

Heathrow Airport Limited

Specified activities – transparency and trading statements

Year ended 31 December
2019

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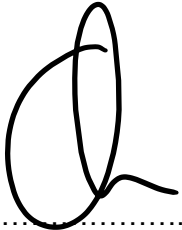
Heathrow Airport Limited

Specified activities – transparency and trading statements for year ended 31 December 2019

This document sets out the actual costs and income in respect of the specified activities outlined in table G.4, page 278, 'Economic regulation at Heathrow from April 2014: Notice granting the licence', the "Q6 decision", undertaken by Heathrow Airport Limited for the year ended 31 December 2019.

The transparency and trading statements, combined into a single document for clarity, have been drawn up in accordance with the requirements of condition C2: Charges for other services, contained in the licence granted to Heathrow Airport Limited under the Civil Aviation Act 2012.

This document was approved by the Board of Directors on 30 September 2020.

A handwritten signature in black ink, consisting of a large, stylized 'J' followed by a smaller 'E' and a short horizontal stroke at the end. The signature is positioned above a horizontal dotted line.

Javier Echave
Director

1. Background

The CAA prescribes activities to be included in the transparency conditions.

The designation of specified activities for Q6 is derived from Annex G in the Q6 decision as follows:

- Check-in desks
- Baggage systems
- Services for passengers with reduced mobility (PRM)
- Staff car parking
- Staff ID cards
- Fixed electrical ground power (FEGP)
- Pre-conditioned air (PCA)
- Airside licences
- Waste, recycling and refuse collection
- Taxi feeder park
- Heating and Gas
- Electricity
- Water and sewerage
- Bus and coach facilities
- Common I.T. infrastructure
- HAL's contribution to the funding of the Heathrow Airline Operators Committee (AOC)

2. Accounts

The figures included in the statements have been prepared by Heathrow Airport and have been reviewed by external auditor, Deloitte LLP. The review, consisting of agreed upon procedures, has been carried out in accordance with a defined scope of work as set out in a separate engagement letter with Heathrow and the auditor does not express an opinion on their findings.

A number of adjustments are made to the figures in order to derive the complete income and costs for each activity. Where applicable, the customer share of income is then calculated and used to determine the third party share of costs. Another adjustment is made to allocated costs and annuities (see note 6 below), and the final result for each activity can be seen in the last column of each statement. In order to reflect the true underlying under/over recovery for the year, adjustments are made at the bottom of the statements to remove income elements relating to the prior year's result. Figures and adjustments are presented as rounded numbers.

3. Cost types and the principles of cost allocation

Direct costs

All transactions (income and expenditure) are posted to general ledger cost codes which represent cost centres within the management accounting system. Transactions posted to the cost centres which can be wholly identified with a particular specified activity form the income and direct expenditure allocated to that activity. This excludes depreciation, the impact of which is covered by the annuity, explained below.

Allocated costs

Those cost centres which cannot be wholly identified with individual specified activities are allocated. They cover activities, including administration, carried out on an airport-wide basis. The activities in allocated expenditure include areas such as:

Terminal management
 Airside safety and security
 Ground operations
 Engineering
 Rates
 Finance
 Procurement
 Police
 Airport management
 Medical centre
 Human resources
 Property management
 Commercial
 Public relations

The basis of allocation, agreed in conjunction with the Other Regulated Charges Governance Group (ORCG), is 12% of direct expenditure. Recognising that some elements of the cost base are more akin to a cost pass-through and require limited management resource, principally utilities and rates, a 4% allocation has been used. In the baggage and staff car parking activities, where utilities and rates make up a significant portion of the direct cost base, 4% has been applied to those elements and 12% to all other direct expenditure.

Allocated expenditure percentages:

• Check-in desks	12.0%
• Baggage systems	9.8%
• Services for passengers with reduced mobility (PRM)	4.0%
• Staff car parking	10.8%
• Staff ID cards	12.0%
• Fixed electrical ground power (FEGP)	4.0%
• Pre-conditioned air (PCA)	4.0%
• Airside licences	12.0%
• Waste, recycling and refuse collection	4.0%
• Taxi feeder park	12.0%
• Electricity	4.0%
• Heating and Gas	4.0%
• Water and sewerage	4.0%
• Bus and coach facilities	12.0%
• Common I.T. infrastructure	4.0%
• HAL's contribution to the funding of the Heathrow (AOC)	12.0%

Note that all allocated costs will be adjusted back to the 2014 totals in the table G.4 breakdown and uplifted by inflation to 2019 prices in line with CAA guidance.

Annuities

Annuities are annualised costs derived from annuity calculations relating to capital expenditure which is reasonably attributable to the relevant Specified Activity. Annuity calculations are based on an assumed asset life and calculated using a rate of 8% for assets and 6% for land.

4. Table G.4 breakdown

The statements show the full cost for each activity including the allocated and annuity costs. The Q6 decision makes reference to projections of other regulated charges income at Heathrow. The projections are set out in table G.4. The statements bring allocated costs and annuities back to the table G.4 breakdown (as agreed with the CAA) plus a cumulative RPI adjustment of 21.7% as the table is in 2011/12 prices.

Indexation	
Average RPI index for the year ended 31 March 2012	237.3
Average RPI index for the year ended 31 December 2019	288.8
RPI index at 31 December 2018	284.9
RPI index at 31 December 2019	291.1
Increase from average 2011/12 to 31 December 2019	22.67%
Increase from average 2011/12 to average 2019	21.70%
Increase from 31 December 2018 to 31 December 2019	2.17%

Indexation calculations as on unrounded numbers

(sourced from the Oxford Economics)

5. Prices

For pricing information please refer to General Notices 02/12, 01/14, 02/14, 03/14, 04/14, 01/15, 02/15, 01/16, 01/17 and 02/18

6. Explanatory notes

Check-in desks

Check-in desks costs consist of direct and allocated costs plus an annuity; direct costs include: site fees; maintenance; operating costs and business rates.

Check-in desks charges are based upon actual use of desk time and therefore could vary from the advertised price. These charges are assessed monthly and invoiced monthly in arrears. Common use self-service machines (CUSS) is included within the check-in desk charges.

Airline-owned self-service kiosks will remain outside of the scope of this activity.

Baggage systems

Baggage costs consist of direct and allocated costs; direct costs include: operations and maintenance of the infrastructure; business rates and utilities.

Baggage prices are charged on a “per departing bag” basis. For the avoidance of doubt, the price per departing bag recovers the cost of managing departing, arriving and transferring bags.

Services for passengers with reduced mobility (PRM)

The cost of the PRM service consists of the direct operating cost, which is primarily the contracted service provider, and allocated costs.

The charging structure established in Q5 will remain for Q6 as the pre-notification performance is important in that it facilitates the most efficient use of resources and therefore cost. The pre-notification threshold will remain at 30 hours and the charging categories for PRMs are as follows:

Category 1 – at 70%+ pre-notification

Category 2 – between 65% and 69.99% pre-notification at 30 hours

Category 3 – less than 65% pre-notification at 30 hours

Staff car parking

Staff car parking costs consist of direct and allocated costs plus an annuity; direct costs include: bussing, car park management and business rates.

Income from staff car parking is derived from sales of car park passes. In Q6, the ORC charge for staff car parking will only be for perimeter staff car parks. Charges for Central Terminal Area (CTA) and S4 car park passes (formerly governed by ORC principles) will be a commercial charge and are not covered by this statement. The price includes an annual £14 levy on each pass in order to help fund public transport initiatives.

Staff car parks are shared by Heathrow and other users. The attached statement therefore follows the approach used in previous years, of assessment as a total with apportionment then applied to the Heathrow and other user elements, based on consumption. This ensures that income and cost are allocated equally. The cost base includes an annuity in respect of the car park infrastructure.

Staff identity cards and vehicle apron passes

The cost of the staff identity card and vehicle apron pass service consists of direct and allocated costs plus an annuity; direct costs include: control and administrative costs.

Income is derived from charges to airport users for the supply of staff ID cards and vehicle apron passes.

This service is shared by Heathrow and other users. The attached statement therefore follows the approach used in previous years, of assessment as a total with apportionment then applied to the Heathrow and other user elements, based on consumption. This ensures that income and cost are allocated equally.

Fixed electrical ground power (FEGP)

FEGP costs consist of direct and allocated costs plus an annuity; direct costs include: staff; maintenance; parts and electricity costs. Electricity costs are calculated using the General Notice published for the applicable regulatory year.

Between 1 April 2014 and 31 May 2014, income from FEGP was derived from a time-based unit charge to individual users. From 1 June 2014, FEGP charges are based on kilowatt hours (kwh) used.

Automatic Meter Reading (AMR) meters have been installed on the FEGP equipment enabling electricity consumption to be measured at five minute intervals. Meter data is cross-referenced with aircraft on stand data to create an invoice showing the number of kwh consumed.

Pre-conditioned air (PCA)

PCA costs consist of direct and allocated costs plus an annuity; direct costs include: staff, maintenance, parts and electricity costs. Electricity costs are calculated using the General Notice published for the applicable regulatory year.

PCA was a new specified activity for Q6 and charging began from 1 June 2014. PCA charges are invoiced based on Kilowatt hours (kwh) used.

Automatic Meter Reading (AMR) meters have been installed on the PCA equipment enabling electricity consumption to be measured at five minute intervals. Meter data is cross referenced with aircraft on stand data to create an invoice showing the number of kwh consumed.

Airside licences

Airside licence costs consist of direct and allocated costs plus an annuity; direct costs include: the operating and maintenance costs of the ramp operations team. Income is derived from the sale of airside licences to users and prices are consulted upon with the Airport Users' Committee (AUC).

Waste, recycling and refuse collection services

Waste services costs consist of direct and allocated costs plus an annuity; direct costs include: waste contract and staff costs.

There are two types of waste charge:

- Refuse Area Charge
- Refuse Bin Room Charge

Tiered prices are calculated to reflect the greater use of the service by some operators.

Taxi feeder park

Taxi feeder park (TFP) costs consist of direct and allocated costs plus an annuity; direct costs include: the TFP management contract, maintenance and IT costs. Forecast movements are then used to calculate an average unit price per movement.

Income is recovered based on movement charges with operators.

Heating and Gas

Heating from the major boiler houses is charged based on space occupied and uplifted by inflation each year. As a result, there is no provision for any supplementary charge or credit based on prior regulatory period over or under recovery. Heating rents are escalated by agreement with the AOC Rents Group.

Gas costs consist of direct and allocated costs plus an annuity; direct costs include: purchase costs, staff costs and maintenance costs. Forecast consumption is then used to calculate an average unit price for gas.

Airport gas supply is shared by Heathrow and other users. The attached statement therefore follows the approach of assessment as a total with apportionment then applied to the Heathrow and other user elements, based on consumption. This ensures that income and cost are allocated equally. The majority of gas utilisation is by Heathrow and third party use represents a small proportion of the total.

Electricity

Electricity costs consist of direct and allocated costs plus an annuity; direct costs include: purchase costs for the provision of high and low voltage electricity at the airport. Forecast consumption is then used to calculate average unit prices for electricity.

Following the introduction of Electricity and Gas (Internal Market) Regulations 2011, Heathrow revised the structure of the electricity tariffs. Prices are now provided for supply of electricity only and also for the provision of high and low voltage electrical infrastructure.

Airport electricity supply is shared by Heathrow and other users. The attached statement therefore follows the approach used in previous years, of assessment as a total with apportionment then applied to the Heathrow and other user elements, based on consumption. This ensures that income and cost are allocated equally.

In the year ended 31 December 2018 Heathrow issued invoices to third party occupiers at the airport for electricity costs that were incurred in previous regulatory years. An adjustment has been included in the 2018 transparency and trading statement to reflect the appropriate increase in direct costs, calculated from the year of consumption.

Water and sewerage

Water and sewerage costs consist of direct and allocated costs plus an annuity; direct costs include: purchase costs, staff costs and maintenance costs. Forecast consumption is then used to calculate average unit prices for water.

Income is derived from charges to airport users for water supply and sewerage services (excluding de-icing facilities). There are separate charges for:

- Water and sewerage
- Water supply only
- Waste water only
- Low temperature hot water
- Chilled water
- Domestic hot water

In circumstances where a user has a separate trade effluent consent from Thames Water, HAL levies charges for the supply of water only i.e. the sewerage proportion of the charge is removed.

Airport water and sewerage services are shared by Heathrow and other users. The attached statement therefore follows the approach used in previous years, of assessment as a total with apportionment then applied to the Heathrow and other user elements, based on consumption. This ensures that income and cost are allocated equally.

In the year ended 31 December 2018, Heathrow issued invoices to third party occupiers at the airport for water and sewerage costs that were incurred in previous regulatory years. An adjustment has been included in the 2018 transparency and trading statement to reflect the appropriate increase in direct costs, calculated from the year of consumption.

Bus and coach facilities

Bus and coach costs consist of direct and allocated costs plus an annuity; direct costs include: the central bus station management contract, cleaning and maintenance costs. Forecast movements are then used to calculate an average unit prices per movement.

Income is recovered based on movement charges with operators.

Common I.T. Infrastructure

Common I.T. infrastructure consists of three separate categories, “common use” of the:

- Passive local area network (LAN)
- Active LAN
- Wireless LAN

Only the passive LAN component of the activity is identified as a specified activity in Table G.4. The Active and Wireless LAN components, although not included within Table G.4 and therefore not officially an ORC, are treated using ORC principles and statements have been prepared accordingly, although not for inclusion in this document.

Users of the common Passive LAN can be defined as any organisation using either Common Use or dedicated Common Use equipment (whether or not provided by means of a service provider), where the service is delivered over the HAL Managed LAN Service.

“Common Use” Passive LAN costs consist of direct and allocated costs plus an annuity; direct costs include: service, maintenance and staff costs. Forecast number of ports is then used to calculate an average unit price.

HAL contribution to the funding of the Airline Operators’ Committee (AOC)

The AOC costs that comprise this ORC category consist of direct and allocated costs; the direct costs are operating costs, largely relating to consultations taking place between Heathrow and the AOC on behalf of the airline community and are made up of facilities and resources costs. The cost and resulting charge is not intended to fund all of the AOC operating costs.

7. Transparency statement for specified activities

	Check-in desks year ended 31 Dec 2019 £'000	Baggage year ended 31 Dec 2019 £'000	PRM year ended 31 Dec 2019 £'000	SCP year ended 31 Dec 2019 £'000	Staff ID year ended 31 Dec 2019 £'000	FEGP year ended 31 Dec 2019 £'000	PCA year ended 31 Dec 2019 £'000	Airside licences year ended 31 Dec 2019 £'000
Income	7,047	129,748	23,792	15,685	1,595	10,782	369	924
Backbilling income								
Total Income	7,047	129,748	23,792	15,685	1,595	10,782	369	924
Expenditure								
Direct Expenditure	6,219	123,940	24,383	12,341	1,732	6,512	377	1,288
Annuity	435			3,964	93	3,651	4,259	31
Allocated Costs	600	11,787	688	1,614	142	417	232	120
Total Expenditure	7,254	135,727	25,071	17,919	1,967	10,580	4,868	1,439
Net (Under) / Over Recovery	(207)	(5,979)	(1,279)	(2,234)	(372)	202	(4,499)	(515)
Prior year (under) / over recovery	582	5,310	(2,391)	(1,457)	83	(197)	(4,822)	(69)
Backbilling cost adjustment								(82)
Backbilling cost adjustment reversal								
Total (Under) / Over Recovery to cfwd	375	(669)	(3,670)	(3,691)	(289)	5	(9,321)	(666)

	Waste year ended 31 Dec 2019 £'000	TFP year ended 31 Dec 2019 £'000	Heating & Gas year ended 31 Dec 2019 £'000	Electricity year ended 31 Dec 2019 £'000	Water & sewerage year ended 31 Dec 2019 £'000	Bus & coach year ended 31 Dec 2019 £'000	Common IT - Passive year ended 31 Dec 2019 £'000	AOC year ended 31 Dec 2019 £'000
Income	2,400	2,405	1,363	33,586	5,304	2,776	75	734
Backbilling income				1,679	364			
Total Income	2,400	2,405	1,363	35,265	5,668	2,776	75	734
Expenditure								
Direct Expenditure	2,634	1,486	1,416	17,017	1,568	2,194	1	645
Annuity	144	503	2	19,037	3,991	468	341	
Allocated Costs	133	243	7	1,608	196	267	15	52
Total Expenditure	2,911	2,232	1,425	37,662	5,755	2,929	357	697
Net (Under) / Over Recovery	(511)	173	(62)	(2,397)	(87)	(153)	(282)	37
Prior year (under) / over recovery	55	(83)	3	(1,914)	(213)	(26)	(222)	55
Backbilling cost adjustment				470	85			
Backbilling cost adjustment reversal					(85)			
Total (Under) / Over Recovery to cfwd	(456)	90	(59)	(4,781)	(300)	(179)	(504)	92

8. Detailed trading statements

Check-in desks

Trading statement year ended 31 December 2019

Q6 summary

	12 months to 31 Mar 2014 £'000	9 months to 31 Dec 2014 £'000	12 months to 31 Dec 2015 £'000	12 months to 31 Dec 2016 £'000	12 months to 31 Dec 2017 £'000	12 months to 31 Dec 2018 £'000	12 months to 31 Dec 2019 £'000
Income	5,530	4,237	5,603	5,435	5,557	6,432	7,047
London 2012 Olympic and Paralympic Games adjustment	278						
Expenditure							
Direct expenditure	4,104	3,460	4,455	4,111	4,507	4,921	6,219
Annuity	685	500	597	574	578	424	435
Allocated costs	844	442	596	601	585	585	600
Total expenditure	5,633	4,402	5,648	5,286	5,670	5,930	7,254
Net (under) / over recovery	175	(165)	(45)	149	(113)	502	(207)
Prior year (under) / over recovery	79	254	89	44	193	80	582
Total (under) / over recovery to cfwd	254	89	44	193	80	582	375
Customer share	100%	100%	100%	100%	100%	100%	100%
Pricing							
Charge per desk per hour							
April 2013 - Mar 2014	£3.41						
April 2014 - May 2014		£3.41					
June 2014 - December 2014		£3.23					
January 2015 - December 2015			£3.23				
January 2016 - December 2016				£3.10			
January 2017 - December 2017					£3.21		
January 2018 - December 2018						£3.71	
January 2019 - December 2019							£4.08
Charge per desk per day							
April 2013 - Mar 2014	£21.68						
April 2014 - May 2014		£22.03					
June 2014 - December 2014		£20.87					
January 2015 - December 2015			£20.87				
January 2016 - December 2016				£20.02			
January 2017 - December 2017					£20.73		
January 2018 - December 2018						£23.95	
January 2019 - December 2019							£26.33

Check-in desks
Trading statement year ended 31 December 2019
Detail - with adjustment to table G.4 breakdown

	Underlying accounts (UA) £'000	Adjustment to UA £'000	Total £'000	Adjustment to table G.4 breakdown £'000	Customer trading statement £'000	Notes
Income	7,047	-	7,047		7,047	
Direct expenditure						
Property related		1,141	1,141		1,141	1
Operating Costs		5,078	5,078		5,078	2
Total direct expenditure	-	6,219	6,219		6,219	
Annuity				435	435	3
Allocated costs (12% of Direct expenditure and Annuity)			799	(199)	600	3
Total expenditure	-	6,219	7,018	236	7,254	
Net (under) / over recovery	7,047	(6,219)	29	(236)	(207)	
Bfwd (under) / over recovery from 2018 in Pricing					451	
(Under) / over recovery year ended 31 Dec 2019					244	
Bfwd (under) / over recovery from 2018 not in Pricing					131	
Total (under) / over recovery to cfwd to 2020					375	

Notes

(1) Property Related

Adjustment to include property rates relating to Check-in

(2) Operating Costs

Adjustment to include site fee & service costs, as well as IT related costs (Self Service Bag Drop, Self Boarding Gates & support and maintenance for Common Use Self Service kiosks)

(3) Annuity and allocated costs

Annuity and allocated costs have been fixed at the level stated in the table G.4 breakdown plus RPI

Baggage systems
Trading statement year ended 31 December 2019
Q6 summary

	12 months to 31 Mar 2014 £'000	9 months to 31 Dec 2014 £'000	12 months to 31 Dec 2015 £'000	12 months to 31 Dec 2016 £'000	12 months to 31 Dec 2017 £'000	12 months to 31 Dec 2018 £'000	12 months to 31 Dec 2019 £'000
Income	121,798	91,547	126,670	124,883	136,318	132,441	129,748
Expenditure							
Direct expenditure	109,508	86,359	118,647	118,006	117,152	119,170	123,940
Annuities	-	-	-	-	-	-	-
Allocated costs	7,594	9,074	10,734	10,354	10,996	11,493	11,787
Total expenditure	117,102	95,433	129,381	128,360	128,148	130,663	135,727
Net (under) / over recovery	4,696	(3,886)	(2,711)	(3,477)	8,170	1,778	(5,979)
Prior year (under) / over recovery	740	5,436	1,550	(1,161)	(4,638)	3,532	5,310
Total (under) / over recovery to cfwd	5,436	1,550	(1,161)	(4,638)	3,532	5,310	(669)
Customer share	100%	100%	100%	100%	100%	100%	100%
Pricing							
Charge per departing bag							
April 2013 - March 2014	£3.38						
April 2014 - May 2014		£3.38					
June 2014 - December 2014		£3.22					
January 2015 - December 2015			£3.53				
January 2016 - December 2016				£3.47			
January 2017 - December 2017					£3.66		
January 2018 - December 2018						£3.52	
January 2019 - December 2019							£3.52

Baggage systems
Trading statement year ended 31 December 2019
Detail - with adjustment to table G.4 breakdown

	Underlying accounts (UA) £'000	Adjustment to UA £'000	Total £'000	Adjustment to table G.4 breakdown £'000	Customer trading statement £'000	Notes
Income	129,748		129,748		129,748	
Direct expenditure						
Staff	8,062	(2,051)	6,011		6,011	1
Property related	-	17,763	17,763		17,763	2
Utilities	19,852	-	19,852		19,852	
Maintenance and equipment	71,471	-	71,471		71,471	
Other	9,113	(270)	8,843		8,843	3
Total direct expenditure	108,497	15,442	123,940		123,940	
Annuity					-	4
Allocated costs (9.8%of direct expenditure)			12,146	(359)	11,787	5
Total expenditure	108,497	15,442	136,086	(359)	135,727	
Net (under) / over recovery	21,251	(15,442)	(6,338)	359	(5,979)	
Bfwd (under) / over recovery from 2018 in Pricing					5,337	
(Under) / over recovery year ended 31 Dec 2019					(642)	
Bfwd (under) / over recovery from 2018 not in Pricing					(27)	
Total (under) / over recovery to cfwd to 2020					(669)	

Notes

(1) Staff cost adjustment

An adjustment has been made to exclude non-recoverable costs (senior staff cost)

(2) Property related adjustment

An adjustment has been made to recognise property costs related to Baggage, currently sitting within the property cost centre

(3) Other costs

An adjustment has been made to exclude non-recoverable costs (consultancy and other general expenses)

(4) Annuity

There is no annuity included as part of the Baggage specified activity

(5) Allocated costs

Allocated costs have been fixed at the level stated in the table G.4 breakdown plus RPI

Services for passengers with reduced mobility (PRM)
Trading statement year ended 31 December 2019
Q6 summary

	12 months to 31 Mar 2014 £'000	9 months to 31 Dec 2014 £'000	12 months to 31 Dec 2015 £'000	12 months to 31 Dec 2016 £'000	12 months to 31 Dec 2017 £'000	12 months to 31 Dec 2018 £'000	12 months to 31 Dec 2019 £'000	Notes
Income	17,512	16,233	20,673	19,782	21,589	22,020	23,792	2
Expenditure								
Direct expenditure	17,124	13,984	19,383	19,313	20,897	23,498	24,383	
Annuity								
Allocated costs		547	723	706	656	671	688	1
Total expenditure	17,124	14,531	20,106	20,019	21,553	24,169	25,071	
Net (under) / over recovery	388	1,702	567	(237)	36	(2,149)	(1,279)	
Prior year (under) / over recovery	(2,698)	(2,310)	(608)	(41)	(278)	(242)	(2,391)	
Total (under) / over recovery to cfwd	(2,310)	(608)	(41)	(278)	(242)	(2,391)	(3,670)	
Customer share	100%	100%	100%	100%	100%	100%	100%	
Pricing								
Annual charge per departing passenger (£)								
Category 1 (above 65% at 30 hours)	£0.44		£0.52	£0.50	£0.55	£0.55		
Category 2 (50% to 64.99% at 30 hours)	£0.85		£1.17	£1.17	£1.29	£1.29		
Category 3 (less than 50% at 30 hours)	£1.75		£2.40	£2.40	£2.65	£2.65		
Category 1 (Above 70% at 30 hrs)								£0.57
Category 2 (65% to 69.99% at 30 hrs)								£0.67
Category 3 (less than 65% at 30 hrs)								£3.23
April 2014 - May 2014								
Category 1		£0.44						
Category 2		£0.85						
Category 3		£1.75						
June 2014 - December 2014								
Category 1		£0.55						
Category 2		£1.24						
Category 3		£2.55						

Notes

(1) Allocated costs

PRM charges were introduced in July 2008 and therefore were not included as a Specified Activity in Table 6-3 in the Q5 CAA decision. As a result the 13/14 trading statement excludes allocated charges

(2) Income

Category	Price £	Departing passengers	Income £'000s
1 (> 70%)	0.57	37,965,714	21,640
2 (65% > 69.9%)	0.67	1,673,160	1,121
3 (<65%)	3.23	319,036	1,030
Total		39,957,910	23,792

**Services for passengers with reduced mobility (PRM)
Trading statement year ended 31 December 2019
Detail - with adjustment to table G.4 breakdown**

	Underlying Accounts (UA) £'000	Adjustment to UA £'000	Total £'000	Adjustment to table G.4 breakdown £'000	Customer trading statement £'000	Notes
Income	23,792	-	23,792		23,792	1
Direct Expenditure						
Staff	367	(59)	308		308	2
Operating costs	26,439	(2,364)	24,075		24,075	3
Total direct expenditure	26,806	(2,423)	24,383		24,383	
Annuity					-	4
Allocated costs (4% of Direct expenditure)			975	(287)	688	5
Total expenditure	26,806	(2,423)	25,358	(287)	25,071	
Net (under) / over recovery	(3,014)	2,423	(1,566)	287	(1,279)	
Bfwd (under) / over recovery from 2018 in Pricing					(1,002)	
(Under) / over recovery year ended 31 Dec 2019					(2,281)	
Bfwd (under) / over recovery from 2018 not in Pricing					(1,389)	
Total (under) / over recovery to cfwd to 2020					(3,670)	

Notes

(1) Income

Category	Price £	Departing passengers	Income £'000s
1 (> 70%)	0.57	37,965,714	21,640
2 (65% > 69.99%)	0.67	1,673,160	1,121
3 (<65%)	3.23	319,036	1,030
Total		39,957,910	23,792

(2) Staff costs

Adjustment to include agreed recoverable staff costs

(3) Operating cost adjustment

An adjustment has been made to exclude additional services

(4) Annuity

There is no annuity included as part of the PRM specified activity

(5) Allocated costs

Allocated Costs have been fixed at the level stated in the table G.4 breakdown plus RPI

Staff car parking
Trading statement year ended 31 December 2019
Q6 summary

	12 months to 31 Mar 2014 £'000	9 months to 31 Dec 2014 £'000	12 months to 31 Dec 2015 £'000	12 months to 31 Dec 2016 £'000	12 months to 31 Dec 2017 £'000	12 months to 31 Dec 2018 £'000	12 months to 31 Dec 2019 £'000
Income	21,711	13,072	17,748	16,326	14,588	16,315	15,685
Expenditure							
Direct expenditure	10,226	8,291	10,968	11,351	11,374	11,532	12,341
Annuity	5,928	3,212	4,071	4,001	3,868	3,865	3,964
Allocated costs	5,081	1,139	1,521	1,522	1,542	1,574	1,614
Total expenditure	21,235	12,642	16,560	16,874	16,784	16,971	17,919
Net (under) / over recovery	476	430	1,188	(548)	(2,196)	(656)	(2,234)
Prior year (under) / over recovery	(151)	325	755	1,943	674	(801)	(1,457)
Price smoothing				(721)	721		
Total (under) / over recovery to cfwd	325	755	1,943	674	(801)	(1,457)	(3,691)
Customer share	80%	77%	77%	77%	76%	76%	83%
Annual Pass Prices							
Perimeter passes	£651.03		£635.41	£596.70	£535.29	£655.26	£655.26
Lost passes	£30.00		£30.00	£30.00	£30.00	£30.00	£30.00
June 2014 to December 2014							
Perimeter passes		£627.42					
Lost passes		£30.00					

A £14 levy per pass per annum is included in the above prices to help fund public transport initiatives.

Staff car parking
Trading statement year ended 31 December 2019
Detail - with customer share and adjustment to table G.4 breakdown

	Underlying Accounts (UA) £'000	Adjustment to UA £'000	Total £'000	Customer Share £'000	Adjustment to Table G.4 breakdown £'000	Customer Trading Statement £'000	Notes
				83%			
Income	15,685	3,299	18,984	15,685		15,685	1
Direct Expenditure							
Staff Car Park Management		609	609	503		503	2
Staff Bussing	5,910	(100)	5,810	4,801		4,801	3
Staff Bussing Fuel	1,288	(2)	1,286	1,063		1,063	3
Staff Costs		63	63	52		52	4
Rent		4,157	4,157	3,435		3,435	5
Rates		2,894	2,894	2,391		2,391	6
Maintenance & Parts		117	117	96		96	7
Total Direct Expenditure	7,198	7,738	14,936	12,341	-	12,341	
Annuity					3,964	3,964	8
Allocated Costs (10.8% of Direct expenditure and Annuity)				1,761	(147)	1,614	8
Total Expenditure	7,198	7,738	14,936	14,102	3,817	17,919	
Net (under) / over recovery	8,487	(4,439)	4,048	1,583	(3,817)	(2,234)	
Bfwd (under) / over recovery from 2018 in Pricing						(362)	
(Under) / over recovery year ended 31 Dec 2019						(2,596)	
Bfwd (under) / over recovery from 2018 not in Pricing						(1,095)	
Total (under) / over recovery to cfwd to 2020						(3,691)	

Notes

(1) Income

A notional income has been included for HAL non-chargeable passes. The Underlying Accounts amount excludes the Passenger Transport Levy (£14 per pass per annum). This PTL income is received within the Staff Car Parking income account, then transferred to the appropriate location within HAL.

(2) Staff Car Park Management

Adjustment to allocate management cost of Staff Car Parks excluding West Ramp Coach Park and Taxi Feeder Park

(3) Staff Bussing

Adjustment includes Bussing charges relating to Staff Car Parks

(4) Staff

The staff cost reflects the time of HAL staff directly related to the provision of the service

(5) Rent

The rental charge is for the Pionair site leased from Pickering Properties which forms part of the PEX staff car park and for the Magnatex Car Park

(6) Rates

The rates are based the rateable value of the Staff Car Parks

(7) Maintenance and Parts

An adjustment has been made to include Maintenance and Parts relating to Staff Car Parks

(8) Annuity and allocated costs

Annuity and allocated costs have been fixed at the level stated in the table G.4 breakdown plus RPI

Staff ID cards
Trading statement year ended 31 December 2019
Q6 summary

	12 months to 31 Mar 2014 £'000	9 months to 31 Dec 2014 £'000	12 months to 31 Dec 2015 £'000	12 months to 31 Dec 2016 £'000	12 months to 31 Dec 2017 £'000	12 months to 31 Dec 2018 £'000	12 months to 31 Dec 2019 £'000
Income	2,815	1,784	1,134	1,264	1,711	1,581	1,595
Expenditure							
Direct expenditure	1,172	835	1,283	1,175	1,457	1,684	1,732
Annuity	96	71	91	89	90	91	93
Allocated costs	1,598	101	132	132	136	139	142
Total expenditure	2,866	1,007	1,506	1,396	1,683	1,914	1,967
Net (under) / over recovery	(51)	777	(372)	(132)	28	(333)	(372)
Prior year (under) / over recovery	2,450	91	868	496	364	416	83
One off rebate	(2,308)						
Prior year adjustment					24		
Total (under) / over recovery to cfwd	91	868	496	364	416	83	(289)
Customer share	80%	81%	86%	86%	85%	81%	86%

Detailed pricing information is available on the General Notice

Staff ID cards
Trading statement year ended 31 December 2019
Detail - with customer share and adjustment to table G.4 breakdown

	Underlying accounts (UA) £'000	Adjustment to UA £'000	Total £'000	Customer share £'000	Adjustment to table G.4 breakdown £'000	Customer trading statement £'000	Notes
				86%			
Income	1,595	252	1,847	1,595		1,595	1
Direct expenditure							
Staff	1,020	(18)	1,003	866		866	2
Property related		138	138	119		119	3
Maintenance & equipment	183	-	183	158		158	
General expenses and BSC processing costs	617	-	617	533		533	
Electricity		65	65	56		56	4
Total direct expenditure	1,821	185	2,006	1,732		1,732	
Annuity					93	93	5
Allocated costs (12% of Direct expenditure and Annuity)				219	(77)	142	5
Total expenditure	1,821	185	2,006	1,951	16	1,967	
Net (under) / over recovery	(226)	67	(159)	(356)	(16)	(372)	
Bfwd (under) / over recovery from 2018 in Pricing						51	
(Under) / over recovery year ended 31 Dec 2019						(321)	
Bfwd (under) / over recovery from 2018 not in Pricing						32	
Total (under) / over recovery to cfwd to 2020						(289)	

Notes

(1) Income

Income is stated after including notional income for HAL passes

(2) Staff

Adjustment to remove non-recoverable staff costs

(3) Property related costs

An property charge has been included as this has not been charged through the normal mechanism

	Sq m	Sq ft	Amt (£) for year ended 31 Dec 2019	
Space occupied	420	4,525		
	Unit	Rate		
Rent	Sq m	£248.58		£104,404
Waste	Per 250 Sq ft	£294.20		£5,325
Rates	Per Property	£27,835.44		£27,835
				£137,565

(4) Electricity

An electricity charge has been included as this has not been charged through the normal mechanism

	Total
Units (kwh)	245,670
Price per unit	£0.266 (Heathrow General Notices)
Total	£65,348

(5) Annuity and allocated costs

Annuity and allocated costs have been fixed at the level stated in the table G.4 breakdown plus RPI

Fixed electrical ground power (FEGP)
Trading statement year ended 31 December 2019
Q6 summary

	12 months to 31 Mar 2014 £'000	9 months to 31 Dec 2014 £'000	12 months to 31 Dec 2015 £'000	12 months to 31 Dec 2016 £'000	12 months to 31 Dec 2017 £'000	12 months to 31 Dec 2018 £'000	12 months to 31 Dec 2019 £'000
Income	10,384	7,988	10,554	9,890	8,818	10,392	10,782
Expenditure							
Direct expenditure	3,867	4,130	5,789	5,421	5,955	6,609	6,512
Annuity	2,479	3,087	3,956	3,747	3,566	3,560	3,651
Allocated costs	2,375	326	417	402	399	406	417
Total expenditure	8,721	7,543	10,162	9,570	9,920	10,575	10,580
Net (under) / over recovery	1,663	445	392	320	(1,102)	(183)	202
Prior year (under) / over recovery	(1,732)	(69)	376	768	1,088	(14)	(197)
Total (under) / over recovery to cfwd	(69)	376	768	1,088	(14)	(197)	5
Customer share	100%	100%	100%	100%	100%	100%	100%
Pricing							
Price based on "time on stand" per quarter hour period							
April 2013 - March 2014	£4.04						
April 2014 - May 2014		£4.04					
Price based on consumption							
June 2014 - December 2014		£0.52					
January 2015 - December 2015			£0.49				
January 2016 - December 2016				£0.46			
January 2017 - December 2017					£0.40		
January 2018 - December 2018						£0.46	
January 2019 - December 2019							£0.48

Fixed electrical ground power (FEGP)
Trading statement year ended 31 December 2019
Detail - with adjustment to table G.4 breakdown

	Underlying Accounts (UA) £'000	Adjustment to UA £'000	Total £'000	Adjustment to table G.4 breakdown £'000	Customer trading statement £'000	Notes
Income	10,782		10,782		10,782	
Direct expenditure						
Staff		83	83		83	1
Electricity		6,113	6,113		6,113	2
Maintenance and parts		316	316		316	3
Total direct expenditure		6,512	6,512	-	6,512	
Annuity				3,651	3,651	4
Allocated costs (4% of Direct expenditure and Annuity)			407	10	417	4
Total expenditure		6,512	6,919	3,661	10,580	
Net (under) / over recovery	10,782	(6,512)	3,863	(3,661)	202	
Bfwd (under) / over recovery from 2018 in Pricing					(94)	
(Under) / over recovery year ended 31 Dec 2019					108	
Bfwd (under) / over recovery from 2018 not in Pricing					(103)	
Total (under) / over recovery to cfwd to 2020					5	

Notes

(1) Staff

An adjustment has been made to include direct costs of HAL staff working on FEGP activities

(2) Electricity

An adjustment has been made to include the internal cost of electricity

(3) Maintenance and parts

An adjustment has been made to include internal maintenance charges in direct costs

(4) Annuity and allocated costs

Annuity and allocated costs have been fixed at the level stated in the table G.4 breakdown plus RPI

Pre-conditioned air (PCA)
Trading statement year ended 31 December 2019
Q6 summary

	12 months to 31 Mar 2014 £'000	9 months to 31 Dec 2014 £'000	12 months to 31 Dec 2015 £'000	12 months to 31 Dec 2016 £'000	12 months to 31 Dec 2017 £'000	12 months to 31 Dec 2018 £'000	12 months to 31 Dec 2019 £'000	Notes
Income		3,595	5,368	5,314	4,485	2,281	369	1
Expenditure								
Direct expenditure		818	1,136	1,229	1,416	1,004	377	
Annuity		2,993	3,927	3,978	4,128	4,153	4,259	
Allocated costs		178	229	223	227	226	232	
Total expenditure		3,989	5,292	5,430	5,771	5,383	4,868	
Net (under) / over recovery		(394)	76	(116)	(1,286)	(3,102)	(4,499)	
Prior year (under) / over recovery			(394)	(318)	(434)	(1,720)	(4,822)	
Total (under) / over recovery to cfwd		(394)	(318)	(434)	(1,720)	(4,822)	(9,321)	
Customer share		100%	100%	100%	100%	100%	100%	
Pricing - per kwh								
June 2014 - December 2014		£2.09						
January 2015 - December 2015			£1.81					
January 2016 - December 2016				£1.77				
January 2017 - December 2017					£1.62			
January 2018 - December 2018						£1.62		
January 2019 - December 2019							£1.00	

Notes

(1) Pre-conditioned air

The charge for pre-conditioned air has been introduced in Q6

Pre-conditioned air (PCA)
Trading statement year ended 31 December 2019
Detail - with adjustment to table G.4 breakdown

	Underlying Accounts (UA) £'000	Adjustment to UA £'000	Total £'000	Adjustment to table G.4 breakdown £'000	Customer trading statement £'000	Notes
Income	369		369		369	
Direct expenditure						
Staff		3	3		3	1
Electricity		181	181		181	2
Maintenance and parts		193	193		193	3
Total direct expenditure		377	377	-	377	
Annuity				4,259	4,259	4
Allocated costs (4% of Direct expenditure and Annuity)			185	47	232	4
Total expenditure		377	562	4,306	4,868	
Net (under) / over recovery	369	(377)	(193)	(4,306)	(4,499)	
Bfwd (under) / over recovery from 2018 in Pricing					(1,896)	
(Under) / over recovery year ended 31 Dec 2019					(6,395)	
Bfwd (under) / over recovery from 2018 not in Pricing					(2,926)	
Total (under) / over recovery to cfwd to 2020					(9,321)	

Notes

(1) Staff

An adjustment has been made to include direct costs of HAL staff working on pre-conditioned air activities

(2) Electricity

An adjustment has been made to include internal cost of electricity

(3) Maintenance and parts

An adjustment has been made to include internal maintenance charges in direct costs

(4) Annuity and allocated costs

Annuity and allocated costs have been fixed at the level stated in the table G.4 breakdown plus RPI

Airside licences
Trading statement year ended 31 December 2019
Q6 summary

	12 months to 31 Mar 2014 £'000	9 months to 31 Dec 2014 £'000	12 months to 31 Dec 2015 £'000	12 months to 31 Dec 2016 £'000	12 months to 31 Dec 2017 £'000	12 months to 31 Dec 2018 £'000	12 months to 31 Dec 2019 £'000
Income	1,323	922	917	1,082	804	750	924
Expenditure							
Direct expenditure	798	628	741	591	842	791	1,288
Annuity	49	27	30	29	30	30	31
Allocated costs	435	83	108	109	113	117	120
Total expenditure	1,282	738	879	729	985	938	1,439
Net (under) / over recovery	41	184	38	353	(181)	(188)	(515)
Prior year (under) / over recovery	(67)	(27)	157	195	548	204	(69)
Price smoothing adjustment					(163)	(85)	(82)
Total (under) / over recovery to cfwd	(26)	157	195	548	204	(69)	(666)
Customer share	93%	92%	93%	92%	95%	91%	91%
Pricing							
Annual charge per licence	£3,248	£2,250	£2,250	£2,606	£1,878	£1,809	£2,309

Airside licences
Trading statement year ended 31 December 2019
Detail - with customer share and adjustment to table G.4 breakdown

	Underlying Accounts (UA) £'000	Adjustment to UA £'000	Total £'000	Customer share £'000	Adjustment to table G.4 breakdown £'000	Customer trading statement £'000	Notes
				91%			
Income	924	95	1,019	924		924	1
Direct expenditure							
Staff	1,030	(47)	983	892		892	2
Maintenance & equipment	31	-	31	29		29	
General expenses	405	-	405	367		367	
Total direct expenditure	1,466	(47)	1,419	1,288		1,288	
Annuity				-	31	31	3
Allocated costs (12% of Direct expenditure and Annuity)				158	(38)	120	3
Total expenditure	1,466	(47)	1,419	1,446	(7)	1,439	
Net (under) / over recovery	(542)	142	(401)	(522)	7	(515)	
Bfwd (under) / over recovery from 2018 in Pricing						(89)	
Price Smoothing adjustment						(82)	
(Under) / over recovery year ended 31 Dec 2019						(686)	
Bfwd (under) / over recovery from 2018 not in Pricing						20	
Total (under) / over recovery to cfwd to 2020						(666)	

Notes

(1) Income

There are a number of licences issued to third parties free of charge. Heathrow bears the cost of these and a notional income is included to reflect them

(2) Staff cost adjustment

An adjustment has been made to exclude non-recoverable staff costs in Ramp Operations

(3) Annuity and allocated costs

Annuity and allocated costs have been fixed at the level stated in the table G.4 breakdown plus RPI

Waste, recycling and refuse collection

Trading statement year ended 31 December 2019

Q6 summary

	12 months to 31 Mar 2014 £'000	9 months to 31 Dec 2014 £'000	12 months to 31 Dec 2015 £'000	12 months to 31 Dec 2016 £'000	12 months to 31 Dec 2017 £'000	12 months to 31 Dec 2018 £'000	12 months to 31 Dec 2019 £'000	Notes
Income		2,026	2,689	2,196	2,584	2,979	2,400	1
Expenditure								
Direct expenditure		1,637	2,004	2,088	2,291	2,689	2,634	
Annuity		312	389	140	140	140	144	
Allocated costs		89	125	120	125	130	133	
Total expenditure		2,038	2,518	2,348	2,556	2,959	2,911	
Net (under) / over recovery		(12)	171	(152)	28	20	(511)	
Prior year (under) / over recovery		-	(12)	159	7	35	55	
Total (under) / over recovery to cfwd		(12)	159	7	35	55	(456)	
Customer share								
Refuse Area		72%	74%	74%	74%	75%	75%	
Refuse Bin		100%	100%	100%	100%	100%	100%	
Pricing								
April 2014 - May 2014								
Refuse Area Charge - per assessed unit per quarter								
Low Waste Use (eg Services)		£54.71						
Medium Waste Use (eg Shops)		£62.92						
High Waste Use (eg Food and Beverage outlets)		£71.12						
Refuse Bin Charge - per outlet per quarter								
Low Waste Use (eg Services)		£450.00						
Medium Waste Use (eg Shops)		£1,470.00						
High Waste Use (eg Food and Beverage outlets)		£2,720.00						
June 2014 - December 2014								
Refuse Area Charge - per assessed unit per quarter								
Low Waste Use (eg Services)		£67.38						
Medium Waste Use (eg Shops)		£77.48						
High Waste Use (eg Food and Beverage outlets)		£87.59						
Refuse Bin Charge - per outlet per quarter								
Low Waste Use (eg Services)		£496.00						
Medium Waste Use (eg Shops)		£11,619.00						
High Waste Use (eg Food and Beverage outlets)		£2,996.00						
January 2015 - December 2015								
Refuse Area Charge - per assessed unit per quarter								
Low Waste Use (eg Services)			£72.30					
Medium Waste Use (eg Shops)			£83.15					
High Waste Use (eg Food and Beverage outlets)			£93.99					
Refuse Bin Charge - per outlet per quarter								
Low Waste Use (eg Services)			£399.00					
Medium Waste Use (eg Shops)			£1,302.00					
High Waste Use (eg Food and Beverage outlets)			£2,409.00					
January 2016 - December 2016								
Refuse Area Charge - per assessed unit per quarter								
Low Waste Use (eg Services)				£60.43				
Medium Waste Use (eg Shops)				£69.50				
High Waste Use (eg Food and Beverage outlets)				£78.56				
Refuse Bin Charge - per outlet per quarter								
Low Waste Use (eg Services)				£336.00				
Medium Waste Use (eg Shops)				£1,098.00				
High Waste Use (eg Food and Beverage outlets)				£2,032.00				
January 2017 - December 2017								
Refuse Area Charge - per assessed unit per quarter								
Low Waste Use (eg Services)					£66.85			
Medium Waste Use (eg Shops)					£76.89			
High Waste Use (eg Food and Beverage outlets)					£86.91			
Refuse Bin Charge - per outlet per quarter								
Low Waste Use (eg Services)					£365.00			
Medium Waste Use (eg Shops)					£1,192.00			
High Waste Use (eg Food and Beverage outlets)					£2,205.00			
January 2018 - December 2018								
Refuse Area Charge - per assessed unit per quarter								
Low Waste Use (eg Services)						£63.08		
Medium Waste Use (eg Shops)						£72.55		
High Waste Use (eg Food and Beverage outlets)						£82.01		
Refuse Bin Charge - per outlet per quarter								
Low Waste Use (eg Services)						£554.00		
Medium Waste Use (eg Shops)						£1,808.00		
High Waste Use (eg Food and Beverage outlets)						£3,345.00		
January 2019 - December 2019								
Refuse Area Charge - per assessed unit per quarter								
Low Waste Use (eg Services)							£73.55	
Low Waste Use GREEN TARIFF							£66.34	
Medium Waste Use (eg Shops)							£84.59	
Medium Waste Use GREEN TARIFF							£76.29	
High Waste Use (eg Food and Beverage outlets)							£95.62	
High Waste Use GREEN TARIFF							£86.24	
Refuse Bin Charge - per outlet per quarter								
Low Waste Use (eg Services)							£215.00	
Low Waste Use GREEN TARIFF							£188.00	
Medium Waste Use (eg Shops)							£703.00	
Medium Waste Use GREEN TARIFF							£614.00	
High Waste Use (eg Food and Beverage outlets)							£1,300.00	
High Waste Use GREEN TARIFF							£1,136.00	

Notes

(1) Waste, recycling and refuse collection

Trading statements were not prepared in Q5 for waste, recycling and refuse collection as it was not a designated specified activity

Waste, recycling and refuse collection
Trading statement year ended 31 December 2019
Detail - with customer share and adjustment to table G.4 breakdown

	Underlying Accounts (UA) £'000	Adjustment to UA £'000	Total £'000	Refuse Area £'000	Refuse Bin £'000	Customer Share £'000	Adjustment to table G.4 breakdown £'000	Customer trading statement £'000	
				75%	100%				
Income	2,400	792	3,192	1,954	446	2,400		2,400	1
Direct expenditure									
Management fee @ 40%	4,305	(2)	4,304	1,294		1,294		1,294	
Sortation	598	-	598	450		450		450	
T5 & T2 Bin Rooms Cost	1,391	(501)	890		890	890		890	
Management fee @ 40%, sortation and bin room costs	6,294	(502)	5,792	1,744	890	2,634		2,634	2
Total direct expenditure	6,294	(502)	5,792	1,744	890	2,634		2,634	
Annuity						-	144	144	3
Allocated costs (4% of Direct expenditure and Annuity)						111	22	133	3
Total expenditure	6,294	(502)	5,792	1,744	890	2,745	166	2,911	
Net (under) / over recovery	(3,894)	1,294	(2,600)	210	(444)	(345)	(166)	(511)	
Bfwd (under) / over recovery from 2018 in Pricing								361	
(Under) / over recovery year ended 31 Dec 2019								(150)	
Bfwd (under) / over recovery from 2018 not in Pricing								(306)	
Total (under) / over recovery to cfwd to 2020								(456)	

Notes

(1) Income

An adjustment includes notional income attributable to HAL share of waste activities.

(2) Direct expenditure

An adjustment has been made to include the element of T3 & T4 sortation, T2 and T5 bin room costs plus 40% of the management fee relating to waste area and bin room activities. The remaining cost of the management fee is recovered through airport charges

(3) Annuity and allocated costs

Annuity and allocated costs have been fixed at the level stated in the table G.4 breakdown plus RPI

Taxi feeder park
Trading statement year ended 31 December 2019
Q6 summary

	12 months to 31 Mar 2014 £'000	9 months to 31 Dec 2014 £'000	12 months to 31 Dec 2015 £'000	12 months to 31 Dec 2016 £'000	12 months to 31 Dec 2017 £'000	12 months to 31 Dec 2018 £'000	12 months to 31 Dec 2019 £'000
Income	3,292	2,228	1,886	1,896	2,205	2,320	2,405
Expenditure							
Direct expenditure	1,354	1,237	1,368	1,375	1,490	1,366	1,486
Annuity	180	341	450	457	474	490	503
Allocated costs	2,066	172	223	226	229	236	243
Total expenditure	3,600	1,750	2,041	2,058	2,193	2,092	2,232
Net (under) / over recovery	(308)	478	(155)	(162)	12	228	173
Prior year (under) / over recovery	(176)	(484)	(6)	(161)	(323)	(311)	(83)
Total (under) / over recovery to cfwd	(484)	(6)	(161)	(323)	(311)	(83)	90
Customer share	100%	100%	100%	100%	100%	100%	100%
Annual Prices agreed							
Price per Movement (incl VAT)	£4.35	£4.35	£2.82	£2.82	£3.50	£3.50	£3.50

Taxi feeder park
Trading statement year ended 31 December 2019
Detail - with adjustment to table G.4 breakdown

	Underlying Accounts (UA) £'000	Adjustment to UA £'000	Total £'000	Adjustment to Table G.4 breakdown £'000	Customer Trading Statement £'000	Notes
Income	2,405	-	2,405		2,405	
Direct Expenditure						
Management Fee		1,067	1,067		1,067	1
Internal Maintenance		57	57		57	2
Rates		61	61		61	3
IT Support		301	301		301	3
Total Direct Expenditure		1,486	1,486	-	1,486	
Annuity				503	503	4
Allocated Costs (12%of Direct expenditure and Annuity)			239	4	243	4
Total Expenditure		1,486	1,725	507	2,232	
Net (under) / over Recovery	2,405	(1,486)	680	(507)	173	
Bfwd (under) / over recovery from 2018 in Pricing					121	
(Under) / over recovery year ended 31 Dec 2019					294	
Bfwd (under) / over recovery from 2018 not in Pricing					(204)	
Total (under) / over recovery to cfwd to 2020					90	

Notes

(1) Management Fee

An adjustment has been made to include the element of the Management Fee relating to the Taxi Feeder Park.

(2) Internal Maintenance

An adjustment has been made to include the maintenance costs relating to the Taxi Feeder Park.

(3) Rates and IT Support

An adjustment has been made to include the rates charges and IT support charges relating to Taxi Feeder Park.

(4) Annuity and allocated costs

Annuity and allocated costs have been fixed at the level stated in the table G.4 breakdown plus RPI

Heating and Gas

Trading statement year ended 31 December 2019

Q6 summary

	12 months to 31 Mar 2014 £'000	9 months to 31 Dec 2014 £'000	12 months to 31 Dec 2015 £'000	12 months to 31 Dec 2016 £'000	12 months to 31 Dec 2017 £'000	12 months to 31 Dec 2018 £'000	12 months to 31 Dec 2019 £'000	Notes
Income	1,305	961	1,182	1,185	1,278	1,359	1,363	1
Expenditure								
Direct expenditure	734	961	1,228	1,201	1,277	1,365	1,416	
Annuity	620	1	2	2	2	2	2	
Allocated costs	328	5	6	6	7	7	7	
Total expenditure	1,682	967	1,236	1,209	1,286	1,374	1,425	
Net (under) / over recovery	(377)	(6)	(54)	(24)	(8)	(15)	(62)	
Prior year (under) / over recovery		110	104	50	26	18	3	
Total (under) / over recovery to cfwd	(377)	104	50	26	18	3	(59)	
Customer share	11.00%	0.64%	0.54%	0.38%	0.46%	0.64%	1.05%	
Pricing								
April 2013 - April 2014								
Heating - price per square foot	£1.22							
Gas - per kwh								
May 2014		£0.075						
June 2014 - December 2014		£0.050						
January 2015 - December 2015			£0.01					
January 2016 - December 2016				£0.02				
January 2017 - December 2017					£0.05			
January 2018 - December 2018						£0.03		
January 2019 - December 2019							£0.02	

Notes

(1) Gas and Heating

Formal trading statements were prepared in Q5 for heating but not gas, therefore the figures included for 13/14 are heating only and do not include gas

Heating and Gas
Trading statement year ended 31 December 2019
Detail - with customer share and adjustment to table G.4 breakdown

	Underlying accounts (UA) £'000	Adjustment to UA £'000	Total £'000	Customer share £'000	Adjustment to table G.4 breakdown £'000	Customer trading statement £'000	Notes
Income				1.05%			
Gas	24	2,270	2,294	24		24	1
Heating	1,339		1,339	1,339		1,339	
Direct Expenditure							
Supplier costs	3,898		3,898	41		41	
Staff	1,822		1,822	19		19	
Maintenance	1,669		1,669	17		17	
General expenses	0		0	-		-	
Heating costs		1,339	1,339	1,339		1,339	2
Total direct expenditure	7,389	1,339	8,728	1,416		1,416	
Annuity				-	2	2	3
Allocated costs (4% of Direct expenditure and Annuity)				57	(50)	7	3
Total expenditure	7,389	1,339	8,728	1,473	(48)	1,425	
Net (under) / over recovery	(6,026)	931	(5,095)	(110)	48	(62)	
Bfwd (under) / over recovery from 2018 in Pricing						23	
(Under) / over recovery year ended 31 Dec 2019						(39)	
Bfwd (under) / over recovery from 2018 not in Pricing						(20)	
Total (under) / over recovery to cfwd to 2020						(59)	

Notes

(1) Income

Income is stated after including notional income for HAL usage

(2) Heating costs

Heating income is recovered via property leases and an equivalent cost is included in the supply costs to offset income and ensure that the correct customer share is calculated for gas

(3) Annuity and allocated costs

Annuity and allocated costs have been fixed at the level stated in the table G.4 breakdown plus RPI

Electricity

Trading statement year ended 31 December 2019

Q6 summary

	12 months to 31 Mar 2014 £'000	9 months to 31 Dec 2014 £'000	12 months to 31 Dec 2015 £'000	12 months to 31 Dec 2016 £'000	12 months to 31 Dec 2017 £'000	12 months to 31 Dec 2018 £'000	12 months to 31 Dec 2019 £'000
Income	22,760	24,330	34,936	32,584	32,833	34,013	33,586
Backbilling income	1,534	939	2,522	1,924	1,397	1,652	1,679
Total income	24,294	25,269	37,458	34,508	34,230	35,665	35,265
Expenditure							
Direct expenditure	15,608	10,646	13,275	16,457	14,593	14,969	17,017
Annuity	5,705	15,803	19,766	18,951	18,799	18,562	19,037
Allocated costs	3,002	1,175	1,528	1,530	1,555	1,568	1,608
Total expenditure	24,315	27,624	34,569	36,938	34,947	35,099	37,662
Net (under) / over recovery	(21)	(2,355)	2,889	(2,430)	(717)	566	(2,397)
Prior year (under) / over recovery	4,087	3,182	232	2,200	(691)	(2,062)	(1,914)
Less backbilling cost adjustment	884	595	921	461	654	418	470
Total (under) / over recovery to cfwd	3,182	232	2,200	(691)	(2,062)	(1,914)	(4,781)
Customer share	34%	30%	33%	34%	35%	33%	34%
Pricing							
- HV electricity price (per kwh)	£0.1005						
LV electricity price (per kwh)	£0.1504						
April 2014 - May 2014							
HV electricity price (per kwh)		£0.1005					
LV electricity price (per kwh)		£0.1504					
June 2014 - December 2014							
HV electricity price (per kwh)		£0.168					
LV electricity price (per kwh)		£0.247					
January 2015 - December 2015							
HV electricity price (per kwh)			£0.180				
LV electricity price (per kwh)			£0.239				
January 2016 - December 2016							
HV electricity price (per kwh)				£0.160			
LV electricity price (per kwh)				£0.220			
January 2017 - December 2017							
HV electricity price (per kwh)					£0.166		
LV electricity price (per kwh)					£0.234		
January 2018 - December 2018							
HV electricity price (per kwh)						£0.185	
LV electricity price (per kwh)						£0.255	
January 2019 - December 2019							
HV electricity price (per kwh)							£0.195
LV electricity price (per kwh)							£0.266

Electricity
Trading statement year ended 31 December 2019
Detail - with customer share and adjustment to table G.4 breakdown

	Underlying accounts (UA) £'000	Adjustment to UA £'000	Total £'000	Customer share £'000	Adjustment to table G.4 breakdown £'000	Customer adjusted trading statement £'000	Notes
				34.3%			
Income	35,265	62,672	97,937	33,586		33,586	1
Backbilling income		1,679	1,679	1,679		1,679	2
						35,265	
Direct expenditure							
Supplier costs	49,920	(26)	49,894	17,110		17,110	3
CLC		(270)	(270)	(93)		(93)	4
Total direct expenditure	49,920	(296)	49,624	17,017		17,017	
Annuity					19,037	19,037	5
Allocated costs (4% of direct expenditure and annuity)				1,442	166	1,608	5
Total expenditure	49,920	(296)	49,624	18,459	19,203	37,662	
Net (under) / over recovery	(14,655)	64,647	49,992	16,806	(19,203)	(2,397)	
Bfwd (under) / over recovery from 2018 in Pricing						(251)	
Less backbilling cost adjustment							
09/10						-	2
10/11						-	2
11/12						-	2
12/13						-	2
13/14						-	2
2014						-	2
2015						-	2
2016						-	2
2017						-	2
2018						470	2
						470	
(Under) / over recovery year ended 31 Dec 2019						(3,118)	
Bfwd (under) / over recovery from 2018 not in Pricing						(1,663)	
Total (under) / over recovery to cfwd to 2020						(4,781)	

Notes

(1) Income

Income is stated after including notional income for HAL usage and reflects backbilling income separately

(2) Backbilling adjustment

An adjustment is made to account for additional revenue billed to customers relating to consumption in the periods before the year ended 31 Dec 2016 and the associated increase in costs

(3) Supplier costs

An adjustment has been made to exclude non-recoverable costs

(4) CLC

An adjustment has been made to exclude non-recoverable costs

(5) Annuity and allocated costs

Annuity and allocated costs are fixed at the level stated in the table G.4 breakdown plus RPI

Water and sewerage
Trading statement year ended 31 December 2019
Q6 summary

	12 months to 31 Mar 2014 £'000	9 months to 31 Dec 2014 £'000	12 months to 31 Dec 2015 £'000	12 months to 31 Dec 2016 £'000	12 months to 31 Dec 2017 £'000	12 months to 31 Dec 2018 £'000	12 months to 31 Dec 2019 £'000
Income	1,582	4,061	5,359	5,059	2,611	4,908	5,304
Backbilling income	143	355	1,152	511	443	223	364
Total income	1,725	4,416	6,511	5,570	3,054	5,131	5,668
Expenditure							
Direct expenditure	900	729	1,004	1,239	1,103	1,203	1,568
Annuity	176	3,112	3,985	3,899	3,893	3,891	3,991
Allocated costs	205	157	193	190	191	191	196
Total expenditure	1,281	3,998	5,182	5,328	5,187	5,285	5,755
Net (under) / over recovery	444	418	1,329	242	(2,133)	(154)	(87)
Prior year (under) / over recovery	(359)	85	503	1,832	2,074	(59)	(213)
Less backbilling cost adjustment	110	188	85	68	123	62	85
Cap backbilling to CAA decision customer share	(110)	(188)	(85)	(68)	(123)	(62)	(85)
Total (under) / over recovery to cfwd	85	503	1,832	2,074	(59)	(213)	(300)
Customer share	26%	26%	27%	29%	28%	28%	27%
Pricing							
Annual charge - per cubic metre	£3.65		£11.42	£10.58	£5.79	£10.65	£10.59
April 2014 - May 2014		£3.65					
June 2014 - December 2014		£13.10					

Water and sewerage
Trading statement year ended 31 December 2019
Detail - with customer share and adjustment to table G.4 breakdown

	Underlying accounts (UA) £'000	Adjustment to UA £'000	Total £'000	Customer share £'000	Adjustment to table G.4 breakdown £'000	Customer trading statement £'000	Notes
				27.5%			
Income	5,668	13,632	19,300	5,304		5,304	1
Backbilling income adjustment		364	364	364		364	2
						5,668	
Direct expenditure							
Water in and water out	3,928	(200)	3,728	1,024		1,024	3
Staff	1,971	(820)	1,151	316		316	4
Maintenance	826		826	227		227	
General expenses	5		5	1		1	
Total direct expenditure	6,729	(1,020)	5,710	1,568		1,568	
Annuity					3,991	3,991	5
Allocated costs (4% of Direct expenditure and Annuity)				222	(26)	196	5
Total expenditure	6,729	(1,020)	5,710	1,790	3,965	5,755	
Net (under) / over recovery	(1,061)	15,016	13,954	3,878	(3,965)	(87)	
Bfwd (under) / over recovery from 2018 in Pricing						0	
Less backbilling cost adjustment							
10/11						-	2
11/12						-	2
12/13						-	2
13/14						-	2
2014						-	2
2015						-	2
2016						-	2
2017						-	2
2018						85	2
						85	
Cap backbilling to CAA decision customer share						(85)	
(Under) / over recovery year ended 31 Dec 2019						(87)	
Bfwd (under) / over recovery from 2018 not in Pricing						(213)	
Total (under) / over recovery to cfwd to 2020						(300)	

Notes

(1) Income

Income is stated after including notional income for HAL usage and reflects backbilling income separately

(2) Backbilling adjustment

An adjustment is made to account for additional revenue billed to customers relating to consumption in the periods before the year ended 31 Dec 2018 and the associated increase in costs

(3) Water in and water out

An adjustment has been made to exclude non-recoverable costs

(4) Staff costs

Staff costs are adjusted to reflect time spent on water and sewerage only (time spent on other water related activities including environmental are excluded)

(5) Annuity and allocated costs

Annuity and allocated costs have been fixed at the level stated in the table G.4 breakdown plus RPI

Bus and coach facilities

Trading statement year ended 31 December 2019

Q6 summary

	12 months to 31 Mar 2014 £'000	9 months to 31 Dec 2014 £'000	12 months to 31 Dec 2015 £'000	12 months to 31 Dec 2016 £'000	12 months to 31 Dec 2017 £'000	12 months to 31 Dec 2018 £'000	12 months to 31 Dec 2019 £'000	Notes
Income	1,617	2,586	3,185	3,273	3,378	3,241	2,776	
Expenditure								
Direct expenditure	1,952	1,959	2,740	2,450	2,328	2,487	2,194	
Annuity	945	429	548	530	511	456	468	
Allocated costs	3,045	194	256	256	260	260	267	
Total expenditure	5,942	2,582	3,544	3,236	3,099	3,203	2,929	
Net (under) / over recovery	(4,325)	4	(359)	37	279	38	(153)	
Prior year (under) / over recovery						(39)	(26)	
Price Smoothing						(25)		
Total (under) / over recovery to cfwd	(4,325)	4	(355)	(318)	(39)	(26)	(179)	1
Customer share	86%	100%	100%	100%	100%	100%	100%	
Pricing - per departing movement								
Central Bus Station (CBS)	£2.74	£4.74						
January 2015 - July 2015			All operators	£4.74				
August 2015 - December 2015			Bus up to 60 seats	£4.42				
August 2015 - December 2015			Bus up to 15 seats	£2.37				
January 2016 - December 2016			Bus up to 15 seats		£2.37			
January 2016 - December 2016			Bus more than 15 seats		£4.42			
January 2017 - December 2017			Bus up to 15 seats			£2.37		
January 2017 - December 2017			Bus more than 15 seats			£4.42		
January 2018 - December 2018			All operators				£4.11	
January 2019 - December 2019			All operators					£4.11
West Ramp Coach Park (WRCP)	£23.24	£23.24	£21.56	£21.56	£24.15	£24.15	£24.15	

Notes

(1) Prior Year (Under) recovery

Agreed with operators not to carry forward the prior year (under) recovery in 31 Mar 2014 driven by the high allocated costs.

Bus and coach facilities
Trading statement year ended 31 December 2019
Detail - with adjustment to table G.4 breakdown

	Underlying Accounts (UA) £'000	Adjustment to UA £'000	CBS & Permits £'000	WRCP £'000	Total £'000	Adjustment to Table G.4 breakdown £'000	Customer Trading Statement £'000	Notes
Income	1,536	1,241	2,200	577	2,776		2,776	1
Direct Expenditure								
Staff		34	22	12	34		34	2
Rent		30	30	-	30		30	3
Cleaning		108	108	-	108		108	4
Maintenance		153	140	13	153		153	4
Rates		319	263	56	319		319	5
Management Fee		1,550	939	611	1,550		1,550	6
Total Direct Expenditure		2,194	1,502	692	2,194		2,194	
Annuity						468	468	7
Allocated Costs (12% of Direct expenditure and Annuity)					319	(52)	267	7
Total Expenditure		2,194	1,502	692	2,513	416	2,929	
Net (under) / over Recovery	1,536	(953)	698	(115)	263	(416)	(153)	
Bfwd (under) / over recovery from 2018							(26)	
Total (under) / over recovery to cfwd to 2020							(179)	

Notes

(1) Public Bus Services - Income

Income attributable to public bus services has been adjusted to include customer share notional income in respect of local buses which use the Central Bus Station. Customer share for Central Bus Station is therefore 100%.

(2) Staff

An adjustment has been made to include direct costs of HAL staff working on the Bus and Coach activities.

(3) Rent

An adjustment has been made to include rent paid to London Underground Ltd for a staff restroom at the Central Bus Station.

(4) Cleaning and Maintenance

An adjustment has been made to include the indirect maintenance costs of the Central Bus Station and West Ramp Coach Park.

(5) Rates

An adjustment has been made to include rates charge relating to Bus and Coach activities.

(6) Management Fee

An adjustment has been made to include the element of the Management fee relating to Bus and Coach activities.

(7) Annuity and allocated costs

Annuity and allocated costs have been fixed at the level stated in the table G.4 breakdown plus RPI

Common I.T. infrastructure
Trading statement year ended 31 December 2019
Q6 summary

	12 months to 31 Mar 2014	9 months to 31 Dec 2014	12 months to 31 Dec 2015	12 months to 31 Dec 2016	12 months to 31 Dec 2017	12 months to 31 Dec 2018	12 months to 31 Dec 2019	Notes
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Income		230	284	388	454	110	75	1
Expenditure								
Direct expenditure		1	1	1	1	1	1	
Annuity		268	341	334	336	332	341	
Allocated costs		12	15	15	15	15	15	
Total expenditure		281	357	350	352	348	357	
Net (under) / over recovery		(51)	(73)	38	102	(238)	(282)	
Prior year (under) / over recovery		-	(51)	(124)	(28)	16	(222)	
Prior smoothing adjustment				58	(58)			
Total (under)/over recovery to cfwd		(51)	(124)	(28)	16	(222)	(504)	
Customer share		1.8%	1.6%	1.4%	1.7%	1.7%	1.5%	
Pricing								
Annual charge per port	not charged	£165.43	£147.44	£211.26	£247.01	£169.10	£203.53	

Notes

(1) Common IT - passive

The charge for common IT - passive has been introduced in Q6

Common I.T. infrastructure
Trading statement year ended 31 December 2019
Detail - with customer share and adjustment to table G.4 breakdown

	Underlying accounts (UA) £'000	Adjustment to UA £'000	Total £'000	Customer share £'000	Adjustment to table G.4 breakdown £'000	Customer trading statement £'000	Notes
				1.5%			
Income	75	4,940	5,015	75	-	75	
Direct expenditure							
Staff		61	61	1	-	1	1
Total direct expenditure	-	61	61	1	-	1	
Annuity					341	341	2
Allocated costs (4% of direct expenditure and annuity)				14	1	15	2
Total expenditure	-	61	61	15	342	357	
Net (under) / over recovery	75	4,879	4,954	60	(342)	(282)	
Bfwd (under) / over recovery from 2018 in Pricing						(124)	
(Under) / over recovery year ended 31 Dec 2019						(406)	
Bfwd (under) / over recovery from 2018 not in Pricing						(98)	
Total (under) / over recovery to cfwd to 2020						(504)	

Notes

(1) Staff cost adjustment

An adjustment has been made to include time spent by HAL staff on common IT - passive activities

(2) Annuity and allocated Costs

Annuity and allocated costs have been fixed at the level stated in the table G.4 breakdown plus RPI

Airline Operators Committee (AOC)
Trading statement year ended 31 December 2019
Q6 summary

	12 months to 31 Mar 2014 £'000	9 months to 31 Dec 2014 £'000	12 months to 31 Dec 2015 £'000	12 months to 31 Dec 2016 £'000	12 months to 31 Dec 2017 £'000	12 months to 31 Dec 2018 £'000	12 months to 31 Dec 2019 £'000	Notes
Income		389	482	519	513	1,015	734	1
Expenditure								
Direct expenditure		359	456	437	606	774	645	
Annuity								
Allocated costs		36	47	48	49	51	52	
Total expenditure		395	503	485	655	825	697	
Net (under) / over recovery		(6)	(21)	34	(142)	190	37	
Prior year (under) / over recovery		-	(6)	(27)	7	(135)	55	
Total (under) / over recovery to cfwd		(6)	(27)	7	(135)	55	92	
Customer share		100%	100%	100%	100%	100%	100%	
Pricing								
Annual charge per departing passenger	Not charged	£0.0173	£0.0131	£0.0139	£0.0133	£0.0256	£0.0201	

Notes

(1) Airline Operators Committee

The charge for the Airline Operators Committee has been introduced in Q6

Airline Operators Committee (AOC)
Trading statement year ended 31 December 2019
Detail - with adjustment to table G.4 breakdown

	Underlying accounts (UA) £'000	Adjustment to UA £'000	Total £'000	Adjustment to table G.4 breakdown £'000	Customer trading statement £'000	Notes
Income	734	-	734		734	
Direct expenditure						
AOC contribution costs	658	(13)	645		645	1
Total direct expenditure	658	(13)	645		645	
Annuity			-		-	2
Allocated costs (12% of Direct expenditure)			77	(25)	52	3
Total expenditure	658	(13)	722	(25)	697	
Net (under) / over recovery	76	13	12	25	37	
Bfwd (under) / over recovery from 2018 in Pricing					37	
(Under) / over recovery year ended 31 Dec 2019					74	
Bfwd (under) / over recovery from 2018 not in Pricing					18	
Total (under) / over recovery to cfwd to 2020					92	

Notes

(1) AOC contribution costs

An adjustment to include the agreed AOC contribution costs

(2) Annuity

There is no annuity included as part of the AOC specified activity

(3) Allocated costs

Allocated costs have been fixed at the level stated in the table G.4 breakdown plus RPI