

GALILEO PORTUGAL LIMITED

Company Registration No. 03008824

GALILEO PORTUGAL LIMITED

Annual Report and Financial Statements

For the year ended 31 December 2017

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GALILEO PORTUGAL LIMITED

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GALILEO PORTUGAL LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

J R Clarke
T J Hampton
A Loureiro
M R K Saab - resigned 28 March 2018

COMPANY SECRETARY

H. Wenman
G J Stark (Joint Secretary) - resigned 13 January 2017

REGISTERED OFFICE

Axis One, Axis Park
10 Hurricane Way
Langley
Berkshire
SL3 8AG
United Kingdom

BANKERS

Banco Santander
Balcão Conde Valbom
Av. Conde Valbom, 30 R/C
Lisbon 1050-068
Portugal

Bank of America, Portugal
Edificio Duarte Pacheco 26
Av. Engenheiro Duarte Pacheco, 26 6 Piso A
Lisbon, 1070-110
Portugal

Citibank Dubai UAE
CitiService Department
1st Floor, Al Wasl Building
Oud Mehta Road
P.O. Box 749, Dubai, U.A.E.

AUDITOR

Deloitte LLP
Statutory Auditor
Abbots House
Abbey Street
Reading
RG1 3BD
United Kingdom

STRATEGIC REPORT

The directors present their strategic report for Galileo Portugal Limited (the “Company”) for the year ended 31 December 2017.

The immediate parent undertaking is The Galileo Company, incorporated in England and Wales. The ultimate parent undertaking is Travelport Worldwide Limited, a company registered in Bermuda, which is listed on New York Stock Exchange since September 2014. The current ownership of Travelport Worldwide Limited is held widely as a public listed company on a regulated stock exchange and no single shareholder has a controlling interest.

PRINCIPAL ACTIVITIES

The principal activities of the Company are the marketing of travel commerce platform services in Portugal and United Arab Emirates (UAE) and the operation in Dubai of a center providing certain back office and support services to a number of companies within the Travelport Worldwide Limited Group. There have not been any significant changes in the Company’s principal activities in the year under review.

REVIEW OF BUSINESS

During the year ended 31 December 2017, the Company generated profit before tax of €1,745,000 (2016: €1,805,000) and as at 31 December 2017 had net assets of €1,988,000 (2016: €3,770,000).

The Company is part of the Travelport Worldwide Limited group (“Travelport Group” or the “Group”) which consolidates its results and makes them publicly available. The Company’s business is highly correlated to the overall performance of the travel industry, in particular, growth in air passenger travel which is linked to the global macro-economic environment. The travel market remains highly competitive. Travelport’s results include further information on business performance and strategy of the Travelport group at www.travelport.com.

PRINCIPAL RISKS AND UNCERTAINTIES

Market, Eurozone risks and/or the potential impact resulting from the United Kingdom’s referendum on withdrawal from the European Union

The Travelport Group owns and operates subsidiaries in substantially all of the countries in the Eurozone. Due to the deterioration of credit and economic conditions in the Eurozone, the future of the Euro is uncertain. Certain countries in which we operate, including Greece, have received financial aid packages from the European Union (“E.U.”) in the form of loans and restructuring of their sovereign debt and have introduced comprehensive fiscal austerity measures.

In June 2016, a majority of voters in the United Kingdom (“U.K.”) elected to withdraw from the E.U. in a national referendum. In March 2017, the U.K. government formally initiated a withdrawal process, the terms of which are subject to a negotiation period that could last at least two years. The decision has created significant uncertainties and instability in financial and trade markets. As an E.U. member state, the U.K. and U.K.-based businesses have access to strong financial and trade relationships, including the E.U. Single Market. Given the lack of precedent, it is unclear how the withdrawal of the U.K. from the E.U. would affect the U.K.’s access to the E.U. Single Market and other important financial and trade relationships and how it would affect the Company. The withdrawal could, among other outcomes, disrupt the free movement of goods, services and people between the U.K. and the E.U., undermine bilateral cooperation in key policy areas and significantly disrupt trade between the U.K. and the E.U. Under current E.U. rules, following a withdrawal, the U.K. would not be able to negotiate bilateral trade agreements with member countries of the E.U. In addition, the withdrawal of the U.K. from the E.U. could significantly affect the fiscal, monetary and regulatory landscape, including with respect to data protection and privacy, within the U.K. and could have a material impact on its economy and the future growth of its various industries. Although it is not possible to predict fully the effects of the withdrawal of the U.K. from the E.U., it could have a material adverse effect on our business.

Competition

The Company operates in a highly competitive market in both UAE and Portugal particularly around price and product availability/quality. This may impact the Company’s performance as we may not meet our customers’ expectations. The continued success depends, to a large extent, upon the ability to compete effectively in markets that contain numerous competitors, some of which may have significantly greater financial, marketing, personnel and other resources.

STRATEGIC REPORT (CONTINUED)

PRINCIPAL RISKS AND UNCERTAINTIES (CONTINUED)

Employees

The Company's performance depends largely on its managers and staff. The resignation of key individuals and the inability to recruit people with the right experience and skills from the local community could adversely impact the group's results by impacting market share. To mitigate these issues the Travelport Group has a learning programme for all employees and have implemented a number of schemes linked to the group's results that are designed to retain key individuals.

Data centre

Travelport's travel commerce platform business which utilises a significant amount of information technology and the financial business systems rely on computer infrastructure primarily housed in a single data centre in Atlanta, Georgia, to conduct its business. In the event the operations of this data centre suffer any significant interruptions or become inoperable, such event would have a material adverse impact on the Company's operations.

Product development

The industry in which the Company operates is subject to constant and rapid technological change and product obsolescence as customers and competitors create new and innovative products and technologies. Products or technologies developed by competitors may render the Travelport's products or technologies obsolete or non-competitive. Travelport must develop innovative products and services and enhance its existing products and services to meet rapidly evolving demands to attract travel agencies. Travelport continues to invest in the design of its products and the user interface software which is integral to the continuing success of the Company's business.


Financial risk management

All financial risks and funding of the Company are managed centrally by the Travelport group treasury and finance department. The Company does not enter into any speculative derivatives or hedges. Treasury policies are approved by Travelport's Board of Directors. Further details on risk management can be found in the Travelport Group financial statements.

STRATEGY, OBJECTIVES, BUSINESS MODEL AND FUTURE DEVELOPMENTS

The directors have not presented a separate analysis of the strategy, objectives and business model of the Company as this is disclosed as part of the consolidated financial statements of Travelport Worldwide Limited which are publicly available. The Company expects that its activities will be consistent with those in 2017 in the forthcoming years.

Approved by the Board and signed on its behalf by



T J Hampton
Director

19 September 2018

DIRECTORS' REPORT

The directors present the annual report and the audited financial statements for the Company for the year ended 31 December 2017.

PRINCIPAL ACTIVITIES

The principal activities of the Company are explained in the Strategic Report on page 2 of the annual report.

DIVIDENDS

The directors do not recommend a dividend for 2017. During 2016, the directors declared a final dividend of €3,000,000 and an interim dividend of €5,525,000.

DISABLED EMPLOYEES

The Company gives full consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a handicapped or disabled person. Where existing employees become disabled, it is the Company's policy wherever practicable to provide continuing employment under normal terms and conditions, and to provide training, career development and promotion to disabled employees wherever appropriate.

EMPLOYEE INVOLVEMENT

The Company has provided a platform, via an intranet site, where information concerning the Company and the Group is available for employees to review. The Company always welcomes suggestions from employees and has a formal suggestion scheme in place.

DIRECTORS

The current directors of the Company, who served throughout the financial year and up to the date of signing unless otherwise stated, are as shown on page 1.

DIRECTORS' INDEMNITIES

The Company has made qualifying third-party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report.

GOING CONCERN

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the strategic report on pages 2 and 3.

The Company has no external bank loan as set out in note 12 to the financial statements. The Company is funded centrally by the Travelport group treasury and therefore does not require external finance. After making enquiries, the directors believe that the Company will have access to adequate resources to continue operating for the foreseeable future. Accordingly, the Company continues to adopt the going concern basis in preparing the annual report and financial statements for the year ended 31 December 2017.

SUPPLIER PAYMENT POLICY

The Company's supplier payments policy is to agree terms of payment with suppliers when entering supplier contracts and agreements. As a consequence, payments are made in accordance with these pre-agreed terms of payment. Where the Company uses standard payment terms the supplier is made aware of this when agreeing the terms of each transaction.

PRINCIPAL RISKS AND UNCERTAINTIES

Principal risks and uncertainties related to the Company are outlined in the Strategic Report on pages 2 and 3.

POLITICAL AND CHARITABLE CONTRIBUTIONS

The Company made no charitable or political contributions during the year (2016: Enil).

SUBSEQUENT EVENTS

There were no events after the balance sheet date requiring disclosure in these financial statements.

DIRECTORS' REPORT (CONTINUED)

EXISTENCE OF BRANCHES OUTSIDE THE UK

The company has branches, as defined in section 1046(3) of the Companies Act 2006, outside the UK as follows:

- United Arab Emirates (UAE) and;
- Portugal

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR

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

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself 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 Section 418(2) of the Companies Act 2006.

REAPPOINTMENT OF AUDITOR

Deloitte LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditor in the absence of an Annual General Meeting.

APPROVAL OF REDUCED DISCLOSURES

The Company, as a qualifying entity, has taken advantage of the disclosure exemptions in FRS 102 paragraph 1.12. The Company's shareholder has been notified in writing about the intention to take advantage of the disclosure exemptions and no objections have been received.

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



T J Hampton
Director

19 September 2018

GALILEO PORTUGAL LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 "The Financial Reporting Standard applicable in UK and Republic of Ireland". 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:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 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. 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

INDEPENDENT AUDITOR'S REPORT TO THE MEMEBERS OF GALILEO PORTUGAL LIMITED

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Galileo Portugal Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of comprehensive income;
- the balance sheet;
- the statement of changes in equity; 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, Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion 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 such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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 in respect of these matters.

INDEPENDENT AUDITOR'S REPORT TO THE MEMEBERS OF GALILEO PORTUGAL LIMITED (CONTINUED)

Responsibilities of directors

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, and for such internal control as the directors 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.

Auditor's 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 auditor's 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.

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 auditor's report.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters 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.

We have nothing to report in respect of these matters.

Use of our report

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.



Suzanne Gallagher, ACA (Senior statutory auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

Reading, United Kingdom

19 September 2018

GALILEO PORTUGAL LIMITED

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2017

	Note	2017 €'000	2016 €'000
Turnover	2	35,104	36,936
Cost of sales		<u>(12,942)</u>	<u>(14,105)</u>
Gross profit		<u>22,162</u>	<u>22,831</u>
Administrative expenses		(20,470)	(21,061)
Operating profit		<u>1,692</u>	<u>1,770</u>
Finance income	7	53	35
Profit before taxation	3	<u>1,745</u>	<u>1,805</u>
Tax on profit	8	(162)	(135)
Profit attributable to the equity shareholders of the Company		<u>1,583</u>	<u>1,670</u>
Other comprehensive income			
Currency retranslation of the foreign branch		(365)	228
Total comprehensive income attributable to equity shareholder of the Company		<u>1,218</u>	<u>1,898</u>

All results derive from continuing operations.

GALILEO PORTUGAL LIMITED

BALANCE SHEET

As at 31 December 2017

	Note	2017 €'000	2016 €'000
Fixed assets			
Tangible assets	9	392	931
Investments	10	<u>8</u>	<u>8</u>
		400	939
Current assets			
Debtors:	11		
- amounts falling due within one year		8,759	10,923
- amounts falling due after one year		4,440	2,910
Cash at bank and in hand		<u>558</u>	<u>87</u>
		13,757	13,920
Current liabilities			
Creditors: amounts falling due within one year	12	<u>(12,169)</u>	<u>(11,089)</u>
Net current assets		<u>1,588</u>	<u>2,831</u>
Net assets		<u><u>1,988</u></u>	<u><u>3,770</u></u>
Share capital and reserves			
Called-up share capital	15	-	-
Profit and loss account	15	<u>1,988</u>	<u>3,770</u>
Shareholder's funds		<u><u>1,988</u></u>	<u><u>3,770</u></u>

The financial statements of Galileo Portugal Limited, registered number 03008824, were approved and authorised for issue by the Board of Directors on 19 September 2018.

Signed on behalf of the Board of Directors



T J Hampton
Director

GALILEO PORTUGAL LIMITED

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2017

	Called up share capital €'000	Profit and loss account €'000	Total €'000
At 1 January 2016	-	7,397	7,397
Profit for the financial year	-	1,670	1,670
Currency re-translation of the foreign branch	-	228	228
Total Comprehensive income	-	1,898	1,898
Dividend distribution to parent	-	(5,525)	(5,525)
	-	(3,627)	(3,627)
At 31 December 2016	-	3,770	3,770
Profit for the financial year	-	1,583	1,583
Currency re-translation of the foreign branch	-	(365)	(365)
Total Comprehensive income	-	1,218	1,218
Dividend distribution to parent	-	(3,000)	(3,000)
	-	(1,782)	(1,782)
At 31 December 2017	-	1,988	1,988

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2017

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. The particular accounting policies adopted, which have been applied consistently throughout the current and prior financial years, are described below.

General information and basis of accounting

Galileo Portugal Limited (the "Company") is a private company limited by shares incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales. The address of the registered office is given on page 1. The nature of the Company's operation and its principal activities are set out in the strategic report on page 2.

The financial statements have been prepared under the historical cost convention, in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ("the functional currency"), which has been assessed by the directors to be Euros. The financial statements are presented in Euros, which is the Company's functional and presentation currency.

The Company meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements. The Company is consolidated in the financial statements of its ultimate parent, Travelport Worldwide Limited, which is available on www.travelport.com.

Exemptions have been taken in these financial statements in relation to financial instruments, presentation of a cash flow statement, remuneration of key management personnel and related party transactions.

Going concern

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Directors' Report on pages 4 and 5. During the year ended 31 December 2017, the Company made a profit before tax of €1,745,000 (2016: €1,805,000) and as at 31 December 2017 had net assets of €1,988,000 (2016: €3,797,000).

The Company is funded centrally by the group treasury function of Travelport Worldwide Limited and has no external finance. After making enquiries, the directors have a reasonable expectation that despite the economic uncertainties, the Company will have access to adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial liabilities are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

Financial assets and liabilities

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 December 2017

1. ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued)

Financial assets and liabilities (continued)

Financial assets and liabilities are only offset in the balance sheet when, and only when there exists a legally enforceable right to set off the recognised amounts and the Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Debt instruments which meet the conditions set out in FRS 102 are subsequently measured at amortised cost using the effective interest method. Debt instruments that are classified as payable or receivable within one year on initial recognition are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

Other debt instruments not meeting the conditions in FRS 102 are measured at fair value through profit or loss.

Commitments to make and receive loans which meet the conditions in FRS 102 are measured at cost (which may be nil) less impairment.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Company, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

The Company does not enter into any derivative contracts.

Tangible fixed assets

Tangible fixed assets are stated at cost or valuation net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost or valuation, less estimated residual value, of each asset over its expected useful life as follows:

Leasehold improvements	- Over the term of the lease to a maximum of five years
Communications and peripheral equipment	- 20-33% per annum
Office equipment and furniture	- 10-20% per annum

Assets under development are not depreciated until brought into use.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2017

1. ACCOUNTING POLICIES (CONTINUED)

Investments

Investments held as fixed assets are stated at cost less provision for impairment. A provision is made when there is a permanent diminution in the value of investments.

Foreign currencies

Transactions denominated in foreign currencies are translated into Euro at the rates ruling at the dates of the transactions or, if hedged, at the forward contract rate. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the rates ruling at that date or, if appropriate, at the forward contract rate. These translation differences are recognised in the statement of comprehensive income.

Leases

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and recoverable and an incentive to sign an operating lease, such as rent free period, are similarly spread on a straight-line basis over the lease term. Rent free provisions are included within provisions for liabilities and charges.

Turnover

Revenues are recognised in the statement of comprehensive income when goods or services are supplied or made available to customers against orders received and when title or risk of loss passes to the customer. Turnover represents net invoice value after the deduction of any discounts given at the point of sale. Turnover also includes a marketing fee recharge made to an associated company for sales and marketing services provided by the Company.

Taxation

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

Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described above, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised 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.

The directors do not believe there are any critical accounting judgements and key sources of estimation uncertainty in applying the Company's accounting policies.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**For the year ended 31 December 2017****2. TURNOVER**

Turnover is derived from the Company's principal activity, the marketing of the Galileo Computerised Reservation System in Portugal and UAE. Turnover represents amounts receivable for services provided in the normal course of business net of trade discounts, value added tax and other sales-related taxes. The business is single classification therefore no analysis of class is required.

A segmental analysis of turnover for the year and prior year is as follows:

	2017 €'000	2016 €'000
By geographical area		
United Kingdom	34,205	35,592
Europe, excluding the United Kingdom	226	282
Middle East	673	1,062
	<u>35,104</u>	<u>36,936</u>

3. PROFIT BEFORE TAXATION

Profit before taxation is stated after charging/(crediting):

	2017 €'000	2016 €'000
Depreciation of tangible assets	516	351
Rentals payable under operating leases:		
- Office rent	493	550
- Motor vehicles	120	85
Loss/(gain) on foreign exchange	13	(208)

4. AUDITORS REMUNERATION

Fees payable to Deloitte LLP for the audit of the Company's annual financial statements were €34,000 (2016: €18,000). No fees were paid to Deloitte LLP for non-audit services related to the Company during the year (2016: nil).

5. STAFF NUMBERS AND COSTS

The monthly average number of persons employed by the Company (excluding directors) during the year was as follows:

	2017 No.	2016 No.
Average number of persons employed		
Operations and service	<u>120</u>	<u>112</u>
Staff costs during the year	€'000	€'000
Wages and salaries	13,478	13,625
Social security costs	235	226
Pension costs	20	16
	<u>13,733</u>	<u>13,867</u>

Wages and salary costs include severance costs of €77,595 (2016: €26,041).

GALILEO PORTUGAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2017

6. DIRECTORS' REMUNERATION AND TRANSACTIONS

	2017 €'000	2016 €'000
<i>Directors' remuneration</i>		
Emoluments	964	758
Company contributions to money purchase pension schemes	3	3
	<u>967</u>	<u>761</u>
	Number	Number
The number of directors who:		
Are members of a money purchase pension scheme	1	1
Exercised options over shares in the parent company	1	1
Had awards receivable in the form of shares in the parent company under a long-term incentive scheme	<u>1</u>	<u>1</u>
	2017 €'000	2016 €'000
Remuneration of the highest paid director:		
Emoluments	<u>644</u>	<u>603</u>

7. FINANCE INCOME

	2017 €'000	2016 €'000
Interest income:		
Intercompany interest income	<u>53</u>	<u>35</u>

GALILEO PORTUGAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2017

8. TAX ON PROFIT

	2017 €'000	2016 €'000
a) Analysis of tax charges		
Current tax		
United Kingdom corporation tax at 19.25% (2016: 20.00%)	-	-
Foreign tax on income for the year	(160)	(135)
Foreign tax - prior year adjustment	(2)	-
Total tax charge on profit	(162)	(135)

	2017 €'000	2016 €'000
b) Factors affecting tax charge		
The difference between the total current tax and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is explained as follows:		
Profit on ordinary activities before tax	1,745	1,805
Tax at 19.25% (2016: 20.00%)	(336)	(361)
Effects of:		
Difference in overseas rates of taxation	176	226
Adjustments in respect of prior periods	(2)	-
Total tax charge on profit	(162)	(135)

c) Factors that may affect future tax charge

The main rate of corporation tax was 19.25% during the financial period. Under the Finance Act 2016, the main rate of corporation tax reduced from 20% to 19% effective from 1 April 2017 with a further reduction from 19% to 17% effective 1 April 2020.

GALILEO PORTUGAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2017

9. TANGIBLE ASSETS

	Computer and other equipment €'000	Leasehold improvements €'000	Total €'000
Cost			
At 1 January 2017	4,122	9	4,131
Additions/ transfers	89	-	89
Disposals	(710)	-	(710)
Foreign currency	(499)	(1)	(500)
At 31 December 2017	3,002	8	3,010
Accumulated depreciation			
At 1 January 2017	3,191	9	3,200
Charge for the year	516	-	516
Disposals	(710)	-	(710)
Foreign currency	(387)	(1)	(388)
At 31 December 2017	2,610	8	2,618
Net book value			
At 31 December 2017	392	-	392
At 31 December 2016	931	-	931

10. INVESTMENTS

	Shares in Group Company €'000
Cost and net book value	
As at 1 January 2017 and 31 December 2017	8

Directly Owned

Name	Registered address	Proportion of ordinary shares held %
Travelport Saudi Arabia Limited	Bin Homran Center, First Floor, Office #110, B Prince Mohammed Bin Abdulaziz Street, P.O. Box 3340 Jeddah, Saudi Arabia	10

GALILEO PORTUGAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) For the year ended 31 December 2017

11. DEBTORS

	2017 €'000	2016 €'000
Amounts due within one year		
Trade debtors	170	402
Amounts owed by group undertakings	6,554	8,942
Other debtors	404	416
Prepayments and accrued income	1,631	1,163
	<u>8,759</u>	<u>10,923</u>
Amounts due after more than one year		
Prepayments and accrued income	<u>4,440</u>	<u>2,910</u>

Prepayments and accrued income above related to the long-term portion of sign-on bonuses recoverable in more than one year. Sign-on bonuses are financial assistance amounts paid in advance to travel agents upon signing a contract.

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017 €'000	2016 €'000
Trade creditors	79	99
Other creditors	167	144
Accruals and deferred income	11,002	9,982
Corporate income tax and Group relief payable to other group undertakings	921	864
	<u>12,169</u>	<u>11,089</u>

The pension liability for the defined contribution scheme as at 31 December 2017 is €14,013 (2016: €16,075).

GALILEO PORTUGAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2017

13. FINANCIAL INSTRUMENTS

The carrying values of the Company's financial assets and liabilities are summarised by category below:

	2017 €'000	2016 €'000
Financial assets as at 31 December		
Measured at undiscounted amount receivable:		
Trade and other debtors (see note 11)	2,205	1,981
Amounts due from related undertakings (see note 11)	6,554	8,942
	<u>8,759</u>	<u>10,923</u>
Financial Liabilities as at 31 December		
Measured at undiscounted amount payable:		
Trade and other creditors (see note 12)	<u>11,248</u>	<u>10,225</u>
The Company's income, expense, gains and losses in respect of financial instruments are summarised below:		
Interest income and expense		
Total interest income for financial assets at amortised cost	<u>53</u>	<u>35</u>

The fair values of the Company's financial assets and financial liabilities at the reporting date approximate their carrying amounts.

14. COMMITMENTS UNDER OPERATING LEASES

At 31 December 2017, the total future minimum lease payments under non-cancellable operating leases are as follows:

	Land and buildings 2017 €'000	Land and buildings 2016 €'000
Within one year	463	537
Between two and five years	<u>386</u>	<u>360</u>
	<u>849</u>	<u>897</u>

GALILEO PORTUGAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2017

15. CALLED UP SHARE CAPITAL AND RESERVES

	2017 €	2016 €
Called up, allotted and fully paid 2 (2016: 2) ordinary shares of £1 each	2	2

The Company has one class of ordinary shares which carry no right to fixed income.

The profit and loss reserve represents cumulative profits or losses, net of dividends paid and other adjustments.

16. RELATED PARTY TRANSACTIONS

FRS 102 paragraph 33.1A provides exemption for disclosure of transactions between two or more members of a group, provided that all subsidiaries which are party to the transaction are wholly-owned by the group. The Company has taken advantage of this exemption.

17. SUBSEQUENT EVENTS

There were no events after the balance sheet date which require disclosure in these financial statements.

18. ULTIMATE PARENT COMPANY

The immediate parent undertaking is The Galileo Company, incorporated in England and Wales. The ultimate parent undertaking is Travelport Worldwide Limited, a company registered in Bermuda, which is listed on New York Stock Exchange since September 2014. The current ownership of Travelport Worldwide Limited is held widely as a public listed company on a regulated stock exchange and no single shareholder has a controlling interest.

The largest and smallest group in which the results of the Company are consolidated is that headed by Travelport Worldwide Limited. The consolidated financial statements of this company are available at its registered address Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda and on www.travelport.com.