

## 2. Changes in significant accounting policies (continued)

The following tables summarise the impacts of adopting IFRS 9, 15 and 16 on the Group's interim consolidated income statement for the six-month period ended 31 March 2019, its interim consolidated statement of financial position as at 31 March 2019, and its interim consolidated statement of cash flows for the six-month period ended 31 March 2019. There has been an immaterial impact of IFRS 9 adoption.

### Impact on the condensed consolidated interim income statement

Six months ended 31 March 2019

£ millions

	As reported	IFRS 15 impact	IFRS 16 impact	Amounts without adoption of IFRS 15 & 16
Passenger revenue	1,824	45	-	1,869
Ancillary revenue	519	12	-	531
<b>Total revenue</b>	<b>2,343</b>	<b>57</b>	<b>-</b>	<b>2,400</b>
Fuel	(602)	-	-	(602)
Airports and ground handling	(776)	-	(1)	(777)
Crew	(405)	-	-	(405)
Navigation	(175)	-	-	(175)
Maintenance	(153)	-	(36)	(189)
Selling and marketing	(72)	-	-	(72)
Other costs	(191)	(6)	(1)	(198)
Other income	15	-	-	15
<b>EBITDAR</b>	<b>(16)</b>	<b>51</b>	<b>(38)</b>	<b>(3)</b>
Aircraft dry leasing	(3)	-	(86)	(89)
Depreciation	(228)	-	112	(116)
Amortisation of intangible assets	(8)	-	-	(8)
<b>Operating loss</b>	<b>(255)</b>	<b>51</b>	<b>(12)</b>	<b>(216)</b>
Interest receivable and other financing income	14	-	-	14
Interest payable and other financing charges	(31)	-	12	(19)
Net finance charges	(17)	-	12	(5)
<b>Loss before tax</b>	<b>(272)</b>	<b>51</b>	<b>-</b>	<b>(221)</b>
Tax credit	54	-	-	54
<b>Loss for the period</b>	<b>(218)</b>	<b>51</b>	<b>-</b>	<b>(167)</b>
<b>Loss per share, pence</b>				
Basic	(55.3)			(42.4)

## 2. Changes in significant accounting policies (continued)

### Impact on the condensed consolidated interim statement of financial position

As at 31 March 2019

£ millions	As reported	IFRS 9 impact	IFRS 15 impact	IFRS 16 impact	Amounts without adoption
<b>Non-current assets</b>					
Goodwill	365	-	-	-	365
Other intangible assets	186	-	-	-	186
Property, plant and equipment	4,858	-	-	(499)	4,359
Derivative financial instruments	97	-	-	-	97
Equity investments	54	(54)	-	-	-
Restricted cash	7	-	-	-	7
Other non-current assets	126	-	-	-	126
	5,693	(54)	-	(499)	5,140
<b>Current assets</b>					
Trade and other receivables	335	-	-	11	346
Derivative financial instruments	100	-	-	-	100
Current tax assets	16	-	-	-	16
Money market deposits	409	-	-	-	409
Cash and cash equivalents	871	-	-	-	871
	1,731	-	-	11	1,742
<b>Current liabilities</b>					
Trade and other payables	(817)	-	-	(10)	(827)
Unearned revenue	(1,726)	-	51	-	(1,675)
Borrowings	-	-	-	(9)	(9)
Lease liabilities	(173)	-	-	173	-
Derivative financial instruments	(90)	-	-	-	(90)
Provisions for liabilities and charges	(99)	-	-	8	(91)
	(2,905)	-	51	162	(2,692)
<b>Net current liabilities</b>	(1,174)	-	51	173	(950)
<b>Non-current liabilities</b>					
Borrowings	(858)	-	-	(85)	(943)
Lease liabilities	(450)	-	-	450	-
Derivative financial instruments	(59)	-	-	-	(59)
Non-current deferred income	(6)	-	-	(12)	(18)
Post-employment benefit obligations	(30)	-	-	-	(30)
Provisions for liabilities and charges	(386)	-	-	16	(370)
Deferred tax	(214)	-	-	(5)	(219)
	(2,003)	-	-	364	(1,639)
<b>Net assets</b>	2,516	(54)	51	38	2,551
<b>Shareholders' equity</b>					
Share capital	108	-	-	-	108
Share premium	659	-	-	-	659
Hedging reserve	77	3	-	2	82
Cost of hedging reserve	2	(2)	-	-	-
Translation reserve	1	-	-	-	1
Retained earnings	1,669	(55)	51	36	1,701
	2,516	(54)	51	38	2,551

## 2. Changes in significant accounting policies (continued)

### Impact on the condensed consolidated interim statement of cash flows

Six months ended 31 March 2019

£ millions

	As reported	IFRS 15 impact	IFRS 16 impact	Amounts without adoption of IFRS 15 & 16
<b>Cash flows from operating activities</b>				
Operating loss for the period	(255)	51	(12)	(216)
<b>Adjustments for:</b>				
Depreciation charges	228	-	(112)	116
Amortisation charges	8	-	-	8
Share-based payments	11	-	-	11
<b>Changes in working capital and other items of an operating nature:</b>				
Decrease in trade and other receivables	70	-	(11)	59
Decrease in trade and other payables	(196)	-	23	(173)
Increase in unearned revenue	762	(51)	-	711
Post-employment benefit contribution	(10)	-	-	(10)
Decrease in provisions	(33)	-	19	(14)
Increase in other non-current assets	(4)	-	-	(4)
Decrease in derivative financial instruments	28	-	-	28
<b>Cash generated from operating activities</b>	<b>609</b>	<b>-</b>	<b>(93)</b>	<b>516</b>
Ordinary dividends paid	(233)	-	-	(233)
Interest and other financing charges paid	(25)	-	12	(13)
Interest and other financing income received	15	-	-	15
Net tax paid	(28)	-	-	(28)
<b>Net cash generated from operating activities</b>	<b>338</b>	<b>-</b>	<b>(81)</b>	<b>257</b>
<b>Cash flows from investing activities</b>				
Purchase of property, plant and equipment	(452)	-	-	(452)
Purchase of intangible assets	(13)	-	-	(13)
Net increase in money market deposits	(66)	-	-	(66)
Net proceeds from sale and leaseback of aircraft	121	-	-	121
<b>Net cash used by investing activities</b>	<b>(410)</b>	<b>-</b>	<b>-</b>	<b>(410)</b>
Purchase of own shares for employee share schemes	(2)	-	-	(2)
Repayment of capital element of finance leases arising under IAS 17	-	-	(4)	(4)
Repayment of capital element of leases arising under IFRS 16	(85)	-	85	-
Net decrease in restricted cash	4	-	-	4
<b>Net cash used by financing activities</b>	<b>(83)</b>	<b>-</b>	<b>81</b>	<b>(2)</b>
Effect of exchange rate changes	1	-	-	1
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(154)</b>	<b>-</b>	<b>-</b>	<b>(154)</b>
Cash and cash equivalents at beginning of period	1,025	-	-	1,025
<b>Cash and cash equivalents at end of period</b>	<b>871</b>	<b>-</b>	<b>-</b>	<b>871</b>