SITA

SITA Advanced Travel Solutions Limited

ANNUAL REPORT AND FINANCIAL STATEMENTS

For the year ended 31 December 2023

Company Registration Number

01391626

CONTENTS OF THE ANNUAL REPORT AND FINANCIAL STATEMENTS
for the year ended 31 December 2023

LEGAL FORM

Private company limited by shares domiciled and incorporated in the United Kingdom.

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS
Nicolas Husson
Jeremy Springall

COMPANY SECRETARY
Tanja Popovic
Aileen McEntee

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

REGISTERED NUMBER
01391626

INDEPENDENT AUDITORS
PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
One Chamberlain Square
Birmingham
B3 3AX
United Kingdom

BANKER
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25 Bank Street,
Canary Wharf
London, E14 5JP

SOLICITOR
Dentons UKMEA LLP
One Fleet Place
London
EC4M 7W

The directors present their strategic report together with the audited financial statements of SITA Advanced Travel Solutions Limited for the year ended 31 December 2023.

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 2023, Company generated a turnover of £82,834,455 (2022: £95,918,186) representing a decrease of 14% mostly driven by decrease of intercompany revenues.

The result for the year 2023, as set out in the Statement of Comprehensive Income on page 15, represents loss of £12,287,408 (2022: £4,411,025). The increase of the loss is mostly driven by lower revenues.

The net current liabilities amounted to £14,151,852 (2022: £7,434,455) and net liabilities amounted to £7,299,743 (2022: net assets of £4,065,604).

The Company does not recommend the payment of a dividend for the year ended 2023 (2022: 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 checking, including all the supporting functions that surround these processes. Through our current product portfolio we aim to help airlines meeting today's industry challenge.

The Company will 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. Hedging is done on the Group level.

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.

Company's cash-flow risk is to be considered within the context of global SITA Group thereby 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.

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.

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. The Company 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 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:

During the year, the Company generated a turnover of £82,834,455 (2022: £95,918,186) representing a decrease of 14%.

The result for the year 2023, as set out in the Statement of Comprehensive Income on page 15, represents loss of £12,287,408 (2022: £4,411,025).

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 committed to creating a sustainable future for its employees, business, communities and the air transport industry.

Further details are disclosed in Directors' Report, section Streamlined Energy and Carbon Reporting (SECR).

(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, SITA Technologies B.V., another company from SITA Group.

Significant events on SITA business

In 2023, air traffic recovery has translated into strong volumes and a step-up in the investment plans of our customers. In this context, revenue increased by 6.7%.

However, geopolitical tensions in Europe and the Middle East, persistent inflation and high interest rates represented significant challenges to the air transport industry.

To ensure that the Group remains competitive and cost-efficient, Management has launched a restructuring plan in Q4 of 2023, negatively impacting the profit before tax by £0.9m.

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

Signed by:
Nicolas Husson
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Nicolas Husson
Director
Date: 30 October 2024

The directors present the annual report together with the audited financial statements of SITA Advanced Travel Solutions Limited for the year ended 31 December 2023.

Directors

The directors of the Company who were in office during the year and up to the date of signing the financial statements:

Nicolas Husson
Jeremy Springall

Research & development & future prospects

During 2023, 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 eVisa system for processing travellers).

Going concern

During the current financial year the Company made a loss of £12,287,408 (2022: £4,411,025) and had net liabilities of £7,299,743 (2022: net assets of £4,065,604).

However, on the basis of future prospects based on the forecasts that the Company has adequate resources to continue operational existence for a period of at least 12 months from the date of approval of the financial statements.

The directors have received a letter of support from SITA N.V, confirming that it will continue to support the Company for a period to 12 months from the date of these financial statements.

The directors have made detailed enquiries, including confirmation of the strong liquidity position announced by SITA N.V. and review of the latest financial results approved by directors in 23 February 2024. After making these detailed enquiries, the directors are confident that SITA N.V. has sufficient resources to enable it to provide continuous financial support.

Branch

SITA Advanced Travel Solutions Limited operates in Oman through a branch. Starting 2023 the branch's financial results have been integrated into the overall Statement of Comprehensive Income for the current year, rather than being recorded as intercompany accounts in the prior year.

Future developments

For details of future developments 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.

The Company does not provide political donations.

Employees

(a) Employee involvement
The Company operates in a dynamic environment and recognises the value of 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 systematically 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 has committed to the Science Based Target initiative (SBTi) Net Zero Standard aligned with the Paris Agreement 1.5° scenario. SITA has also been certified CarbonNeutral® for its business operations in 2020, and 2021. SITA's carbon emissions are calculated by an independent assessor on a yearly basis by EcoAct. SITA has added all scope 3 emission sources to its 2023 greenhouse gas assesment and for its 2019 baseline as part of its SBTi activities.

On top of SITA efforts to reduce its emissions, SITA has offset the remaining emission with verified EACs (Energy Attribute Certificates). SITA has changed its car fleet at Heathrow airport to electric vehicules in 2022.

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).
- Heating: SITA London Gate use natural gas and Royal Pavilion is electricity based. No consumption data is available.
- 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.
- Scope 3 carbon emissions also include electricity transport and distribution losses, office waste, water and waste water, commuting, homeworking.
- Other remaining Scope 3 emission sources are not able to be allocated to a physical location nor to a specific entity within the SITA Group.

	2023	2022
Total energy use kWh	**10,533**	**258,385**
Total tCO2e	**125.8**	**85.5**
Scope 1 carbon emissions	1.9	3.1
Scope 2 carbon emissions	0.6	22.8
Scope 3 carbon emissions	123.3	59.6
from flights	*123.2*	*57.8*
Intensity Ratio tCO2/FTE	**2.03**	**1.30**
FTE	**62**	**66**

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, the SITA Group 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.

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

Signed by:
Nicolas Husson
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Nicolas Husson
Director
Date: 30 October 2024

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 2023 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, including 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 2023; 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.

Independent auditors' report to the members of SITA Advanced Travel Solutions Limited (continued)

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 2023 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

Independent auditors' report to the members of SITA Advanced Travel Solutions Limited (continued)

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 UK tax law and the Companies Act 2006, and we considered the extent to which non-compliance might have a material effect on the financial statements. 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 the posting of inappropriate journal entries and management bias in accounting estimates. 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;
- identifying and testing journal entries, in particular any journal entries posted to revenue with unusual account combinations, where any such journals were identified;
- Challenging key assumptions used in management's consideration of estimates; and
- incorporating elements of unpredictability.

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

Independent auditors' report to the members of SITA Advanced Travel Solutions Limited (continued)

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.

Neil Philpott (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Birmingham
30 October 2024

SITA Advanced Travel Solutions Limited

STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 December 2023

	Note	2023 £	2022 £
Turnover	6	82,834,455	95,918,186
Cost of sales		(98,401,293)	(97,901,635)
Gross loss		(15,566,838)	(1,983,449)
Distribution costs		(91,362)	(37,559)
Administrative expenses		(3,793,643)	(3,286,564)
Other operating income		153,220	288,400
Operating loss	7	(19,298,623)	(5,019,172)
Loss before taxation		(19,298,623)	(5,019,172)
Income tax credit	9	7,011,215	608,147
Loss for the financial year		(12,287,408)	(4,411,025)

All results derive from continuing operations.
The accompanying notes on pages 18 to 34 form an integral part of the financial statements.

SITA Advanced Travel Solutions Limited

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BALANCE SHEET
as at 31 December 2023

	Note	2023 £	2022 £
Fixed assets			
Intangible assets	10	16,519,943	13,491,952
Tangible assets	11	180,703	295,229
		16,700,646	13,787,181
Current assets			
Stocks		42,315	-
Debtors	12	21,644,099	16,859,707
- due within one year		11,716,766	14,670,871
- due after more than one year		9,927,333	2,188,836
Cash at bank and in hand		54,622	-
		21,741,036	16,859,707
Creditors: amounts falling due within one year	13	(35,892,888)	(24,294,162)
Net current liabilities		(14,151,852)	(7,434,455)
Total assets less current liabilities		2,548,794	6,352,726
Creditors: amounts falling due after more than one year	14	(7,099,538)	(254,010)
Provision for liabilities	15	(2,748,999)	(2,033,112)
		(9,848,537)	(2,287,122)
Net (liabilities)/assets		(7,299,743)	4,065,604
Capital and reserves			
Called up share capital	17	4,227,185	4,227,185
Accumulated losses		(11,526,928)	(161,581)
Total equity		(7,299,743)	4,065,604

The accompanying notes on pages 18 to 34 form an integral part of the financial statements.

The financial statements on pages 15 to 34 of the Company were approved by the Board of Directors and authorised for issue on 30 October 2024 and signed on its behalf.

Signed by:

Nicolas Husson

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Nicolas Husson
Director

STATEMENT OF CHANGES IN EQUITY
for the year ended 31 December 2023

	Called up share capital £	Retained earnings / (Accumulated losses) £	Total equity £
At 1 January 2022	4,227,185	4,249,444	8,476,629
Comprehensive expense for the financial year			
Loss for the financial year	-	(4,411,025)	(4,411,025)
At 31 December 2022	4,227,185	(161,581)	4,065,604
At 1 January 2023	4,227,185	(161,581)	4,065,604
Comprehensive expense for the financial year			
Loss for the financial year	-	(12,287,408)	(12,287,408)
Addition of the Oman branch	-	922,061	922,061
At 31 December 2023	4,227,185	(11,526,928)	(7,299,743)

The accompanying notes on pages 18 to 34 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

During the current financial year the Company made a loss of £12,287,408 (2022: £4,411,025) and had net liabilities of £7,299,743 (2022: net assets of £4,065,604).

However, on the basis of future prospects based on the forecasts that the Company has adequate resources to continue operational existence for a period of at least 12 months from the date of approval of the financial statements.

The directors have received a letter of support from SITA N.V, confirming that it will continue to support the Company for a period to 12 months from the date of these financial statements.

The directors have made detailed enquiries, including confirmation of the strong liquidity position announced by SITA N.V. and review of the latest financial results approved by directors in 23 February 2024. After making these detailed enquiries, the directors are confident that SITA N.V. has sufficient resources to enable it to provide continuous financial support.

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 loss 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 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 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.

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.

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.

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 and related premium 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 JUDGEMENTS 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 judgements 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 9.

Deferred tax Asset

In assessing the realizability of deferred tax assets, management considers whether it is more likely than not that some portion or all the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management considers projected future taxable income, and tax planning strategies in making this assessment. Based upon the level of historical taxable income and projections for future taxable income over the periods in which the deferred tax assets are deductible, management believes it is more likely than not that the Company will realize all its deferred tax assets in the upcoming years.

6 TURNOVER

Geographical split:

	2023 £	2022 £
America	1,964,281	2,393,156
Asia & Pacific	40,746,761	25,228,696
Europe	38,495,654	48,145,185
Middle East, India, Africa	1,627,759	20,151,149
	82,834,455	95,918,186

	2023 £	2022 £
Service revenue from third parties:		
SITA at Airports	1,852	-
SITA at Borders	23,938,800	14,491,164
Intercompany revenues	58,893,803	81,427,022
	82,834,455	95,918,186

7 OPERATING LOSS

	2023 £	2022 £
This is stated after charging/(crediting):		
Staff costs (Note 8)	3,504,610	4,468,484
Depreciation of tangible assets	138,739	149,842
Amortisation of intangible assets	5,274,690	5,010,410
Loss on disposal of tangible assets	39,535	2,083
Trade receivable impairment/(reversal of impairment)	110,610	(274,585)
Operating lease rentals	721,260	909,822
Inventory recognised as an expense	4,736	79,218
Research & development Capital Expenditure (RDEC)	(153,220)	(288,400)
Gain on foreign exchange	63,242	906,618

The audit fee of £49,380 (2022: £48,361) is charged to the Group and subsequently recharged.

The directors have agreed with the Company's auditors that the auditor's liability to damages for breach of duty in relation to the audit of the company's financial statements for the year to 31 December 2023 should be limited to the greater of £5 million or 5 times the auditor's fees, and that in any event the auditor's liability for damages should be limited to that part of any loss suffered by the company as is just and equitable having regard to the extent to which the auditor, the company and any third parties are responsible for the loss in question. The shareholders approved this Limited Liability Agreement, as required by the Companies Act 2006, by a resolution dated 30 November 2023.

In 2023 and 2022, SITA Advanced Travel Solutions Limited incurred research and development costs related to the Government portfolio which were capitalized in the amount of £5,782,770 and £5,363,193, respectively.

8 INFORMATION REGARDING EMPLOYEES

	2023	2022
	No.	No.
Monthly average number of persons employed (including directors):		
Solution Lines	15	17
Software Development	36	35
Operations	8	7
Administration	4	4
	63	63

	2023	2022
	£	£
Staff costs for the above persons:		
Wages and salaries	2,096,768	3,058,019
Social security costs	990,435	971,648
Other pension costs	417,407	438,817
	3,504,610	4,468,484

Directors' remuneration

	2023	2022
	£	£
Remuneration paid	281,304	288,068
Pension contributions	9,073	8,344
Total emoluments	290,377	296,412

The Company had one director who was paid by the Company (2022: 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.

9 INCOME TAX CREDIT

The tax expense comprises:	2023	2022
	£	£
Current tax		
UK corporation tax at standard tax rate of 23.5% (2022: 19%)	-	-
Oman corporation tax	6,994	-
Adjustment in respect of previous periods	-	610,475
RDEC	-	83,908
Tax provision	(3,270,648)	259,576
	(3,263,654)	953,959
Deferred tax		
Origination and reversal of timing differences	(3,527,150)	(558,389)
Prior period adjustment	1,448	(827,385)
Effect of tax rate change on opening balance	(221,859)	(176,332)
	(3,747,561)	(1,562,106)
Total tax	**(7,011,215)**	**(608,147)**

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

	2023	2022
	£	£
Loss before taxation	(19,298,623)	(5,019,172)
Tax on loss at standard UK corporation tax rate of 23.5% (2022: 19%)	(4,539,036)	(953,643)
Factors affecting the credit for the year:		
Expenses not deductible for tax purposes	1	66,243
Income not taxable	(280,435)	(22,443)
Adjustment in respect of previous periods	1,448	(133,002)
Group relief	1,299,314	351,454
Tax rate changes	(221,859)	(176,332)
Deferred tax assets recognition	-	-
Tax provision	(3,270,648)	259,576
Tax for the year	(7,011,215)	(608,147)

The Company's deferred tax assets as at 31 December 2023 and 2022 have been calculated at a rate of 25%.

In the Spring Budget 2021, the UK Government announced that from 1 April 2023 the corporation tax rate would increase to 25% (rather than remaining at 19%, as previously enacted). This new law was substantively enacted on 24 May 2021 Income taxes in the income statement are measured at 23.5% (blended average) and deferred taxes at the balance sheet data are measured at 25%.

Tax provision

SITA is appealing against Kingdom of Saudi Arabia tax audit reviews and assessments for the period extended from the year 2015 until 2018 based on the attribution of a deemed margin, as well as related withholding tax assessments. The audit notification received from tax authorities included the fiscal years 2015 till 2020. Years 2019 and 2020 are still under inspection; assessments are not yet raised.

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. SITA appealed against the adverse decisions for the years 2015 and 2018 to the second level appeals authority. As a result, in 2023 the authority cancelled the deemed PE assessments for both years and withholding tax assessment for 2018. The authority, however, upheld the disallowance of Head Office cost allocation for these years as well as withholding tax for 2015. SITA thus appealed to the third level appeals authority and in turn, the tax authority is expected to counter appeal where SITA succeeded in the second appeal. The third level appeals authority issued a decision regarding the year 2015, rejecting the charges from Head Office however accepted other transfer pricing charges from other SITA entities, as well as waiving the withholding taxes on charges from the UK and the Netherlands. During the appeal process the Saudi Arabia tax authorities dropped its appeals regarding the PE assessment and related tax charges. As for the year 2018, appeal to the third level have been heard and decision is yet to be issued.

For 2016 there was a favorable outcome in 2022 in relation to inbound transfer pricing charges but due to continued disallowance of the Head Office cost allocation SITA appealed to the third level appeals. Court hearing occurred in September 2024 however final decision is yet to be issued. For 2017 a good result was obtained during the tax audit with disallowing only the Head Office cost allocation. SITA appealed to the first level appeals. However, the refusal of Head Office charges were maintained. Second level appeal authority refused the deduction of the charges from Head Office thus, SITA appealed to the third level appeal authority and is awaiting hearing.

Due to the uncertainty of the case and due to the conflicting result from different appeal authorities and as advised by the local tax advisor, the provision is still computed following the same weighted average methodology until the decisions for each year is obtained separately.

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 £3.4 m.

10 INTANGIBLE ASSETS

Cost	Development costs CIP £	Development costs £	Software applications £	TOTAL £
At 1 January 2023	2,665,210	35,496,995	1,047,092	39,209,297
Additions	5,782,770	-	2,559,446	8,342,216
Transfers	(5,085,491)	5,085,491	-	-
Disposals	-	(1,399,023)	(201,927)	(1,600,950)
At 31 December 2023	3,362,489	39,183,463	3,404,611	45,950,563
Accumulated amortisation				
At 1 January 2023	-	24,801,751	915,594	25,717,345
Charge for the year	-	4,897,455	377,235	5,274,690
Disposals	-	(1,359,488)	(201,927)	(1,561,415)
At 31 December 2023	-	28,339,718	1,090,902	29,430,620
Net book value				
At 31 December 2023	3,362,489	10,843,745	2,313,709	16,519,943
At 31 December 2022	2,665,210	10,695,244	131,498	13,491,952

The development costs capitalized but not being amortized yet amount to £3,362,489 at the end of 2023. At the end of 2023, the Company had £266,047 of commitments for the acquisition of intangible assets.

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 16.5%. The average annual revenue growth anticipated for the forecast period is 26.6% for the first three years and 1% for the remaining two years. 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.

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

	Net book value £	Remaining amortisation period years
iBorder Intelligence & Targetting	7,574,984	2.4
iBorder Travel Authorization	1,024,057	1.9

The development costs capitalized but not being amortized yet amount to £3,362,489 at the end of 2023.

11 TANGIBLE ASSETS

Cost	Leasehold improvements £	Computer equipment £	Fixtures and fittings £	TOTAL £
At 1 January 2023	446,672	2,527,231	1,101,196	4,075,099
Additions	-	11,900	-	11,900
Addition of the Oman branch	-	14,652	16,729	31,381
Disposals	-	(288,726)	-	(288,726)
At 31 December 2023	446,672	2,265,057	1,117,925	3,829,654
Accumulated depreciation				
At 1 January 2023	446,672	2,460,330	872,868	3,779,870
Charge for the year	-	44,381	94,358	138,739
Addition of the Oman branch	-	6,347	12,721	19,068
Disposals	-	(288,726)	-	(288,726)
At 31 December 2023	446,672	2,222,332	979,947	3,648,951
Net book amount				
At 31 December 2023	-	42,725	137,978	180,703
At 31 December 2022	-	66,901	228,328	295,229

12 DEBTORS

	2023 £	2022 £
Short		
Trade debtors	5,994,708	2,969,550
Social security and other taxes	771,454	1,792,258
Amounts owed by Group undertakings	-	6,346,028
Tax credit receivable	-	357,712
Prepayments and accrued income	4,950,604	3,205,323
	11,716,766	14,670,871
Long		
Deferred tax asset	5,672,253	1,924,692
Deferred transition cost	4,200,331	264,144
Prepayments and accrued income	54,749	-
	9,927,333	2,188,836

The amounts presented in the trade debtors are net of allowances for doubtful receivables of £297,675 (2022: £203,006).

The prepayments and accrued income balance includes £1,155,248 of accrued income (2022: £224,141); and £1,672,972 of deferred project expense (2022: £916,983) that relates to long term customer contracts.

Amounts owed by Group undertakings are unsecured, interest bearing and repayable on demand.

13 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023	2022
	£	£
Trade creditors	1,540,601	2,179,470
Amounts owed to Group undertakings	6,091,215	-
Current tax liability	3,410,096	6,033,909
Accruals and deferred income	24,850,976	16,080,783
	35,892,888	24,294,162

Amounts owed are expected to be paid within one year. They are unsecured and generally they do no bear interest.

14 CREDITORS: AMOUNTS FALLING AFTER MORE THAN ONE YEAR

	2023	2022
	£	£
Deferred income - non current	5,696,988	254,010
Amounts owed to Group undertakings	1,279,723	-
Post-employment benefits	122,827	-
	7,099,538	254,010

The amount of Loans owed to Group undertakings is not interest bearing.

15 PROVISION FOR LIABILITIES

	2023	2022
	£	£
At 1 January	2,033,112	1,467,534
Provision in the year	715,887	565,578
At 31 December	2,748,999	2,033,112

	2023	2022
	£	£
Amounts falling due within one year	2,748,999	2,033,112
Amounts falling due after one year	-	-
	2,748,999	2,033,112

16 DEFERRED TAXATION

A deferred tax asset of £5,672,253 (2022: £1,924,692) has been recognised in respect of timing differences (see Note 12). 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 2023	1,924,692
Credited to the income statement	3,747,561
As at 31 December 2023	5,672,253

	2023	2022
The deferred tax assets can be analysed as follows:	£	£
Fixed assets	172,938	(116,722)
Short term trading	87,449	99,901
R&D	-	83,908
Trade losses	5,411,866	1,857,605
	5,672,253	1,924,692

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.

17 CALLED UP SHARE CAPITAL

	2023		2022	
	Number of shares	£	Number of shares	£
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

18 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:

	2023	2022
	£	£
Land and buildings		
Amounts due within one year	658,967	582,000
Amounts due later than one year and not later than five years	-	579,342
	658,967	1,161,342

19 POST-EMPLOYMENT BENEFITS

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 2023, calculated using assumptions consistent with the requirements of FRS 102, was £30,467,486 (2022: £26,645,173).

The market value of the Scheme's assets at 31 December 2023 was £118,589,801 (2022: £115,172,313), while the actuarial value of the Scheme's liabilities totaled £149,057,287 (2022: £141,817,486).

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

	2023	2022
Discount rate	4.50%	4.75%
Salary increases	2.60%	2.60%
Increases to pensions in payment	3.10%	3.10%
Deferred pensions increases	2.60%	2.60%

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 CMI 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 2023 was £ 9,873 (2022: £17,737).

20 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 NV 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.

21 GUARANTEES

The Company has bank guarantees (performance bonds) issued in relation to its customer contracts in the amount of nil (2022: £879,334).

22 SUBSEQUENT EVENTS

There has been no material event occurring after 31 December 2023.