BRITISH AIRWAYS SIX MONTH RESULTS

1 January 2025 – 30 June 2025

British Airways Plc ('BA' or the 'Group') presents its consolidated results for the six-months ended 30 June 2025.

Period results summary

- Total revenue of £7,045 million (2024: £6,895 million);
- Operating profit before exceptionals of £824 million (2024: profit of £566 million);
- Cash, cash equivalents and other interest-bearing deposits increased by £784 million to £2,878 million (31 December 2024: £2,094 million);
- Borrowings decreased by £496 million to £7,986 million (31 December 2024: £8,482 million); and
- The Group's liquidity* position increased by £0.1 billion to £4.7 billion (31 December 2024: £4.6 billion).

* Total liquidity includes Cash, cash equivalents and other interest-bearing deposits, plus committed and undrawn general and aircraft-specific financing facilities.

Performance summary

For the six months ended 30 June

Financial data £ million	**2025**	2024	*Higher/(lower)*
Passenger revenue	**6,570**	6,309	*4.1%*
Total revenue	**7,045**	6,895	*2.2%*
Total expenditure on operations before exceptional items	**(6,221)**	(6,329)	*(1.7)%*
Operating profit before exceptional items	**824**	566	*45.6%*
Exceptional items	**-**	-	-
Operating profit after exceptional items	**824**	566	*45.6%*
Non-operating items	**72**	698	*nm*
Profit before tax	**896**	1,264	*(29.1)%*

nm = not meaningful

Operating figures	**2025**	2024	*Higher/(lower)*
Available seat kilometres (ASK[1]) (m)	**87,266**	85,454	*2.1%*
Revenue passenger kilometres (RPK[1]) (m)	**71,458**	71,171	*0.4%*
Cargo tonne kilometres (CTK[1]) (m)	**1,875**	1,815	*3.3%*
Passenger load factor[1] (%)	**81.9%**	83.3%	*(1.4) pts*
Passengers carried (000)	**21,936**	22,110	*(0.8)%*
Passenger revenue per ASK (p)	**7.53**	7.38	*2.0%*
Passenger revenue per RPK (p)	**9.19**	8.86	*3.7%*
Non-fuel costs per ASK (p)	**5.20**	5.20	*0%*

[1]Defined in the Annual Report and Accounts for the year ended 31 December 2024 and should be read in conjunction with this document.

Management review

British Airways made a profit before tax of £896 million in the first half of 2025 compared to £1,264 million in the first half of 2024. The 2024 profit included a net gain on the sale of BA Holidays of £650 million as a non-operating item. Capacity increased by 2.1 per cent compared to the equivalent period in 2024. British Airways continued to transform its business and deliver for its customers, investors and colleagues as part of its £7 billion investment programme.

The airline experienced a strong performance during the first half of the year, despite geopolitical volatility in the Middle East towards the end of the second quarter. It continues to deliver a strong revenue performance, with particularly strong demand across its short-haul business, the North Atlantic and premium leisure routes across the globe. There has been further improvement in the airline's On Time Performance (OTP) in the first half of 2025.

Operational Performance and Resilience

The airline's £7 billion transformation plan has helped it make headway and it continued to work closely with stakeholders across the business and the wider industry to ensure it delivered for its customers and placed an increased focus on driving improvements in operational performance and resilience. The airline continued to see an increase in its departure within 15 minutes performance metric (D15) across the network, achieving 84.4% during the first half of the year – a 9.3-point improvement compared to the first half of 2024.

Following a record-breaking first and second quarter D15 performance from London Heathrow (both achieving D15 of 86%), the airline was listed as the '7th most on time global airline', according to Cirium and at a network level, both quarters feature in the Top 4 strongest quarters since the recovery from the pandemic. On Tuesday 22 April, British Airways achieved a new D15 record at 96.8%, a 13pp increase versus April 2024. The airline hit its best ever month for punctuality in February, coming in at 90% D15 at London Heathrow and BA has outperformed 2024's D15 metric in each month during the year so far.

During the six months to 30 June 2025, 1,959 cancellations were made, a reduction of 11% in comparison to 2024. Most of these cancellations were due to external events outside of British Airways' control. Indeed, during the first quarter, the airline experienced some disruption due to winter weather, with strong winds, ice and fog restricting flow rates for five days cumulatively and in the second quarter, there was disruption due to weather, air traffic control (ATC) congestion in Europe and the situation in the Middle East.

Management review *continued*

Operational Performance and Resilience *continued*

Most notably, British Airways experienced major disruption on 21 March following the closure of London Heathrow Airport, which was caused by a fire at a power sub-station. The airline was forced to cancel 648 flights on 21 March due to the airport closure, and a further 70 on 22 March as part of the recovery plan. The incident was managed well, and there was a rapid recovery, with a handful of long-haul flights departing on the same day (21 March). 89% of the schedule ran the following day (22 March) and 99.9% of the schedule ran on 23 March, averaging out at 95% over the whole weekend.

There were also cancellations and significant impact to flight routing and block times due to closed airspace in the Middle East in the latter half of the second quarter, but despite these disruptions, 123,792 mainline flights operated, carrying 19.4 million passengers in H1.

The ongoing supply chain challenges affecting the delivery of the spare parts and the Trent 1000 engines from Rolls-Royce which are used on the airline's Boeing 787 fleet remain unchanged. British Airways has continued to work closely with Rolls-Royce to ensure the company is aware of the impact its issues are having on its schedule and customers and seek reassurance of a prompt and reliable solution. Because of this issue and its impact across the wider long-haul fleet, and other geo political and operational issues, in February, British Airways made some minor adjustments to its summer schedule to provide increased operational stability with greater resilience and certainty for customers. The vast majority will fly the same day as originally planned. The airline had consistently said it may need to make schedule changes if the operational environment did not improve and by taking this action in February, affected customers have been contacted in advance to apologise and offer an alternative flight with British Airways or another airline or a full refund, avoiding last minute cancellations.

British Airways acquired the Boeing hangar facility and MRO (maintenance, repair and overhaul) business at Gatwick in May, a move that secures jobs at the site and expands the airline's presence at this key airport.

Our People

British Airways continued to focus on putting its people at the heart of its business and welcomed just over two thousand colleagues into the business in the first half of the year.

As part of the airline's commitment to support the wellbeing of its people, British Airways announced a new wellbeing partnership with The Body Coach, offering all colleagues a free annual subscription to The Body Coach App, as well as launching staff travel improvements, including securing Business Standby agreements with LOT, Saudia, Gulf Air and American Airlines and gifting lounge access for those colleagues who have completed 35 years of service.

Our Customers

British Airways continued to invest in customer experience, introducing a range of new offerings.

In February, the airline's Seattle lounge opened its doors following an extensive refurbishment, becoming the latest to offer an improved pre-flight customer experience. It announced a new partnership with award-winning British tea producer, Birchall, offering a carefully curated range of high-quality options to customers, both on the ground and in the air, in celebration of British originality. It also revealed that it will be the first airline to serve prestige cuvée English sparkling wines in its First cabin as part of its award-winning wine list this year. The airline is working with pioneering English sparkling wine houses including Nyetimber, Gusbourne and Sugrue South Downs, to offer a range of new sparkling options across its First and Club World cabins, available on a rotational basis. As a result of its investment in fine wines, British Airways won two awards at Business Traveller's 'Cellar in the Sky' Awards for the rosé and white wines in First, highlighting the excellence of the wine selection in premium cabins.

British Airways also expanded its network. It welcomed Tbilisi back into its route network in the first quarter, with the four-times per week service to the Georgian capital departing London Heathrow on 30 March for the first time since 2013. Daily flights to Kuala Lumpur also resumed in April after a five-year hiatus.

The airline started a new in-person meet and greet service available in local languages to improve accessibility for Indian customers travelling from British Airways' five Indian hubs to London. This free "meet and assist service" offers in-person guidance for those with assistance requirements, helping customers to check-in, navigate the airport, find their seat and help with any questions.

Our Transformation

The airline has now completed around 250 transformation initiatives in the first half of 2025, bringing the total transformation initiatives implemented so far, to almost a thousand, as the business is modernised for its customers, investors and its people over the next three years. This includes the enhancements of Runway, a support tool that calculates the most appropriate schedule intervention when disruption occurs. It uses data from the planned schedule, passengers and crew to determine the appropriate response to the disruption such as cancellations, arrival delays or tail swaps. The tool was launched in 2024, and these enhancements allow the tool to be used where a sector of airspace is closed.

In the digital space, the airline's UK data centres were decommissioned during the second quarter as part of a shift to a cloud-based, and much more resilient, operating model. Approximately 95% of the systems currently hosted in these data centres have now been migrated to the cloud, with two co-location data centres remaining to provide additional support. Cloud hosting is expected to enhance flexibility, drive innovation, and optimise costs. Further, steps have been taken to enhance safeguards against data breaches.

The development of BA.com and the app continued to scale, with the new version of the mobile app releasing new functionality including wayfinding, lounge capacity and express check-in, improving the online experience for our customers.

***Management review** continued*

***Our Transformation** continued*

British Airways took delivery of eight new aircraft in the first half of the year. This included four A320Neos, three A321Neos and one 787-10. The airline also continued to fit its award-winning business class seat, the Club Suite onto its existing long-haul fleet. Currently, more than 71% of Heathrow-based aircraft are flying with the new business class product. British Airways also began fitting the Club Suite onto its fleet of Boeing 787-8 aircraft.

Our Responsible Business

In March, British Airways released its BA Better World 2024 Report, an update on the airline's progress towards its sustainability commitments. BA Better World builds on the airline's long track record of attention to sustainability in the world of aviation, focusing on where it believes it can make the biggest impact for the business, customers and for society – People, Planet and Responsible Business. You can read the full report here: https://basustainabilityreport.co.uk/

In April, the airline launched a new scheme to allow customers to purchase Sustainable Aviation Fuel (SAF) via the CO2llaborate platform using cash or Avios. Customers will then be rewarded with Tier points at 1 tier point per £10 spent (capped at £500 spend). This will allow British Airways to generate additional funding for the purchase of SAF, help further educate customers about BA Better World and provide customers with more options to retain or reach tier status.

Through generous donations and fundraising efforts by customers and colleagues, British Airways raised more than £1.5 million for Red Nose Day 2025. Fundraising and awareness events included trolley dashes through London and in locations in India, special onboard menus, and even a red nosed plane. Through Flying Start, the airline's charity partnership with Comic Relief has helped more than 1.1 million people who need it most since the partnership began in 2010.

The airline also supported the Disasters Emergency Committee's latest appeal for the Myanmar Earthquake and within the first week raised more than £32,000.

British Airways celebrated its continued partnership with England Rugby with the launch of a new fund to support more than 30 community rugby clubs over the next three years. The fund aims to welcome and grow participation in women's rugby. Plymouth Albion RFU and Plymstock Oaks are the first two clubs to receive the award, using the investment to improve social, event and outdoor facilities for players and the wider community.

Government Affairs

British Airways continued to closely engage with the new Government to promote policy positions that support aviation growth, and wider economic benefits that the sector bring to the UK. The airline invited Parliamentarians to meet and engage with colleagues at British Airways' London head office to showcase the complexity of the airline's operations. The airline also continued to work closely with the Department for Transport and engaged with officials and Ministers on several occasions including a visit to Head Office to inform them of British Airways' approach to maintaining resilience, responding to global supply chain challenges and continued commitment in delivering for its customers. British Airways also worked with international governments to maintain good relationships and resolve any issues that occurred during this period.

Our Outlook

British Airways remains committed to operating a strong and stable schedule and delivering for its customers and colleagues, whilst managing its costs and operating safely and efficiently.

Safety is always the airlines' highest priority and following the latest developments in the Middle East, the airline responded to airspace restrictions and government guidance to help manage the schedule in the region. Flights to and from Doha were temporarily suspended during the airstrikes between Israel and Iran, as well as flights to and from Amman and Bahrain. The Tel Aviv route is suspended until the end of October, but all other routes continue to operate, and the situation is being monitored closely.

The airline continues to transform and invest in its customer and colleague experience. It made strong progress throughout 2024 and continued to make headway in the first half of 2025. The airline remains fully committed to reducing its environmental impact at every stage and continues to work at pace to create a better British Airways for everyone.

Financial review
Consolidated income statement for the six months ended 30 June

£ million	**2025**	2024	*Higher/(lower)*
Passenger revenue	**6,570**	6,309	*4.1%*
Cargo revenue	**393**	359	*9.5%*
Other revenue	**82**	227	*(63.9)%*
Total revenue	**7,045**	6,895	*2.2%*
Employee costs	**1,535**	1,368	*12.2%*
Fuel costs and emission charges	**1,683**	1,886	*(10.8)%*
Handling, catering and other operating costs	**852**	946	*(9.9)%*
Landing fees and en-route charges	**542**	544	*(0.4)%*
Engineering and other aircraft costs	**482**	434	*11.1%*
Property, IT and other costs	**321**	335	*(4.2)%*
Selling costs	**237**	255	*(7.1)%*
Depreciation and amortisation	**597**	553	*8.0%*
Net gain on sale of property, plant and equipment	**(2)**	(1)	*nm*
Currency differences	**(26)**	9	*nm*
Total expenditure on operations before exceptional items	**6,221**	6,329	*(1.7)%*
Operating profit before exceptional items	**824**	566	*45.6%*
Exceptional items	**-**	-	-
Operating profit after exceptional items	**824**	566	*45.6%*
Non-operating items	**72**	698	*nm*
Profit before tax	**896**	1,264	*(29.1)%*
Tax	**(178)**	(113)	*(57.5)%*
Profit after tax	**718**	1,151	*(37.6)%*

nm = not meaningful

Revenue
Overall capacity for the six-month period reached 94.7 per cent of that operated in the same period during 2019. This is higher than the 92.7 per cent of 2019 capacity operated during the same period in 2024 as pre-pandemic levels are gradually restored following the retirement of the Boeing 747-400 fleet in 2020. Passenger load factors reached 81.9 per cent, a decrease of 1.4 percentage points versus 2024. This translated to total passenger revenue for the first six months of the year of £6,570 million (2024: £6,309 million), an increase of 4.1% per cent compared to the same period in 2024. Passenger unit revenue (passenger revenue per ASK) was 2.0% per cent higher than the first six months of 2024. Cargo carried, measured in cargo tonne kilometres (CTKs), increased by 3.3 per cent and Cargo revenue increased by 9.5 per cent to £393 million strong Freight and Carrier revenue (including airbridge performance) in most regions. Other revenue decreased by £145 million to £82 million, the majority of which is driven by a decrease in ground services (including accommodation) following the sale of the BA Holidays business to Avios Group Limited (AGL) on 1 April 2024.

Expenditure on operations
Total operating costs decreased by 1.7 per cent to £6,221 million (2024: £6,329 million). Fuel costs decreased by £203 million, or 10.8 per cent, to £1,683 million due to the decrease in fuel price which was partially mitigated by the increase in flying. Operating expenditure excluding fuel, increased by 2.1 per cent to £4,538 million (2024: £4,443 million), largely reflecting the increased flying. Handling, catering and other operating costs decreased by 9.9 per cent which is driven by a number of factors, one of which includes a decrease in disruption costs compared to the same period in 2024.

Exceptional items
There were no exceptional items for the six-month period ended 30 June 2025 (2024: none).

Non-operating items
The Group's net non-operating credit for the six-month period was £72 million in 2025 (2024: £698 million credit), lower than 2024 due to the sale of the BA Holidays business in the second quarter of 2024 for which British Airways recorded a one-off gain of £650 million. Non-operating items during the period include a net gain of £175 million (2024: net gain of £164 million) relating to the share of post-tax results of associates, finance income of £60 million (2024: £59 million), net financing credits of £36 million (2024: credits of £26 million) relating to pensions, net losses of £10 million (2024: net gains of £23 million) relating to the revaluation of foreign currency denominated debts and related derivatives, a gain of £5 million relating to derivatives not qualifying for hedge accounting and finance costs of £194 million (2024: £241 million). The decrease in finance costs of £47 million compared to the same period in 2024 is largely driven by the due to lower interest costs following the cancellation of the two £1.0 billion UKEF facilities and $1.3 billion former Revolving Credit Facility (RCF) in 2024. These were replaced by a $2.4 billion new RCF at more favourable interest rates.

The tax charge for the period was £178 million (2024: £113 million). The effective rate for the period was 20 per cent (2024: 9 per cent) being lower (2024: lower) than the tax charge (2024: tax charge) at the applicable UK corporation tax rate for the period of 25 per cent (2024: 25 per cent). Refer to note 6 for further detail.

Capital expenditure
Total capital expenditure paid in the period amounted to £864 million (2024: £763 million) which included £666 million (2024: £624 million) of fleet related spend (aircraft, aircraft progress payments, spares, modifications, heavy maintenance costs and refurbishments) and £198 million (2024: £139 million[1]) on property, equipment and software. During the period the Group took delivery of eight aircraft comprising four Airbus A320neos, three Airbus A321neo, and one Boeing 787-10 (2024: three Airbus A320neos, one Airbus A321neo, one Airbus A350-1000 and one Boeing 787-10).

Principal risks and uncertainties
BA has continued to maintain its processes to identify, assess, and manage risks under IAG's Enterprise Risk Management (ERM) framework. The principal risks and uncertainties affecting BA are detailed in the principal risks and uncertainties section of the 2024 Annual report and accounts and these remain relevant. The BA Board monitors the risk landscape and challenges management in the light of changes that influence or impact BA's performance, financial markets and trade flows, operations and supply chain, transformation agenda or the aviation industry. Where further action has been required, the BA Board has considered potential mitigations, and, where appropriate or feasible, BA has implemented or confirmed plans that would appropriately address those risks.

In assessing its principal risks, BA has considered its risk environment including trade and economic effects, outcomes to markets and customer sentiment and demand resulting from trade negotiations and the imposition or threat of new tariffs; heightened geopolitical events and conflicts which create further market uncertainty and can result in significant movements in fuel and foreign exchange rates, particularly where they relate to key supply lanes; operational and technical resilience to adapt to airspace closures and impacts on the flow of goods creating further supply chain disruption, especially for aircraft, engines and components; managing inflationary effects and additional resilience buffers to offset the external environment; increasing cyber threat environment and use of Artificial Intelligence (AI) and social engineering to gain unauthorised access to systems and data; and re-skilling requirements and cultural change with the adoption of AI use cases and tools across the business. No new principal risks were identified through the risk management discussions and assessments in the year to date.

From the risks identified in the 2024 Annual report and accounts, given the current environment, the main risks that continue to be a key area of focus, due to their potential implications for BA are outlined below.

- Critical third parties in the supply chain. The aviation sector continues to be affected by its reliance on the global supply chain with the additional stresses of inflationary pressures and friction in global trade driven by the threat of new tariff regimes. BA proactively assesses schedules for operability using AI tools and data to improve forecasting and predictability. Procurement specialists work with all critical suppliers to understand any potential disruption which could impact the availability of new fleet, engines or critical goods or reliability of critical services. BA is particularly focussed on aircraft and engine manufacturers, given lack of fleet and engine availability and engines' durability problems, to understand their recovery plans and ensure that the additional cost and complexity of delivery delays is minimised or resilience to mitigate third party weaknesses is optimised. Airport infrastructure developments and BA's dependency on airport planners in hub airports, to enable growth in a timely, cost-effective manner or to minimise operational impacts, are assessed and proactively managed.
- Data and cybersecurity. Heightened geopolitical conflict, protectionist stances between regions and governments and the use of AI as a tool to scale malware attacks sees increased exposure with high profile attacks across different industries, particularly those with complex, interconnected supply chains. These can have a significant impact with uncertain recovery times or require limitations on opera ions to address and resolve or restore data loss. BA continues to develop its security defences and extend monitoring and recovery capabilities to protect itself. Economic, political and regulatory environment. Wider macroeconomic events may continue to drive market uncertainty and volatility impacting demand as well as financial factors including inflation, interest rates, fuel price and foreign exchange rates. The tone of dialogue and political responses between countries to ongoing conflicts may cause operational disruption to BA or its third parties as well as see shifts in investment, policy stance or trat co-operation. BA continues to monitor and assess threats and potential impacts, particularly the effects new trading agreements, barriers to trade or additional tariffs. The rise of populist governments and the trend of regulatory and policy disparity between key regions or significant reversal in government policy approaches, may see further protectionism which could result in market or competitive distortion that increases BA's costs.
- Operational and IT resilience. BA's operational environment remains highly reliant on the ability to adapt operational and customer processes to external event changes. BA has delivered significant IT infrastructure transformation which has modernised and digitalised its IT estate, as well as securing increased technical resilience. BA continues to be affected by its reliance on the global supply chain and the impacts of delays in aircraft deliveries, scarcity of components and engines on aircraft turnarounds, aircraft on the ground and reduced aircraft utilisation. BA is focused on minimising the impact of any unplanned outages or disruption to customers with additional resilience built into its network.
- Transformation, innovation and AI. BA continues its focus on the cost base to offset inflationary price increases in the supply chain and the additional costs of resilience. AI adoption is being accelerated to provide solutions to operational bottlenecks or disruption events, optimise outcomes or to re-engineer ways of working supported by data driven insights, with the rollout and embedding of AI tools into the business. The future talent and skillsets needed to deliver the transformation, innovation and growth to meet BA's ambition have been identified. The BA Board has been appraised of regulatory, competitor and governmental responses on an ongoing basis.

By order of the Board

Signed by:
F7E973D712884B8...
Sean Doyle
Chairman and Chief Executive Officer
1 August 2025

Signed by:
E6849F09DD44478...
Jose Antonio Barrionuevo Urgel
Chief Financial and Transformation Officer
1 August 2025

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Forward-looking statements:

Certain statements included in this announcement are forward-looking. These statements can be identified by the fact that they do not relate only to historical or current facts. By their nature, they involve risk and uncertainties because they relate to events and depend on circumstances that will occur in the future. Actual results could differ materially from those expressed or implied by such forward-looking statements.

Forward-looking statements often use words such as "expects", "believes", "may", "will", "could", "should", "continues", "intends", "plans", "targets", "predicts", "estimates", "envisages" or "anticipates" or other words of similar meaning or their negatives. They include, without limitation, any and all projections relating to the results of operations and financial conditions of British Airways plc and its subsidiary undertakings from time to time (the 'Group'), as well as plans and objectives for future operations, expected future revenues, financing plans, expected expenditure, acquisitions and divestments relating to the Group and discussions of the Group's business plans and its assumptions, expectations, objectives and resilience with respect to climate scenarios.. All forward-looking statements in this announcement are based upon information known to the Group on the date of this announcement and speak as of the date of this announcement. Other than in accordance with its legal or regulatory obligations, the Group does not undertake to update or revise any forward-looking statement to reflect any changes in events, conditions or circumstances on which any such statement is based.

Actual results may differ from those expressed or implied in the forward-looking statements in this announcement as a result of any number of known and unknown risks, uncertainties and other factors, including, but not limited to, economic and geo-political, market, regulatory, climate, supply chain or other significant external events, many of which are difficult to predict and are generally beyond the control of the Group, and it is not reasonably possible to itemise each item. Accordingly, readers of this announcement are cautioned against relying on forward-looking statements. Further information on the primary risks of the business and the Group's risk management process is set out in the Risk management and principal risk factors section in the Annual report and accounts 2024; this document is available on www.iairgroup.com. All forward-looking statements made on or after the date of this announcement and attributable to BA are expressly qualified in their entirety by the primary risks set out in that section.

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BRITISH AIRWAYS PLC

Unaudited Condensed Consolidated Interim Financial Statements
1 January 2025 – 30 June 2025

Consolidated income statement

For the six months ended 30 June

£ million	Note	**2025**	2024
Passenger revenue		**6,570**	6,309
Cargo revenue		**393**	359
Other revenue		**82**	227
Total revenue		**7,045**	6,895
Employee costs		**1,535**	1,368
Fuel costs and emission charges		**1,683**	1,886
Handling, catering and other operating costs		**852**	946
Landing fees and en-route charges		**542**	544
Engineering and other aircraft costs		**482**	434
Property, IT and other costs		**321**	335
Selling costs		**237**	255
Depreciation and amortisation	8	**597**	553
Net gain on sale of property, plant and equipment		**(2)**	(1)
Currency differences		**(26)**	9
Total expenditure on operations before exceptional items		**6,221**	6,329
Operating profit before exceptional items		**824**	566
Exceptional items	3	**-**	-
Operating profit after exceptional items		**824**	566
Finance costs	5a	**(194)**	(241)
Finance income	5b	**60**	59
Net financing credit relating to pensions	5c	**36**	26
Net currency retranslation costs		**(10)**	23
Share of profits in investments accounted for using the equity method	10a	**175**	164
Gain on sale of investments	10b	**-**	650
Other non-operating costs	5d	**5**	17
Total net non-operating credits/(costs)		**72**	698
Profit before tax		**896**	1,264
Tax	6	**(178)**	(113)
Profit after tax		**718**	1,151

Consolidated statement of other comprehensive income

For the six months ended 30 June

£ million	Note	2025	2024
Items that may be reclassified subsequently to net profit			
Cash flow hedges:			
Fair value movements in equity		**(322)**	98
Reclassified and reported in net profit		**34**	(10)
Fair value movements on cost of hedging		**(16)**	41
Cost of hedging reclassified and reported in net profit		**13**	17
Currency translation differences		**9**	(5)
Other movements in comprehensive profits of associates	10a	**6**	(5)
		(276)	136
Items that will not be reclassified to net profit			
Remeasurements of post-employment benefit obligations		**87**	177
		87	177
Total other comprehensive income/(loss), net of tax		**(189)**	313
Profit after tax for the period		**718**	1,151
Total comprehensive income/(loss) for the period		**529**	1,464

Consolidated balance sheet

As at 30 June

£ million	Note	30 June 2025	31 December 2024
Non-current assets			
Property, plant and equipment	8	**12,034**	11,656
Intangible assets	8	**1,269**	1,218
Investments accounted for using the equity method	10a	**2,738**	2,553
Other equity investments		**22**	22
Employee benefit assets	14	**1,530**	1,412
Derivative financial instruments		**10**	93
Deferred tax assets		**-**	-
Carbon-related and other non-current assets		**563**	488
Total non-current assets		**18,166**	17,442
Current assets			
Inventories		**167**	122
Trade receivables		**864**	804
Carbon-related and other current assets		**1,131**	1,094
Current tax receivable		**56**	-
Derivative financial instruments		**66**	114
Current interest-bearing deposits		**391**	470
Cash and cash equivalents		**2,487**	1,624
Total current assets and receivables		**5,162**	4,228
Total assets		**23,328**	21,670
Shareholders' equity			
Issued share capital		**290**	290
Share premium		**1,512**	1,512
Other reserves		**3,539**	3,015
Total shareholders' equity		**5,341**	4,817
Total equity		**5,341**	4,817
Non-current liabilities			
Borrowings	13	**7,162**	7,598
Employee benefit obligations	14	**102**	111
Deferred tax liability		**299**	227
Provisions	15	**640**	551
Derivative financial instruments		**282**	44
Other non-current liabilities		**234**	191
Total non-current liabilities		**8,719**	8,722
Current liabilities			
Borrowings	13	**824**	884
Trade and other payables		**2,853**	2,637
Deferred revenue		**4,992**	4,178
Derivative financial instruments		**414**	89
Current tax payable		**1**	33
Provisions	15	**184**	310
Total current liabilities		**9,268**	8,131
Total liabilities		**17,987**	16,853
Total equity and liabilities		**23,328**	21,670

Consolidated cash flow statement

For the six months ended 30 June

£ million	Note	2025	2024
Cash flow from operating activities			
Operating profit after exceptional items		**824**	566
Exceptional items		**-**	-
Operating profit before exceptional items		**824**	566
Depreciation and amortisation		**597**	553
Net gain on sale of property, plant and equipment		**(2)**	(1)
Employer contributions to defined benefit pension schemes net of service and administration costs		**(7)**	(1)
Decrease in provisions (excluding carbon-related obligations)		**(33)**	1
Purchase of carbon assets net of the change in carbon obligations		**(43)**	19
Unrealised currency differences		**(53)**	(2)
Other movements		**(30)**	12
Interest paid		**(177)**	(225)
Interest received		**60**	38
Tax paid		**(112)**	(12)
Net cash flows generated from operating activities before movements in working capital		**1,024**	948
Increase in trade receivables		**(36)**	(219)
Increase in inventories		**(45)**	(34)
Increase in other receivables and current assets (excluding carbon-related assets)		**(127)**	(217)
Increase in trade payables		**144**	174
Increase in deferred revenue		**718**	1,095
Increase in other payables and current liabilities		**140**	105
Net cash flows generated from operating activities		**1,818**	1,852
Cash flow from investing activities			
Acquisition of property, plant and equipment and intangible assets		**(863)**	(763)
Proceeds from sale of property, plant and equipment and intangible assets		**2**	1
Net proceeds from the sale of investments	10b	**-**	549
Loan repaid by parent company		**-**	-
Loan to associate		**-**	-
Dividends received		**1**	39
Increase in interest bearing deposits		**79**	(555)
Other investing movements		**-**	6
Net cash flows used in investing activities		**(781)**	(723)
Cash flow from financing activities			
Proceeds from borrowings		**128**	446
Repayments of borrowings		**(32)**	(99)
Repayment of lease liabilities		**(377)**	(666)
Settlement of derivative financial instruments		**(40)**	(68)
Net cash flows used in financing activities		**(321)**	(387)
Net increase in cash and cash equivalents		**716**	742
Net foreign exchange differences		**147**	1
Cash and cash equivalents at 1 January		**1,624**	904
Cash and cash equivalents at period end		**2,487**	1,647

Reconciliation to Total cash, cash equivalents and other interest-bearing deposits		
Cash and cash equivalents at period end	**2,487**	1,647
Interest-bearing deposits maturing after more than three months	**391**	825
Cash, cash equivalents and other interest-bearing deposits	**2,878**	2,472

Consolidated statement of changes in equity

For the six months ended 30 June 2025

£ million	Issued share capital	Share premium	Other reserves	**Total equity**
As at 1 January 2025	290	1,512	3,015	**4,817**
Profit for the period	-	-	718	**718**
Transactions with owners, recorded directly in equity				
Share-based payment charge	-	-	7	**7**
Share-based payment recharge	-	-	(7)	**(7)**
Total contributions by and distributions to owners	**-**	**-**	**-**	**-**
Other comprehensive income for the period	-	-	(189)	**(189)**
Total comprehensive income for the period, net of tax	-	-	529	**529**
Hedges transferred to the balance sheet, net of tax	-	-	(4)	**(4)**
As at 30 June 2025	**290**	**1,512**	**3,540**	**5,342**

For the six months ended 30 June 2024

£ million	Issued share capital	Share premium	Other reserves	Total Equity
As at 1 January 2024	290	1,512	798	2,600
Loss for the period	-	-	1,151	1,151
Transactions with owners, recorded directly in equity				
Share-based payment charge	-	-	5	5
Share-based payment recharge	-	-	(5)	(5)
Total contributions by and distributions to owners	**-**	**-**	**-**	-
Other comprehensive loss for the period	-	-	313	313
Total comprehensive loss for the period, net of tax	-	-	1,464	1,464
Hedges transferred to the balance sheet, net of tax	-	-	45	45
As at 30 June 2024	290	1,512	2,307	4,109

Notes to the accounts

For the six months ended 30 June 2025

1 Corporate information and basis of preparation

British Airways Plc (hereinafter 'British Airways', 'BA' or the 'Group') is a public limited company incorporated in the United Kingdom and registered in England and Wales.

The condensed consolidated interim financial statements were prepared in accordance with IAS 34 and authorised for issue by the Board of Directors on 1 August 2025. The condensed consolidated interim financial statements herein are not the Group's statutory accounts and are unaudited.

Going concern

At 30 June 2025, the Group had total liquidity of £4.7 billion (31 December 2024: total liquidity of £4.0 billion), comprising cash and cash equivalents and interest-bearing deposits of £2.9 billion (31 December 2024: £2.1 billion), £1.8 billion of committed and undrawn general facilities (31 December 2024: £1.9 billion) and £nil committed and undrawn aircraft specific facilities (31 December 2024: £nil). The Group has no financial covenants associated with its loans and borrowings.

In its assessment of going concern, the Group has modelled two scenarios referred to below as the Base Case and the Downside Case over a period of at least twelve months from the date of the approval of these condensed consolidated interim financial statements (the 'going concern period'). The Group's three-year business plan was used in the creation of the Base Case, which was prepared for and approved by the Board in December 2024 and was subsequently refreshed with the latest available internal and external information in June and July 2025. The refreshed business plan takes into account the Board's and management's views on capacity, based on the potential impact of the wider economic and geopolitical environments on the Group across the going concern period. The key inputs and assumptions underlying the Base Case, through to 30 September 2026, include:

- The Group has assumed that the committed and undrawn general facilities of £1.8 billion will not be drawn over the going concern period.
- of the capital commitments detailed in Note 8, £790 million is due to be paid over the period to 30 September 2026; and
- while the Group does not expect to finance all expected aircraft deliveries over the going concern period, for those it does expect to finance, it has forecast securing all £654 million, of the aircraft financing that is currently uncommitted, to align with the timing and payments for those aircraft deliveries it expects to finance, including aircraft delivered prior to the balance sheet date that had not had their financing secured at the balance sheet date.

The Downside Case applies stress to the Base Case to model adverse commercial and operational impacts over the going concern period represented by: reduced levels of capacity operated in each month, including reductions of 25 per cent for three months over the going concern period; reduced passenger unit revenue per ASK; increases in the price of jet fuel by 20 per cent above that assumed in the Base Case; and increased operational costs. In the Downside Case, over the going concern period capacity would be 8 per cent down when compared to the Base Case. The Directors consider the Downside Case to be a severe but plausible scenario.

Having reviewed the Base Case and the Downside Case, the Directors have a reasonable expectation that the Group has sufficient liquidity to continue in operational existence for a period of at least twelve months from the date of approval of these condensed consolidated interim financial statements and hence continue to adopt the going concern basis in preparing the condensed consolidated interim financial statements for the six months to 30 June 2025.

Notes to the accounts continued

For the six months ended 30 June 2025

2 Material accounting policies

Critical accounting judgements and key sources of estimation uncertainty

There are no changes to the critical accounting judgements or key sources of estimation uncertainty as set out in note 2 of the Annual Report and Accounts for the year ended 31 December 2024.

New material accounting policies relevant to the current reporting period

There are no new material accounting policies in the six-month period to 30 June 2025.

New standards, interpretations and amendments adopted by the Group

The IASB and IFRIC have issued the following standards, amendments and interpretations with an effective date after the end date of these financial statements. The Group and Company have assessed the impact of these standards, amendments and interpretations and it is not expected that these will have a material effect on the reported income or net assets of the Group and Company. The Group and Company plan to adopt the following standards, interpretations and amendments on the date they become mandatory:

- lack of exchangeability – amendments to IAS 21 effective for periods beginning on or after 1 January 2025;
- classification and measurement of financial instruments – amendments to IFRS 9 and IFRS 7 effective for periods beginning on or after 1 January 2026; and
- IFRS 18 – presentation and disclosure in financial statements effective for periods beginning on or after 1 January 2027 and replaces IAS 1 - presentation of financial statements

The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Significant changes and transactions in the current reporting period

There are no significant changes or transactions in the six-month period to 30 June 2025.

3 Exceptional items

Exceptional items are those that in management's view need to be disclosed by virtue of their size or nature.

There were no exceptional items for the six months ended 30 June 2025.

4 Seasonality

The Group's business is highly seasonal with demand strongest during the summer months. Accordingly, higher revenues and operating profits are usually expected in the latter six months of the financial year than in the first six months.

5 Finance costs, income and other non-operating credits

For the six months ended 30 June 2025

a Finance costs

£ million	**2025**	2024
Interest expenses on:		
Bank borrowings	**(1)**	(3)
Asset financed liabilities	**(65)**	(55)
Lease liabilities	**(69)**	(83)
Provisions unwinding of discount	**(11)**	(12)
Capitalised interest on progress payments	**11**	16
Other finance costs	**(59)**	(104)
Total finance costs	**(194)**	(241)

Notes to the accounts continued
For the six months ended 30 June 2025

5 Finance costs, income and other non-operating credits continued

b Finance income

£ million	**2025**	2024
Interest on other interest-bearing deposits	**60**	59
Total finance income	**60**	59

c Net financing credit relating to pensions

£ million	**2025**	2024
Net financing credit relating to pensions	**36**	**26**
Total net financing credit relating to pensions	**36**	**26**

d Other non-operating credits

£ million	**2025**	2024
Realised gains/(loss) on derivatives not qualifying for hedge accounting	**(2)**	17
Income received from other equity investments	**7**	-
Total other non-operating credits	**5**	17

6 Tax

The tax charge in the Income statement was as follows:

£ million	**2025**	2024
Current tax	**(23)**	20
Deferred tax	**(155)**	(133)
Total tax	**(178)**	(113)

The effective rate for the period was 19.9 per cent (2024: 9.0 per cent) being lower (2024: lower) than the tax charge (2024: tax charge) at the applicable UK corporation tax rate for the period of 25 per cent (2024: 25 per cent).

Reconciliation of the total tax charge

£ million	**2025**	2024
Accounting profit before tax	**(896)**	(1,264)
Corporation tax rate	**25%**	25%
Tax at standard corporation tax rate	**224**	316
Non-deductible expenses	**6**	4
Intra-group associates' profits	**(45)**	(41)
Effect of pension fund accounting	**(6)**	(4)
Adjustments in respect of prior periods	**(1)**	-
Effect of tax rate changes	**-**	-
Other non-taxable income[1]	**-**	(162)
Tax charge in the income statement	**178**	113

[1]Other non-taxable income consists of the gain in relation to the sale of British Airways Holidays Limited.

Tax-related contingent liabilities
The Group has certain contingent liabilities that could be reliably estimated, across all taxes, at 30 June 2025 amounting to £14 million (31 December 2024: £21 million). While the Group does not consider it more likely than not that there will be material losses on these matters, given the inherent uncertainty associated with tax litigation and tax audits, there can be no guarantee that material losses will not eventuate. As the Group considers that it is more probable than not of success in each of these matters, it is not appropriate to make a provision for these amounts.

Engagement with tax authorities
The Group is subject to audit and enquiry by tax authorities in the territories in which it operates, and engages with those tax authorities in a cooperative manner.

Notes to the accounts continued

For the six months ended 30 June 2025

6 **Tax** continued

Unrecognised temporary differences

As at 30 June 2025, the Group has unrecognised temporary differences of £295 million (31 December 2024: £296 million) relating mainly to UK capital losses the Group does not reasonably expect to utilise.

7 Dividends

No dividends were paid during the six months to 30 June 2025 (30 June 2024: £nil).

8 Property, plant, equipment and intangibles

£ million	Owned property, plant and equipment	Right of use assets	**Total property, plant and equipment**	**Intangible assets**
Net book value at 1 January 2025[2]	8,092	3,564	**11,656**	**1,218**
Additions	828	20	**848**	**111**
Modification of leases	-	68	**68**	**-**
Disposals	-	(1)	**(1)**	**-**
Depreciation and amortisation	(337)	(200)	**(537)**	**(60)**
Reclassifications[1]	72	(72)	**-**	**-**
Net book value as at 30 June 2025	**8,655**	**3,379**	**12,034**	**1,269**

£ million	Owned property, plant and equipment	Right of use assets	Total property, plant and equipment	Intangible assets[2]
Net book value at 1 January 2024[2]	6,712	4,338	11,050	1,051
Additions	776	7	783	136
Modification of leases	-	98	98	-
Disposals[2]	(5)	(4)	(9)	(8)
Depreciation and amortisation	(294)	(224)	(518)	(35)
Reclassifications[1]	397	(397)	-	-
Net book value as at 30 June 2024	7,586	3,818	11,404	1,144

1 Amounts with a net book value of £72 million (2024: £397 million) were reclassified from Right of use assets to Owned Property, plant and equipment. The assets reclassified related partly to leases with purchase options that were grandfathered as Right of use assets upon transition to IFRS 16, for which the Group had been depreciating over the expected useful life of the aircraft, incorporating the purchase option and partly to leases without purchase options, where a fixed buyout payment was agreed and paid, and title of the aircraft subsequently transferred to the Group.

2 Of the amounts included in Disposals in 2024, £1 million, £4 million and £8 million relate to the reduction in Net book value in Owned property, plant and equipment, Right of use assets and Intangible assets, respectively, following the sale of BA Holidays and associated deconsolidation.

At 30 June 2025, long-term borrowings of the Group are secured on fleet assets with a net book value of £3,798 million (31 December 2024: £3,757 million). There is also property pledged as security with a net book value of of £547 million (31 December 2024: £546 million).

Capital expenditure recognised and contracted for but not provided for at 30 June 2025 amounts to £10,479 million (31 December 2024: £4,667 million). The majority of capital expenditure commitments are denominated in US dollars and as such the commitments are subject to changes in foreign exchange rates.

9 Impairment review

Goodwill and intangible assets with indefinite lives are tested for impairment annually and when circumstances indicate the carrying value may be impaired. As of 30 June 2025, there are no indicators that the carrying value may exceed the recoverable amount and accordingly, no impairment test has been performed.

10 Investments

a Investments accounted for using the equity method

For the six months ended 30 June 2025

£ million	**2025**	2024
Balance at 1 January	**2,553**	2,275
Share of attributable results	**175**	164
Share of movements in other comprehensive profits of investments	**6**	(5)
Dividends received	**(1)**	(39)
Exchange adjustments	**5**	(1)
As at 30 June	**2,738**	2,394

b Investments in subsidiaries

On 1 April 2024, the Group sold 100 per cent of its existing British Airways Holidays Limited (BA Holidays) business to its associate, Avios Group (AGL) Limited. BA Holidays was derecognised as a subsidiary of the Group, and as a result, the Group no longer has the power to affect the returns of BA Holidays as it now falls within the governance structure of AGL.

Consideration received on 1 April 2024 amounted to £549 million, with a further £150 million deferred consideration receivable over 2025 and 2026. The Net present value as at 30 June 2025 is £130m. Receipt of the deferred consideration is unconditional, but some or all the deferred consideration could become repayable if certain commercial conditions are not met by BA. No repayments are currently expected.

Total consideration for the disposal was £679m. BA Holidays Net assets disposed of on 1 April 2024 was £29m with a Gain on sale of investment recognised of £650m.

11 Financial instruments

a Financial assets and liabilities by category

The detail of the Group's financial instruments as at 30 June 2025 and 31 December 2024 by nature and classification for measurement purposes is as follows:

As at 30 June 2025

£ million	Financial assets Amortised cost	Fair value through OCI	Fair value through income statement	Non-financial assets	**Total carrying amount**
Non-current financial assets					
Other equity investments	-	22	-	-	**22**
Derivative financial instruments	-	-	10	-	**10**
Other non-current assets	89	-	-	474	**563**
Current financial assets					
Trade receivables	864	-	-	-	**864**
Derivative financial instruments	-	-	66	-	**66**
Other current assets	122	-	-	1,064	**1,186**
Other current interest-bearing deposits	391	-	-	-	**391**
Cash and cash equivalents	2,487	-	-	-	**2,487**

£ million	Financial liabilities Amortised cost	Fair value through OCI	Fair value through income statement	Non-financial liabilities	**Total carrying amount**
Non-current financial liabilities					
Interest bearing long-term borrowings	4,571	-	-	-	**4,571**
Lease liabilities	2,591	-	-	-	**2,591**
Derivative financial instruments	-	-	282	-	**282**
Other long-term liabilities	55	-	-	179	**234**
Current financial liabilities					
Current portion of long-term borrowings	250	-	-	-	**250**
Lease liabilities	573	-	-	-	**573**
Trade and other payables	2,061	-	-	792	**2,853**
Derivative financial instruments	-	-	414	-	**414**

Notes to the accounts continued

For the six months ended 30 June 2025

11 **Financial instruments** continued

a **Financial assets and liabilities by category** continued

As at 31 December 2024

£ million	Financial assets				
	Amortised cost	Fair value through OCI	Fair value through income statement	Non-financial assets	Total carrying amount
Non-current financial assets					
Other equity investments	-	22	-	-	22
Derivative financial instruments	-	-	93	-	93
Other non-current assets	84	-	-	404	488
Current financial assets					
Trade receivables	804	-	-	-	804
Derivative financial instruments	-	-	114	-	114
Other current assets	422	-	-	672	1,094
Other current interest-bearing deposits	470	-	-	-	470
Cash and cash equivalents	1,624	-	-	-	1,624

£ million	Financial liabilities				
	Amortised cost	Fair value through OCI	Fair value through income statement	Non-financial liabilities	Total carrying amount
Non-current financial liabilities					
Interest bearing long-term borrowings	4,689	-	-	-	4,689
Lease liabilities	2,909	-	-	-	2,909
Derivative financial instruments	-	-	44	-	44
Other long-term liabilities	62	-	-	129	191
Current financial liabilities					
Current portion of long-term borrowings	269	-	-	-	269
Lease liabilities	615	-	-	-	615
Trade and other payables	1,997	-	-	640	2,637
Derivative financial instruments	-	-	89	-	89

b **Fair values of financial assets and financial liabilities**

The fair values of the Group's financial instruments are disclosed in hierarchy levels depending on the nature of the inputs used in determining the fair values and using the following methods and assumptions:

Level 1: Quoted prices (unadjusted) in active markets for identical assets and liabilities. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. Level 1 methodologies (market values at the balance sheet date) were used to determine the fair value of listed asset investments classified as equity investments and listed interest-bearing borrowings. The fair value of financial liabilities and financial assets incorporates own credit risk and counterparty credit risk, respectively.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. The fair value of financial instruments that are not traded in an active market is determined by valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates.

Derivative instruments are measured based on the market value of instruments with similar terms and conditions using forward pricing models, which include forward exchange rates, forward interest rates, forward fuel curves and corresponding volatility surface data at the reporting date. The determination of the fair value of derivative financial assets and liabilities are detailed in the 2024 Annual report and accounts.

The fair value of the Group's interest-bearing borrowings, excluding lease liabilities, is determined by discounting the remaining contractual cash flows at the relevant market interest rates at the balance sheet date. The fair value of the Group's interest-bearing borrowings is adjusted for own credit risk.

11 **Financial instruments** continued

b **Fair values of financial assets and financial liabilities** continued

Level 3: Inputs for the asset or liability that are not based on observable market data. The principal method of such valuation is performed using a valuation model that considers the present value of the dividend cash flows expected to be generated by the associated assets.

The fair value of cash and cash equivalents, other current interest-bearing deposits, trade receivables, other current assets and trade and other payables approximate their carrying value largely due to the short-term maturities of these instruments.

The carrying amounts and fair values of the Group's financial assets and liabilities as at 30 June 2025 are set out below:

				Fair value	Carrying value
£ million	Level 1	Level 2	Level 3	**Total**	**Total**
Financial assets:					
Other equity investments	-	-	22	**22**	**22**
Other assets	-	18	-	**18**	**15**
Derivative financial assets[1]	-	76	-	**76**	**76**
Financial liabilities:					
Interest-bearing loans and borrowings	-	4,761	-	**4,761**	**4,823**
Derivative financial liabilities[2]	-	696	-	**696**	**696**

[1]Current portion of derivative financial assets is £66 million.
[2]Current portion of derivative financial liabilities is £414 million.

The carrying amounts and fair values of the Group's financial assets and liabilities as at 31 December 2024 are set out below:

				Fair value	Carrying value
£ million	Level 1	Level 2	Level 3	Total	Total
Financial assets:					
Other equity investments	-	-	22	22	22
Other assets	-	18	-	18	16
Derivative financial assets[1]	-	207	-	207	207
Financial liabilities:					
Interest-bearing loans and borrowings	-	4,918	-	4,918	4,958
Derivative financial liabilities[2]	-	133	-	133	133

[1]Current portion of derivative financial assets is £114 million.

[2]Current portion of derivative financial liabilities is £89 million.

There has been no transfer between levels of fair value hierarchy during the period.

c **Level 3 financial assets reconciliation**

The carrying value of Level 3 financial assets at 30 June 2025 was £22 million (31 December 2024: £22 million). There were no changes in fair value or other movements for the period ended 30 June 2025 (30 June 2024: no changes).

12 Share capital

Total share capital amounted to £290 million at 30 June 2025 (31 December 2024: £290 million). The number of shares on issue at 30 June 2025 was 896,700 A1 shares (31 December 2024: 896,700) and 99,308 A2 shares (31 December 2024: 99,308) with a par value of £289.70 each, amounting to £289 million (31 December 2024: £289 million), and 1,000,000 B shares (31 December 2024: 1,000,000) and 147,963 C shares (31 December 2024: 147,963) with a par value of £1.00 each, amounting to £1 million (31 December 2024: £1 million).

13 Borrowings

			30 June 2025			31 December 2024
£ million	**Current**	**Non-current**	**Total**	Current	Non-current	Total
Bank and other loans	**32**	**1,430**	**1,462**	70	1,441	1,511
Asset financed liabilities	**219**	**3,141**	**3,360**	182	2,679	2,861
Lease liabilities	**573**	**2,591**	**3,164**	614	3,081	3,695
Interest bearing borrowings	**824**	**7,162**	**7,986**	866	7,201	8,067

Bank and other loans are repayable up to 2027. Long-term borrowings of the Group amounting to £3,406 million (31 December 2024: £2,947 million) are secured on fleet assets with a net book value of £3,798 million (31 December 2024: £3,204 million). Asset financed liabilities are all secured on the associated aircraft.

14 Employee benefits

The Group operates a variety of post-employment benefit arrangements, covering both defined contribution and defined benefit schemes.

Defined contribution schemes

The main defined contribution scheme is the British Airways Pension Plan ('BAPP'). It offers a choice of contribution rates and the ability to opt for cash instead of a pension.

Defined benefit schemes

The principal funded defined benefit pension schemes within the Group are the Airways Pension Scheme ('APS') and the New Airways Pension Scheme ('NAPS'), both of which are in the UK and are closed to new members.

APS has been closed to new members since 1984, but remains open to future accrual. The benefits provided under APS are based on final average pensionable pay and, for the majority of members, are subject to inflationary increases in payment.

NAPS has been closed to new members since 2003 and closed to future accrual since 2018. Following closure, members' deferred pensions are increased annually by inflation up to five per cent per annum (measured using the Government's annual Pension Increase (Review) Orders, which since 2011 have been based on CPI).

Triennially, the Trustees of APS and NAPS undertake actuarial valuations, which are subsequently agreed with British Airways to determine the cash contributions and any deficit payment plans through to the next valuation date, as well as ensuring that the schemes have sufficient funds available to meet future benefit payments to members. These actuarial valuations are prepared using the principles set out in UK Pension legislation. This differs from the IAS 19 'Employee benefits' valuation, which is used for deriving the Income statement and Balance sheet positions, and uses a best-estimate approach overall. The different purpose and principles lead to different assumptions being used, most notably around the discount rate applied which under the actuarial valuation, aligns with a prudent estimate of the future investment returns on the assets of the respective schemes, whereas, under IAS 19, the rates are based on high quality corporate bond yields, regardless of how the assets are invested. As such, the two different approaches result in different estimates for the liabilities and funding levels.

At 30 June 2025, the triennial valuations as at 31 March 2024 for both APS and NAPS had been finalised, resulting in a technical surplus of £153 million for APS and a technical surplus of £1,730 million for NAPS. The actuarial valuations performed for APS and NAPS are different to the valuation performed as at 30 June 2025 under IAS 19 'Employee Benefits' mainly due to timing differences of the measurement dates and to the specific scheme assumptions in the actuarial valuation performed as at 31 March 2024 compared with IAS 19 requirements used in the accounting valuation assumptions as at the reporting date.

Cash payments and funding arrangements

Cash payments in respect of pension obligations comprise normal employer contributions made by the Group and deficit contributions based on the agreed deficit payment plan with the respective Trustees. Total contributions paid by the Group for the six-month period ended 30 June 2025 were £13 million (six-month period ended 30 June 2024: £8 million).

Deficit contributions

At 30 June 2025, the NAPS triennial valuation had been completed with the scheme being in a technical surplus. As part of that valuation, it was agreed that no contributions from BA were necessary. This will be reassessed at future triennial valuations (the next triennial valuation being dated as at 31 March 2027, and likely to conclude in 2028), however based on current assumptions, which are subject to uncertainty, the Group does not expect to make further deficit contributions.

14 Employee benefits continued

				As at 30 June 2025
£ million	**APS**	**NAPS**	**Other**	**Total**
Scheme assets at fair value[2,3]	**4,773**	**12,761**	**316**	**17,850**
Present value of scheme liabilities[3]	**(4,680)**	**(10,829)**	**(397)**	**(15,906)**
Net pension asset/(liability)	**93**	**1,932**	**(81)**	**1,944**
Effect of the asset ceiling[1]	**(23)**	**(483)**	**-**	**(506)**
Other employee benefit obligations	**-**	**-**	**(10)**	**(10)**
	70	**1,449**	**(91)**	**1,428**
Represented by:				
Employee benefit assets				**1,530**
Employee benefit obligations				**(102)**
Net employee benefit assets				**1,428**

				As at 31 December 2024
£ million	APS	NAPS	Other	Total
Scheme assets at fair value[2,3]	4,816	13,004	296	18,116
Present value of scheme liabilities[3]	(4,816)	(11,136)	(386)	(16,338)
Net pension asset/(liability)	-	1,868	(90)	1,778
Effect of the asset ceiling[1]	-	(467)	-	(467)
Other employee benefit obligations	-	-	(9)	(9)
	-	1,401	(99)	1,302
Represented by:				
Employee benefit assets				1,412
Employee benefit obligations				(11)
Net employee benefit assets				1,302

[1]APS and NAPS have an accounting surplus under IAS 19, which would be available to the Group as a refund upon wind up of the scheme. This refund is restricted due to withholding taxes that would be payable by the Trustee arising on both the net pension asset and the future contractual minimum funding requirements.
[2]Included within the fair value of scheme assets are £0.5 billion of private equities and £0.2 billion of alternative funds at 30 June 2025, where the fair value has been determined based on the most recent third-party valuations. The dates of these valuations typically precede the reporting date and have been adjusted for any cash and foreign exchange movements between the date of the valuation and the reporting date. Typically, the valuation approach and inputs for these investments are not updated through to the reporting date unless there are indications of significant market movements.
[3]Includes Additional Voluntary Contributions (AVCs), which the Trustees hold as assets to secure additional benefits on a defined contribution basis for those members who elect to make such AVCs. At 30 June 2025, such assets were £260 million (31 December 2024: £262 million) with a corresponding amount recorded in the scheme liabilities.

At 30 June 2025, the assumptions used to determine the obligations under APS and NAPS were reviewed and updated to reflect market conditions at that date. The principal assumptions were as follows:

	At 30 June 2025		At 31 December 2024	
Per cent per annum	**APS**	**NAPS**	APS	NAPS
Discount rate	**5.30**	**5.55**	5.30	5.45
Rate of increase in pensionable pay	**3.00**	**N/A**	3.30	N/A
Rate of increase of pensions in payment	**3.00**	**2.60**	3.30	2.80
RPI rate inflation	**3.00**	**2.90**	3.30	3.10
CPI rate of inflation	**N/A**	**2.60**	N/A	2.80

Further information on the basis of the assumptions is included in note 28 of the Annual Report and Accounts for the year ended 31 December 2025.

Notes to the accounts continued

For the six months ended 30 June 2025

15 Provisions

£ million	Restoration and handback	Restructuring	Legal claims and contractual disputes	Carbon obligations	Other	Total
Balance at 1 January 2025	706	4	30	90	31	861
Provisions recorded during the period	39	8	-	54	16	117
Reclassifications	-	-	(1)	-	(2)	(3)
Utilised during the period	(56)	(1)	(13)	-	(17)	(87)
Extinguished during the period	-	-	-	(34)	-	(34)
Release of unused amounts	(1)	-	(3)	(5)	(9)	(18)
Unwinding of discount	11	-	-	-	-	11
Remeasurements	4	-	-	-	-	4
Exchange differences	(27)	-	-	-	-	(27)
As at 30 June 2025	**676**	**11**	**13**	**105**	**19**	**824**
Analysis:						
Current	84	11	12	69	8	**184**
Non-current	592	-	1	36	11	**640**
	676	**11**	**13**	**105**	**19**	**824**

16 Contingent liabilities

There are a number of other legal and regulatory proceedings against the Group in a number of jurisdictions. At 30 June 2025, where they could be reliably estimated, such liabilities amounted to £2 million (2024: £3 million). The Group does not consider it probable that there will be an outflow of economic resources with regard to these proceedings and accordingly no provisions have been recorded.

Contingent liabilities associated with employment and indirect taxes are presented in note 6.

Notes to the accounts continued

For the six months ended 30 June 2025

17 Financial risk management

The Group is exposed to a variety of financial risks: market risk (including fuel price risk, foreign currency risk and interest rate risk), credit risk and liquidity risk. The principal impact of these on the condensed consolidated interim financial statements are discussed below:

Fuel price risk
The Group is exposed to fuel price risk. In order to mitigate such risk, under the Group's fuel price risk management strategy, a variety of over-the-counter derivative instruments are entered into. The Group strategy is to hedge a proportion of fuel consumption up to three years within the approved hedging profile.

At 30 June 2025, the fair value of the fuel derivative instruments was a £119 million net liability, representing a decrease of £32 million since 1 January 2025 (£87 million net liability).

Foreign currency risk
The Group is exposed to foreign currency risk on revenue, purchases and borrowings that are denominated in a currency other than sterling. The currencies in which these transactions are primarily denominated are US dollar and euro. The Group has a number of strategies to hedge foreign currency risk, including hedging a proportion of its foreign currency sales and purchases for up to three years.

At 30 June 2025, the fair value of foreign currency derivative instruments was a £504 million net liability, representing a decrease of £660 million since 1 January 2025 (£156 million net asset).

Interest rate risk
The Group is exposed to changes in interest rates on debt and cash deposits. In order to mitigate the interest rate risk, the Group's policies allow a variety of over-the-counter derivative instruments to be entered into.

At 30 June 2025, the fair value of interest rate derivative instruments was an £3 million net asset representing a decrease of £2 million since 1 January 2025 (£5 million net asset).

Credit risk
Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. The Group has policies and procedures to monitor the risk by assigning limits to each counterparty by underlying exposure and by operating company and by only entering into transactions with counterparties with a very low credit risk.

At each period end, the Group assesses the effect of counterparties' and the Group's own credit risk on the fair value of derivatives.

The financial assets recognised in the financial statements, net of impairment losses (if any), represent the Group's maximum exposure to credit risk, without taking into account any guarantees in place or other credit enhancements.

18 Related party transactions

The Group had transactions in the ordinary course of business during the six months ended 30 June 2025 with related parties.

	Six months ended 30 June	
£ million	**2025**	2024
Sales of goods and services:		
Sales to/purchases on behalf of IAG[1]	**21**	-
Sales to/purchases on behalf of subsidiary undertakings of the parent[2]	**66**	49
Sales to/purchases on behalf of significant shareholders of the parent[3]	**53**	70
Sales to associates[4]	**262**	217
Purchases of goods and services:		
Purchases from IAG[1]	**20**	24
Purchases from subsidiary undertakings of the parent[2]	**171**	197
Purchases from significant shareholders of the parent[3]	**33**	32
Purchases from associates[4]	**50**	37

Notes to the accounts continued

For the six months ended 30 June 2025

18 **Related party transactions** continued

Period end balances arising from sales and purchases of goods and services:

£ million	**30 June 2025**	31 December 2024
Receivables from related parties:		
Amounts owed by IAG[1]	**21**	-
Amounts owed by subsidiary undertakings of the parent	**88**	87
Amounts owed by significant shareholders of the parent	**53**	55
Amounts owed by associates[4]	**349**	312
Payables to related parties:		
Amounts owed to IAG[1]	**1,420**	1,391
Amounts owed to subsidiary undertakings of the parent	**65**	70
Amounts owed to significant shareholders of the parent	**-**	-
Amounts owed to associates[4]	**1,878**	1,736

[1]The transactions between BA and IAG comprise mainly of a long-term loan, management fee in respect of services provided by IAG and recharges between the entities in respect of invoices settled on behalf of the other party. Transactions with IAG are carried out on an arm's length basis. The long-term loan owed to and from the Group bear market rates of interest.

[2] Sales include interline transactions amounting to £15 million (2024: £6 million) where BA have flown a passenger on behalf of a related party airline and there are revenues and associated costs within BA's income statement. In these transactions, the passenger is the end consumer and the related party airline acts as the agent. Purchases exclude interline transactions amounting to £51 million (2024: £51 million) where a related party airline has flown a passenger on behalf of BA. In these transactions, BA acts as the agent and there are no revenues or associated costs within BA's income statement.

[3] Sales include interline transactions amounting to £29 million (2024: £42 million) where BA have flown a passenger on behalf of a related party airline and there are revenues and associated costs within BA's income statement. In these transactions, the passenger is the end consumer and the related party airline acts as the agent. Purchases exclude interline transactions amounting to £151 million (2024: £143 million) where a related party airline has flown a passenger on behalf of BA. In these transactions, BA acts as the agent and there are no revenues or associated costs within BA's income statement.

[4]Sales and purchases with associates are made at normal market prices and outstanding balances are unsecured. Cash settlement is expected within the standard settlement terms. Sales include interline transactions amounting to £60 million (2024: £35 million) where BA have flown a passenger on behalf of a related party airline and there are revenues and associated costs within BA's income statement. In these transactions, the passenger is the end consumer and the related party airline acts as the agent. Purchases exclude interline transactions amounting to £96 million (2024: £54 million) where a related party airline has flown a passenger on behalf of BA. In these transactions, BA acts as the agent and there are no revenues or associated costs within BA's income statement.

The Group has not benefited from any guarantees for any related party receivables or payables. During the period ended 30 June 2025 the Group has not made an allowance for expected credit losses relating to amounts owed by related parties (31 December 2024: £nil).

In November 2020, British Airways entered into a floating rate fixed term loan agreement with IAG, the ultimate parent undertaking, for £1,453 million (€1,645 million). The loan is repayable in November 2026.

During the course of 2022, the Group provided the first tranche of a long-term shareholder loan of £11 million to LanzaJet, a company which specialises in the generation of Sustainable Aviation Fuels of which the Group has a 12.8% equity interest, classified as an associate and presented within Investments accounted for using the equity method in the Balance sheet. The second tranche of £3 million was provided in April 2023. The loan is repayable in June 2044.

Directors' and Officers' loans and transactions

There were no loans or credit transactions with Directors or Officers of the Group at 30 June 2025 or that arose during the year that need to be disclosed in accordance with the requirements of sections 412 and 413 to the Companies Act 2006.

19 **Post balance sheet events**

No significant events have taken place between the reporting date and the date of this report.

Notes to the accounts continued

For the six months ended 30 June 2025

Fleet table

Number in service with Group companies at 30 June 2025

	Owned	Finance lease	Operating lease	Total June 2025	Total December 2024	Changes since Dec 2024	Future deliveries	Options
Airbus A319	12		13	**25**	27	**(2)**		
Airbus A320	36	29	26	**91**	90	**1**	7	
Airbus A321	12	6	10	**28**	26	**2**	4	
Airbus A350		16	2	**18**	18		6	12
Airbus A380	6	6		**12**	12			
Boeing 777-200	40		3	**43**	43			
Boeing 777-300	9		7	**16**	16			
Boeing 777-900							24	9
Boeing 787-8	8	2	2	**12**	12			
Boeing 787-9	1	8	9	**18**	18			
Boeing 787-10	1	9	2	**12**	11	**1**	38	10
Embraer E190	9		11	**20**	20			
TOTAL OPERATIONS	**134**	**76**	**85**	**295**	**293**	**2**	**79**	**31**

Notes:

1. Aircraft are reported based on their contractual definitions as opposed to their accounting determination. For accounting purposes, while all operating leases are presented as lease liabilities, finance leases are presented as either lease liabilities or asset financed liabilities, depending on the nature and timing of the individual arrangement.

2. Includes aircraft operated by British Airways Plc, BA Cityflyer Limited and BA Euroflyer Limited.

3. As well as those aircraft in service the Group also holds 6 aircraft (31 December 2024: 1) not in service.