

Registered No. 3918190

# Teleflight Limited

## Directors' Report and Financial Statements For the year ended 31 December 2015



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# Teleflight Limited

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**Teleflight Limited**  
**Corporate information**

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**DIRECTORS**

Jonathan Wells  
Donna Czyzewski

**COMPANY SECRETARY**

Luke Straver

**REGISTERED OFFICE**

Waterside  
PO Box 365  
Harmondsworth  
UB7 0GB

## **Teleflight Limited Directors' Report**

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The Directors present their report and the unaudited accounts of Teleflight Limited for the year to 31 December 2015

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

### **DIRECTORS**

The Directors of the Company during the year ending 31 December 2015 were Jonathan Wells and Donna Czyzewski

### **RESULTS AND DIVIDENDS**

The profit after tax for the year amounted to \$32,000 (2014 \$243,000) The Directors do not recommend the payment of a final dividend (2014 nil)

### **PRINCIPAL ACTIVITIES AND REVIEW OF BUSINESS**

The Company, which is a wholly owned subsidiary undertaking of British Airways Plc ("BA"), is a non-trading subsidiary company since the call centre operation closed on 31 December 2013

### **FUTURE DEVELOPMENTS**

The activities of the Company were closed down in a prior year and the Company continues to exist as a non-trading subsidiary

### **GOING CONCERN**

The Directors have received a commitment of financial support from its immediate parent company BA, and therefore the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus, the Directors continue to adopt the going concern basis of accounting in preparing the annual financial statements

### **POLITICAL AND CHARITABLE CONTRIBUTIONS**

During the year 2015, the Company made no political or charitable contributions (December 2014 nil)

### **EVENTS SINCE THE BALANCE SHEET DATE**

There were no material post balance sheet events

### **DIRECTORS' AND OFFICERS' LIABILITY INSURANCE**

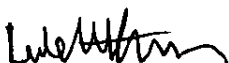
The ultimate parent company of the group, International Airlines Group S A ("IAG"), purchases insurance against Directors' and Officers' liability as permitted by the Companies Act 2006 for the benefit of the Directors and officers of its subsidiary undertakings

### **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:



Luke Straver  
Secretary

23 September 2016

## **Teleflight Limited**

### **Statement of Directors' responsibilities**

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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.

# Teleflight Limited

## Income statement

For the year ended 31 December 2015

	Note	31 December 2015 \$'000	31 December 2014 \$'000
Turnover		-	-
Other operating income		10	216
Operating Profit		10	216
Interest receivable	4	30	27
Profit on ordinary activities before tax		40	243
Tax on profit on ordinary activities	5	(8)	-
Profit for the financial year		32	243

The above results are all in respect of discontinued activities

No separate statement of other comprehensive income has been presented as all such gains and losses have been dealt with in the profit and loss account.

# Teleflight Limited

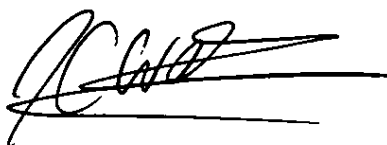
## Balance sheet

As at 31 December 2015

	Note	31 December 2015 \$'000	31 December 2014 \$'000
<b>CURRENT ASSETS</b>			
Debtors	6	8,060	8,020
		<u>8,060</u>	<u>8,020</u>
<b>CREDITORS</b> Amounts falling due within one year	7	(8)	-
		<u>(8)</u>	<u>-</u>
<b>NET CURRENT ASSETS</b>		<u>8,052</u>	<u>8,020</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>8,052</u>	<u>8,020</u>
<b>PROVISIONS FOR LIABILITIES</b>	8	(115)	(115)
		<u>(115)</u>	<u>(115)</u>
<b>NET ASSETS</b>		<u>7,937</u>	<u>7,905</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	9	6,000	6,000
Profit and loss account	10	1,937	1,905
		<u>1,937</u>	<u>1,905</u>
<b>TOTAL EQUITY</b>		<u>7,937</u>	<u>7,905</u>

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 accounts were approved by the Board of Directors and signed on behalf of the Board



Jonathan Wells  
Director

23 September 2016

# Teleflight Limited

## Notes to the financial statements

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

The financial statements of Teleflight Limited (the "Company") for the year ended 31 December 2015 were authorised for issue by the board of Directors on 23 September 2016 and the balance sheet was signed on the board's behalf by Jonathan Wells. Teleflight 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

The Company has transitioned from earlier FRS's to FRS 101 Reduced Disclosure Framework for the year ended 31 December 2015. Details of the transition are disclosed in note 12.

These financial statements were prepared in accordance with FRS 101 and in accordance with the Companies Act 2006.

The Company's financial statements are presented in US Dollars and all values are rounded to the nearest thousand dollars (\$ 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 of the following standards:

- a) the requirements of paragraphs 91-99 of IFRS 13 *Fair Value Measurement*
- b) the requirements of paragraphs 10(d), 10(f), 39(c) and 134-136 of IAS 1 *Presentation of Financial Statements*;
- c) the requirements of IAS 7 *Statement of Cash Flows*
- d) the requirements of paragraphs 30 and 31 of IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*;
- e) the requirements of paragraph 17 of IAS 24 *Related Party Disclosures*
- f) the requirements of paragraph D13(a) of IFRS 1 *First Time Adoption of International Financial Reporting Standards*, and
- g) the requirements of IFRS 7 *Financial Instruments Disclosures*
- h) the requirements of paragraphs 10(d), 10(f), 39(c) and 134-136 of IAS 1 *Presentation of Financial Statements*

#### 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 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. For investment property that is measured at fair value, deferred tax is provided at the rate applicable to the sale of

# Teleflight Limited

## Notes to the financial statements (continued)

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the property except for that part of the property that is depreciable and the company's business model is to consume substantially all of the value through use. In the latter case the tax rate applicable to income tax is used.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised or that the Company has determined it is appropriate to recognise the deferred tax asset as it is recoverable due to the fact that the Company is part of a UK group for group relief purposes.

### Provisions

Provisions are made when an obligation exists for a future liability in respect of a past event and where the amount of the obligation can be reliably estimated.

### Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction or at the contracted rate if the transaction is covered by a forward currency contract. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date or if appropriate at the forward contract rate. 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

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

#### c Available-for-sale financial assets

Other investments (other than interests in associates) are designated as available-for-sale financial assets and are recorded at fair value. Any change in the fair value is reported in equity until the investment is sold, when the cumulative amount recognised in equity is recognised in the income statement. In the case of equity securities classified as available-for-sale investments, a significant or prolonged decline in the fair value of the security below its cost is considered as an indicator that the security is impaired. If any such evidence exists for available-for-sale financial assets, the cumulative gain or loss previously reported in equity is included in the income statement.

### 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. There are no estimates and assumptions that are deemed to have a significant risk of causing a material adjustment within the next financial year.

# Teleflight Limited

## Notes to the financial statements (continued)

### 3 Employee costs and numbers

#### a) Staff costs

	31 December 2015 \$'000	31 December 2014 \$'000
Wages and salaries	-	22
Social security costs	-	4
Other pension costs	-	-
	<u>-</u>	<u>26</u>
	No	No
The monthly average number of employees	<u>-</u>	<u>1</u>

#### b) Directors' Remuneration

The Directors of the Company were employed and remunerated during the period by BA and Avios Group (AGL) Limited in respect of their services to the Group as a whole. Therefore, the Directors did not receive any remuneration for their services as a Director of the Company during the year ended 31 December 2015 (12 months to 31 December 2014: \$Nil).

The Directors consider qualifying remuneration to be nil for the year ended 31 December 2015 (12 months to December 2014: \$Nil). Two Directors (2014: Four) qualified for a defined benefit scheme provided by the Company's parent undertaking during the reporting period. Full disclosure of this is made in the financial statements of British Airways Plc, which can be found on the website [www.iagshares.com](http://www.iagshares.com).

None of the Directors hold any direct interest in any shares of the Company (2014: None). However, in accordance with Schedule 5 of the Large and Medium Sized Companies and Groups (Accounts and Reports) Regulations 2008, none of the directors (2014: None) participated in the Long Term Incentive Scheme of BA, called The Long Term Incentive Plan 1996 ('LTIPs') which closed during 2014. One Director (2014: Four) participated in IAG's Long Term Incentive Schemes, the IAG Performance Share Plan ('IPSP') and the IAG Incentive Award Deferral Plan ('IADP').

During the year, none of the Directors (2014: None) exercised their rights under the British Airways Share Option Plan. One of the Directors exercised their awards under the IPSP.

No transactions (other than the ones already disclosed above) or loans 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 s412 and 413 of the Companies Act 2006.

# Teleflight Limited

## Notes to the financial statements (continued)

### 4 Interest Receivable

	31 December 2015 \$'000	31 December 2014 \$'000
Interest receivable from parent undertaking	30	27

### 5 Tax

#### Recognised in the profit and loss account

	31 December 2015 \$'000	31 December 2014 \$'000
<i>UK corporation tax</i>		
Total current tax	(8)	-
Tax (charge)/credit in the income statement	(8)	-

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.

#### Reconciliation of the total tax expense

	31 December 2015 \$'000	31 December 2014 \$'000
Profit/(loss) on ordinary activities before tax	40	243
Tax using the UK corporation tax rate of 20.25% (2014: 21.5%)	(8)	(52)
Free group relief from group members	-	52
Tax (charge)/credit in the income statement	(8)	-

### 6 Debtors

	31 December 2015 \$'000	31 December 2014 \$'000
Amounts owed by parent undertaking	8,060	8,020

The amounts owed by the parent undertaking are interest bearing at market rates of interest and are repayable on demand.

# Teleflight Limited

## Notes to the financial statements (continued)

### 7 Creditors

	31 December 2015 \$'000	31 December 2014 \$'000
Amounts falling due within one year		
Corporation tax	8	-

### 8 Provision for liabilities

	Other \$'000	Total \$'000
Balance at 1 January and 31 December 2015	115	115

### 9 Share capital

	Number 6,000,000	Number 6,000,000
Allotted, called up and fully paid up Ordinary shares of \$100 each	\$ 000	\$ 000
Balance at period end	6,000	6,000

### 10 Other Reserves

	Called up share capital \$'000	Profit & loss account \$'000	Total \$'000
At 1 January 2014	6 000	1 662	7,662
Profit for the year	-	243	243
At 31 December 2014	6,000	1 905	7,905
Profit for the year	-	32	32
At 31 December 2015	6,000	1,937	7,937

# **Teleflight Limited**

## **Notes to the financial statements (continued)**

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### **11 Ultimate parent undertaking**

The Company's immediate parent undertaking as at 31 December 2015 was British Airways Plc, 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 British Airways Plc was the smallest undertaking.

Copies of the consolidated financial statements of IAG and British Airways Plc can be found on the website [www.iagshares.com](http://www.iagshares.com)

### **12 Transition to FRS 101**

For all periods up to and including the year ended 31 December 2014, the Company prepared its financial statements in accordance with United Kingdom generally accepted accounting practice (UK GAAP). These financial statements, for the year ended 31 December 2015, are the first the Company has prepared in accordance with FRS 101.

Accordingly, the Company has prepared individual financial statements which comply with FRS 101 applicable for periods beginning on or after 1 January 2014 and the significant accounting policies meeting those requirements are described in the relevant notes. In preparing these financial statements, the Company has started from an opening balance sheet as at 1 January 2014, the Company's date of transition to FRS101, and made those changes in accounting policies and other restatements required by FRS 100 for the first-time adoption of FRS 101.

There are no differences in the accounting treatment of Teleflight Limited transactions between old UK GAAP and FRS101. As a result no table of transition entries is presented as the balance sheet as at 1 January 2014 and the financial statements published for the year ended 31 December 2015 have not been restated following the adoption of FRS101.