

DIRECTORS' REPORT AND ACCOUNTS

BRITISH CALEDONIAN AIRWAYS LIMITED

31 DECEMBER 2011

Company Number 233961

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BRITISH CALEDONIAN AIRWAYS LIMITED

DIRECTORS' REPORT

Directors A Buchanan
 K Williams

Secretary K Dosanjh

Registered Office Waterside, P O Box 365, Harmondsworth, UB7 0GB

The Directors present their report and accounts for the year ended 31 December 2011

Principal Activities

The Company did not trade during the year. Any overhead expenses were borne by the immediate parent undertaking, British Airways Plc ("BA"). The Directors do not expect any changes in the Company's activities in the foreseeable future.

A merger between BA and Iberia Lineas Aereas de Espana ("Iberia") completed on 21 January 2011. As a result of this merger, International Consolidated Airlines Group SA ("IAG") was formed to hold the interests of both existing airline groups. IAG started trading on the London Stock Exchange, with a secondary listing in Spain, on 24 January 2011. As a consequence, the Company changed its reporting period to a 31 December year end in 2010. The comparative results are the Company's financial statements for the nine months ended 31 December 2010.

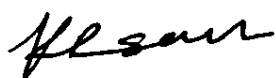
Directors' Liability Insurance

Prior to the merger, BA purchased insurance against Directors' and Officers' Liability as permitted by the Companies Act 2006 for the benefit of the directors and officers of its subsidiary undertakings. Since 21 January 2011, the ultimate parent of the BA Group, IAG, has held an equivalent policy covering the IAG Group.

Auditors

The Company satisfies the provisions of section 480(1) of the Companies Act 2006 and accordingly the Company is exempt from the obligation to appoint auditors.

By order of the Board



Kulbinder Dosanjh
Company Secretary

14 September 2012

BRITISH CALEDONIAN AIRWAYS LIMITED

BALANCE SHEET

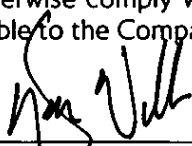
AS AT 31 DECEMBER 2011

	Note	31 December 2011 £000	31 Decemb er 2010 £000
Fixed assets		-	-
Current assets			
Creditors - amount falling due after more than one year (amount due to ultimate parent undertaking)		(55,918)	(55,918)
		<u>(55,918)</u>	<u>(55,918)</u>
Capital and reserves			
Called up share capital	4	511	511
Share premium account		2,440	2,440
Profit and loss account	2	(58,869)	(58,869)
		<u>(55,918)</u>	<u>(55,918)</u>

For the year ended 31 December 2011

- 1 the Company was entitled to the exemption conferred by section 480 (1) of the Companies Act 2006 from the provisions of that Act relating to the audit of accounts,
- 2 the members have not required the Company to obtain an audit of its accounts in accordance with section 472 of the Companies Act 2006,
- 3 the directors acknowledge their responsibilities for
 - ensuring that the Company keeps accounting records which comply with section 386 of the Companies Act 2006
 - preparing accounts which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of section 393 of the Companies Act 2006, and which otherwise comply with the requirements of that Act relating to accounts, so far as applicable to the Company

Director


Keith Williams

Date

14 September 2012

BRITISH CALEDONIAN AIRWAYS LIMITED

NOTES TO THE ACCOUNTS

AS AT 31 DECEMBER 2011

1. Accounting policies

Accounting convention

The accounts are prepared under the historical cost convention and in accordance with all applicable United Kingdom accounting standards

2. Profit and Loss Account

The Company did not trade during the period and therefore no profit and loss account has been prepared

3. Directors' emoluments

The Directors did not receive remuneration for their services to the Company during the year ended 31 December 2011 (31 December 2010 £nil)

4. Share Capital

		Twelve months to 31 December 2011	Nine months to 31 December 2010
Authorised			
Ordinary shares of £1 each	£	510,510	510,510
	No	510,510	510,510
Allotted, called up and fully paid			
Ordinary shares of £1 each	£	510,510	510,510
	No	510,510	510,510

5. Subsequent Events

There were no significant post balance sheet events

6. Ultimate Parent undertaking and controlling party

The Company's immediate parent undertaking as at 31 December 2011 was British Airways Plc, a company registered in England and Wales. As at 31 December 2011, the ultimate parent undertaking of the Company was International Consolidated Airlines Group SA ("IAG") which is incorporated in Spain. Of the group of which the Company was a member, IAG was the largest undertaking preparing group financial statements and British Airways Plc was the smallest undertaking preparing group financial statements.

Copies of the consolidated financial statements of IAG and British Airways Plc can be found on the website www.iagshares.com