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Company Registration No. 04040059

Amadeus Services Limited

Financial Statements

For the year ended 31 December 2012

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Amadeus Services Limited

Financial statements 2012

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Amadeus Services Limited

Financial statements 2012

Officers and professional advisers

Directors

T Lopez Fernebrand (resigned on 29th June 2012)
J P Hamon (resigned on 29th June 2012)
T J Brennan
A B Phillips (appointed 29th June 2012)
C D Giana (appointed 29th June 2012)

Secretary

J Esclapes Diaz (resigned 30th July 2012)
J V Serrurier (appointed 30th July 2012)

Registered office

World Business Centre 3
1208 Newall Road
Heathrow Airport
Hounslow
Middlesex
TW6 2TA

Bankers

Deutsche Bank AG London
PO Box 441
6 Bishopsgate
London
EC2N 4DA

Solicitors

Rawlinson Butler
Griffin House
135 High Street
Crawley
West Sussex
RH10 1DQ

Auditor

Deloitte LLP
Chartered Accountants
London

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2012

Principal activity

The principal activity of the company continues to be that of software consultancy and development for onward sale to other group companies

Business review

Amadeus Services Limited is one of the various specialised companies around the world which form part of the Amadeus Group worldwide IT services strategy for airlines Within this strategy, Amadeus Services Limited is an implementation and development centre functionally specialised in the Airline IT range under the Altea brand of products The company is also involved in the maintenance of the related legacy systems of the airlines until the implementation and customisation of their Altea platforms are complete After the completion of the first fully operational implementation of Altea DC for QANTAS at the end of 2009, the company has continued to develop the platform during the customisation process of airlines' implementations The Amadeus Group considers sustained investment in research and development a prerequisite for success in the medium to long term

During the year, the Amadeus Group and consequently Amadeus Services Limited have increased the number of airline customers using its IT solutions Major Altea implementation projects continuing during the year included KLM/Air France, Cathay Pacific, Scandinavian, British Airways, Saudi Arabian and the Star Alliance

The performance of the business has been in line with expectations

Due to its activity, the company does not have any responsibilities, expenses, assets, contingencies or liabilities of an environmental nature, which may have a significant impact on its net equity, its financial position, or its net income and cash flows As a result, the company does not present any expense breakdown with regards to environmental issues in the notes to the annual accounts

Future developments

The directors anticipate, based on current plans that the company will continue to show revenue growth during 2013, with further recruitment planned in order to meet expected continued demand for the company's services in providing development and implementation support to other Amadeus group companies The Amadeus group is currently expanding the IT business and consequently Amadeus Services Limited is now also involved in a new business area called Airport IT With the increased demand with current and the new business, the company is expected to grow even further in the foreseeable future

Principal risks and uncertainties

The company's source of revenue is inter-group and is supported by a Transfer Price Agreement between Amadeus Services Limited and its three main inter-group customers The main business risk is the reliance on group companies for all of the company's business The directors consider this risk to be mitigated by the profitability of the group and the importance of the company to the success of the group

Key performance indicators

The main operational performance target for Amadeus Services Limited in the year was the achievement of implementation and development timetable milestones designated by Development Management at Amadeus s a s and implementation customers All major milestones were met to the satisfaction of both Development Management and external customers As the company is a cost plus business, the other main key performance indicator is the control of actual costs to budget Variance against the budget, excluding one-off items, for the year was minor, with costs lower than budgeted Given the level of variance, the directors believe that all major key performance indicators were met

Directors' report (continued)

Financial risk management objectives and policies

The company's activities expose it to a number of financial risks including price risk, credit risk, cash flow risk and liquidity risk The use of financial derivatives is governed by the group's policies approved by the board of directors of the ultimate parent company, which provide written principles on the use of financial derivatives to manage these risks The company does not use derivative financial instruments for speculative purposes

Price risk

Amadeus Services Limited has limited price risk as revenue is generated through a transfer pricing agreement between Amadeus Services Limited and the three main sites of Amadeus

Credit risk

The company is exposed to credit risk primarily through inter-company balances The risk is considered to be low as the group continues to trade profitably

Cash flow risk

The company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates This risk is managed at a group level

Liquidity risk

In order to maintain liquidity to ensure that sufficient funds are available for on going operations and future developments, the company has the ability to access a mixture of long-term and short-term debt finance provided by Amadeus group treasury

Results and dividends

The accounts show a net profit during the year of £3,121,000 (2011 - £2,448,000) The directors paid a dividend of £2,448,000 during the year, being the final dividend for the year ended 31 December 2011 (2010 - £2,280,000)

Financial position

The balance sheet on page 11 of the financial statements shows that the net assets of the company increased from £4,442,000 at 31 December 2011 to £4,996,000 at 31 December 2012 This was principally due to a profit of the year of £3,121,000 offset by the payment of a dividend of £2,448,000 and an actuarial loss of £110,000 on the company's defined benefit pension obligations

Fixed assets decreased from £3,004,000 to £2,738,000 due to the decrease in the company's defined benefit pension scheme asset and depreciation exceeding additions on property, plant and equipment

Current assets increased from £9,462,000 at 31 December 2011 to £10,066,000 at 31 December 2012, largely due to an increase in group companies receivables, offset by a decrease in current and deferred tax assets

Current liabilities increased from £6,931,000 to £7,245,000 due to an increase in short-term borrowings from the company's parent, partially offset by a reduction in trade and other payables

Non-current liabilities decreased from £1,093,000 to £563,000 due to the removal of all long term provisions relating to the end of the sub-leasing of the building

Directors' report (continued)

Directors

The directors who served during the year and to the date of this report were as follows

T J Brennan
A B Phillips (appointed 29th June 2012)
C D Giana (appointed 29th June 2012)
T Lopez Fernebrand (resigned on 29th June 2012)
J P Hamon (resigned on 29th June 2012)

Employment policies

Amadeus' outstanding achievements are dependent on the contribution of every member of our staff We have continued to focus our efforts towards making Amadeus a great place to work, a place where talent, expertise and success are recognised, where we continue to focus on innovation and where employees are empowered their professional goals

Employee diversity

Multiculturalism, respect and openness are at the heart of our culture With employees from 110 countries speaking over 58 languages, the diversity of our staff enriches the company with their different experiences and backgrounds We explicitly outline a multicultural approach as the first of the primary core competencies required of our employees

Equality among men and women is a key concern for Amadeus, whose efforts are focused on increasing awareness and reinforcing policies in this matter Diversity, and with it equality among all employees, is the source of our incredible wealth in human assets, and the foundation for cohesion and constant progress within Amadeus

Amadeus Services Limited gives full consideration to employing disabled persons and making reasonable adjustments where necessary Employees who become disabled are given every opportunity and assistance to continue in their employment or to be trained for other suitable positions Amadeus Services Limited is committed to equal opportunities for all its employees and potential employees All individuals will be treated or considered for employment and advancement on the basis of their relative merits, abilities and qualifications

Compensation and benefits

At Amadeus we offer competitive benefits to our employees that are specific to market needs and comply with local legislation

We seek to incentivise our employees through variable remuneration schemes linked to individual and company performance We believe this comprehensive approach to reward reinforces our strong corporate culture and helps us maintain our sector leadership

A competitive remuneration package is key to attract and retain the best talent, therefore Amadeus provides comprehensive benefits packages (aligned with social security legislation, tax legislation and market practice in each location) The majority of our permanent employees are entitled to a defined contribution retirement plan, life and disability insurance, a medical plan and comprehensive travel insurance for business trips, plus all business travellers and employees on international assignments are covered by an emergency medical and security cover

The company is also involved in several Group wide Share based payment schemes detailed in Note 21

Directors' report (continued)

Employee well being

With relation to health and safety, our company has a low injury and accident rate as a result of its activities taking place in an office environment Nonetheless, we have proactively developed initiatives to improve employee health and well-being at work and considered the company's "duty of care", which form part of our focus on employee welfare and satisfaction.

Going concern

The Amadeus group operates a cash pooling arrangement for all major European locations in which the company participates The availability of the cash pooling arrangement increases the flexibility of cash asset management and strengthens the liquidity position for both local subsidiaries and the group as a whole As a result of the central management of the group's funds and the strong relationship with its bankers, significant banking facilities are available to the subsidiaries via group treasury Under the cash pooling arrangement it is expected that the group will meet the liquidity requirements of the company, if and when required It is forecast that there will be no requirement to use any external borrowings outside the group over the period forecast

The group has considerable financial resources together with long-term contracts with a number of customers and vendors across different geographic areas Significant portions of the company's costs relate to development contractors These could be reduced if required due to trade volume decreases or other economic downturns This places the company in a strong position to remain a profitable venture for the group As a consequence, the directors believe that the group is well placed to manage its business risks successfully despite the improving but still uncertain current economic outlook

The directors are of the opinion that the balance sheet of the company shows the company to be in a strong position, as shown by its net current assets and net asset position

After making enquiries and considering the current budgets and long-term forecasts, the directors have formed a judgement that, as at the date of approving the financial statements, there is a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future For this reason, the directors continue to adopt the going concern basis in preparing the financial statements

Charitable contributions

The company made charitable donations of £Nil during the year (2011 - £Nil)

Directors' report (continued)

Auditor

Deloitte LLP have expressed their willingness to continue in office as auditor and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting

Disclosure of information to auditor

Each of the persons who is a director at the date of approval of this annual 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 directors 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 s418 of the Companies Act 2006

Approval

This report was approved by the Board of Directors on 2013 and signed on its behalf by

Tim Brennan 12/7/13.

T Brennan

Director

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 Financial Reporting Standard 101 Reduced Disclosure Framework Under company law the directors must not approve the accounts 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 a required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether Financial Reporting Standard 101 Reduced Disclosure Framework has been followed, 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

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Independent auditor's report to the members of Amadeus Services Limited

We have audited the financial statements of Amadeus Services Limited for the year ended 31 December 2012, which comprise the Income Statement, the Statement of Comprehensive Income, the Statement of Changes in Equity, the Balance Sheet and the related notes 1 to 23 The financial reporting framework that has been applied in their preparation is applicable law and Financial Reporting Standard 101 Reduced Disclosure Framework

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 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 2012 and of its profit for the year then ended,
- have been properly prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework, 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 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

H Shekle

Hadleigh Shekle (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom
19 July 2013

Amadeus Services Limited

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Profit and loss account
Year ended 31 December 2012

	Note	2012 £'000	2011 £'000
Turnover	4	46,482	40,243
Employee costs	7	(21,813)	(17,977)
Other operational charges		(20,628)	(18,398)
Depreciation	12	(567)	(496)
Consulting expense		(445)	(708)
Operating profit		3,029	2,664
Interest receivable and similar income	8	7	3
Interest payable and similar charges	9	(19)	(241)
Profit on ordinary activities before tax	5	3,017	2,426
Tax	10	104	22
Profit for the financial year	19	3,121	2,448

All results derive from continuing operations

Statement of comprehensive income
Year ended 31 December 2012

	Note	2012 £'000	2011 £'000
Profit for the year		3,121	2,448
Other comprehensive loss			
Actuarial (loss)/gain on defined benefit plans	22	(110)	1,205
Other comprehensive income			
Tax relating to components of other comprehensive income		(9)	(301)
Other comprehensive (loss)/income for the year		(119)	904
Total comprehensive income attributable to equity shareholders		3,002	3,352

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Amadeus Services Limited

Balance sheet
31 December 2012

	Note	2012 £'000	2011 £'000
Fixed assets			
Property, plant and equipment	12	1,789	1,901
Retirement benefit asset	22	949	1,103
		2,738	3,004
Current assets			
Debtors	13	9,683	8,855
Cash at bank and in hand	13	1	-
Current tax assets		226	424
Deferred tax asset	15	156	183
		10,066	9,462
Total assets		12,804	12,466
Creditors: Amounts falling due within one year			
Trade and other payables	14	4,955	5,384
Short term borrowing from parent company	13	1,887	1,145
Obligations under finance leases	16	128	131
Deferred tax liability	15	275	271
		7,245	6,931
Net current assets		2,821	2,531
Total assets less current liabilities		5,559	5,535
Creditors: Amounts falling due after more than one year			
Trade and other payables	14	433	369
Obligations under finance leases	16	130	166
		563	535
Provisions for liabilities	17	-	558
Total liabilities		7,808	8,024
Net assets		4,996	4,442
Capital and reserves			
Called up share capital	18	50	50
Profit and loss account	19	4,946	4,392
Total shareholders' funds		4,996	4,442

The financial statements of Amadeus Services Limited, registered number 04040059, were approved by the Board of Directors and authorised for issue on 2013

T Brennan
Director

T Brennan 12/7/13

Statement of changes in equity
Year ended 31 December 2012

	Share capital £'000	Profit and loss account £'000	Total £'000
Balance at 1 January 2011	50	3,320	3,370
Profit for the period		2,448	2,448
Other comprehensive income for the year	-	904	904
Total comprehensive income for the year	-	3,352	3,352
Dividends	-	(2,280)	(2,280)
Deferred tax on share-based payment transactions	-	-	-
Balance at 31 December 2011	50	4,392	4,442
Profit for the period	-	3,121	3,121
Other comprehensive income for the year	-	(124)	(124)
Total comprehensive income for the year	-	2,997	2,997
Dividends	-	(2,448)	(2,448)
Deferred tax on share-based payment transactions	-	5	5
Balance at 31 December 2012	50	4,946	4,996

1. **General information**

Amadeus Services Limited is a company incorporated in the United Kingdom under the Companies Act The address of the registered office is given on page 1 The nature of the company's operations and its principal activities are set out in the Business Review section of the Directors' Report on pages 2 to 5

These financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the company operate

2. **Significant accounting policies**

Basis of accounting

The company meets the definition of a qualifying entity under FRS 100 (Financial Reporting Standard 100) issued by the Financial Reporting Council Accordingly, in the year ended 31 December 2012 the company has undergone transition from reporting under IFRSs adopted by the European Union to FRS 101 as issued by the Financial reporting Council The financial statements have therefore been prepared in accordance with FRS 101 (Financial Reporting Standard 101) 'Reduced Disclosure Framework' as issued by the Financial Reporting Council This transition is not considered to have had a material effect on the financial statements

As permitted by FRS 101, the company has taken advantage of the disclosure exemptions available under that standard in relation to share-based payment, non-current assets held for sale, financial instruments, capital management, presentation of comparative information in respect of certain assets, presentation of a cash-flow statement, standards not yet effective, impairment of assets and related party transactions

Where required, equivalent disclosures are given in the group accounts of Amadeus IT Holding S A The group accounts of Amadeus IT Holding S A are available to the public and can be obtained as set out in note 23

The financial statements have been prepared on a historical cost basis, except for the revaluation of financial instruments Historical cost is generally based on the fair value of the consideration given in exchange for the assets The principal accounting policies adopted are set out below

Going concern

The company's business activities, together with the factors likely to affect its future development and position are set out in the Business Review section of the Directors' Report on pages 2 to 5

The company is expected to continue to generate positive cash flows on its own account for the foreseeable future The company participates in the group's centralised treasury arrangements and so shares banking arrangements with its parent and fellow subsidiaries

The directors, having assessed the responses of the directors of the company's parent Amadeus IT Holding S A to their enquiries, have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the Amadeus group to continue as a going concern or its ability to continue with the current banking arrangements

On the basis of their assessment of the company's financial position and of the enquiries made of the directors of Amadeus IT Holding S A , the company's directors have a reasonable expectation that the company will be able to continue in operational existence for the foreseeable future Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements

2. **Significant accounting policies (continued)**

Plant, property and equipment

Assets are stated at cost less accumulated depreciation and any recognised impairment loss

Depreciation is provided on cost in equal instalments over the estimated useful lives of the assets, using the straight-line method on the following bases

Leasehold improvements	-	15 years
Office furniture and equipment	-	10 years
Computer equipment	-	3 years

Impairment of property, plant and equipment

At each balance sheet date, the company reviews the carrying amounts of its property, plant and equipment to determine whether there is any indication that those assets have suffered an impairment loss If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any) Where the asset does not generate cash flows that are independent from other assets, the company estimates the recoverable amount of cash-generating unit to which the asset belongs

Recoverable amount is the higher of fair value less costs to sell and the value in use In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount An impairment loss is recognised as an expense immediately

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years A reversal of an impairment loss is recognised as income immediately

Revenue recognition

Revenue is measured at the fair value of the consideration received and represents amounts receivable for services provided in the normal course of business, net of discounts, VAT and other sales related taxes The company incurs expenditure that is similar to research and development expenditure but is not capitalised as it is invoiced as incurred and therefore there is no work-in-progress

Retirement benefit costs

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due

For defined benefit schemes, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each balance sheet date Actuarial gains and losses are recognised in full in the period in which they occur They are recognised outside profit or loss and presented in the Statement of Comprehensive Income

Past service cost is recognised immediately to the extent that the benefits are already vested, and otherwise is amortised on a straight-line basis over the average period until the benefits become vested

The retirement benefit obligations recognised in the balance sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, and as reduced by the fair value of scheme assets Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the scheme

2. **Significant accounting policies (continued)**

Foreign currencies

In preparing the financial statements of the company, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated Exchange differences arising on the settlement of monetary items and on the retranslation of monetary items are included in the income statement for the period

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee All other leases are classified as operating leases Assets held under finance leases are recognised as assets of the company at their fair value or, if lower, at the present value of the minimum lease payments, each determined at the inception of the lease The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability Finance expenses are recognised immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the company's general policy on borrowing costs (see below) Contingent rentals are recognised as expenses in the periods in which they are incurred Rentals payable under operating leases are charged to income on a straight-line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed

Taxation

The tax expense represents the sum of the tax currently payable and deferred tax

The tax currently payable is based on taxable profit for the year Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised

The carrying amount of deferred tax asset is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity

2 Significant accounting policies (continued)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the company intends to settle its current tax assets and liabilities on a net basis

Provisions

Provisions are recognised when the company has a present obligation as a result of a past event, and it is probable that the company will be required to settle that obligation Provisions are measured at the best estimate of the expenditure required to settle the obligation at the balance sheet date

Financial instruments

Financial assets and financial liabilities are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument

Financial assets

Trade receivables

Trade receivables are measured at cost, which amounts to the fair value of the asset Appropriate allowances for estimated irrecoverable amounts are recognised in profit and loss when there is objective evidence that the asset is impaired The allowance recognised is measured as the difference between the assets' carrying amount and the present value of estimated future cash flows

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value

Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into

Trade payables

Trade payables are initially measured at cost, which also amounts to the fair value

Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs

Research and development

The company incurs expenditure that is similar to research and development but is not capitalised, as it is invoiced on to other group companies as incurred As a result, there are no associated intangible assets

3. Critical accounting judgements and key sources of estimation uncertainty

In the process of applying accounting policies, management has made the following judgements that have the most significant effect on the amounts recognised in the financial statements (apart from those involving estimations which are dealt with below)

Revenue recognition

Revenue is recognised on the completion of work at which point the significant risks and rewards are considered to be transferred

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below

Retirement benefit schemes

The company operates a funded benefit scheme for qualifying employees The assets of the scheme are held in separate funds A full actuarial valuation was carried out at 31 March 2008 and updated to 31 December 2011 by a qualified independent actuary using the projected unit credit method An explanation of key uncertainties or assumptions used by management in accounting for these items is explained where material in note 22

Impairment of non-current assets

The company periodically evaluates the carrying value of non-current assets for potential impairment As a result of this evaluation, a corresponding provision is recognised whenever the carrying amount of an asset exceeds its recoverable amount by reducing the carrying amount of the asset to its recoverable amount, with the corresponding charge to the statement of income

4. Turnover

An analysis of the company's turnover is as follows

		2012		
	Commercial	**Development**	**Operations**	**Total**
	£'000	**£'000**	**£'000**	**£'000**
Turnover	2,271	38,458	5,753	46,482
Interest receivable and similar income				7
				46,489

		2011		
	Commercial	**Development**	**Operations**	**Total**
	£'000	**£'000**	**£'000**	**£'000**
Turnover	3,521	31,179	5,543	40,243
Interest receivable and similar income				3
				40,246

The company's activities can be analysed into three turnover streams the research and development of software, the marketing and sale of software and the support of live systems, which are allocated to Development, Commercial and Operations respectively

The turnover and profit before taxation are attributable to the main activity of the company and arise entirely within Europe

5. **Profit for the year**

	2012 £'000	2011 £'000
Profit for the year has been arrived at after charging/(crediting):		
Net foreign exchange losses	162	378
Depreciation of tangible fixed assets	567	496
Staff costs (see note 7)	21,813	17,977

6. **Auditor's remuneration**

	2012 £'000	2011 £'000
The analysis of auditor's remuneration is as follows		
Fees payable for the audit of the company's annual accounts	24	26
Fees payable for taxation services	12	20
	36	46

7. **Information regarding directors and employees**

	2012 No.	2011 No.
Average monthly number of employees, including directors, during the period:		
Administration	20	22
Commercial	37	39
Development	188	156
Technical	42	47
	287	264
	£'000	**£'000**
Their aggregate remuneration (including directors) comprised		
Wages and salaries	18,532	15,617
Social security costs	2,056	1,802
Pension costs	1,225	1,083
Defined benefit scheme curtailment gain	-	(525)
	21,813	17,977

After consultation with its members started on 29 November 2010, the Company's defined benefit scheme was closed to future accrual as of 31 March 2011 As a result of these changes, a curtailment gain of £525,000 arose in 2011

The actuarial gains and losses relating to the defined benefit scheme, which are recognised directly in equity, are not included in the pension costs figure above

7 Information regarding directors and employees (continued)

Only one director is compensated by the Company for his services as director (2011 – one) as the remaining directors are employees of other Amadeus group companies who are remunerated by those companies and who do not receive remuneration for their services as directors of the Company

	2012 £'000	2011 £'000
Directors' remuneration:		
Emoluments	177	165
Pension contributions to defined contribution scheme	20	13
	197	178

The accrued pension benefits for the highest paid director at the year end were £35,462 (2011 - £34,882)

During the year, one director (2011 – one) participated in the defined benefit pension scheme The company made contributions in the year of £nil (2011 - £nil) in respect of this director The scheme was closed in 2011

Since the closure of the defined benefit pension scheme, one director has transferred to the defined contribution pension scheme (2011 – nil)

8. Interest receivable and similar income

	2012 £'000	2011 £'000
Other interest receivable	5	2
Interest from parent company	2	1
	7	3

9. Interest payable and similar charges

	2012 £'000	2011 £'000
Other finance charges	8	215
Unwinding of discount on provisions	9	20
Interest payable on short-term borrowing from parent company	-	3
Interest payable on short-term borrowing from bank	2	3
	19	241
Interest payable on short-term borrowing from parent company		

10. Tax

(a) Tax credit on profit on ordinary activities

	2012 £'000	2011 £'000
Corporation Tax		
-UK Corporation tax	46	158
Adjustments in respect of prior years		
-UK Corporation tax	(172)	(325)
Deferred tax (note 15)	22	145
Total tax credit	(104)	(22)

Corporation tax is calculated at 24 5% (2011 – 26 5%) of the estimated assessable profit for the year

(b) Factors affecting the tax credit for the year

The tax rate applicable for the year is 24 5% (2011 – 26 5%) The actual tax charge is lower than the rate of corporation tax applicable for the year The differences are explained below

	2012 £'000	2011 £'000
Profit before taxation	3,017	2,426
Tax charge on profit at standard rate of corporation tax	739	642
Effects of		
Disallowed expenses and non-taxable income	(1)	7
Change in tax rate	12	24
Research and development relief	(704)	(377)
Adjustments to tax charge in respect of previous periods	(150)	(318)
Total actual amount of tax credit	(104)	(22)

11. Dividends

	2012 £'000	2011 £'000
Amounts recognised as distributions to equity holders in the year:		
Dividend for the year ended 31 December 2011 of £48 96 per share	2,448	
Dividend for the year ended 31 December 2010 of £45 60 per share		2,280

12 Property, plant and equipment

	Leasehold improvements £'000	Office furniture and equipment £'000	Computer equipment £'000	Total £'000
Cost				
At 1 January 2012	2,920	1,277	2,573	6,770
Additions	96	78	281	455
Disposals	-	-	(111)	(111)
At 31 December 2012	3,016	1,355	2,743	7,114
Accumulated depreciation				
At 1 January 2012	1,726	1,115	2,028	4,869
Charge for the year	197	27	343	567
Eliminated on disposals	-	-	(111)	(111)
At 31 December 2012	1,923	1,142	2,260	5,325
Carrying amount				
At 31 December 2012	1,093	213	483	1,789
At 1 January 2012	1,194	162	545	1,901

Included within computer equipment is a carrying amount of £229,937 (2011 £285,562) which is under finance leases The company had no contractual commitments for the acquisition of property, plant and equipment

13. Financial and other current assets

Debtors

Amounts falling due within one year:	2012 £'000	2011 £'000
Amounts receivable from group companies	8,473	7,745
Prepayments and accrued income	830	712
Other debtors	380	398
	9,683	8,855

Cash and cash equivalents

	2012 £'000	2011 £'000
Cash and bank balances	1	-

Cash and bank balances comprise cash held by the company with an original maturity of 3 months or less As at 31 December 2012 the company's portion of the Group's cash pooling arrangement was an overdraft of £1,886,895 (2011 - £1,144,944)

14. Other financial liabilities

Trade and other payables

	2012 £'000	2011 £'000
Trade payables	193	413
Amounts payable to group companies	2	158
Taxation and social security	1,019	733
Accruals and deferred income	3,741	4,080
Included in current liabilities	4,955	5,384

	2012 £'000	2011 £'000
Accruals and deferred income	433	369
Included in long term liabilities	433	369

15. Deferred tax

The following are the major deferred tax liabilities and (assets) recognised by the company and movements therein during the current and prior year

	Accelerated tax depreciation £'000	Short term timing differences £'000	Retirement benefit obligations £'000	Total £'000
At 1 January 2011	(226)	(35)	(95)	(356)
Charge/(credit) to income statement	77	(6)	67	138
Charge direct to equity	-	-	301	301
Prior year adjustment	7	-	(2)	5
At 1 January 2012	(142)	(41)	271	88
Charge/(credit) to income statement	10	(27)	(5)	(22)
Charge direct to equity	-	4	14	18
Prior year adjustment	10	30	(5)	35
At 31 December 2012	(122)	(34)	275	119

The UK Government has announced that it will reduce the standard rate of UK corporation tax, which will affect the current and total tax charges or credits in future periods It is proposed that the rate will decrease in stages from its current rate to 23% from 1 April 2013, reducing further to 21% with effect from 1 April 2014 and 20% with effect from 1 April 2015 The only change to the tax rate substantively enacted at the balance sheet date was the decrease from 24% to 23% with effect from 1 April 2013

16. Obligations under finance leases

The company holds computer hardware with an estimated useful life of three years under a three-year finance lease

	2012 £'000	2011 £'000
The future minimum lease payments are as follows:		
Within one year	128	131
In the second to fifth years inclusive	130	166
	258	297

The obligation is classified as

	£'000	£'000
Current finance lease payables	128	131
Non-current finance lease payables	130	166
	258	297

17. Provisions

	Long-term liabilities £'000
As at 1 January 2011	660
Utilised during the year	(122)
Released during the year	20
At 31 December 2011	558
Utilised during the year	(51)
Released during the year	(507)
At 31 December 2012	-

The provision relates to the shortfall between amounts payable under the lease, and sub-let income receivable over the life of the lease The provision was utilised in 2012 following which all sub-lease tenants moved out of the building and all sub-lease agreements ended As a result of the expansion in the company's activities, the building in question is now fully occupied by the company

18. Share capital

	2012 £'000	2011 £'000
Authorised:		
50,000 ordinary shares of £1 each	50	50
Allotted, called up and fully paid:		
50,000 ordinary shares of £1 each	50	50

19. Profit and loss account

	2012 £'000	2011 £'000
Balance at 1 January	4,392	3,320
Dividends paid	(2,448)	(2,280)
Profit for the year	3,121	2,448
Other comprehensive (loss)/income, net of tax	(119)	904
Balance at 31 December	4,946	4,392

20. Operating lease arrangements

	2012 £'000	2011 £'000
Minimum lease payments under operating lease recognised as an expense in the year	2,869	2,614

At the balance sheet date, the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows

	Land and buildings		Other	
	2012 £'000	2011 £'000	2012 £'000	2011 £'000
Within one year	2,715	2,289	101	76
In the second to fifth years inclusive	8,144	9,157	-	9
	10,859	11,446	101	85

Operating lease payments represent rentals payable by the company for its office properties and equipment

21. Share based payments

Share issue plan

Amadeus IT Holding SA issues to certain company employees shares of the parent at the date of exercise of the plan, for which the company reimburses the cost to Amadeus IT Holding SA The company has issued the first Performance Share Plan (PSP I) and is recording accruals for two more PSP (PSP II, PSP III) and a Restrictive Share Plan (RSP) The total value of shares issued in PSP I in 2012 was £102,802 The company has recorded liabilities at the end of 2012 of £81,154 for PSP II (issue date 2013), £30,163 for PSP III and £13,962 for RSP (issue date 2014)

Cash-settled share based payment

The company completed a bonus scheme called the Value Share Plan (VSP) in 2012 The plan was open to all employees at the date of the Amadeus group initial public offering ("IPO") and paid in two instalments, in 2011 and in 2012 The total payment was a percentage of salary at the IPO date dependent on the share price performance in the qualifying period and on the employee still being with the company at the payment dates 4% of qualifying salary was paid in 2011 with the remainder paid in 2012 Payments made to employees under this scheme totalled £401,945 in 2011 and £978,892 in 2012 The plan is now closed

22. Retirement benefit schemes

Defined contribution scheme

The company operates a defined contribution retirement benefit scheme for qualifying employees The assets of the scheme are held separately from those of the company in funds under control of trustees Where there are employees who leave the scheme prior to vesting fully in the contributions, the contributions payable by the company are reduced by the amount of forfeited contributions

The total cost charged to the income statement of £1,180,738 (2011 - £938,038) represents contributions payable to the scheme by the company at rates specified in the rules of the plan As at 31 December 2012, contributions of £nil (2011 - £nil) due in respect of the current year had not been paid over to the scheme

22. **Retirement benefit schemes (continued)**

Defined benefit schemes

The company operates a funded benefit scheme for qualifying employees The assets of the plan are held in separate funds A full actuarial valuation was carried out at 31 March 2008 and updated to 31 December 2011 by a qualified independent actuary using the projected unit credit method

The employer contribution rate to the plan for the year ended 31 December 2012 was nil (2011 - nil) The contribution rate for 2013 is expected to be nil The scheme was closed on 31st March 2011 and all existing members moved to the defined contribution scheme under modified rules

The financial assumptions used by the actuary were:

	2012 %	2011 %
RPI inflation	3 05	3 40
Discount rate	4 60	4 75
Expected return on scheme assets	4.60	4 10
Expected future pension increases	2.95	3 25

The amounts recognised in the income statement are as follows:

	2012 £'000	2011 £'000
Current service cost and curtailment gain included within employee costs	-	(380)

After consultation with its members started on 29 November 2010, the Company's defined benefit scheme was closed to future accrual as of 31 March 2011 As a result of these changes, a curtailment gain of £525,000 arose in 2011, which was credited to employee costs

	2012 £'000	2011 £'000
Expected return on scheme assets	(609)	(595)
Interest cost	653	707
Total included within finance costs	44	112

The charge has been included in pensions costs (note 7) Actuarial gains and losses have been reported in the statement of comprehensive income

Reconciliation of scheme assets and liabilities to the balance sheet

	2012 £'000	2011 £'000
Present value of defined benefit obligations	(15,657)	(14,457)
Fair value of scheme assets	16,606	15,560
Asset recognised in the balance sheet	949	1,103

22. Retirement benefit schemes (continued)

Changes in the present value of the defined benefit liability are as follows:

	2012 £'000	2011 £'000
Present value of funded obligations at 1 January	14,457	13,823
Current service cost	-	145
Interest cost	653	707
Employee contributions	-	19
Benefits paid	(89)	(95)
Actuarial loss/(gain)	636	383
Curtailments	-	(525)
Present value of funded obligations at 31 December	15,657	14,457

Changes in the fair value of scheme assets are as follows:

	2012 £'000	2011 £'000
Fair value of scheme assets at 1 January	15,560	13,452
Employer contributions	-	-
Employee contributions	-	19
Benefits paid	(89)	(95)
Expected return on scheme assets	609	595
Actuarial gains	526	1,589
Fair value of scheme assets at 31 December	16,606	15,560

Year ended 31 December 2012

22. Retirement benefit schemes (continued)

Analysis of amount that are recognised in statement of comprehensive income

	2012 £'000	2012 Percentage of scheme assets %	2011 £'000	2011 Percentage of scheme assets %	2010 £'000	2010 Percentage of scheme assets %	2009 £'000	2009 Percentage of scheme assets %	2008 £'000	2008 Percentage of scheme assets %
Actual return less expected return on pension scheme assets	609	3 7	595	3 8	541	4 0	505	4 1	450	4 1
Experience gains and losses arising on the scheme liabilities	526	3 2	1,589	10 2	549	4 1	594	4 8	92	0 8
Changes in assumptions underlying the plan liabilities	(1,245)	(7 5)	(979)	(6 3)	(1,324)	(9 8)	(2,730)	(22 2)	766	7 0
Actuarial (loss)/gain	(110)	(0 6)	1,205	7 7	(234)	(1 7)	(1,631)	(13 3)	1,308	11 9

Year ended 31 December 2012

22. Retirement benefit schemes (continued)

Statement of recognised income and expense

The assets in the plan and the expected rate of return were

	Expected rate of return at 31 December 2012 %	Fair value at 31 December 2012 £	Expected rate of return at 31 December 2011 %	Fair value at 31 December 2011 £	Expected rate of return at 31 December 2010 %	Fair value at 31 December 2010 £	Expected rate of return at 31 December 2009 %	Fair value at 31 December 2009 £	Expected rate of return at 31 December 2008 %	Fair value at 31 December 2008 £
Corporate bonds and index linked gilts	4 60	11,277	4 10	13,887	4 40	11,596	4 40	10,691	4 45	9,674
Equities	4 60	5,329	4 10	1,673	4 40	1,856	4 40	1,587	4 45	1,263
Total fair value assets		16,606		15,560		13,452		12,278		10,937

The estimated amounts of contributions to be paid to the scheme during the year ending 31 December 2013 is £nil (2011 - £nil)

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Notes to the accounts
Year ended 31 December 2012

23. Ultimate parent undertaking

The ultımate controllıng party ıs Amadeus IT Holdıng S A , whıch ıs regıstered ın Spaın, whıch ıs the parent of both the smallest and largest group for whıch consolıdated accounts are prepared of whıch thıs company ıs a part Consolıdated accounts may be obtaıned from Calle Salvador de Madarıaga 1, 28027, Spaın