

Company Registration No. 03301072 (England and Wales)

**INTERNATIONAL MARINE AIRLINE SERVICES
LIMITED**

**REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2019**

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INTERNATIONAL MARINE AIRLINE SERVICES LIMITED

COMPANY INFORMATION

Directors	I Swanston R Delima
Secretary	I Swanston
Company number	03301072
Registered office	Flag Store 4 Jubilee Yard 23 Queen Elizabeth Street London SE1 2LP
Auditor	RSM UK Audit LLP Chartered Accountants 25 Farringdon Street London EC4A 4AB United Kingdom

INTERNATIONAL MARINE AIRLINE SERVICES LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

The directors present their annual report and financial statements for the year ended 31 December 2019.

Principal activities

The principal activity of the company is the provision of sales agent services to its immediate parent as a cost plus entity. As a result of this arrangement the company will continue to trade profitably.

The results for the year ended 31 December 2019 include the results of International Marine Airline Services Limited and a foreign branch. The US office of the branch located in Texas, USA was closed on 11 February 2019. Costs of closure and redundancies were accrued in the prior year. The entity continued to trade as previous and there has been no impact on the trading activity nor the going concern status of the entity as a result of this office closure.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

I Swanston
R Delima

Auditor

The auditor, RSM UK Audit LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, each director has taken all the necessary steps that they ought to have taken as a director in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

Going concern

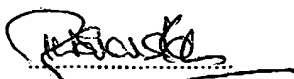
The impact of Covid-19 during 2020 on the company's activities has been disruptive, requiring improved flexible working to continue operating and an ongoing examination of cost flexibility. Restructuring to cut costs had already taken place during 2018 and 2019 allowing a number of operating activities to be transferred to the group's low cost subsidiary in the Philippines.

The company is reliant on its service agreement with its immediate parent for its profitability.

The directors conclude that the company remains a going concern.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board



I Swanston
Director

Date: 10 Dec 2020

INTERNATIONAL MARINE AIRLINE SERVICES LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2019

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 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 accounting estimates that are reasonable and prudent;
- 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INTERNATIONAL MARINE AIRLINE SERVICES LIMITED

Opinion

We have audited the financial statements of International Marine Airline Services Limited (the 'company') for the year ended 31 December 2019 which comprise the statement of comprehensive income, the statement of financial position and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INTERNATIONAL MARINE AIRLINE SERVICES LIMITED (CONTINUED)

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption from the requirement to prepare a strategic report or in preparing the directors' report.

Responsibilities of directors

As explained more fully in the directors' responsibilities 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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for 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 the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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.

RSM UK Audit LLP

Christopher Tate (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
25 Farringdon Street
London
EC4A 4AB
United Kingdom
10 December 2020

INTERNATIONAL MARINE AIRLINE SERVICES LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2019

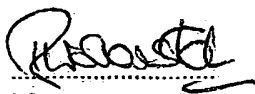
	Notes	2019 £	2018 £
Turnover		256,677	817,878
Administrative expenses		(171,124)	(904,114)
Operating profit/(loss)		85,553	(86,236)
Interest receivable and similar income		59	1
Profit/(loss) before taxation		85,612	(86,235)
Tax on profit/(loss)	3	-	1,496
Profit/(loss) for the financial year	8	85,612	(84,739)

INTERNATIONAL MARINE AIRLINE SERVICES LIMITED**STATEMENT OF FINANCIAL POSITION****AS AT 31 DECEMBER 2019**

	Notes	2019 £	£	2018 £	£
Fixed assets					
Tangible assets	4		-		3,803
Current assets					
Debtors	5	231,442		792,017	
Cash at bank and in hand		78,491		128,451	
		<u>309,933</u>		<u>920,468</u>	
Creditors: amounts falling due within one year	6	<u>(2,095,659)</u>		<u>(2,795,609)</u>	
Net current liabilities			<u>(1,785,726)</u>		<u>(1,875,141)</u>
Total assets less current liabilities			<u>(1,785,726)</u>		<u>(1,871,338)</u>
Capital and reserves					
Called up share capital	7		1		1
Profit and loss reserves	8		<u>(1,785,727)</u>		<u>(1,871,339)</u>
Total equity			<u>(1,785,726)</u>		<u>(1,871,338)</u>

The financial statements on pages 5 to 12 have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the board of directors and authorised for issue on 10 Dec 2020 and are signed on its behalf by:



I Swanston
Director

INTERNATIONAL MARINE AIRLINE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

Company information

International Marine Airline Services Limited is a private company limited by shares incorporated in England and registered in England and Wales. The registered office is Flag Store 4, Jubilee Yard, 23 Queen Elizabeth Street, London, SE1 2LP.

Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling. The functional currency of the company is US\$ because the majority of the trade of the company occurs from the overseas branch located in the United States. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

Going concern

The impact of Covid-19 during 2020 on the company's activities has been disruptive, requiring improved flexible working to continue operating and an ongoing examination of cost flexibility. Restructuring to cut costs had already taken place during 2018 and 2019 allowing a number of operating activities to be transferred to the group's low cost subsidiary in the Philippines.

The company is reliant on its service agreement with its immediate parent for its profitability.

The directors conclude that the company remains a going concern.

Turnover

Turnover is recognised as attributable costs plus a mark up, in accordance with separate intercompany agreements between International Marine Airline Services Limited and its fellow group companies.

Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Fixtures, fittings and equipment	10% to 33.3% straight line
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The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

INTERNATIONAL MARINE AIRLINE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies (Continued)

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Cash and cash equivalents

Cash and cash equivalents are basic financial instruments and include cash in hand and deposits held at call with banks.

Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets and liabilities are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial instrument is measured at the present value of the future receipts or payments discounted at a market rate of interest.

Equity instruments

Equity instruments issued by the company are recorded at the fair value of proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

INTERNATIONAL MARINE AIRLINE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies (Continued)

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. *Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements.* Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

Foreign exchange

Transactions in currencies other than the functional currency (foreign currency) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction, or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

All translation differences are taken to profit or loss, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 1 (2018 - 4).

3 Taxation

	2019 £	2018 £
Deferred tax		
Origination and reversal of timing differences	-	(1,496)
	<u> </u>	<u> </u>

INTERNATIONAL MARINE AIRLINE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

3 Taxation (Continued)

The company has estimated tax losses of £895,449 (2018: £949,316) available to carry forward against future trading profits.

A deferred tax asset of £152,226 (2018: £160,467) on the tax losses carried forward has not been recognised due to the uncertainty of available future taxable profits.

4 Tangible fixed assets

	Fixtures, fittings and equipment £
Cost	
At 1 January 2019	8,704
Disposals	(8,704)
	<hr/>
At 31 December 2019	-
	<hr/>
Depreciation and impairment	
At 1 January 2019	4,901
Eliminated in respect of disposals	(4,901)
	<hr/>
At 31 December 2019	-
	<hr/>
Carrying amount	
At 31 December 2019	-
	<hr/>
At 31 December 2018	3,803
	<hr/>

5 Debtors

	2019 £	2018 £
Amounts falling due within one year:		
Trade debtors	134,255	52,185
Amounts owed by group undertakings	88,151	624,181
Other debtors	7,540	114,155
	<hr/>	<hr/>
	229,946	790,521
Deferred tax asset	1,496	1,496
	<hr/>	<hr/>
	231,442	792,017
	<hr/>	<hr/>

Amounts owed by group undertakings are interest free and repayable on demand.

INTERNATIONAL MARINE AIRLINE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

6 Creditors: amounts falling due within one year

	2019 £	2018 £
Trade creditors	6,217	18,467
Amounts owed to group undertakings	2,048,098	2,451,160
Other creditors	41,344	325,982
	<u>2,095,659</u>	<u>2,795,609</u>

Amounts due to group undertakings are interest free and repayable on demand.

7 Called up share capital

	2019 £	2018 £
Ordinary share capital		
Issued and fully paid		
1 Ordinary share of £1 each	1	1
	<u>1</u>	<u>1</u>

The Company's ordinary shares, which carry no right to fixed income, each carry the right to one vote at general meetings of the Company.

8 Profit and loss reserves

	2019 £	2018 £
At the beginning of the year	(1,871,339)	(1,786,600)
Profit/(loss) for the year	85,612	(84,739)
	<u>(1,785,727)</u>	<u>(1,871,339)</u>

Cumulative profit and loss net of distributions to owners.

9 Financial commitments, guarantees and contingent liabilities

The Company is a member of the Airlines Reporting Corporation ("ARC"), an organisation that processes and evaluates new travel agent entities and provides locations to issue airline tickets. As part of the membership requirement, ARC requires a surety bond that was met by restricting a certificate of deposit to ARC totalling £7,540 at 31 December 2019 (2018: £7,831), which is recognised within other debtors.

INTERNATIONAL MARINE AIRLINE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

10 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2019 £	2018 £
Within one year	-	18,251
	<u> </u>	<u> </u>

11 Related party transactions

The company has taken advantage of the exemption conferred by section 33 of FRS 102 that wholly owned subsidiary undertakings whose voting rights are controlled within the group need not disclose transactions with other group companies.

During the period, the company traded with a company which became a related party in 2017 due to their minority purchase of the Air France-KLM SA Group. In the year, the company issued sales of £215,736 (2018: £325,391) and made purchases of £157,081 (2018: £232,909) from this related party. At the year end, the company owed a net payable to this company for £Nil (2018: £261,645).

12 Parent company

The company is a wholly owned subsidiary of International Airline Services Limited.

The ultimate parent company in the year was Air France-KLM SA, a company registered in France.

The largest group of undertakings for which group accounts have been drawn up is that headed by Air France-KLM SA. Copies of these group accounts can be obtained from 45 rue de Paris, 95747 Roissy, CDG Cedex, France. The smallest group of undertakings for which group accounts have been drawn up is that headed by International Airline Services Limited, copies of these accounts can be obtained from Flag Store 4 Jubilee Yard, 23 Queen Elizabeth Street, London, United Kingdom SE1 2LP.

The directors do not consider there to be an ultimate controlling party.