

Registered No: 3918190

Teleflight Limited

Director's Report and Financial Statements
For the year ended 31 December 2018



Teleflight Limited

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Teleflight Limited
Corporate information

DIRECTOR

Andrew Fleming

COMPANY SECRETARY

Luke Straver

REGISTERED OFFICE

Waterside
PO Box 365
Harmondsworth
UB7 0GB

Teleflight Limited Director's Report

The Director presents his report and the unaudited accounts of Teleflight Limited (the "Company") for the year ended 31 December 2018.

The Company has taken the exemption under Section 414B of the Companies Act 2006 not to prepare a Strategic Report.

DIRECTORS

The Directors of the Company during the year ended 31 December 2018 and up to the date of approval of the financial statements were:

- Jonathan Wells (resigned 1 March 2019)
- Andrew Fleming (appointed 1 March 2019)

RESULTS AND DIVIDENDS

The profit after tax for the year amounted to \$44,000 (2017: \$37,000). The Director does not recommend the payment of a final dividend (2017: 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 operating 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 Director has received a commitment of financial support from its immediate parent company BA, and therefore the Director has a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus, the Director continues to adopt the going concern basis of accounting in preparing the annual financial statements.

POLITICAL AND CHARITABLE CONTRIBUTIONS

During the year ended 31 December 2018, the Company made no political or charitable contributions (2017: nil).

EVENTS SINCE THE BALANCE SHEET DATE

There have been no events from the Balance Sheet data to the date of signing this report.

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

The ultimate parent Company of the Group, International Consolidated 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.

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

The Director is responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Director to prepare financial statements for each financial year. Under that law the Director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising of FRS101 "Reduced Disclosure Framework" and applicable law). Under Company law the Director 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 Director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;

Teleflight Limited

Director's Report

STATEMENT OF DIRECTOR'S RESPONSIBILITIES (Continued)

- state whether applicable UK Accounting Standards, comprising FRS101, 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 matters relating to going concern as applicable; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Director is 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 for such internal controls as they determine is necessary to enable the preparation of Financial Statements that are free from material misstatement, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DIRECTOR'S STATEMENT AS TO DISCLOSURE OF INFORMATION

The Director confirms that:

- the members have not 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; and
- the Director acknowledges his responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of the accounts.

The Director's Report was approved by the board and signed on its behalf by:



Luke Straver
Secretary
17 September 2019

Teleflight Limited
Income Statement
For the year ended 31 December 2018

	Note	31 December 2018 \$'000	31 December 2017 \$'000
Interest receivable	4	40	20
Profit on ordinary activities before tax		40	20
Tax on profit on ordinary activities	5	4	17
Profit for the financial year		44	37

The notes on pages 8 to 11 form part of these Financial Statements.

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 2018

		31 December 2018 \$'000	31 December 2017 \$'000
	Note		
Current assets			
Debtors	6	8,142	8,102
Total current assets		8,142	8,102
Creditors: Amounts falling due within one year	7	-	(4)
Net current assets		8,142	8,098
Total assets less current liabilities		8,142	8,098
Provisions for liabilities	8	(40)	(40)
Net assets		8,102	8,058
Capital and reserves			
Called up share capital	9	6,000	6,000
Profit and loss account	10	2,102	2,058
Total equity		8,102	8,058

The notes on pages 8 to 11 form part of these financial statements.

The financial statements have been prepared in accordance with the special provisions relating to small companies within section 414 of the Companies Act 2006 and the provisions of FRS101 as set out in note 2.

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 Director acknowledges his 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 5-11 were approved by the Board of Directors and signed on behalf of the Board.



Andrew Fleming
Director
17 September 2019

Teleflight Limited
Statement of changes in equity
For the year ended 31 December 2018

	Called up share capital	Profit & loss account	Total
	\$'000	\$'000	\$'000
At 1 January 2017	6,000	2,021	8,021
Profit for the year	-	37	37
At 31 December 2017	6,000	2,058	8,058
Profit for the year	-	44	44
At 31 December 2018	6,000	2,102	8,102

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Notes to the financial statements

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 2018 were authorised for issue by the Board of Directors on 17 September 2019 and the Balance Sheet was signed on the Board's behalf by Andrew Fleming. Teleflight Limited is a private limited company incorporated and domiciled in the UK

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 special provisions relating to small companies within section 414 of Companies Act 2006. These financial statements have been prepared on a historical cost convention.

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), 16, 38A-38D, 40A-40D, 111 and 134-136 of IAS 1 *Presentation of Financial Statements*;
- c) the requirements of IAS 7 *Statement of Cash Flows*
- 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 party to the transaction is wholly owned by such a member.
- e) the requirements of paragraphs 30 and 31 of IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*;
- f) the requirements of paragraph 17 and 18a of IAS 24 *Related Party Disclosures*
- g) the requirements of paragraph D13(a) of IFRS 1 *First Time Adoption of International Financial Reporting Standards*; and
- h) the requirements of IFRS 7 *Financial Instruments: Disclosures*

2.2 Summary of significant accounting policies

Taxation

Tax on the profit or loss for the year comprises current 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.

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

Teleflight Limited

Notes to the financial statements (continued)

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 Company 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.

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.

3. Director Remuneration

The Director of the Company were employed and remunerated by BA in respect of his services to the Group as a whole. Therefore, the Director did not receive any remuneration for his services as a Director of the Company during the year ended 31 December 2018 (31 December 2017: \$Nil)

One Director (2017: One) 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.iagroup.com.

The Director does not hold any direct interest in any shares of the Company (2017: None). However, in accordance with Schedule 5 of the Large and Medium Sized Companies and Groups (Accounts and Reports) Regulations 2008, one Director (2017: One) 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, awards were exercised by one director under the IPSP and awards were exercised by one director under the IADP.

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.

There were no employees of the Company during the year (2017: nil).

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Notes to the financial statements (continued)

4. Interest Receivable

a. Tax on profit on ordinary activities

Tax (charge)/credit in the Income Statement

	31 December 2018 \$'000	31 December 2017 \$'000
Current tax	-	-
Movement in respect of current year	-	(4)
Movement in respect of prior years	4	21
Total current tax	4	17
Total tax	4	17
	31 December 2018 \$'000	31 December 2017 \$'000
Interest receivable from parent undertaking	40	20

5. Tax

b. Reconciliation of the total tax charge in the Income Statement

The total tax charge is calculated at the standard rate of UK corporation tax. The tax charge on the profit for the year to 31 December 2018 is lower than (2017: lower) the expected tax charge at the UK rate. The differences to the UK rate are explained below:

Reconciliation of the total tax expense	31 December 2018 \$'000	31 December 2017 \$'000
Accounting profit before tax	40	20
Tax calculated at the standard rate of corporation tax in the UK of 19.00% (2017: 19.25%)	(8)	(4)
Effects of:		
Adjustment in respect of prior years	4	21
Group relief claimed	8	-
Tax (charge)/credit in the Income Statement	4	17

c. Factors that may affect future tax charges

In the UK the main rate of corporation tax applicable from 1 April 2020 is reducing from 19 percent to 17 percent. This will reduce the company's future tax rate charge.

Teleflight Limited **Notes to the financial statements (continued)**

6. Debtors

	31 December 2018 \$'000	31 December 2017 \$'000
Amounts owed by parent undertaking	<u>8,142</u>	<u>8,102</u>

The amounts owed by the parent undertaking are interest bearing at market rates of interest and are repayable on demand. The average interest rate for the year to 31 December 2018 was 0.6% (2017: 0.3%)

7. Creditors: Amount falling due within one year

	31 December 2018 \$'000	31 December 2017 \$'000
Corporation tax	<u>-</u>	<u>4</u>

8. Provision for liabilities

	31 December 2018 \$'000	31 December 2017 \$'000
Legal and tax advisory fees	<u>40</u>	<u>40</u>

9. Share capital

	Number	Number
Allotted, called up and fully paid up Ordinary shares, \$1.00 each	<u>6,000,000</u>	<u>6,000,000</u>
	31 December 2018 \$'000	31 December 2017 \$'000
6,000 Ordinary shares of \$1.00 each	<u>6,000</u>	<u>6,000</u>

10. Ultimate parent undertaking

The Company's immediate parent undertaking as at 31 December 2018 was British Airways Plc, a Company registered in England. As at 31 December 2018, 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 is the largest undertaking preparing group financial statements and British Airways Plc is the smallest undertaking.

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