delivers IT solutions and services to Airports, and network services to the Air Transport Community.

The Company is a private company limited by shares and is incorporated and domiciled in United Kingdom and registered in England and Wales. The address of its registered office is Sita Legal, Royal Pavilion Wellesley Road, Aldershot, Hampshire, GU11 1PZ, UK.

**2 STATEMENT OF COMPLIANCE**

The individual financial statements of the Company have been prepared in accordance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

**3 BASIS OF PREPARATION**

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. The principal accounting policies are summarised below. They have all been applied consistently throughout the current year and in the preceding year.

These financial statements are prepared on a going concern basis, under the historical cost convention.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving higher degree of judgement and complexity or areas where assumptions and estimates are significant to the financial statements are disclosed in note 5.

**4 ACCOUNTING POLICIES**

**Exemptions for qualifying entities under FRS 102**

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to conditions.

The Company has taken advantage of the following exemptions:

- from preparing a statement of cash flows, on the basis that it is a qualifying entity and the consolidated statement of cash flows, included in the consolidated financial statements of the group in which the entity is consolidated, includes the Company's cash flows;
- from disclosing the Company key management personnel compensation, as required by FRS 102 paragraph 33.7;
- from the financial instrument disclosures, required under FRS 102 paragraphs 11.39 to 11.48A and paragraphs 12.26 to 12.29, as the information is provided in the consolidated financial statement disclosures; and
- the requirement of Section 33 Related Party Disclosures paragraph 33.9 to disclose related party transactions within other members of the SITA Group.

**Going concern**

The ultimate parent company SITA N.V. has confirmed in writing continued financial support to the Company. Ongoing support will enable the Company to continue as a going concern for the foreseeable future and will provide additional funding, as and when required, to the Company to meet its financial obligations as they fall due.

After making enquiries, the directors have a reasonable expectation that the Company and the group have adequate resources to continue in operational existence for the foreseeable future, being a period at least 12 months from the date of signing and approving the financial statements. The Company recorded net current assets of £9,649,724 (2019: £16,941,504) and the directors are of the opinion the Company can continue to meet its current obligations as and when they fall due. Accordingly, they continue to adopt the going concern basis in preparing the annual financial statements. The above mentioned consideration includes also COVID-19 that is detailed in the Strategic report.



#### **4 ACCOUNTING POLICIES (continued)**

##### **Turnover**

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of trade discounts, VAT and other sales related taxes. Turnover from the sale of goods is recognised when the goods are physically delivered to the customer. Turnover from the supply of services represents the value of services provided under contracts to the extent that there is a right to consideration and is recorded as the service is provided at the value of the consideration due.

Revenue from construction contracts is recognized over time by using an input method generally based on costs incurred by reference to the stage of completion of the project. When the Company can not apply the input method due to accounting systems reason, the Company uses the output method to calculate the percentage of completion. Where the Company is not able to reasonably determine the outcome of a performance obligation or its progress toward satisfaction of that obligation, revenue is recognized over time as the work is performed, but only to the extent of costs incurred as long as the Company expects to at least recover its costs. An expected loss on a contract is recognized immediately in the Statement of profit or loss.

Where amounts are invoiced or where cash is received in advance of the work being performed such amounts are deferred as liabilities until the revenue is earned. Where work is performed but un-invoiced such amounts are recognised within the profit and loss account with a corresponding asset recognised within accrued income. The analysis of turnover and profit before taxation by class of business and the analysis of turnover by geographical market have not been disclosed, since the directors consider that disclosure would be seriously prejudicial to the interests of the Company.

##### **Intangible fixed assets**

Intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses. Amortisation is charged to Cost of sales in the Statement of comprehensive income. Amortisation is calculated, using the straight-line method, to allocate the depreciable amount of the assets to their residual values over their estimated useful lives determined as the best management estimate and market practice, as follows:

Development costs	3-12 years
Software applications	3-5 years

Where factors, such as technological advancement or changes in market price, indicate that residual value or useful life have changed, the residual value, useful life or amortisation rate are amended prospectively to reflect the new circumstances. The assets are reviewed for impairment if the above factors indicate that the carrying amount may be impaired.

Costs associated with maintaining computer software are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Company are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use;
- management intends to complete the software and use or sell it;
- there is an ability to use or sell the software;
- it can be demonstrated how the software will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software are available; and
- the expenditure attributable to the software during its development can be reliably measured.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

##### **Tangible fixed assets**

Tangible fixed assets are stated at cost less accumulated depreciation and any provision for impairment. Cost includes the original purchase price and costs directly attributable to bringing the asset to its working condition for its intended life. Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset on a straight-line basis over its expected useful life, as follows:

Leasehold improvements	Duration of lease
Fixtures and fittings	3-10 years
Computer equipment	3-5 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

##### **Contract assets and contract liabilities**

Contract assets are composed of the deferred contract costs and contract accrued income.

Deferred contract costs comprise certain eligible, non-recurring costs incurred in the initial phases of service contracts that are deferred and subsequently amortised. These costs consist of fulfilment and setup costs related to the installation of applications and solutions and are amortized on a straight-line basis over the term of the specific contract it relates to, consistent with the pattern of recognition of the associated revenue. The current part becomes due in the coming 12 months period.

#### 4 ACCOUNTING POLICIES (continued)

##### **Contract assets and contract liabilities (continued)**

Accrued income include amounts that are eligible for revenue recognition for which the related cash has not been collected from the customer at reporting date. The current part becomes due in the coming 12 months. Contract liabilities are composed of contract deferred revenue and contract payables.

Contract deferred revenue include cash amounts received from the customer for which the related performance obligation is unsatisfied by the Company at closing date.

They include cash amounts paid by the customer at the initial phase of managed service contracts that are amortized as revenue as the Company satisfies the related performance obligations. The current part corresponds to amounts that are expected to be released as revenue in the coming 12 month period.

Contract payables are cash amounts that have to be reimbursed to the customer. This could be the case if the Company collects cash from third parties on behalf of a customer.

##### **Foreign currencies**

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date. Gains and losses resulting from the settlement of foreign currency transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are included in the statement of comprehensive income. The Company's functional and presentational currency is the pound sterling.

##### **Leased assets**

Assets obtained under hire purchase and finance lease are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of finance charges allocated to future periods. The finance element of the rental payments is charged to the statement of comprehensive income so as to produce a fixed charge spread evenly over the period of each lease. Although this does not produce a constant periodic rate of charge relative to the net obligation outstanding in each period, there is no material difference to the charge to revenue between the two methods. This method of finance charge allocation has been consistently applied.

Operating leases are leases which do not transfer substantially all the risks and rewards of ownership to the Company. Operating lease expenses are recognised on a straight-line basis over the term of the lease. Incentives received to enter into an operating lease are recognised as a reduction of the operating lease expense on a straight-line basis over the term of the lease.

##### **Pension scheme**

The Company is part of the group defined benefit scheme and is unable to identify its share of assets and liabilities on a consistent and reasonable basis. As a result the Company accounts for the scheme as a defined contribution scheme. The amount charged to the statement of comprehensive income in respect of pension costs is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown either as accruals or prepayments in the balance sheet.

##### **Taxation**

Current tax, including UK corporation tax, is provided at amounts expected to be paid (or recovered) using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax is measured at the rates that are expected to apply in the periods in which the timing differences are expected to reverse based on the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

#### 4 ACCOUNTING POLICIES (continued)

##### **Impairment of non-financial assets**

At each balance sheet date, non-financial assets not carried at fair value are assessed to determine whether there is an indication that the asset (or asset's cash generating unit) may be impaired. If there is such an indication the recoverable amount of the asset (or asset's cash generating unit) is compared to the carrying amount of the asset (or asset's cash generating unit).

The recoverable amount of the asset (or asset's cash generating unit) is the higher of the fair value less costs to sell and value in use. Value in use is defined as the present value of the future cash flows before interest and tax obtainable as a result of the asset's (or asset's cash generating unit) continued use. These cash flows are discounted using a pre-tax discount rate that represents the current market risk-free rate and the risks inherent in the asset.

If the recoverable amount of the asset (or asset's cash generating unit) is estimated to be lower than the carrying amount, the carrying amount is reduced to its recoverable amount. An impairment loss is recognised in the profit and loss account, unless the asset has been revalued when the amount is recognised in other comprehensive income to the extent of any previously recognised revaluation. Thereafter any excess is recognised in profit or loss.

If an impairment loss is subsequently reversed, the carrying amount of the asset (or asset's cash generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised in prior periods. A reversal of an impairment loss is recognised in the profit and loss account.

##### **Related party transactions**

The Company has taken advantage of the exemption granted under FRS 102 not to disclose transactions the Company entered into with its parent or with members of the same group that are wholly owned.

##### **Provisions**

Provisions are recognized when the Company has a present legal or constructive obligation as a result of a past event; it is probable that an outflow of resources will be required to settle the obligation; and the amount of the obligation can be estimated reliably. The amount recognized as a provision is the best estimate of the expenditure to settle the present obligation at the balance sheet date. Any reimbursement that is virtually certain to be received from another party is recognized as a separate asset.

##### **Stocks**

Inventories are stated at the lower of cost and net realizable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average method. Net realizable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

An impairment loss for old or obsolete inventory is charged to the income statement where appropriate. Any reversal of impairment is recognized as a reduction in the amount of inventories recognized as cost of sales in the period in which the reversal occurs.

##### **Share capital**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

##### **Financial instruments**

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities such as trade and other accounts receivable and payable; loans from banks and other third parties; and loans to and from related parties. Debtors and creditors are subsequently measured at amortised cost. The Company is applying section 11 and 12 of FRS 102 with exception of financial instrument disclosures mentioned in the section Exemptions for qualifying entities under FRS 102.

The Company initially recognises all financial assets and liabilities on the trade date at which the Company becomes a party to the contractual provisions of the instruments. Purchases and sales of financial assets and financial liabilities are recognised using trade date accounting. From trade date, any gains and losses arising from changes in fair value of the financial assets or financial liabilities are recorded in the statement of comprehensive income.

An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

## 5 JUDGMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the financial statements requires management to make judgements, estimates and assumptions that may affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the financial year in which the estimate is revised and in any future financial years affected. In preparing these financial statements, the directors have had to make the following judgements, estimates and assumptions:

### Revenue recognition

In making their judgment, management considered the detailed criteria for the recognition of revenue from the sale of goods and rendering of services, in particular, whether the Company had transferred to the buyer the significant risks and rewards of ownership of the goods. Moreover, for those contracts that are longer term in nature, management considered the detailed criteria for the recognition of revenue defined in FRS 102.

### Capitalisation and impairment testing for intangible assets and property, plant and equipment

The carrying value of internally-generated assets is assessed by management for recoverability using value-in-use discounted cash flow calculations. The important estimates and assumptions underlying the discounted cash flow calculation are the expected cash flows to be derived from the asset and the discount rate applied.

The estimates and judgments with regard to impairment testing are applied consistently year over year. The expected cash flows relating to the cash generating units (CGU), or individual assets, are principally based on the three year business plan. The discount rate applied in the impairment testing is derived from market data for relevant sectors or similar companies. Policy for capitalisation of internally-generated assets involves judgement.

### Useful life and residual values of assets

The estimated useful lives require an estimate by type of asset. The basis for the estimated useful lives follows the underlying use of the asset and the expected economic time of use.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making the judgments about the carrying values of the assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and the underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

### Provisions

The Company is required to use estimates in measuring the provisions. The principal assumptions relate to the expected cash outflows. For legal cases in which the Company is involved, an assessment is made by management following appropriate legal advice.

For the recognition and remeasurement of onerous contract provisions, the Company exercised its judgment in determining the best estimate of the costs required to settle the obligation. This is Management's best estimate of the impact based on all facts and circumstances known as per the balance sheet date.

## 6 TURNOVER

Geographical split:	2020	2019
	£	£
America	6,890,958	8,798,798
Asia & Pacific	26,094,797	26,525,154
Europe	14,275,697	30,371,811
Middle East, India, Africa	19,099,805	29,429,508
	<u>66,361,257</u>	<u>95,125,271</u>
	2020	2019
	£	£
<b>Service revenue from third parties:</b>		
Airline Operations	(32,557)	1,744
Airport Operations	256,162	84,593
Border Management	17,053,521	32,338,374
Passenger Processing	(374,598)	896,574
Passenger Solution Line.	416,746	422,914
<b>Intercompany revenues</b>	<u>49,041,983</u>	<u>61,381,072</u>
	<u>66,361,257</u>	<u>95,125,271</u>

<b>7 OPERATING PROFIT</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
This is stated after charging/(crediting):		
Staff costs (Note 8A)	6,038,859	7,293,823
Depreciation of tangible assets	934,567	619,868
Amortisation of intangible assets	3,120,864	2,655,367
Loss on disposal of tangible assets	3,438	-
Trade receivable impairment	253,296	10,536
Operating lease rentals	554,263	554,288
Inventory recognised as an expense	67,024	15,008
(Gain)/Loss on foreign exchange	(765,024)	633,832
Other operating income	-	(179,384)

The audit fee of £37,500 (2019: £25,500) is charged to the Group and subsequently recharged.

In 2020 and 2019, SITA Advanced Travel Solutions Limited incurred research and development costs related to the Government portfolio which were capitalized in the amount of £3,067,564 and £3,622,584, respectively. In addition, research and development costs related to the following Solution Lines: Passenger, Airline, Airport, and Baggage processing portfolios were recharged to respective Group entities.

Therefore there are no un-recharged research and development costs within the Profit and Loss account.

<b>8A INFORMATION REGARDING EMPLOYEES</b>	<b>2020</b>	<b>2019</b>
	<b>No.</b>	<b>No.</b>
Monthly average number of persons employed (including directors):		
Solution Line	27	23
Software Development	36	43
Operations	8	8
Administrative support	4	3
	<b>75</b>	<b>77</b>
	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Staff costs for the above persons:		
Wages and salaries	4,656,811	5,845,804
Social security costs	824,506	975,018
Other pension costs	557,542	473,001
	<b>6,038,859</b>	<b>7,293,823</b>

<b>8B DIRECTORS' REMUNERATION</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Remuneration paid	244,057	323,026
Pension contributions	16,219	14,448
Total emoluments	<b>260,276</b>	<b>337,474</b>

The Company had one director who was paid by the Company (2019: 1). Other directors are paid by other group companies and received no remuneration in respect of their function as directors to the Company. The director did not participate in the Company's defined benefit pension scheme during the year. The director had no share options.

<b>9 NET FINANCE COST</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Interest payable and similar expenses:		
Bank charges	44,160	70,145
	<b>44,160</b>	<b>70,145</b>

<b>10 TAX ON PROFIT</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
The tax expense comprises:		
<b>Current tax</b>		
UK corporation tax at standard tax rate of 19% (2019: 19%)	435,605	1,478,897
Adjustments in respect of prior years	219,073	(296,107)
	<b>654,678</b>	<b>1,182,790</b>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(91,421)	93,805
Adjustments in respect of prior years	27,973	29,551
Effect of tax rate change on opening balance	(32,585)	(9,875)
	<b>(96,033)</b>	<b>113,481</b>
<b>Tax for the year</b>	<b>558,645</b>	<b>1,296,271</b>

# **10 TAX ON PROFIT (CONTINUED)**

The differences between the total tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the loss before taxation is as follows:

	2020 £	2019 £
<b>Profit before taxation</b>	2,211,404	13,687,906
Tax on profit/(loss) at standard UK corporation tax rate of 19% (2019: 19%)	420,167	2,600,702
Factors affecting the charge for the year:		
Expenses not deductible for tax purposes	241	-
Income not taxable	(76,225)	(34,094)
Effects of group relief		(997,757)
Adjustments in respect of prior years	247,047	(262,706)
Change in tax rates	(32,585)	(9,874)
Unrecognised deferred tax		-
<b>Tax for the year</b>	558,645	1,296,271

The applicable 2020 and 2019 tax rate is 19 %. The same rate has been maintained also for 2021. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

# **11 INTANGIBLE ASSETS**

	Development costs £	Software applications £	Total £
<b>Cost</b>			
At 1 January 2020	23,683,940	1,042,256	24,726,196
Additions	5,186,817	83,400	5,270,217
At 31 December 2020	28,870,757	1,125,656	29,996,413
<b>Accumulated amortisation</b>			
At 1 January 2020	15,347,947	649,795	15,997,742
Charge for the year	2,912,172	208,692	3,120,864
At 31 December 2020	18,260,119	858,487	19,118,606
<b>Net book amount</b>			
At 31 December 2020	10,610,638	267,169	10,877,807
At 31 December 2019	8,335,993	392,461	8,728,454

An impairment test has been performed on the internally developed systems. The test uses a discounted cash flow model. The forecast period applied to the review is five years. The weighted average cost of capital applied in the impairment test is 14.21%. The average annual revenue growth anticipated for the forecast period is 1%. This growth rate is based on SITA's ability to achieve the organic growth with existing customers and to attract new ones. Based on the discounted cash flow model for the system, forecasted revenues, costs and non-cash items, as well as the sensitivity analysis, management concluded that no impairment charge needed to be recorded.

Critical success factors for iBorder that underlie the business case and the discounted cash flow model are the timely completion of the technical development, the pace of migration of customers from the legacy system on to the new technology, the ability to attract new customers and the organic growth of our existing customer base.

The remaining useful life and net book value of intangible assets of individually material value are:

	Net book value £	Remaining amortisation period years
iBorder RiskManagement	1,607,236	2.5
iBorder TravelerData and GovernmentGateway	1,499,964	1.8

The development costs capitalized but not being amortized yet amount to £5,343,334 at the end of 2020.

12 TANGIBLE ASSETS	Leasehold improvements	Computer equipment	Fixtures and fittings	Total
Cost	£	£	£	£
At 1 January 2020	446,672	10,752,249	1,908,316	13,107,237
Additions	-	9,525	35,248	44,773
Disposals	-	(7,425,920)	(525,485)	(7,951,405)
At 31 December 2020	446,672	3,335,854	1,418,079	5,200,605
<b>Accumulated depreciation</b>				
At 1 January 2020	446,672	9,811,660	1,250,246	11,508,578
Charge for the year	-	710,453	224,114	934,567
Disposals	-	(7,422,483)	(525,484)	(7,947,967)
At 31 December 2020	446,672	3,099,630	948,876	4,495,178
<b>Net book amount</b>				
At 31 December 2020	-	236,224	469,203	705,427
At 31 December 2019	-	940,589	658,070	1,598,659

13 DEBTORS	2020	2019
	£	£
Trade debtors	1,916,185	3,303,012
Social security and other taxes	860,683	1,124,608
Corporation tax recoverable	20,909	-
Deferred tax asset	400,983	304,949
Amounts owed by group undertakings	11,680,027	20,795,920
Tax credit receivable	-	144,859
Prepayments and accrued income	2,650,472	7,407,897
	17,529,259	33,081,245

The amounts presented in the trade debtors are net of allowances for doubtful receivables of £492,271 (2019: £240,691).

The prepayments and accrued income balance includes £100,110 of accrued income (2019: £2,260,571); and £625,054 of deferred project expense (2019: £835,039) that relates to long term customer contracts.

Amounts owed by group undertakings are unsecured, interest free and repayable on demand.

14 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2020	2019
	£	£
Trade creditors	477,485	4,681,086
Current tax liability	-	338,077
Other taxation and social security	271,605	253,903
Other creditors	-	28,246
Accruals and deferred income	7,143,638	10,875,179
	7,892,728	16,176,491

The accruals and deferred income balance includes £2,261,686 of deferred income (2019: £2,049,087) that relates to long term customer contracts.

**15 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Deferred Revenue - non current	-	(274,402)
	<u>-</u>	<u>(274,402)</u>

**16 PROVISIONS FOR LIABILITIES**

	<b>Onerous contract</b>
	<b>£</b>
At 1 January 2020	10,849,386
Provision utilised in the year	(7,414,016)
At 31 December 2020	<u>3,435,370</u>

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Analysed as:		
Amounts falling due within one year	3,435,370	8,587,222
Amounts falling due after one year	-	2,262,164
	<u>3,435,370</u>	<u>10,849,386</u>

The provision for onerous contract relates to a customer contract where the future benefits are expected to be lower than the future costs to fulfil the contract.

**17 DEFERRED TAXATION**

A deferred tax asset of £400,983 (2019: £304,949) has been recognised in respect of timing differences (see note 13). The directors are of the opinion that it is probable that future taxable profit will be available against which the unused timing differences can be utilised.

	<b>Fixed assets</b>
	<b>£</b>
At 1 January 2020	304,949
Charged to the income statement on ordinary activities	96,034
At 31 December 2020	<u>400,983</u>

The deferred tax asset has been calculated at 19.00% (2019: 17.00%), see note 10.

**18 CALLED UP SHARE CAPITAL**

	<b>2020</b>		<b>2019</b>	
	<b>Number of</b>	<b>£</b>	<b>Number of</b>	<b>£</b>
Authorised:				
Ordinary shares of 25p each	22,000,000	5,500,000	22,000,000	5,500,000
Called up, allotted and fully paid:				
Ordinary shares of 25p each	16,908,740	4,227,185	16,908,740	4,227,185

**19 OPERATING LEASE COMMITMENTS**

At 31 December the Company was committed to making the following payments during the next years in respect of non-cancellable operating leases:

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Land and buildings		
Amounts due within one year	582,000	582,000
Amounts due later than one year and not later than five years	1,743,342	2,325,342
Amounts due after 5th year	-	-
	<u>2,325,342</u>	<u>2,907,342</u>



## 20 PENSIONS

The Company participates in the SITA Defined Benefit Pension Scheme ("the Scheme"). The Scheme is a multi-employer scheme and was closed to new entrants on 31 December 2004.

The Scheme is a funded pension scheme providing defined benefits based on final pensionable salary. The assets of the Scheme are held separately from those of the Company.

The Company is unable to identify its share of the underlying assets and liabilities of the Scheme, because the underlying contribution rate is set at a common level and does not reflect the underlying characteristics of the work force of the Company.

Therefore, in accordance with the provisions of FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", the pension cost charged to the statement of comprehensive income has been determined as the actual contributions paid over the financial year, i.e. on a "defined contribution" basis.

The estimated deficit in the Scheme as at 31 December 2020, calculated using assumptions consistent with the requirements of FRS 102, was £18,911,000 (2019: £17,718,000).

The market value of the Scheme's assets at 31 December 2020 was £43,700,000 (2019: £37,755,000), while the actuarial value of the Scheme's liabilities totalled £62,611,000 (2019: £55,473,000).

The assumptions which have the most significant effect on the FRS 102-consistent valuation as of 31 December 2020 were:

	2020	2019
Discount rate	1.45%	2.10%
Inflation	2.00%	1.90%
Salary increases	2.00%	1.90%
Increases to pensions in payment	2.80%	2.90%
Deferred pensions increases	2.00%	1.90%

Weighted average life expectancy for mortality liability tables used to determine the liabilities:

	Males	Females
Member aged 65 (current life expectancy)	23 yrs	25 yrs
Member aged 40 (life expectancy at age 65)	24 yrs	26 yrs

As set out above the pension cost charged to the statement of comprehensive income has been determined as the actual contributions paid over the financial year, on a defined contribution basis. The pension charge for 2020 was £48,713 (2019: £48,395).

## **21 PARENT COMPANY**

The Company's immediate parent company and controlling entity is SITA N.V., a company incorporated in the Netherlands and registered at ILSY-plantsoen 1, 2497 GA's-Gravenhage, The Netherlands.

SITA N.V. is the parent company of the smallest group which prepares consolidated financial statements and includes the results of SITA Advanced Travel Solutions Limited. Copies of the financial statements of SITA N.V. can be obtained from the Company Secretary at ILSY-plantsoen 1, 2497 GA's-Gravenhage, The Netherlands.

SITA SCRL, a company incorporated in Belgium, is the ultimate parent company and ultimate controlling party and its registered address is Avenue des Olympiades 2, B-1140 Brussels, Belgium. SITA SCRL is the parent company of the largest group which prepares consolidated financial statements and includes the results of SITA Advanced Travel Solutions Limited. The consolidated financial statements are available at SITA SCRL registered address stated above.

## **22 GUARANTEES**

The Company has bank guarantees (performance bonds) issued in relation to its customer contracts in the amount of £2.6m.