

**BRITISH AIRWAYS PENSION TRUSTEES LIMITED (A Company Limited by Guarantee)**

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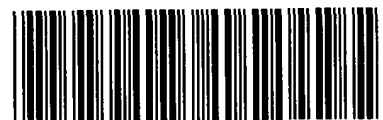
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2021**

**COMPANY NUMBER: 00453632**

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**COMPANIES HOUSE**

**Report of the Directors for the year ended 31 March 2021**

**Directors:**

Roger Maynard \*#  
 Frances Axford \*  
 Melanie Birch #  
 Neil Blackburn #  
 Ian Bretherton #  
 Neil Cottrell #  
 Zoe Davis \*  
 Paul Douglas \*  
 Kathryn Gay #  
 Ian Heath \*  
 Philip Hogg \*  
 Sarah Hunt \*  
 Elisabeth Marsden #  
 Simon Philcox #  
 Timothy Richardson\*  
 David Southcott #  
 Thomas Stoddart #  
 John Wheale #  
 Dalriada Trustees Limited (represented by Tomislav Lukic) #

\* APS Trustee Director  
 # NAPS Trustee Director

**Company Secretary:** Richard Pilsworth

**Company number:** 00453632

The Directors of British Airways Pension Trustees Limited ('the company') present their annual report and the audited financial statements for the year ended 31 March 2021.

**1 Principal activity**

The principal activity of the Company is acting as Custodian Trustee for the Airways Pension Scheme ('APS') and the New Airways Pension Scheme ('NAPS') ('the Schemes'). The Company holds the assets of the two Schemes as Custodian Trustee for the Management Trustees of APS and NAPS.

**2 Financial performance**

Because the Company acts solely as Custodian Trustee it is non-trading and received no beneficial income during the year.

The financial statements have been prepared on a going concern basis. The Corporate Trustee ('APSTL' and 'NAPSTL') are also the parent companies of the Company and have confirmed they will make available the necessary financing to enable the Company to meet its obligations as they fall due for the foreseeable future. Having therefore considered the support available, the Directors are satisfied that the company can meet its obligations as they fall due for the foreseeable future.

**3 Directors**

The movements during the year and since the year end were as follows:

David Shepherd	Ceased	1 April 2020
Stephen Mallett	Ceased	23 June 2020
Thomas Michell	Ceased	23 June 2020
Virginia Holmes	Ceased	30 September 2020
Christopher Daw	Ceased	30 September 2020
Andrew Fleming	Ceased	30 September 2020
Caroline Mellor	Ceased	30 September 2020
Elisabeth Marsden	Appointed	1 October 2020
Benjamin Gibbs	Appointed	1 October 2020; ceased 16 March 2021
Benjamin Sehovic	Ceased	16 March 2021
Simon Philcox	Appointed	31 March 2021
Thomas Stoddart	Appointed	31 March 2021
Neil Cottrell	Appointed	1 April 2021
Graham Fowler	Ceased	1 April 2021
Martine Trouard-Riolle	Appointed	14 May 2021; ceased 17 June 2021
Kathryn Gay	Appointed	30 June 2021
Dalriada Trustees Limited	Appointed	30 June 2021

A qualifying third-party Indemnity provision as defined in Section 234 of the Companies Act 2006 is in force for the benefit of each of the BAPTL Directors in respect of liabilities incurred as a result of their office, to the extent permitted by law. In respect of those liabilities for which Directors may not be indemnified, the company maintained a Directors' and officers' liability insurance policy throughout the financial year.

**Report of the Directors for the year ended 31 March 2021**

**4 Statement of Directors' responsibilities in respect of the Report of the Directors and the financial statements**

The Directors are responsible for preparing the Directors' 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, they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the 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 estimates that are reasonable and prudent; and
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so (as explained in note 1, the directors do not believe that it is appropriate to prepare these financial statements on a going concern basis).

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

**5 Disclosure of information to the auditor**

The Directors who held office at the date of approval of this Directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware; and each Director has taken all the steps that he/she ought to have taken as a Director to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

**6 Membership**

The company is a company limited by guarantee. The members of the company are the sole corporate management trustees of APS and NAPS, Airways Pension Scheme Trustee Limited ('APSTL') and New Airways Pension Scheme Trustee Limited ('NAPSTL') respectively.

**7 Strategic report**

The Company is exempt from the requirement to prepare a strategic report on the grounds of size.

**8 Auditor**

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

**9 Registered office**

Waterside Haa1, Speedbird Way, Harmondsworth UB7 0GB

By order of the Board on 29 September 2021.



**Richard Pilsworth**  
Company Secretary

**Independent auditor's report to the members of British Airways Pension Trustees Limited**

**Opinion**

We have audited the financial statements of British Airways Pension Trustees Limited ("the Company") for the year ended 31 March 2021, which comprise the Profit & loss and other comprehensive income, Statement of financial position and related notes, including the basis of preparation in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2021 and of its result for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS102 *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.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

**Going concern**

The Directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the Directors' conclusions, we considered the inherent risks to the Company's business model and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the Directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Company will continue in operation.

**Fraud and breaches of laws and regulations – ability to detect**

*Identifying and responding to risks of material misstatement due to fraud*

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- enquiring of Directors as to the Company's high-level policies and procedures to prevent and detect fraud as well as whether they have knowledge of any actual, suspected or alleged fraud.
- reading Board meeting minutes.

We remained alert to any indications of fraud throughout the audit.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit, we do not believe there is a fraud risk related to revenue recognition because revenue is principally non-judgmental and based on contractual relations with the two pension funds it caters to, with limited opportunity for manipulation. We did not identify any additional fraud risks.

We also performed procedures including identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included post-closing journals.

*Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations*

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, through discussion with the Directors (as required by auditing standards), and discussed with the Directors the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or the loss of the Company's license to operate. We identified the following areas as those most likely to have such an effect: health and safety, anti-bribery, employment law, data protection, anti-money laundering, market abuse regulations and financial services regulations including Client Assets, and certain aspects of company legislation recognising the financial and regulated nature of the Company's activities and its legal form. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Directors and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

*Context of the ability of the audit to detect fraud or breaches of law or regulation*

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

**Matters on which we are required to report by exception**

Under the Companies Act 2006 we are required 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.

We have nothing to report in these respects.

**Directors' responsibilities**

As explained more fully in their statement set out on page 2, the Directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

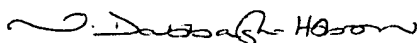
**Auditor's responsibilities**

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

**The purpose of our audit work and to whom we owe our responsibilities**

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.



**Nadia Dabbagh-Hobrow (Senior Statutory Auditor)**  
for and on behalf of KPMG LLP,  
Senior Statutory Auditor, Chartered Accountants  
15 Canada Square  
London E14 5GL

Date: 29 September 2021

**BRITISH AIRWAYS PENSION TRUSTEES LIMITED (A Company Limited by Guarantee)**

**Profit & loss and other comprehensive income for the year ended 31 March 2021**

During the financial year and the preceding financial year the company did not trade and received no income and incurred no expenditure. Consequently, during those years the company made neither a profit nor a loss.

**Statement of financial position as at 31 March 2021**

Company number: 00453632

2021	2020
£	£

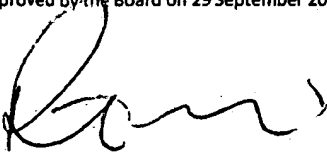
Total assets less liabilities

-

Capital and reserves

-

Approved by the Board on 29 September 2021.



**Roger Maynard**  
Director

The notes of pages 6 to 8 form part of these financial statements.

**Notes to the financial statements for the year ended 31 March 2021**

**1 Accounting policies**

The financial statements are prepared on a going concern basis which the Directors believe to be appropriate.

The Company is wholly owned (by equal ownership) by New Airways Pensions Scheme Trustee Limited ('NAPSTL') and Airways Pensions Scheme Trustee Limited ('APSTL'), both companies are limited by guarantee. The parent companies ('APSTL' and 'NAPSTL') are the Trustee of the Schemes ('APS' and 'NAPS'), for which the Company acts as Custodian Trustee thereby holding the asset for the Schemes.

The Company does not trade in its own right. As such, it does not enter into any obligations or liabilities as part of its normal course of business. Any expenses required to incur for the running of the Company are met by APS and NAPS.

At the date of approving this report, both APS and NAPS continue to operate as going concerns. As at 31 March 2021, APS has a strong funding position and limited reliance on the Principal Employer. As such, the Trustee of APS consider it will continue as a going concern, despite the Impact of COVID-19. However, in its annual financial statements for the year ended 31 March 2021, the Trustee of NAPS explained the material uncertainty on going concern for NAPS due to the uncertainty faced by the Principal Employer, as NAPS is in deficit and will continue to rely on contributions received from the Principal Employer.

The directors have considered these facts. The parent companies have confirmed, in their capacity as Trustee of the Schemes, they will make available the necessary financing to enable the Company to meet its liabilities and its obligations should the need arise. As such, were NAPS to cease to operate, the Company will continue its principal activities as the custodian trustee for APS.

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least twelve months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

No statement of changes in equity is presented with these financial statements because there have been no movements in shareholders' funds during either the period under review or the preceding financial period. On the basis that there were no transactions during the year, no cash flow statement has been prepared.

**2 Format of financial statements**

Except in a Custodian Trustee capacity, the company received no income in the year nor paid any expenses. In 2021 all costs were met by APS and NAPS, including the cost of the £630 (2020: £600) audit fee.

**3 Company constitution**

The company acts as Custodian Trustee for APS and NAPS. As at 31 March 2021, it held on behalf of the Schemes an amount of £26,994.4m (2020: £25,396.3m), which was represented by the following net investments at market value:

		2021 £m	2020 £m
Equities		4,609.1	4,716.5
Fixed interest securities		6,306.6	5,709.7
Index-linked securities		10,016.1	9,580.7
Property		1,716.8	1,558.4
Pooled arrangements	Property	25.4	122.0
	Alternative investments	1,595.0	1,559.0
	Private equity	1,160.0	937.2
Longevity Insurance	Rothesay Life	(3,296.2)	(3,210.8)
	Legal & General	4,285.0	4,457.1
Derivatives		(188.0)	(711.7)
AVC mixed portfolio fund		176.5	150.8
Cash		473.6	289.3
Other investments		114.5	238.1
<b>Total investments</b>		<b>26,994.4</b>	<b>25,396.3</b>

**BRITISH AIRWAYS PENSION TRUSTEES LIMITED (A Company Limited by Guarantee)**

Notes to the financial statements for the year ended 31 March 2021

**3 Company constitution - continued**

The above Investments include the following direct interests:

Company	Activity	Country of Incorporation	Percentage of ownership
British Airways Pension Services Limited	Pension Administration	U.K.	100%
British Airways Pension Investment Management Limited	Investment Management	U.K.	100%

The table above is unchanged from the prior year. As Custodian Trustee for APS and NAPS, the company held the assets of the Schemes at 31 March 2021, together with funds invested in four (2020: four) external additional voluntary contribution schemes on behalf of members who transferred into NAPS from the British Caledonian Group Pension and Life Assurance Scheme, Davies & Newman Holdings Plc Pension and Life Assurance Scheme and Dan Air Services Ltd Pension and Life Assurance Scheme. The value of funds invested in these schemes at 31 March 2021 was £0.3m (2020: £0.4m).

The investments held in each Scheme are as follows:

	2021 £m	2020 £m
<b>Airways Pension Scheme (APS)</b>	7,462.7	7,626.5
<b>New Airways Pension Scheme (NAPS)</b>	19,531.7	17,769.8
<b>Total</b>	<b>26,994.4</b>	<b>25,396.3</b>

**4 Controlling parties**

The parent and ultimate controlling parties of the company are APSTL and NAPSTL, companies also incorporated in the UK. Copies of their financial statements can be obtained from Waterside Haa1, Harmondsworth, UB7 0GB.

**5 Related party transactions**

The Trustee Directors of APSTL and NAPSTL are also the Directors of British Airways Pension Trustees Limited. The Trustee Directors have in place formal investment management agreements with British Airways Pension Investment Management Limited to undertake the day-to-day investment management activities of the Schemes. Administration services are provided by British Airways Pension Services Limited. All costs incurred by the company are met by the Schemes.

APS Insurance ICC Limited, APS (No1) IC Limited and APS (No 2) IC Limited, companies incorporated in Guernsey, facilitated longevity insurance for the Airways Pension Scheme. Following the novation of the reinsurance contracts to Legal & General Society Limited as part of the buy-in agreed in September 2018 these companies were no longer required and were liquidated on 14 January 2020.

No Director had an interest in any contract or arrangement to which the company or any subsidiary was a party. All of the directors were Trustee Directors of one or both of the sole corporate Management Trustees, APSTL and NAPSTL. All Directors except Zoe Davis, Sarah Hunt, Elisabeth Marsden and Simon Philcox are members or pensioners of either APS or NAPS.

**6 Post balance sheet events**

On 15 April 2021 the Trustees of the Schemes made the decision to transfer the investment management to BlackRock Investment Management (UK) Limited. This was completed on 1 June 2021.

There have been no other circumstances or events subsequent to the end of the reporting period which require adjustment of, or disclosure in, the financial statements.