



SITA Advanced Travel Solutions Limited

ANNUAL REPORT AND FINANCIAL STATEMENTS

For the year ended 31 December 2021

Company Registration Number
01391626

SITA Advanced Travel Solutions Limited

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for the year ended 31 December 2021



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SITA Advanced Travel Solutions Limited



COMPANY INFORMATION

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

SITA Advanced Travel Solutions Limited**STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2021**

The directors present their strategic report together with the audited financial statements of SITA Advanced Travel Solutions Limited for the year ended 31 December 2021.

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 2021, the Company generated a turnover of £60,742,227 (2020: £66,361,257).

The result for the year 2021, as set out in the Statement of Comprehensive Income on page 13, represents loss of £9,320,959 (2020: profit of £1,652,759).

The net current liabilities amounted to £2,715,484 (2020: net current assets of £9,649,724) and net assets amounted to £8,476,629 (2020: £17,797,588).

The directors have recommended that no dividend be paid this year (2020: £ nil).

Objectives and future developments

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.

The company would continue to invest in existing projects which are mentioned in 'Research & development & future prospects' note on page 7.

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.

Foreign currency risk is managed at SITA Group level. The SITA Group will manage foreign exchange risk on expected, future cash flows ('cash flow hedges') with the objectives of protecting budget and plan profits as well as the margin on longer term contracts. Hedging instruments that can be used to manage the foreign exchange risk include forward contracts and risk reversal (zero cost collars or combination of options) to cover specific foreign currency denominated payments and receipts of the exposure generated. The SITA Group also enters into forward foreign exchange contracts to manage the risk associated with anticipated sales and purchase transactions out to typically twelve months the exposure generated.

In addition, customer contracts are preferably denominated in US\$ but may also use Euro or other hard currencies with the aim of increasing the natural hedging of the cost base. Any signature of a material supplier or customer contract (new contract or renewal) that is not US\$ denominated requires approval from the Treasury department.

Company's cash-flow risk is to be considered within the context of global SITA Group whereby the SITA Group provided the Company with a letter of support ensuring that any potential additional cash requirement shall be covered by SITA Group as needed.

SITA Advanced Travel Solutions Limited**STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2021 (continued)**

Price risk (customers) is managed on the SITA Group level. There is pre-established robust and several layer business approval policy process to ensure that SITA Group enters customer contracts with considering all the related benefits and risks.

The business approval policy is premised on the principle of cascading authority to create a coherent integrated chain of delegated approval authority, respecting the likelihood and magnitude of potential associated exposure and risks of the contractual opportunities.

(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 2021, the Company generated a turnover of £60,742,227 (2020: £66,361,257).

The result for the year 2021, as set out in the Statement of Comprehensive Income on page 13, represents loss of £9,320,959 (2020: profit of £1,652,759).

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.

SITA Advanced Travel Solutions Limited

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2021 (continued)



COVID-19

The COVID-19 pandemic has continued to have significant impacts on the Air Transport Industry, with a volume of passengers that remained significantly lower in 2021 compared to pre-covid financial years. Despite stable revenues in 2021, the Group took full advantage of its cost control and savings initiatives started in 2020 and reported in 2021 an improved margin. Full recovery for the industry is expected within the years 2023-2024, and consequently, the Group will continue to implement its transformation program Evolve aiming at reviewing the Group's strategic positioning and cost efficiency.

In 2021, the SITA Group has continued to mitigate credit risk by applying a prudent approach while concentrating on cash collection:

- selective acceptance of treasury partners that are regularly used and are evaluated as financially strong;
- usage of the IATA Clearing House and regular assessment of the credit worthiness of the customers;
- conservative expected credit loss ('ECL') provision calculation where, for accounts identified as having a high credit risk profile, receivables above 90 days are fully provisioned with subsequent revenue to be recognized on a payment basis only.

Throughout 2021, the Group continued to focus on maintaining a strong liquidity position with the collection of EUR 95.0 million through the issuance of Schuldschein loans and US\$ 315 million of undrawn credit facilities.

As a result, at the end of the year, cash and cash equivalents increased by more than 35% compared to 2020 and the SITA management can confirm that the Group will be able to continue as a going concern and financially support its subsidiaries and branches across the world.

In 2021, in order to comply with the arm's length principle regarding the profit margin applied, SITA has recently received updated benchmark studies per geographical region in order to comply with the OECD's Arm's Length Standard for year 2021. This analysis confirmed that the arms-length margin for the intragroup services to be increased from 3% to 5% mark-up on total costs starting from 1 January 2021.

The Company had revenue of £60,742,227 and achieved a loss of £9,320,959.

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

DocuSigned by:

Nicolas Husson

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NICOLAS HUSSON

Director

Date: 29 September 2022

SITA Advanced Travel Solutions Limited

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021



The directors present their report together with the audited financial statements of SITA Advanced Travel Solutions Limited for the year ended 31 December 2021.

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 & future prospects

During 2021, 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 grand 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 liabilities of £2,715,484 (2020: assets of £9,649,724) and considering the grand parent company support mentioned above, 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.

SITA Advanced Travel Solutions Limited

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021 (continued)



(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 has been certified CarbonNeutral® for its business operations in 2020 and 2021. SITA's carbon emissions are calculated by an independent emissions assessor on a yearly basis by RSK Group based on the CarbonNeutral Protocol. SITA was able to provide 54% primary data for our Greenhouse Gas Assessment in 2021, the other 46% being based on RSK benchmarks depending on the region and or country where the site is located.

Compared to 2020, we have added the emissions from commuting to our greenhouse gas assessment.

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, commuting, homeworking, hotel stays and rail and road business travels.

Measures taken in 2021 to reduce emissions:

- Use of teleconferencing services as an alternative to business travels

	2021	2020
Total energy use kWh	494,919	604,685
Total tCO2e	158.1	200.0
Scope 1 carbon emissions	73.2	76.8
Scope 2 carbon emissions	30.0	58.6
Scope 3 carbon emissions	54.9	64.6
from flights	12.5	41.1
Intensity Ratio tCO2/FTE	2.26	2.67
FTE	73	75

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 insurance operates to protect the directors in circumstances where, by law, SITA cannot provide the indemnity.

The indemnity was in force throughout the last financial year and is currently in force.

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.

SITA Advanced Travel Solutions Limited

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021 (continued)



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, 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 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 also 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

DocuSigned by:

DC6A801C95D84EC...
Nicolas Husson
Director
Date: 29 September 2022

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 2021 and of its loss 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 2021; 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 2021 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 Statement of directors' responsibilities in respect of the financial statements, 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, posting inappropriate journal entries 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, 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. 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
29 September 2022

SITA Advanced Travel Solutions Limited


STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2021

	Note	2021 £	2020 £
Turnover	6	60,742,227	66,361,257
Cost of sales		(62,580,729)	(63,958,738)
Gross (loss)/profit		(1,838,502)	2,402,519
Distribution costs		(1,258)	(37,348)
Administrative expenses		(2,218,568)	(153,767)
Operating (loss)/profit	7	(4,058,328)	2,211,404
(Loss)/Profit before taxation		(4,058,328)	2,211,404
Income tax expense	10	(5,262,631)	(558,645)
(Loss)/Profit for the financial year		(9,320,959)	1,652,759

All results derive from continuing operations.

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

SITA Advanced Travel Solutions Limited

BALANCE SHEET

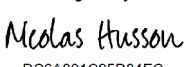
As at 31 December 2021



	Note	2021 £	2020 £
Fixed assets			
Intangible assets	11	12,697,409	10,877,807
Tangible assets	12	426,385	705,427
		<u>13,123,794</u>	<u>11,583,234</u>
Current assets			
Stocks		13,783	13,193
Debtors	13	15,543,999	17,529,259
- due within one year		15,152,757	16,929,188
- due after more than one year		391,242	600,071
Cash at bank and in hand		-	-
		<u>15,557,782</u>	<u>17,542,452</u>
Creditors: Amounts falling due within one year	14	(18,273,266)	(7,892,728)
Net current (liabilities)/assets		<u>(2,715,484)</u>	<u>9,649,724</u>
Total assets less current liabilities		<u>10,408,310</u>	<u>21,232,958</u>
Creditors: amounts falling due after more than one year	15	(464,147)	-
Provisions for other liabilities	16	(1,467,534)	(3,435,370)
		<u>(1,931,681)</u>	<u>(3,435,370)</u>
Net assets		<u>8,476,629</u>	<u>17,797,588</u>
Capital and reserves			
Called up share capital	18	4,227,185	4,227,185
Retained earnings		4,249,444	13,570,403
Total equity		<u>8,476,629</u>	<u>17,797,588</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 29 September 2022 and signed on its behalf.

DocuSigned by:

 DC6A801C95D84EC...
 Nicolas Husson
 Director

SITA Advanced Travel Solutions Limited
STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2021



	Called up share capital £	(Accumulated losses) / Retained earnings £	Total equity £
At 1 January 2020	4,227,185	11,917,644	16,144,829
Total comprehensive income for the financial year			
Profit for the financial year	-	1,652,759	1,652,759
At 31 December 2020	4,227,185	13,570,403	17,797,588
At 1 January 2021	4,227,185	13,570,403	17,797,588
Total comprehensive expense for the financial year			
Loss of the financial year	-	(9,320,959)	(9,320,959)
At 31 December 2021	4,227,185	4,249,444	8,476,629

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

SITA Advanced Travel Solutions Limited
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2021



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 grand 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 liabilities of £2,715,484 (2020: assets of £9,649,724) and considering the grand parent company support mentioned above, 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

SITA Advanced Travel Solutions Limited
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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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.

SITA Advanced Travel Solutions Limited
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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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 period.

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.

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.

SITA Advanced Travel Solutions Limited
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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4 ACCOUNTING POLICIES (continued)

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.

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5 JUDGMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

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.

Tax provisions

Tax provisions where the liabilities remain to be agreed with relevant tax authorities might be subject to the interpretation of tax legislation applicable and as such due to the uncertainty associated with such tax items, it is possible that, on conclusion of open tax matters at a future date, the final outcome might differ significantly. For such tax provisions the Company applies probability-weighted expected value on the basis for reasonably possible outcomes following prior experience and appropriate tax advice. Please see note 10.

6 TURNOVER

Geographical split:	2021	2020
	£	£
America	2,985,796	6,890,958
Asia & Pacific	18,590,276	26,094,797
Europe	15,196,216	14,275,697
Middle East, India, Africa	23,969,939	19,099,805
	<u>60,742,227</u>	<u>66,361,257</u>
	2021	2020
	£	£
Service revenue from third parties:		
Airport Operations	237,308	256,162
Border Management	13,071,107	17,053,521
Passenger Processing	261,353	(407,155)
Passenger Solution Line.	142,837	416,746
Intercompany revenues	<u>47,029,622</u>	<u>49,041,983</u>
	<u>60,742,227</u>	<u>66,361,257</u>

During 2021, the SITA Group reviewed and changed classification of some of its products and product modules within the scope of the previously reported Airline Operations business line.

As result of the reorganization described above, 2020 figures have been represented with the transfer of GBP 33,557 from Airline Operations to Passenger Processing business line.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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7 OPERATING (LOSS)\PROFIT	2021	2020
	£	£
This is stated after charging/(crediting):		
Staff costs (Note 8A)	5,444,114	6,038,859
Depreciation of tangible assets	284,254	934,567
Amortisation of intangible assets	3,953,739	3,120,864
Loss on disposal of tangible assets	13,421	3,438
Trade receivable impairment	240,463	253,296
Operating lease rentals	554,734	554,263
Inventory recognised as an expense	(639)	67,024
Loss/(Gain) on foreign exchange	1,301,072	(765,024)

The audit fee of £39,126 (2020: £37,500) is charged to the Group and subsequently recharged.

In 2021 and 2020, SITA Advanced Travel Solutions Limited incurred research and development costs related to the Government portfolio which were capitalized in the amount of £5,378,118 and £3,067,564, 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.

8 INFORMATION REGARDING EMPLOYEES	2021	2020
	No.	No.
Monthly average number of persons employed (including directors):		
Solution Line	24	27
Software Development	38	36
Operations	7	8
Administrative support	4	4
	73	75

	2021	2020
	£	£
Staff costs for the above persons:		
Wages and salaries	4,136,037	4,656,811
Social security costs	905,155	824,506
Other pension costs	402,922	557,542
	5,444,114	6,038,859

9 DIRECTORS' REMUNERATION	2021	2020
	£	£
Remuneration paid	228,595	244,057
Pension contributions	11,176	16,219
Total emoluments	239,771	260,276

The Company had one director who was paid by the Company (2020: 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.

10 INCOME TAX EXPENSE

The tax expense comprises:	2021	2020
	£	£
Current tax		
UK corporation tax at standard tax rate of 19% (2020: 19%)	(657,950)	435,605
Adjustments in respect of prior years	(150,504)	219,073
Other	4,382	-
RDEC	(385,905)	-
Tax provision	6,414,211	-
	5,224,234	654,678
Deferred tax		
Origination and reversal of timing differences	(130,283)	(91,421)
Adjustments in respect of prior years	222,243	27,973
Effect of tax rate change on opening balance	(53,563)	(32,585)
	38,397	(96,033)
Tax for the year	5,262,631	558,645

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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10 INCOME TAX EXPENSE (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:

	2021 £	2020 £
(Loss)/Profit before taxation	(4,058,328)	2,211,404
Tax on (loss)/profit at standard UK corporation tax rate of 19% (2020: 19%)	(771,082)	420,167
Factors affecting the charge for the year:		
Expenses not deductible for tax purposes	6,685	241
Income not taxable	(50,296)	(76,225)
Adjustments in respect of prior years	71,739	247,046
Change in tax rates	(53,563)	(32,584)
RDEC deferred income	30,842	-
RDEC current year	(385,905)	-
Tax provision	6,414,211	-
Tax for the year	5,262,631	558,645

The UK government announced in the 2021 budget that from 1 April 2023, the rate of corporation tax in the United Kingdom will increase from 19% to 25%. These changes were substantively enacted on 24 May 2021. Further announcements were made on 23 September 2022 in the 'mini-budget' that planned increases to corporation tax on 1 April 2023 will be cancelled, and that the rate would remain at 19%. Given these latest changes have not yet been substantively enacted, the Company's deferred tax assets as at 31 December 2021 have been calculated at a rate of 25%. If a rate of 19% was used the deferred tax receivable would be decreased by £87,021.

Tax provision

SITA is appealing against Kingdom of Saudi Arabia tax audit reviews and assessments for the past 6 years based on the attribution of a deemed margin, as well as related withholding tax assessments. The tax demands have been postponed pending the final outcome of those appeals. At the first appeals level adverse decisions were obtained for the years 2015 and 2018. However, a favourable outcome has recently been obtained for the year 2016. SITA is further appealing against the adverse decisions for the years 2015 and 2018 to the second level appeals authority, whilst the tax authority may further appeal against the favourable decision for the year 2016. The ultimate outcome of the audits reviews and appeals therefore remains uncertain, the range of potential outcomes and the probability of each of them was assessed and resulted into recognition of the provision of GBP 6.4m.

11 INTANGIBLE ASSETS

Cost	Development costs CIP £	Development costs £	Software applications £	Total £
At 1 January 2021	5,879,750	22,991,007	1,125,656	29,996,413
Additions	-	6,632,775	184,728	6,817,503
Disposals	-	(3,168,219)	(151,827)	(3,320,046)
Transfers	(637,409)	637,409	-	-
At 31 December 2021	5,242,341	27,092,972	1,158,557	33,493,870
Accumulated amortisation				
At 1 January 2021	-	18,260,119	858,487	19,118,606
Charge for the year	-	3,826,293	127,446	3,953,739
Disposals	-	(2,210,403)	(65,481)	(2,275,884)
At 31 December 2021	-	19,876,009	920,452	20,796,461
Net book amount				
At 31 December 2021	5,242,341	7,216,963	238,105	12,697,409
At 31 December 2020	5,879,750	4,730,888	267,169	10,877,807

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 10.0%. 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.

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11 INTANGIBLE ASSETS (continued)

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	978,681	1.7
iBorder TravelerData and GovernmentGateway	1,451,886	2.5
iBorder Intelligence & Targetting	1,745,712	3.0

The development costs capitalized but not being amortized yet amount to £5,242,340 at the end of .

12 TANGIBLE ASSETS

	Leasehold improvements £	Computer equipment £	Fixtures and fittings £	Total £
Cost				
At 1 January 2021	446,672	3,335,854	1,418,079	5,200,605
Additions	-	16,278	2,355	18,633
Disposals	-	(339,027)	-	(339,027)
At 31 December 2021	446,672	3,013,105	1,420,434	4,880,211
Accumulated depreciation				
At 1 January 2021	446,672	3,099,630	948,876	4,495,178
Charge for the year	-	117,349	166,905	284,254
Disposals	-	(325,606)	-	(325,606)
At 31 December 2021	446,672	2,891,373	1,115,781	4,453,826
Net book amount				
At 31 December 2021	-	121,732	304,653	426,385
At 31 December 2020	-	236,224	469,203	705,427

13 DEBTORS

	2021 £	2020 £
Trade debtors	2,815,955	1,916,185
Social security and other taxes	769,168	860,683
Corporation tax recoverable	-	20,909
Deferred tax asset	362,586	400,983
Amounts owed by group undertakings	8,556,521	11,680,027
Prepayments and accrued income	3,039,769	2,650,472
	<u>15,543,999</u>	<u>17,529,259</u>

The amounts presented in the trade debtors are net of allowances for doubtful receivables of £551,947 (2020: £492,271).

The prepayments and accrued income balance includes £155,193 of accrued income (2020: £100,110); and £350,448 of deferred project expense (2020: £625,054) 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

	2021 £	2020 £
Trade creditors	1,165,348	477,485
Current tax liability	5,163,857	-
Other taxation and social security	-	271,605
Accruals and deferred income	11,944,061	7,143,638
	<u>18,273,266</u>	<u>7,892,728</u>

The accruals and deferred income balance includes £2,203,800 of deferred income (2020: £2,261,686) that relates to long term customer contracts.

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15 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2021	2020
	£	£
Deferred Revenue - non current	(464,147)	-
	<u>(464,147)</u>	<u>-</u>

16 PROVISIONS FOR OTHER LIABILITIES

	2021	2020
	£	£
At 1 January	3,435,370	10,849,386
Provision utilised in the year	(1,967,836)	(7,414,016)
At 31 December	<u>1,467,534</u>	<u>3,435,370</u>

	2021	2020
	£	£
Analysed as:		
Amounts falling due within one year	1,467,534	3,435,370
Amounts falling due after one year	-	-
	<u>1,467,534</u>	<u>3,435,370</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 £362,586 (2020: £400,983) 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.

	£
At 1 January 2021	400,983
Charged to the income statement on ordinary activities	(38,397)
At 31 December 2021	<u>362,586</u>

The deferred tax assets can be analyzed as follows:

	2021	2020
	£	£
Fixed asset	249,371	360,597
Short term trading	65,606	40,386
R&D	47,609	-
	<u>362,586</u>	<u>400,983</u>

Deferred taxes at the balance sheet date have been measured using the enacted tax rates for the applicable period and reflected in these financial statements.

18 CALLED UP SHARE CAPITAL

	2021	£	2020	£
	Number of		Number of	
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:

	2021	2020
	£	£
Land and buildings		
Amounts due within one year	582,000	582,000
Amounts due later than one year and not later than five years	1,161,342	1,743,342
Amounts due after 5th year	-	-
	<u>1,743,342</u>	<u>2,325,342</u>

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For the year ended 31 December 2021



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 2021, calculated using assumptions consistent with the requirements of FRS 102, was £41,815,000 (2020: £18,911,000).

The market value of the Scheme’s assets at 31 December 2021 was £154,908,000 (2020: £43,700,000), while the actuarial value of the Scheme’s liabilities totalled £196,723,000 (2020: £62,611,000).

The assumptions which have the most significant effect on the FRS 102-consistent valuation as of 31 December 2021 were:

	2021	2020
Discount rate	1.90%	1.45%
Salary increases	2.60%	2.00%
Increases to pensions in payment	3.30%	2.80%
Deferred pensions increases	2.60%	2.00%

In the UK, mortality rates are determined by adjusting the SAPS “All Pensioner standard mortality table to reflect recent plan experience. These rates are then projected to reflect improvements in life expectancy in line with CM projections with a long-term rate of improvement of 1.25% per annum.

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 2021 was £23,956 (2020: £48,713).

SITA Advanced Travel Solutions Limited
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 December 2021



21 PARENT COMPANY

The Company's immediate parent company is SITA Technologies B.V., which is owned and controlled by SITA B.V., which is in turn owned and controlled by SITA N.V.

All the above mentioned companies are incorporated in the Netherlands and registered at Blaak 555, Rotterdam, 3011 GB, 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 Blaak 555, Rotterdam, 3011 GB, Netherlands.

SITA SC, 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 SC 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 SC registered address stated above.

22 GUARANTEES

The Company has bank guarantees (performance bonds) issued in relation to its customer contracts in the amount of £14,276 (2020: £2.6m).

23 SUBSEQUENT EVENTS

In early 2022, a customer contract has been early terminated and may lead to a litigation impacting the Company. If this termination should lead to a claim and any penalty, this will be disclosed in future appropriate period in compliance with accounting principles.