SITA Advanced Travel Solutions Limited

ANNUAL REPORT AND FINANCIAL STATEMENTS
For the year ended 31 December 2013

Company Registration Number
01391626

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SITA

CONTENTS OF THE ANNUAL REPORT AND FINANCIAL STATEMENTS
for the year ended 31 December 2013

COMPANY INFORMATION

DIRECTORS AND OFFICERS

Francesco Violante
Colm O'Higgins
Rob Watkins

COMPANY SECRETARY

Alain Brodeur

REGISTERED OFFICE

Thornbrook House
Weyside Park
Catteshall Lane
Godalming
Surrey GU7 1XE
UK

REGISTERED NUMBER

01391626

AUDITOR

Deloitte LLP
Chartered Accountants and Statutory Auditor
St. Albans
UK

BANKERS

HSBC Bank plc
27 - 32 Poultry
London
AC2P 2BX

SOLICITORS

Stevens & Bolton
The Billings
Walnut Tree Close
Guildford
GU1 4YD

The directors present their strategic report together with the audited financial statements of SITA Advanced Travel Solutions Limited for the year ended 31 December 2013.

BUSINESS REVIEW

Principal Activities

SITA Advanced Travel Solutions Limited is focused on airline passenger related services and support of government border management agencies, providing application services, licensed software products and professional and consultancy services.

Results for the year

The Company's profit for the financial year 2013 was £3,014,194 (2012: profit of £2,118,569). This will be transferred to reserves. The directors have recommended that no dividend be paid this year (2012: £nil). The results after taxation is the only key performance indicator measured at company level.

Objectives

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

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

Principal Risks and Uncertainties

(a) Risk Management

The management of foreign exchange 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.

The company diversifies its customer credit risk centrally within the SITA Group. The company falls within the SITA Group's treasury investment policy and limit credit risks from treasury counterparts.

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

(b) Competition

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

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 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 provides most services all over the world to global customers and the remaining services are provided specificaly to customers in particular branches. Each branch contributes to the results of the group therefore SITA is managed globaly.

The key performance indicators are also mainly set on the group level and branches should support the group and develop business in their countries. Key performance indicators are mainly internal to support global business, the important financial indicators are turnover and profit after tax. The company has no non-financial key performance indicator.

The increase in turnover is caused by the recovery of air transport industry therefore customers increased their IT spend. Furthermore the strong increase is attributable to long-term iBorder projects.

Profit after tax is positively influenced by higher revenues. The Company had to use other SITA entities to cover all projects therefore the amount of intercompany recharges significantly increased. This influenced the margin negatively and therefore the increase in profit is lower than increase in revenues.

Research and Development

During 2013, SITA continued working on project Oman iBorder to deliver Visitor Information System (VIS) and an eVisa system for processing travellers to Oman. The customers are Oman government and the Royal Oman Police. Critical success factors that underly the Oman iBorder business case and the discounted cash flow model are the timely completion of the technical development in line with customer requirements.

Going concern

As the company currently has a net current liabilities position of £10,268,584 (2012: £10,724,441) and net liabilities of £1,293,312 (2012: £4,307,506), the parent company SITA N.V. has confirmed in writing continued financial support to the company, being a period of least 12 months from the date of signing and approving the financial statements. Ongoing support will enable it 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.

Accordingly, the company continues to adopt the going concern basis in preparing the annual financial statements.

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

Colm O'Higgins
Director

Date: 25 September 2014

The directors present their report together with the audited financial statements of SITA Advanced Travel Solutions Limited for the year ended 31 December 2013.

Dividends

The company does not recommend the payment of a dividend for the year ended 31 December 2013 (2012: nil).

Directors

The directors of the company are listed on page 3. There has been no movement since the balance sheet date up to the date of this report.

Research & Development & Future Prospects

There has been continued progress on the product development within Oman iBorder solution during in 2014.

Border Security:
SITA continues to see sustained growth in its Border Management Solution Line, the pipeline continues to develop positively with further opportunities expected to be closed in the coming years.

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 focussed on employing high quality staff with appropriate skill sets to help the company achieve its goals and maintain the competitive advantage. The company has a highly competitive bonus scheme and other financial and non-financial benefits as incentive for the employees to work towards meeting the goals of the company and also to mitigate the risk of losing valued employees.

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

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

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

Post balance sheet events

There were no events after the balance sheet date that had impact on the financial statements.

AUDITOR

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 auditor is 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 auditor is 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.
A resolution to re-appoint Deloitte LLP as auditors of the company will be proposed at the forthcoming annual general meeting.

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

Colm O'Higgins
Director
Date: 25 September 2014

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the annual report and financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare such financial statements for each financial year. Under that law the directors have chosen to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

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

(a) select suitable accounting policies and then apply them consistently;
(b) make judgements and estimates that are reasonable and prudent;
(c) state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
(d) 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 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 to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SITA ADVANCED TRAVEL SOLUTIONS LIMITED

We have audited the financial statements of SITA Advanced Travel Solutions Limited for the year ended 31 December 2013 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 18. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing our audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:
- give a true and fair view of the state of the company's affairs as at 31 December 2013 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' report and the Strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Craig Wisdom (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
St Albans, United Kingdom
Date: 25 September 2014

SITA

PROFIT AND LOSS ACCOUNT
For the year ended 31 December 2013

	Notes	2013 £	2012 £
Turnover	1	65 325 116	37 147 700
Cost of sales		(60 410 498)	(28 209 616)
Gross profit		4 914 618	8 938 084
Distribution costs		(34 303)	(19 964)
Administration costs		(978 594)	(6 126 354)
Operating profit		3 901 721	2 791 766
Net finance (cost)/ income	3	(14 733)	837
Profit on ordinary activities before taxation	4	3 886 988	2 792 603
Tax on profit on ordinary activities	5	(872 794)	(674 034)
Profit on ordinary activities after taxation for the financial year	11, 12	3 014 194	2 118 569

All results derive from continuing operations.

No separate statement of total recognised gains and losses has been presented as all such gains and losses have been dealt with in the profit and loss account above.

SITA

BALANCE SHEET
As at 31 December 2013

	Notes	2013 £	2012 £
Fixed assets			
Intangible assets	6	3 365 370	118 705
Tangible assets	7	5 752 320	7 124 666
Long-term deposits		69 645	-
		9 187 335	7 243 371
Current assets			
Debtors: amounts falling due within one year	8	6 684 883	10 244 734
Stocks		-	126 563
Cash at bank and in hand		-	443 511
		6 684 883	10 814 808
Creditors: Amounts falling due within one year	9	(16 953 467)	(21 539 249)
Net current liabilities		(10 268 584)	(10 724 441)
Provisions for liabilities	18	(212 063)	(826 436)
Net liabilities		(1 293 312)	(4 307 506)
Capital and reserves			
Called-up share capital	10	4 227 185	4 227 185
Profit and loss account deficit	11	(5 520 497)	(8 534 691)
Shareholders' deficit	12	(1 293 312)	(4 307 506)

The financial statements of SITA Advanced Travel Solutions Limited (company registration number 01391626) were approved by the Board of Directors and authorised for issue on 25 September 2014 and signed on its behalf.

Colm O'Higgins
Director

1 ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. The principal accounting policies adopted by the directors are described below and have all been applied consistently throughout the current and preceding years.

Going concern

After making enquiries , the directors have a reasonable expectation that the company and the group have adequate resources to continue in operation existence for the foreseeable future. While the company recorded net current liabilities of £10,268,584 (2012: £10,724,441) 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 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.

Accounting convention

The financial statements have been prepared under the historical cost convention.

Cash flow

The company has taken advantage of an exemption in Financial Reporting Standard No. 1 not to prepare a cashflow statement on the basis that the company is a wholly owned subsidiary of SITA Information Networking Computing NV and the consolidated financial statements in which both companies are included are publicly available.

Turnover

Turnover 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 at the value of the consideration due.

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 - goodwill

Purchased goodwill is the difference between the fair value of the purchase price and the fair value of the assets of unincorporated businesses the company acquires. Goodwill is amortised at a rate to write down goodwill over the useful economic life of the assets acquired, as follows;

Goodwill	5 years

Intangible fixed assets - development

Expenditures on research activities, undertaken with the prospect of gaining new technical knowledge, is recognized in the income statement as an expense as incurred. Costs incurred on development projects (relating to the design and testing of new or improved products) are recognized as intangible assets when the asset can be clearly identified, when the development costs can be measured reliably and to the extent that it is probable that the asset created will generate future economic benefits. Other development expenditures are recognized as an expense as incurred. Development cost previously recognized as an expense is not recognized as an asset in a subsequent period.

Development costs	3-5 years

Tangible fixed assets

Tangible fixed assets are stated at historical cost less accumulated depreciation and any provision for impairment.

Depreciation is provided on all tangible fixed assets at rates calculated to write each asset down to its estimated residual value evenly over its expected useful life, as follows:

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

Foreign currencies

Assets and liabilities denominated in foreign currencies are translated into sterling at the rates ruling at the year-end. Transactions during the year are recorded at the exchange rates ruling at the dates of the transactions. All gains and losses on exchange are dealt with in the profit and loss account.

Operating leases

Rentals under operating leases are charged to the profit and loss account on a straight line basis even if payments are not made on such a basis.

1 ACCOUNTING POLICIES (continued)

Pension scheme

The company accounts for its pension schemes under Financial Reporting Standard Number 17 Retirement Benefits. The company is part of a 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 profit and loss account 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 which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. 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 assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

Provisions

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

Stocks are stated at the lower of cost and net realisable value. Net realisable value is based on estimated selling price, less further costs expected to be incurred to completion and disposal. Provision is made for obsolete, slow-moving or defective items where appropriate. All stock held relates to work in progress.

2 INFORMATION REGARDING DIRECTORS AND EMPLOYEES

2(a) INFORMATION REGARDING EMPLOYEES

The average	2013	2012
Service delivery	107	101
Sales and distribution	1	1
Administration	-	1
	108	103

	2013	2012
	£	£
Staff costs for the above persons:		
Wages and salaries	6 724 430	8 082 574
Social security costs	857 239	988 223
Other pension costs (see note 14)	482 389	481 933
	8 064 058	9 552 730

The company capitalised wages and salaries of GBP 406,474 (2012: 0) relating Border project.

2(b) DIRECTORS' REMUNERATION

All directors were paid by other group companies in 2013 and received no remuneration in respect of their services to the company in each year.

SITA

3 NET FINANCE (COST)/ INCOME

	2013 £	2012 £
Interest payable and similar charges (a)	(14 029)	-
Interest receivable and similar income (b)	(704)	837
	(14 733)	837

a) Interest payable and similar charges:		
Bank loans and overdrafts	(14 029)	-
	(14 029)	-

b) Interest receivable and similar income:		
Interest income third party	(704)	837
	(704)	837

4 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	2013 £	2012 £
This is stated after charging/(crediting):		
Depreciation of tangible fixed assets	1 612 453	1 710 790
Amortisation of intangible fixed assets	47 628	111 592
Foreign exchange (gains)/losses	(439 130)	67 926
Operating lease rentals:		
Other	307 777	312 279
Fees payable to the Company's auditor for the audit of the Company's annual financial statements	14 800	14 800
Fees payable to the Company's auditor for tax services	3 780	2 300

5 TAX ON PROFIT ON ORDINARY ACTIVITIES

	2013 £	2012 £
Current tax		
UK corporation tax at 23.25% (2012: 24.49%)	937 841	28 498
Adjustments in respect of prior periods	859	-
	938 700	28 498
Deferred tax (note 13)		
Origination and reversal of timing differences	(29 649)	615 783
Adjustments in respect of prior periods	-	378
Effect of tax rate change on opening balance	(36 257)	29 375
Total tax charge on profit on ordinary activities	872 794	674 034

The difference between the total current tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit on ordinary activities before tax is as follows:

	2013 £	2012 £
Profit on ordinary activities before taxation	3 886 988	2 792 603
Tax charge on profit on ordinary activities at standard UK corporation tax rate of 23.25% (2012: 24.49%)	903 725	684 111
Factors affecting the charge for the period:		
Expenses not deductible for tax purposes	-	256
Depreciation in excess of capital allowances	159 694	143 234
Utilisation/non utilisation of losses	-	(920 979)
Adjustments to tax charge in respect of previous periods	859	-
Other short term timing differences	(125 578)	121 876
Current tax charge for the year	938 700	28 498

The inclusion of legislation to reduce the main rate of corporation tax from 23% to 21% from 1 April 2014 and then a further reduction to 20% for periods from 1 April 2015 were announced in the March 2013 budget and were substantively enacted on 2 July 2013.

For the purposes of deferred tax, the rate change to 20% had been substantively enacted before the balance sheet date. The 3% rate reduction further reduces the Company's future current tax charge and reduces the Company's deferred tax assets accordingly.

6 INTANGIBLE FIXED ASSETS

	Development costs	Goodwill	Total
	£	£	£
Cost or valuation:			
At 1 January 2013	3 465 892	93 980	3 559 872
Additions	3 294 293	-	3 294 293
At 31 December 2013	6 760 185	93 980	6 854 165
Accumulated depreciation:			
At 1 January 2013	3 347 187	93 980	3 441 167
Charge in the year	47 628	-	47 628
At 31 December 2013	3 394 815	93 980	3 488 795
Net Book Value:			
At 31 December 2013	3 365 370	-	3 365 370
At 31 December 2012	118 705	-	118 705

An impairment test has been performed on the internally developed reservation system Oman iBorder as it is not ready for use yet. The carrying value of Oman iBorder at the end of 2013 amounts to £2,865,328 (2012: £10,137). The test uses a discounted cash flow model. The forecast period applied to the review is longer than five years (12 years) as the system will have an economic useful life exceeding five years.

Using a discounted cash flow model for the system, based on forecasted revenues, costs and non-cash items, management concluded that no impairment charge needed to be recorded.

Critical success factors for Oman iBorder that underly 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.

7 TANGIBLE FIXED ASSETS

	Leasehold Improvements	Software applications	Computer equipment	Fixtures & fittings	Total
	£	£	£	£	£
Cost:					
At 1 January 2013	446 672	7 849 957	4 349 271	1 186 519	13 832 419
Additions	-	22 369	230 770	-	253 139
Disposals	-	-	(203 362)	(461 440)	(664 802)
Transfers	-	-	(1 838 950)	1 838 950	-
At 31 December 2013	446 672	7 872 326	2 537 729	2 564 029	13 420 756
Accumulated depreciation:					
At 1 January 2013	446 672	2 248 254	2 979 657	1 033 170	6 707 753
Charge in the year	-	1 058 031	486 341	68 081	1 612 453
Disposals	-	-	(199 589)	(452 181)	(651 770)
Transfers	-	-	(1 796 153)	1 796 153	-
At 31 December 2013	446 672	3 306 285	1 470 256	2 445 223	7 668 436
Net Book Value:					
At 31 December 2013	-	4 566 041	1 067 473	118 806	5 752 320
At 31 December 2012	-	5 601 703	1 369 614	153 349	7 124 666

SITA

8 DEBTORS - AMOUNT FALLING DUE WITHIN ONE YEAR

	2013 £	2012 £
Trade debtors	3 532 529	10 462
Amounts owed by group undertakings	-	7 289 306
Other debtors	1 368 841	182 851
Prepayments and accrued income	1 783 513	2 762 115
	6 684 883	10 244 734

9 CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR

	2013 £	2012 £
Bank overdraft (secured)	7 528	-
Trade creditors	1 846 742	1 430 778
Amounts owed to group undertakings	2 187 215	7 857 871
Other taxation and social security	285 822	290 978
Corporate income tax	937 841	28 498
Other creditors	28 541	30 126
Accruals and deferred income	11 659 778	11 900 998
	16 953 467	21 539 249

10 CALLED-UP SHARE CAPITAL

	2013 shares	£	2012 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

11 PROFIT AND LOSS ACCOUNT

	2013 £	2012 £
Balance at 1 January	(8 534 691)	(10 653 260)
Profit for the year	3 014 194	2 118 569
Balance at 31 December	(5 520 497)	(8 534 691)

12 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' DEFICIT

	2013 £	2012 £
Profit for the financial year	3 014 194	2 118 569
Opening shareholders' deficit	(4 307 506)	(6 426 075)
Closing shareholders' deficit	(1 293 312)	(4 307 506)

13 DEFERRED TAXATION

A deferred tax liability of £212,063 has been recognised at 31 December 2013 (2012: liability of of £277,969) in respect of timing differences (see note 5). 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.

	Depreciation in excess of capital allowances	Short term timing differences £	Total £
At 1 January 2013	415 605	(137 636)	277 969
Charged to profit and loss account (note 5)	(191 601)	125 695	(65 906)
At 31 December 2013	224 004	(11 941)	212 063

The deferred tax liability above has been calculated at 20% (see note 5).

SITA

14 PENSION COMMITMENTS

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 2002.

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 FRS17 "Retirement Benefits", the pension cost charged to the profit and loss 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 2013, calculated using assumptions consistent with the requirements of FRS17 was £26.0 million (2012: £27.3 million).

The market value of the Scheme's assets at 31 December 2013 was £92.9 million (2012: £89.3 million), while the actuarial value of the Plan's liabilities totalled £118.9 million (2012: £116.6 million).

The assumptions which have the most significant effect on the FRS17 consistent valuation as of 31 December 2013 were:

	2013	2012	2011	2010
Discount Rate	4,50%	4,50%	4,70%	5,40%
Inflation	2,10%	2,10%	2,00%	3,40%
Salary	2,70%	2,70%	3,20%	3,90%
Increases to pensions in payment				
Pre April 1994	5,00%	5,00%	5,00%	5,00%
Post April 1994	3,10%	2,80%	3,00%	3,40%
Deferred	2,10%	5,20%	3,10%	2,90%

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

	Males	Females
Member aged 65 (current life expectancy)	23 yrs	25 yrs
Member aged 40 (life expectancy at age 65)	25 yrs	28 yrs

As set out above the pension cost charged to the profit and loss has been determined as the actual contributions paid over the financial year, on a defined contribution basis. The pension charge for 2013 was £482,389 (2012: £481,993).

The company contributes at 13.5% of pensionable salaries to meet the cost of future benefit accrual. In addition the company pays its share of £2,547,000 each year to meet the funding shortfall and approximately £200,000 each year to meet the expenses of administering the Scheme.

The company contributions are subject to review once the results of the three-yearly valuation have been agreed and finalized.

Pension costs outstanding as at 31 December 2013 were £59,707 (2012: £49,947).

15 OPERATING LEASE COMMITMENTS

At 31 December 2013 the company was committed to making the following payments during the next year in respect of non-cancellable operating leases:

	2013	2012
	£	£
Land and buildings		
Expiring after five years	300 000	300 000

16 RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption granted under paragraph 3(c) of Financial Reporting Standard No.8 "Related Party Disclosure" not to disclose transactions with entities that are part of the group as the consolidated financial statements in which the company is included are publicly available.

17 IMMEDIATE PARENT COMPANY AND ULTIMATE HOLDING COMPANY

The company's immediate parent company and controlling entity is SITA Technologies B.V, a company incorporated in the Netherlands and part of the SITA NV group.

SITA NV 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 SITA NVs consolidated financial statements may be obtained from the Company Secretary at Heathrowstraat 10, 1043 CH Amsterdam, The Netherlands.

SITA SC, a company incorporated in Belgium, is the ultimate parent company and ultimate controlling party.

18 PROVISION FOR LIABILITIES

	Restructuring	Deferred tax	Total
	£	£	£
At 1 January	548 467	277 969	826 436
Utilisation of provision	(548 467)	(29 649)	(578 116)
Additions	-	-	-
Change of tax rate	-	(36 257)	(36 257)
At 31 December	-	212 063	212 063
Analysed as:			
Amounts falling due within one year	-	212 063	212 063
Amounts falling due after one year	-	-	-
	-	212 063	212 063

The restructuring provision relates to the NexGen Data Centre Program which has the purpose to consolidate and optimise SITA's Data Centres.
The detail of deferred tax provision is described in note 13.