

Registered No 01967358

The Plimsoll Line Limited

Annual Report and Accounts
For the year ended 31 December 2015



The Plimsoll Line Limited

Contents

Corporate information	2
Directors' Report	3
Statement of Directors' responsibilities	4
Income statement	5
Statement of other comprehensive income	5
Balance sheet	6
Statement of changes in equity	7
Notes to the financial statements	8

The Plimsoll Line Limited

Corporate information

DIRECTORS

G Kendall

A. Fleming

COMPANY SECRETARY

L Straver

REGISTERED OFFICE

Waterside

PO Box 365

Harmondsworth

UB7 0GB

The Plimsoll Line Limited

Directors' Report

The Directors present their report and the unaudited accounts of The Plimsoll Line Limited (the 'Company') for the year ended 31 December 2015

The Company has taken the exemption under s414B of the Companies Act 2006 to not prepare a strategic report

PRINCIPAL RISKS AND UNCERTAINTIES

The Company is not exposed to significant risks and uncertainties as its primary purpose is to act as a holding company for investments. The Directors do not expect any changes in the Company's activity in the foreseeable future.

DIRECTORS

The Directors of the Company during the year ended 31 December 2015 were K. Williams, G. Kendall, and A. Fleming. K. Williams resigned as Director of the Company on 31 March 2016.

RESULTS AND DIVIDENDS

The profit after tax for the year amounted to £10,000 (2014: £7,128,000). The Directors do not recommend the payment of a dividend (2014: Nil).

TRANSITION TO FRS 101 "REDUCED DISCLOSURE FRAMEWORK"

The Company transitioned to FRS 101 for the year ended 31 December 2014, which resulted in measurement changes. Further discussion around the transition is disclosed in notes 2 and 13 of the financial statements.

GOING CONCERN

No material uncertainties that cast significant doubt over the ability of the Company to continue as a going concern have been identified by the Directors. On the basis of their assessment of the Company's financial position, 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.

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

The ultimate parent company of the group, International Consolidated Airlines Group SA ("IAG"), purchases 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.

POLITICAL CONTRIBUTIONS

During the period, the Company made no political contributions (2014: Nil).

DIRECTORS' STATEMENT AS TO DISCLOSURE OF INFORMATION

The Directors who were members of the Board at the time of approving the Directors' Report are listed above. Having made enquiries of fellow Directors, each of these Directors confirms that:

- the members have not required the Company to obtain an audit of its accounts for the year in question in accordance with s476, and

- the Directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of the accounts.

The Directors' Report was approved by the board and signed on its behalf by



Secretary
L. Straver

21 September 2016

The Plimsoll Line Limited

Statement of Directors' responsibilities

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 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). 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 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 judgments 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,
- 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 Plimsoll Line Limited

Income statement and statement of other comprehensive income

For the year ended 31 December 2015

Income statement

£000	Note	2015	2014
Gain on sale of available-for-sale assets	7	-	7,145
Interest receivable	4	13	7
Interest payable	5	-	(24)
Profit on ordinary activities before taxation		13	7,128
Tax charge on ordinary activities	6	(3)	-
Profit for the financial year		10	7,128

The above results are all in respect of continuing operations

Statement of other comprehensive income

£000	Note	2015	2014
Profit for the financial year		10	7,128
Other comprehensive income, <i>Items that can be reclassified to profit or loss</i>			
Adjustments to valuation of available-for-sale assets	7	-	(6,064)
Other comprehensive loss for the year		-	(6,064)
Total comprehensive income for the year		10	1,064

The Plimsoll Line Limited

Balance sheet

As at 31 December 2015

£000	Note	2015	2014
Current assets			
Debtors	8	2,666	2,653
Total current assets		2,666	2,653
Creditors amounts falling due within one year	9	(3)	-
Net assets		2,663	2,653
Capital and reserves			
Called up share capital	10	298,886	298,886
Profit and loss account		(296,223)	(296,233)
Other reserves		-	-
Total equity		2,663	2,653

For the financial year in question the Company was entitled to exemption under section 479a of the Companies Act 2006 relating to subsidiary companies. No members have required the Company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006. The Directors acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and for the preparation of accounts.

The financial statements on pages 5 to 12 were approved by the Board of Directors on 21 September 2016 and signed on its behalf by



G Kendall
Director
21 September 2016

The Plimsoll Line Limited

Statement of changes in equity

For the year ended 31 December 2015

£000's	<u>Called up share capital</u>	<u>Other reserves</u>	<u>Profit and loss account</u>	<u>Total shareholders' equity</u>
Balance at 1 January 2015	298,886	-	(296,233)	2,653
Profit for the year	-	-	10	10
Other comprehensive income	-	-	-	-
At 31 December 2015	298,886	-	(296,223)	2,663

For the year ended 31 December 2014

£000's	<u>Called up share capital</u>	<u>Other reserves</u>	<u>Profit and loss account</u>	<u>Total shareholders' equity</u>
Balance at 1 January 2014	298,886	6,064	(303,361)	1,589
Profit for the year	-	-	7,128	7,128
Other comprehensive expenses	-	(6,064)	-	(6,064)
At 31 December 2014	298,886	-	(296,233)	2,653

The Plimsoll Line Limited

Notes to the financial statements

1 Authorisation of financial statements and statement of compliance with FRS 101

The financial statements of the Company for the year ended 31 December 2015 were authorised for issue by the board of Directors on 21 September 2016 and the balance sheet was signed on the board's behalf by G. Kendall. The Plimsoll Line Limited is incorporated and domiciled in England and Wales.

The principal accounting policies adopted by the Company are set out in note 2.

2 Accounting Policies

2.1 Basis of preparation

These financial statements were prepared in accordance with FRS 101 and in accordance with the Companies Act 2006. These financial statements have been prepared on a historical cost convention, except for available-for-sale assets that are measured at fair value.

The Company's financial statements are presented in pounds sterling, which is the Company's functional currency, and all values are rounded to the nearest thousand pounds (£'000), except where indicated otherwise.

FRS 101 allows companies to take advantage of certain disclosure exemptions. As allowed under the standard, the disclosure exemptions under paragraph 8 to 9 of FRS 101 have been applied as the Company is a wholly owned subsidiary undertaking of BA whose accounts include an equivalent disclosure, where required, of the following standards:

- a) the requirements of paragraphs 91-99 of IFRS 13 *Fair Value Measurement*,
- b) the requirements of IAS 7 *Statement of Cash Flows*,
- c) the requirements of paragraph 17 of IAS 24 *Related Party Disclosures*,
- d) the requirements in IAS 24 *Related Party Disclosures* to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member,
- e) the requirements of paragraphs 134(d)-134(f) and 135(c)-135(e) of IAS 36 *Impairment of Assets*,
- f) the requirements of IFRS 7 *Financial Instruments Disclosures*, and
- g) the requirements of paragraph D13(a) of IFRS 1 *First Time Adoption of International Financial Reporting Standards*.

2.2 Summary of significant accounting policies

Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for:

The Plimsoll Line Limited

Notes to the financial statements (continued)

2.2 Summary of significant accounting policies (continued)

Taxation (continued)

- the initial recognition of goodwill,
- the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and
- differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future

The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account.

Financial instruments

In accordance with IAS 39 *'Financial Instruments - Recognition and Measurement'*, financial instruments are recorded initially at fair value. Subsequent measurement of those instruments at the balance sheet date reflects the designation of the financial instrument. The Group determines the classification at initial recognition and re-evaluates this designation at each period end except for those financial instruments measured at fair value through the income statement.

a Debtors

Debtors are stated at cost less allowances made for doubtful receivables, which approximates fair value given the short dated nature of these assets. A provision for impairment of receivables (allowance for doubtful receivables) is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivable.

b Interest receivable and payable

Interest income on debtors and payable on creditors is recognised as interest accrues using the effective interest method.

Key accounting estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. These estimates and associated assumptions are based on historical experience and various other factors believed to be reasonable under the circumstances. Actual results could differ from these estimates. These 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 these are also affected.

The Plimsoll Line Limited

Notes to the financial statements (continued)

3 Directors emoluments

The Directors received no remuneration for their services to the Company for the year ended 31 December 2015 (2014: £nil)

One of the Directors qualified for a defined benefit pension scheme (2014: one) and two Directors qualified for a defined contribution scheme (2014: two) provided by the Company's parent undertaking during the year. Full disclosure of this scheme is made in the financial statements of British Airways Plc ('BA'). One of the Directors qualified for a defined contribution pension scheme provided by the Company's ultimate parent undertaking (2014: one), however opted to take cash in lieu. Full disclosure of this scheme is made in the financial statements of IAG.

None of the Directors exercised their right under the British Airways Share Option Plan (2014: one). Awards for two Directors vested during the year under the IAG Long Term Incentive Schemes (2014: three).

No loans or transactions were outstanding with the Directors of the Company at the end of the year, which need to be disclosed in accordance with the requirements of section 412 and 413 of the Companies Act 2006.

There were no employees of the Company during the year (2013: nil).

4 Interest receivable

£000	2015	2014
Interest receivable from parent undertaking	13	7

5 Interest payable

£000	2015	2014
Interest payable to parent undertaking	-	24

6 Tax

a) Analysis of tax charge for the year

Current tax

£000	2015	2014
<i>UK Corporation tax</i>		
Current tax on income for the year	3	-
Tax charge in the income statement	3	-

b) Reconciliation of the total tax charge

The current tax charge for the year is the same as (2014: lower than) the profit at the standard rate of corporation tax in the UK of 20.25% (2014: 21.5%).

The differences are explained below:

£000	2015	2014
Profit on ordinary activities before tax	13	7,128
Accounting profit multiplied by the standard rate of corporation tax in the UK of 20.25% (2014: 21.5%)	3	1,533
Free group relief from group members	-	(1,533)
Total tax charge for the year (note 6 (a))	3	-

The Plimsoll Line Limited

Notes to the financial statements (continued)

6 Tax (continued)

c) Factors that may affect future tax charges

The current UK corporate tax rate that has been used for the period is a rate of 20.25%. This is on the basis that the rate changed from 21% to 20% as of 1 April 2015.

In addition, a further reduction to the main rate is proposed to reduce the rate to 19% from 1 April 2017 and to 18% from 1 April 2020. This further change was substantively enacted on 26 October 2015, before the balance sheet date, and therefore has been included in these financial statements. An additional reduction to 17% (effective from 1 April 2020) was announced in the Budget on 16 March 2016. Such changes are not expected to have a significant effect on the deferred tax balances.

7 Investments

£000	2015	2014
Cost		
At beginning of the year	-	18,504
Disposals	-	(18,504)
At end of the year	-	-
Impairment		
At beginning of the year	-	(6,868)
Disposals	-	6,868
At end of the year	-	-
Net book value		
At beginning of the year	-	11,636
At end of the year	-	-

The Company's investment in Flybe Group plc was disposed of on 20 June 2014 for £12,717,000 which resulted in a gain of £7,145,000.

8 Debtors

£000	2015	2014
Amounts owed by parent undertaking	2,666	2,653

The amounts owed by the parent undertaking are interest bearing. As at 31 December 2015 the balance attracted interest at a rate of LIBOR (31 December 2014: LIBOR).

9 Creditors: amounts falling due within one year

£000	2015	2014
Corporation tax liability	3	-

10 Share capital

	Shares	2015 £000	Shares	2014 £000
Allotted, called up and fully paid				
Ordinary shares of £1.00 each	276,965,926	276,966	276,965,926	276,966
Non-cumulative preference shares of £1.00 each	21,919,464	21,920	21,919,464	21,920
	298,885,390	298,886	298,885,390	298,886

The Plimsoll Line Limited

Notes to the financial statements (continued)

11 Related Party transactions

As the Company is a wholly owned subsidiary of BA, the Company has taken advantage of the exemption in FRS 101 not to disclose related party transactions with fellow wholly owned Group undertakings

12 Ultimate parent undertaking

The Company's immediate parent undertaking as at 31 December 2015 was BA, a company registered in England and Wales. As at 31 December 2015, the ultimate parent undertaking of the Company was International Consolidated Airlines Group S.A. ('IAG'), which is incorporated in Spain. Of the Group of which the Company is a member, IAG was the largest undertaking preparing group financial statements and BA was the smallest undertaking.

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

13 Transition to FRS 101

For all periods up to and including the year ended 31 December 2013, the Company prepared its financial statements in accordance with United Kingdom generally accepted accounting practice (UK GAAP). The 2014 financial statements were the first the Company prepared in accordance with FRS 101 as the Company elected to early adopt the requirement of FRS 101.

Following transition to FRS 101 from UK GAAP there was one GAAP difference which affected the financial statements of The Plimsoll Line Limited. Under UK GAAP the available-for-sale investment was shown at historic cost, less any impairment losses recognised. Under FRS 101 these investments are marked to market, with gains and losses arising on revaluation and retranslation being shown in other comprehensive income.

The transition to FRS 101 led to differences in value when the investment was restated to fair value at the balance sheet date (31 December 2013). This investment was disposed of during 2014.