

# **Heathrow Airport Limited**

## **Specified activities – transparency and trading statements**

Year ended 31 December  
2016

# Contents

1. Background .....	4
2. Accounts .....	4
3. Cost types and the principles of cost allocation .....	4
4. Table G.4 breakdown .....	5
5. Prices .....	6
6. Explanatory notes .....	6
7. Transparency statement for specified activities .....	11
8. Detailed trading statements .....	12
Check-in desks .....	12
Baggage systems .....	14
Services for passengers with reduced mobility (PRM) .....	16
Staff car parking .....	18
Staff ID cards .....	20
Fixed electrical ground power (FEGP) .....	22
Pre-conditioned air (PCA) .....	24
Airside licences .....	26
Waste, recycling and refuse collection .....	28
Taxi feeder park .....	30
Heating and Gas .....	32
Electricity .....	34
Water and sewerage .....	36
Bus and coach facilities .....	38
Common I.T. infrastructure .....	40
Airline Operators Committee (AOC) .....	42

# Heathrow Airport Limited

## Specified activities – transparency and trading statements for year ended 31 December 2016

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 2016.

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 5 June 2017.



.....

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 2016 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 8.93% 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 2016	263.1
RPI index at 31 December 2015	260.6
RPI index at 31 December 2016	267.1
Increase from average 2011/12 to average 2016	10.83%
Increase from 31 December 2016 to average 2016	1.54%
Increase from 31 December 2015 to 31 December 2016	2.49%

(sourced from the Office of National Statistics)

## 5. Prices

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

## 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 65%+ pre-notification

Category 2 – between 50% and 64.99% pre-notification at 30 hours

Category 3 – less than 50% 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. A £14 levy is also included in the perimeter pass price to help fund public transport initiatives.

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 were 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 will be 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 2016, 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 2016 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 2016, 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 2016 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 2016 £'000	Baggage year ended 31 Dec 2016 £'000	PRM year ended 31 Dec 2016 £'000	SCP year ended 31 Dec 2016 £'000	Staff ID year ended 31 Dec 2016 £'000	FEGP year ended 31 Dec 2016 £'000	PCA year ended 31 Dec 2016 £'000	Airside licences year ended 31 Dec 2016 £'000
Income	5,435	124,883	19,782	16,326	1,264	9,890	5,314	1,082
Backbilling income								
<b>Total Income</b>	<b>5,435</b>	<b>124,883</b>	<b>19,782</b>	<b>16,326</b>	<b>1,264</b>	<b>9,890</b>	<b>5,314</b>	<b>1,082</b>
Expenditure								
Direct Expenditure	4,111	118,006	19,313	11,351	1,175	5,421	1,229	591
Annuity	574			4,001	89	3,747	3,978	29
Allocated Costs	601	10,354	706	1,522	132	402	223	109
<b>Total Expenditure</b>	<b>5,286</b>	<b>128,360</b>	<b>20,019</b>	<b>16,874</b>	<b>1,396</b>	<b>9,570</b>	<b>5,430</b>	<b>729</b>
<b>Net (Under) / Over Recovery</b>	<b>149</b>	<b>(3,477)</b>	<b>(237)</b>	<b>(548)</b>	<b>(132)</b>	<b>320</b>	<b>(116)</b>	<b>353</b>
Prior year (under) / over recovery	44	(1,161)	(41)	1,222	496	768	(318)	195
Backbilling cost adjustment								
Backbilling cost adjustment reversal								
<b>Total (Under) / Over Recovery to cfwd</b>	<b>193</b>	<b>(4,638)</b>	<b>(278)</b>	<b>674</b>	<b>364</b>	<b>1,088</b>	<b>(434)</b>	<b>548</b>

	Waste year ended 31 Dec 2016 £'000	TFP year ended 31 Dec 2016 £'000	Heating & Gas year ended 31 Dec 2016 £'000	Electricity year ended 31 Dec 2016 £'000	Water & sewerage year ended 31 Dec 2016 £'000	Bus & coach year ended 31 Dec 2016 £'000	Common IT - Passive year ended 31 Dec 2016 £'000	AOC year ended 31 Dec 2016 £'000
Income	2,196	1,896	1,185	32,584	5,059	3,273	388	519
Backbilling income				1,924	511			
<b>Total Income</b>	<b>2,196</b>	<b>1,896</b>	<b>1,185</b>	<b>34,508</b>	<b>5,570</b>	<b>3,273</b>	<b>388</b>	<b>519</b>
Expenditure								
Direct Expenditure	2,088	1,375	1,201	16,457	1,239	2,450	1	437
Annuity	140	457	2	18,951	3,899	530	334	
Allocated Costs	120	226	6	1,530	190	256	15	48
<b>Total Expenditure</b>	<b>2,348</b>	<b>2,058</b>	<b>1,209</b>	<b>36,938</b>	<b>5,328</b>	<b>3,236</b>	<b>350</b>	<b>485</b>
<b>Net (Under) / Over Recovery</b>	<b>(152)</b>	<b>(162)</b>	<b>(24)</b>	<b>(2,430)</b>	<b>242</b>	<b>37</b>	<b>38</b>	<b>34</b>
Prior year (under) / over recovery	159	(161)	50	2,200	1,832	(355)	(66)	(27)
Backbilling cost adjustment				461	68			
Backbilling cost adjustment reversal					(68)			
<b>Total (Under) / Over Recovery to cfwd</b>	<b>7</b>	<b>(323)</b>	<b>26</b>	<b>(691)</b>	<b>2,074</b>	<b>(318)</b>	<b>(28)</b>	<b>7</b>

## 8. Detailed trading statements

### Check-in desks Trading statement year ended 31 December 2016 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
Income	5,530	4,237	5,603	5,435		
London 2012 Olympic and Paralympic Games adjustment	278					
<b>Expenditure</b>						
Direct expenditure	4,104	3,460	4,455	4,111		
Annuity	685	500	597	574		
Allocated costs	844	442	596	601		
<b>Total expenditure</b>	<b>5,633</b>	<b>4,402</b>	<b>5,648</b>	<b>5,286</b>		
<b>Net (under) / over recovery</b>	<b>175</b>	<b>(165)</b>	<b>(45)</b>	<b>149</b>		
Prior year (under) / over recovery	79	254	89	44		
<b>Total (under) / over recovery to cfwd</b>	<b>254</b>	<b>89</b>	<b>44</b>	<b>193</b>		
Customer share	100%	100%	100%	100%		
<b>Pricing</b>						
<b>Charge per desk per hour</b>						
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		

**Check-in desks**  
**Trading statement year ended 31 December 2016**  
**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	5,435	-	5,435		5,435	
Direct expenditure						
Property related	941	-	941		941	
Operating Costs	1,479	1,691	3,170		3,170	1
<b>Total direct expenditure</b>	<b>2,420</b>	<b>1,691</b>	<b>4,111</b>		<b>4,111</b>	
Annuity				574	574	2
Allocated costs (12% of Direct expenditure and Annuity)			562	39	601	2
<b>Total expenditure</b>	<b>2,420</b>	<b>1,691</b>	<b>4,673</b>	<b>613</b>	<b>5,286</b>	
<b>Net (under) / over recovery</b>	<b>3,015</b>	<b>(1,691)</b>	<b>762</b>	<b>(613)</b>	<b>149</b>	
Bfwd (Under) / Over recovery from 2015 in Pricing					42	
<b>(Under) / over recovery year ended 31 Dec 2016</b>					<b>191</b>	
Bfwd (Under) / over recovery from 2015 not in Pricing					2	
<b>Total (under) / over recovery to cfwd to 2017</b>					<b>193</b>	

**Notes**

**(1) Other**

Adjustment to include agreed site fee and service costs

**(2) 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 2016**  
**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
Income	121,798	91,547	126,670	124,883		
Expenditure						
Direct expenditure	109,508	86,359	118,647	118,006		
Annuity						
Allocated costs	7,594	9,074	10,734	10,354		
Total expenditure	117,102	95,433	129,381	128,360		
<b>Net (under) / over recovery</b>	<b>4,696</b>	<b>(3,886)</b>	<b>(2,711)</b>	<b>(3,477)</b>		
Prior year (under) / over recovery	740	5,436	1,550	(1,161)		
<b>Total (under) / over recovery to cfwd</b>	<b>5,436</b>	<b>1,550</b>	<b>(1,161)</b>	<b>(4,638)</b>		
Customer share	100%	100%	100%	100%		
<b>Pricing</b>						
<b>Charge per departing bag</b>						
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		

**Baggage systems**  
**Trading statement year ended 31 December 2016**  
**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	124,883	-	124,883		124,883	
Direct expenditure						
Staff	7,490	(1,347)	6,143		6,143	1
Property related	15,432	-	15,432		15,432	
Utilities	15,104	-	15,104		15,104	
Maintenance and equipment	71,017	-	71,017		71,017	
Other	6,311	-	6,311		6,311	
2016 gainshare adjustment		3,999	3,999		3,999	2
Total direct expenditure	115,354	2,652	118,006		118,006	
Annuity					-	3
Allocated costs (9.8% of Direct expenditure)			11,565	(1,211)	10,354	4
<b>Total expenditure</b>	<b>115,354</b>	<b>2,652</b>	<b>129,571</b>	<b>(1,211)</b>	<b>128,360</b>	
<b>Net (under) / over recovery</b>	<b>9,529</b>	<b>(2,652)</b>	<b>(4,688)</b>	<b>1,211</b>	<b>(3,477)</b>	
Bfwd (under) / over recovery from 2015 in pricing					2,414	
<b>(Under) / over recovery year ended 31 Dec 2016</b>					<b>(1,063)</b>	
Balance of bfwd (under) / over recovery not in pricing					(3,575)	
<b>Total (under) / over recovery to cfwd to 2017</b>					<b>(4,638)</b>	

**Notes**

**(1) Staff cost adjustment**

An adjustment has been made to exclude non-recoverable costs

**(2) Gainshare adjustment**

From 2015 delivered savings as per Other Regulated Charges Group protocol dated October 2013

**(3) Annuity**

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

**(4) 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 2016  
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	Notes
Income	17,512	16,233	20,673	19,782			
Expenditure							
Direct expenditure	17,124	13,984	19,383	19,313			
Annuity							
Allocated costs		547	723	706			1
Total expenditure	17,124	14,531	20,106	20,019			
<b>Net (under) / over recovery</b>	<b>388</b>	<b>1,702</b>	<b>567</b>	<b>(237)</b>			
Prior year (under) / over recovery	(2,698)	(2,310)	(608)	(41)			
<b>Total (under) / over recovery to cfwd</b>	<b>(2,310)</b>	<b>(608)</b>	<b>(41)</b>	<b>(278)</b>			
Customer share	100%	100%	100%	100%			
<b>Pricing</b>							
Annual charge per departing passenger (£)							
Category 1 (above 65% at 30 hours)	£0.44		£0.52	£0.50			
Category 2 (50% to 64.99% at 30 hours)	£0.85		£1.17	£1.17			
Category 3 (less than 50% at 30 hours)	£1.75		£2.40	£2.40			
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



**Services for passengers with reduced mobility (PRM)  
Trading statement year ended 31 December 2016  
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	19,782	-	19,782		19,782	1
Direct Expenditure						
Staff		221	221		221	2
Operating costs	18,842	-	18,842		18,842	
2016 gainshare adjustment		250	250		250	3
Total direct expenditure	18,842	471	19,313		19,313	
Annuity					-	4
Allocated costs (4% of Direct expenditure)			773	(67)	706	5
Total expenditure	18,842	471	20,086	(67)	20,019	
<b>Net (under) / over recovery</b>	<b>940</b>	<b>(471)</b>	<b>(304)</b>	<b>67</b>	<b>(237)</b>	
Bfwd (Under) / Over recovery from 2015 in Pricing					15	
<b>(Under) / over recovery year ended 31 Dec 2016</b>					<b>(222)</b>	
Bfwd (Under) / over recovery from 2015 not in Pricing					(56)	
<b>Total (under) / over recovery to cfwd to 2017</b>					<b>(278)</b>	

**Notes**

**(1) Income**

Category	Price £	Departing passengers	Income £'000s
1 (> 65%)	0.50	36,190,928	18,095
2 (50% > 64.99%)	1.17	801,325	938
3 (<50%)	2.40	311,967	749
<b>Total</b>		<b>37,304,220</b>	<b>19,782</b>

**(2) Staff costs**

Adjustment to include agreed recoverable staff costs

**(3) Gainshare adjustment**

From 2016 delivered savings as per Other Regulated Charges Group protocol dated July 2015

**(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 2016**  
**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
Income	21,711	13,072	17,748	16,326		
Expenditure						
Direct expenditure	10,226	8,291	10,968	11,351		
Annuity	5,928	3,212	4,071	4,001		
Allocated costs	5,081	1,139	1,521	1,522		
Total expenditure	21,235	12,642	16,560	16,874		
<b>Net (under) / over recovery</b>	<b>476</b>	<b>430</b>	<b>1,188</b>	<b>(548)</b>		
Prior year (under) / over recovery	(151)	325	755	1,222		
<b>Total (under) / over recovery to cfwd</b>	<b>325</b>	<b>755</b>	<b>1,943</b>	<b>674</b>		
Customer share	80%	77%	77%	77%		
<b>Annual Pass Prices</b>						
Perimeter passes	£651.03		£635.41	£596.70		
Lost passes	£30.00		£30.00	£30.00		
<b>June 2014 to December 2014</b>						
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 2016**  
**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
				77%			
Income	16,326	4,815	21,141	16,326		16,326	1
<b>Direct Expenditure</b>							
Staff Car Park Management	2,564	(2,007)	557	430		430	2
Staff Bussing	9,297	(3,761)	5,536	4,275		4,275	3
Staff Bussing Fuel	1,315	(422)	893	690		690	3
Staff costs		96	96	74		74	4
Rent		4,146	4,146	3,202		3,202	5
Rates		2,616	2,616	2,020		2,020	6
PTL	385	113	498	385		385	7
Maintenance & Parts		356	356	275		275	8
<b>Total Direct Expenditure</b>	<b>13,561</b>	<b>1,137</b>	<b>14,698</b>	<b>11,351</b>	<b>-</b>	<b>11,351</b>	
Annuity					4,001	4,001	9
Allocated Costs (10.8% of Direct expenditure and Annuity)				1,658	(136)	1,522	9
<b>Total Expenditure</b>	<b>13,561</b>	<b>1,137</b>	<b>14,698</b>	<b>13,009</b>	<b>3,865</b>	<b>16,874</b>	
<b>Net (Under) / Over Recovery</b>	<b>2,765</b>	<b>3,678</b>	<b>6,443</b>	<b>3,317</b>	<b>(3,865)</b>	<b>(548)</b>	
Bfwd (Under) / Over recovery from 2015 in Pricing						1,441	
Price Smoothing Adjustment						(721)	10
<b>(Under) / Over Recovery year ended 31 Dec 2016</b>						<b>172</b>	
Bfwd (Under) / over recovery from 2015 not in Pricing						502	
<b>Total (Under) / Over Recovery to cfwd to 2017</b>						<b>674</b>	

**Notes**

**(1) Income**

A notional income has been included for HAL non-chargeable passes.

**(2) Staff Car Park Management**

Adjustment excludes management of West Ramp Coach Park and Taxi Feeder park.

**(3) Staff Bussing**

Adjustment excludes other Bussing charges not 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) Passenger Transport Levy**

Passenger Transport Levy is charged at £14 per pass per annum.

**(8) Maintenance and Parts**

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

**(9) Annuity and allocated costs**

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

**(10) Price Smoothing adjustment**

2015 over recovery returned over 2 years as agreed with the Airline Community at Pricing 2016

**Staff ID cards**  
**Trading statement year ended 31 December 2016**  
**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
Income	2,815	1,784	1,134	1,264		
Expenditure						
Direct expenditure	1,172	835	1,283	1,175		
Annuity	96	71	91	89		
Allocated costs	1,598	101	132	132		
Total expenditure	2,866	1,007	1,506	1,396		
Net (under) / over recovery	(51)	777	(372)	(132)		
Prior year (under) / over recovery	2,450	91	868	496		
One off rebate	(2,308)					
<b>Total (under) / over recovery to cfwd</b>	<b>91</b>	<b>868</b>	<b>496</b>	<b>364</b>		
Customer share	80%	81%	86%	86%		

Detailed pricing information is available on the General Notice

**Staff ID cards**  
**Trading statement year ended 31 December 2016**  
**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	1,264	209	1,473	1,264		1,264	1
Direct expenditure							
Staff	826	(54)	772	662		662	2
Property related		130	130	112		112	3
Maintenance & equipment	186	-	186	160		160	
General expenses and BSC processing costs	240	(13)	227	195		195	4
Electricity		54	54	46		46	5
Total direct expenditure	1,252	117	1,369	1,175		1,175	
Annuity					89	89	6
Allocated costs (12% of Direct expenditure and Annuity)				152	(20)	132	6
Total expenditure	1,252	117	1,369	1,327	69	1,396	
<b>Net (under) / over recovery</b>	<b>12</b>	<b>92</b>	<b>104</b>	<b>(63)</b>	<b>(69)</b>	<b>(132)</b>	
Bfwd (Under) / Over recovery from 2015 in Pricing						423	
<b>(Under) / over recovery year ended 31 December 2016</b>						<b>291</b>	
Bfwd (Under) / over recovery from 2015 not in Pricing						73	
<b>Total (under) / over recovery to cfwd to 2017</b>						<b>364</b>	

**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	
Space occupied	420	4,525	
	Unit	Rate	Amt (£) for year ended 31 Dec 2016
Rent	Sq m	£224.96	£94,482
Waste	Per 250 Sq ft	£267.40	£4,840
Rates	Per Property	£30,709.50	£30,710
			<b>£130,032</b>

**(4) BSC processing costs**

Adjustment to align BSC processing costs with Q6 decision

**(5) 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	£0.220	(Heathrow General Notices)
<b>Total</b>	<b>£54,047</b>	

**(6) 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 2016**  
**Q6 summary**

	<b>12 months to 31 Mar 2014 £'000</b>	<b>9 months to 31 Dec 2014 £'000</b>	<b>12 months to 31 Dec 2015 £'000</b>	<b>12 months to 31 Dec 2016 £'000</b>	<b>12 months to 31 Dec 2017 £'000</b>	<b>12 months to 31 Dec 2018 £'000</b>
Income	10,384	7,988	10,554	9,890		
Expenditure						
Direct expenditure	3,867	4,130	5,789	5,421		
Annuity	2,479	3,087	3,956	3,747		
Allocated costs	2,375	326	417	402		
Total expenditure	8,721	7,543	10,162	9,570		
<b>Net (under) / over recovery</b>	<b>1,663</b>	<b>445</b>	<b>392</b>	<b>320</b>		
Prior year (under) / over recovery	(1,732)	(69)	376	768		
<b>Total (under) / over recovery to cfwd</b>	<b>(69)</b>	<b>376</b>	<b>768</b>	<b>1,088</b>		
Customer share	100%	100%	100%	100%		
<b>Pricing</b>						
<b>Price based on "time on stand" per quarter hour period</b>						
April 2013 - March 2014	£4.04					
April 2014 - May 2014		£4.04				
<b>Price based on consumption</b>						
June 2014 - December 2014		£0.52				
January 2015 - December 2015			£0.49			
January 2016 - December 2016				£0.46		

**Fixed electrical ground power (FEGP)**  
**Trading statement year ended 31 December 2016**  
**Detail - with 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	9,890		9,890	9,890		9,890	
Direct expenditure							
Staff		88	88	88		88	1
Electricity		4,827	4,827	4,827		4,827	2
Maintenance and parts		506	506	506		506	3
Total direct expenditure		5,421	5,421	5,421	-	5,421	
Annuity					3,747	3,747	4
Allocated costs (4% of Direct expenditure and Annuity)				367	35	402	4
Total expenditure		5,421	5,421	5,788	3,782	9,570	
<b>Net (under) / over recovery</b>	<b>9,890</b>	<b>(5,421)</b>	<b>4,469</b>	<b>4,102</b>	<b>(3,782)</b>	<b>320</b>	
Bfwd (Under) / Over recovery from 2015 in Pricing						361	
<b>(Under) / over recovery year ended 31 December 2016</b>						<b>681</b>	
Bfwd (Under) / over recovery from 2015 not in Pricing						407	
<b>Total (under) / over recovery to cfwd to 2017</b>						<b>1,088</b>	

**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 2016**  
**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	Notes
Income		3,595	5,368	5,314			1
Expenditure							
Direct expenditure		818	1,136	1,229			
Annuity		2,993	3,927	3,978			
Allocated costs		178	229	223			
Total expenditure		3,989	5,292	5,430			
<b>Net (under) / over recovery</b>		<b>(394)</b>	<b>76</b>	<b>(116)</b>			
Prior year (under) / over recovery			(394)	(318)			
<b>Total (under) / over recovery to cfwd</b>		<b>(394)</b>	<b>(318)</b>	<b>(434)</b>			
Customer share		100%	100%	100%			
<b>Pricing - per kwh</b>							
June 2014 - December 2014		£2.09					
January 2015 - December 2015			£1.81				
January 2016 - December 2016				£1.77			

**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 2016**  
**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	5,314		5,314		5,314	
Direct expenditure						
Staff		47	47		47	1
Electricity		721	721		721	2
Maintenance and parts		461	461		461	3
Total direct expenditure		1,229	1,229	-	1,229	
Annuity				3,978	3,978	4
Allocated costs (4% of Direct expenditure and Annuity)			208	15	223	4
Total expenditure		1,229	1,437	3,993	5,430	
<b>Net (under) / over recovery</b>	<b>5,314</b>	<b>(1,229)</b>	<b>3,877</b>	<b>(3,993)</b>	<b>(116)</b>	
Bfwd (Under) / Over recovery from 2015 in Pricing					(210)	
<b>(Under) / over recovery year ended 31 Dec 2016</b>					<b>(326)</b>	
Bfwd (Under) / over recovery from 2015 not in Pricing					(108)	
<b>Total (under) / over recovery to cfwd to 2017</b>					<b>(434)</b>	

**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 2016**  
**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
Income	1,323	922	917	1,082		
Expenditure						
Direct expenditure	798	628	741	591		
Annuity	49	27	30	29		
Allocated costs	435	83	108	109		
Total expenditure	1,282	738	879	729		
<b>Net (under) / over recovery</b>	<b>41</b>	<b>184</b>	<b>38</b>	<b>353</b>		
Prior year (under) / over recovery	(67)	(27)	157	195		
<b>Total (under) / over recovery to cfwd</b>	<b>(26)</b>	<b>157</b>	<b>195</b>	<b>548</b>		
Customer share	93%	92%	93%	92%		
<b>Pricing</b>						
Annual charge per licence (£)	3,248	2,250	2,250	2,606		

**Airside licences**  
**Trading statement year ended 31 December 2016**  
**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
				92%			
Income	1,082	91	1,173	1,082		1,082	1
Direct expenditure							
Staff	654	(80)	574	529		529	2
Property related	4	-	4	4		4	
Maintenance & equipment	39	-	39	36		36	
General expenses	24	-	24	22		22	
Total direct expenditure	721	(80)	641	591		591	
Annuity				-	29	29	3
Allocated costs (12% of Direct expenditure and Annuity)				74	35	109	3
Total expenditure	721	(80)	641	665	64	729	
<b>Net (under) / over recovery</b>	<b>361</b>	<b>171</b>	<b>532</b>	<b>417</b>	<b>(64)</b>	<b>353</b>	
Bfwd (Under) / Over recovery from 2015 in Pricing						30	
<b>(Under) / over recovery year ended to 31 Dec 2016</b>						<b>383</b>	
Bfwd (Under) / over recovery from 2015 not in Pricing						165	
<b>Total (under) / over recovery to cfwd to 2017</b>						<b>548</b>	

**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 2016

### 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	Notes
Income		2,026	2,689	2,196			1
Expenditure							
Direct expenditure		1,637	2,004	2,088			
Annuity		312	389	140			
Allocated costs		89	125	120			
Total expenditure		2,038	2,518	2,348			
<b>Net (under) / over recovery</b>		<b>(12)</b>	<b>171</b>	<b>(152)</b>			
Prior year (under) / over recovery		-	(12)	159			
<b>Total (under) / over recovery to cfwd</b>		<b>(12)</b>	<b>159</b>	<b>7</b>			
Customer share							
Refuse Area		72%	74%				
Refuse Bin		100%	100%				
<b>Pricing</b>							
<b>April 2014 - May 2014</b>							
<b>Refuse Area Charge - per assessed unit per quarter</b>							
Low Waste Use (eg Services)		£54.71					
Medium Waste Use (eg Shops)		£62.92					
High Waste Use (eg Food and Beverage outlets)		£71.12					
<b>Refuse Bin Charge - per outlet per quarter</b>							
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					
<b>June 2014 - December 2014</b>							
<b>Refuse Area Charge - per assessed unit per quarter</b>							
Low Waste Use (eg Services)		£67.38					
Medium Waste Use (eg Shops)		£77.48					
High Waste Use (eg Food and Beverage outlets)		£87.59					
<b>Refuse Bin Charge - per outlet per quarter</b>							
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					
<b>January 2015 - December 2015</b>							
<b>Refuse Area Charge - per assessed unit per quarter</b>							
Low Waste Use (eg Services)			£72.30				
Medium Waste Use (eg Shops)			£83.15				
High Waste Use (eg Food and Beverage outlets)			£93.99				
<b>Refuse Bin Charge - per outlet per quarter</b>							
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				
<b>January 2016 - December 2016</b>							
<b>Refuse Area Charge - per assessed unit per quarter</b>							
Low Waste Use (eg Services)				£60.43			
Medium Waste Use (eg Shops)				£69.50			
High Waste Use (eg Food and Beverage outlets)				£78.56			
<b>Refuse Bin Charge - per outlet per quarter</b>							
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			

#### 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 2016**  
**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	
				74%	100%				
Income	2,196	784	2,980	1,530	666	2,196		2,196	1
Direct expenditure									
Management fee @ 40%, sortation and bin room costs	4,947	-	4,947	1,337	751	2,088		2,088	2
Total direct expenditure	4,947	-	4,947	1,337	751	2,088		2,088	
Annuity									
Allocated costs (4% of Direct expenditure and Annuity)						-	140	140	3
						89	31	120	3
<b>Total expenditure</b>	4,947	-	4,947	1,337	751	2,177	171	2,348	
<b>Net (under) / over recovery</b>	<b>(2,751)</b>	<b>784</b>	<b>(1,967)</b>	<b>193</b>	<b>(85)</b>	<b>19</b>	<b>(171)</b>	<b>(152)</b>	
Bfwd (Under) / Over recovery from 2015 in Pricing								237	
<b>(Under) / over recovery year ended 31 Dec 2016</b>								<b>85</b>	
Bfwd (Under) / over recovery from 2015 not in Pricing								(78)	
<b>Total (under)/over recovery to cfwd to 2017</b>								<b>7</b>	

**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 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 2016**  
**Q6 summary**

	<b>12 months to 31 Mar 2014 £'000</b>	<b>9 months to 31 Dec 2014 £'000</b>	<b>12 months to 31 Dec 2015 £'000</b>	<b>12 months to 31 Dec 2016 £'000</b>	<b>12 months to 31 Dec 2017 £'000</b>	<b>12 months to 31 Dec 2018 £'000</b>
Income	3,292	2,228	1,886	1,896		
Expenditure						
Direct expenditure	1,354	1,237	1,368	1,375		
Annuity	180	341	450	457		
Allocated costs	2,066	172	223	226		
Total expenditure	3,600	1,750	2,041	2,058		
<b>Net (under) / over recovery</b>	<b>(308)</b>	<b>478</b>	<b>(155)</b>	<b>(162)</b>		
Prior year (under) / over recovery	(176)	(484)	(6)	(161)		
<b>Total (under) / over recovery to cfwd</b>	<b>(484)</b>	<b>(6)</b>	<b>(161)</b>	<b>(323)</b>		
Customer share	100%	100%	100%	100%		
<b>Annual Prices agreed</b>						
Price per Movement	£4.35	£4.35	£2.82	£2.82		

**Taxi feeder park**  
**Trading statement year ended 31 December 2016**  
**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	1,896	-	1,896		1,896	
Direct Expenditure						
Management Fee		1,010	1,010		1,010	1
Internal Maintenance		91	91		91	2
Rates		56	56		56	3
IT Support		218	218		218	3
Total Direct Expenditure		1,375	1,375	-	1,375	
Annuity				457	457	4
Allocated Costs (12% of Direct expenditure and Annuity)			220	6	226	4
Total Expenditure		1,375	1,595	463	2,058	
<b>Net (Under) / Over Recovery</b>	<b>1,896</b>	<b>(1,375)</b>	<b>301</b>	<b>(463)</b>	<b>(162)</b>	
Bfwd (Under) / Over recovery from 2015 in Pricing					(161)	
<b>(Under) / Over Recovery 2016</b>					<b>(323)</b>	
Bfwd (Under) / over recovery from 2015 not in Pricing					-	
<b>Total (Under) / Over Recovery to cfwd to 2017</b>					<b>(323)</b>	

**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 2016 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	Notes
Income	1,305	961	1,182	1,185			1
Expenditure							
Direct expenditure	734	961	1,228	1,201			
Annuity	620	1	2	2			
Allocated costs	328	5	6	6			
Total expenditure	1,682	967	1,236	1,209			
<b>Net (under) / over recovery</b>	<b>(377)</b>	<b>(6)</b>	<b>(54)</b>	<b>(24)</b>			
Prior year (under) / over recovery		110	104	50			
<b>Total (under) / over recovery to cfwd</b>	<b>(377)</b>	<b>104</b>	<b>50</b>	<b>26</b>			
Customer share	11.00%	0.64%	0.54%	0.38%			
<b>Pricing</b>							
<b>April 2013 - April 2014</b>							
Heating - price per square foot	£1.22						
<b>Gas - per kwh</b>							
May 2014		£0.075					
June 2014 - December 2014		£0.050					
January 2015 - December 2015			£0.01				
January 2016 - December 2016					£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 2016

#### 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
				0.38%			
Income							
Gas	12	3,175	3,187	12		12	1
Heating	1,173		1,173	1,173		1,173	
Direct Expenditure							
Total supplier costs	4,499	-	4,499	17		17	
Staff	1,734	-	1,734	7		7	
Maintenance	1,064	-	1,064	4		4	
General expenses	2	-	2	-		-	
Heating costs		1,173	1,173	1,173		1,173	2
Total direct expenditure	7,299	1,173	8,472	1,201		1,201	
Annuity				-	2	2	3
Allocated costs (4% of Direct expenditure and Annuity)				1	5	6	3
Total expenditure	7,299	1,173	8,472	1,202	7	1,209	
Net (under) / over recovery	(6,114)	2,002	(4,112)	(17)	(7)	(24)	
Bfwd (Under) / Over recovery from 2015 in Pricing						50	
(Under) / over recovery year ended 31 Dec 2016						26	
Bfwd (Under) / over recovery from 2015 not in Pricing						-	
Total (under) / over recovery cfwd to 2017						26	

#### 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 removed from 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 2016

### 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
Income	22,760	24,330	34,936	32,584		
Backbilling income	1,534	939	2,522	1,924		
<b>Total income</b>	<b>24,294</b>	<b>25,269</b>	<b>37,458</b>	<b>34,508</b>		
Expenditure						
Direct expenditure	15,608	10,646	13,275	16,457		
Annuity	5,705	15,803	19,766	18,951		
Allocated costs	3,002	1,175	1,528	1,530		
<b>Total expenditure</b>	<b>24,315</b>	<b>27,624</b>	<b>34,569</b>	<b>36,938</b>		
<b>Net (under) / over recovery</b>	<b>(21)</b>	<b>(2,355)</b>	<b>2,889</b>	<b>(2,430)</b>		
Prior year (under) / over recovery	4,087	3,182	232	2,200		
Less backbilling cost adjustment	884	595	921	461		
<b>Total (under) / over recovery to cfwd</b>	<b>3,182</b>	<b>232</b>	<b>2,200</b>	<b>(691)</b>		
Customer share	34%	30%	33%	34%		
<b>Pricing</b>						
- 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		

**Electricity**  
**Trading statement year ended 31 December 2016**  
**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
				34.40%			
Income	34,508	60,203	94,711	32,584		32,584	1
Backbilling income		1,924	1,924	1,924		1,924	2
						34,508	
Direct expenditure							
Supplier costs	42,476	(653)	41,823	14,389		14,389	3
2015 Gainshare Adjustment		2,068	2,068	2,068		2,068	4
Total direct expenditure	42,476		41,823	14,389		16,457	
Annuity					18,951	18,951	5
Allocated costs (4% of direct expenditure and annuity)				1,334	196	1,530	5
Total expenditure	42,476		41,823	15,723	19,147	36,938	
<b>Net (under) / over recovery</b>	<b>(7,968)</b>	<b>62,127</b>	<b>54,812</b>	<b>18,785</b>	<b>(19,147)</b>	<b>(2,430)</b>	
Bfwd (Under) / Over recovery from 2015 in Pricing						1,321	
Less backbilling cost adjustment							
09/10						(8)	2
10/11						3	2
11/12						1	2
12/13						(8)	2
13/14						(7)	2
2014						(8)	2
2015						488	2
						461	
<b>(Under) / over recovery year ended 31 Dec 2016</b>						<b>(1,570)</b>	
Bfwd (Under) / over recovery from 2015 not in Pricing						879	
<b>Total (under) / over recovery to cfwd to 2017</b>						<b>(691)</b>	

**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 2014 and the associated increase in costs

**(3) Supplier costs**

An adjustment has been made to exclude non-recoverable costs

**(4) Gainshare**

xx

**(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 2016**  
**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
Income	1,582	4,061	5,359	5,059		
Backbilling income	143	355	1,152	511		
<b>Total income</b>	<b>1,725</b>	<b>4,416</b>	<b>6,511</b>	<b>5,570</b>		
Expenditure						
Direct expenditure	900	729	1,004	1,239		
Annuity	176	3,112	3,985	3,899		
Allocated costs	205	157	193	190		
<b>Total expenditure</b>	<b>1,281</b>	<b>3,998</b>	<b>5,182</b>	<b>5,328</b>		
<b>Net (under) / over recovery</b>	<b>444</b>	<b>418</b>	<b>1,329</b>	<b>242</b>		
Prior year (under) / over recovery	(359)	85	503	1,832		
Less backbilling cost adjustment	110	188	68	68		
Cap backbilling to CAA decision customer share	(110)	(188)	(68)	(68)		
<b>Total (under) / over recovery to cfwd</b>	<b>85</b>	<b>503</b>	<b>1,832</b>	<b>2,074</b>		
Customer share	26%	26%	29%	29%		
<b>Pricing</b>						
Annual charge - per cubic metre	£3.65		£11.42	£10.58		
April 2014 - May 2014		£3.65				
June 2014 - December 2014		£13.10				

**Water and sewerage**  
**Trading statement year ended 31 December 2016**  
**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
				29%			
Income	5,570	11,820	17,390	5,059		5,059	1
Backbilling income adjustment		511	511	511		511	2
						5,570	
Direct expenditure							
Water in and water out	3,489	(461)	3,028	881		881	3
Staff		899	899	262		262	4
Maintenance	327		327	95		95	
General expenses	4		4	1		1	
Total direct expenditure	3,820	438	4,258	1,239		1,239	
Annuity					3,899	3,899	5
Allocated costs (4% of Direct expenditure and Annuity)				206	(16)	190	5
Total expenditure	3,820	438	4,258	1,445	3,883	5,328	
<b>Net (under) / over recovery</b>	<b>1,750</b>	<b>11,893</b>	<b>13,643</b>	<b>4,125</b>	<b>(3,883)</b>	<b>242</b>	
Bfwd (Under) / Over recovery from 2015 in Pricing						145	
Less backbilling cost adjustment							
10/11						1	2
11/12						2	2
12/13						(2)	2
13/14						(1)	2
2014						2	2
2015						66	2
Cap backbilling to CAA decision customer share						68	
						(68)	
<b>(Under) / over recovery year ended 31 Dec 2016</b>						<b>387</b>	
Bfwd (Under) / over recovery from 2015 not in Pricing						1,687	
<b>Total (under) / over recovery to cfwd to 2017</b>						<b>2,074</b>	

**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 2015 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 2016**  
**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	Notes
Income	1,617	2,586	3,185	3,273			
Expenditure							
Direct expenditure	1,952	1,959	2,740	2,450			
Annuity	945	429	548	530			
Allocated costs	3,045	194	256	256			
Total expenditure	5,942	2,582	3,544	3,236			
<b>Net (under) / over recovery</b>	<b>(4,325)</b>	<b>4</b>	<b>(359)</b>	<b>37</b>			
Prior year (under) / over recovery	-	-	4	(355)			
<b>Total (under) / over recovery to cfwd</b>	<b>(4,325)</b>	<b>4</b>	<b>(355)</b>	<b>(318)</b>			1
Customer share	86%	100%	100%	100%			
<b>Pricing - per departing movement</b>							
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	£2.37		
January 2016 - December 2016			Bus up to 15 seats		£4.42		
January 2016 - December 2016			Bus more than 15 seats				
West Ramp Coach Park (WRCP)	£23.24	£23.24	£21.56	£21.56			

**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 2016**  
**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	1,939	1,334	2,560	713	3,273		3,273	1
Direct Expenditure								
Staff		55	29	26	55		55	2
Rent		30	30	-	30		30	3
Cleaning		175	175	-	175		175	4
Maintenance		365	349	16	365		365	4
Rates		292	241	51	292		292	5
Management Fee		1,533	936	597	1,533		1,533	6
Total Direct Expenditure		2,450	1,760	690	2,450		2,450	
Annuity						530	530	7
Allocated Costs (12% of Direct expenditure and Annuity)					358	(102)	256	7
<b>Total Expenditure</b>		2,450	1,760	690	2,808	428	3,236	
<b>Net (Under) / Over Recovery</b>	<b>1,939</b>	<b>(1,116)</b>	<b>800</b>	<b>23</b>	<b>465</b>	<b>(428)</b>	<b>37</b>	
Bfwd (Under) / Over recovery from 2015 in Pricing							(355)	
<b>(Under) / Over Recovery year ended 31 Dec 2016</b>							<b>(318)</b>	
Bfwd (Under) / over recovery from 2015 not in Pricing							-	
<b>Total (Under)/Over Recovery to cfwd to 2017</b>							<b>(318)</b>	

**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 2016**  
**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	Notes
Income		230	284	388			1
Expenditure							
Direct expenditure		1	1	1			
Annuity		268	341	334			
Allocated costs		12	15	15			
Total expenditure		281	357	350			
<b>Net (under) / over recovery</b>		<b>(51)</b>	<b>(73)</b>	<b>38</b>			
Prior year (under) / over recovery		-	(51)	(66)			
<b>Total (under)/over recovery to cfwd</b>		<b>(51)</b>	<b>(124)</b>	<b>(28)</b>			
Customer share		1.8%	1.6%	1.4%			
<b>Pricing</b>							
Annual charge per port	not charged	£165.43	£147.44	£211.26			

**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 2016**  
**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
				1.4%			
Income	388	27,326	27,714	388	-	388	
Direct expenditure							
Staff	-	71	71	1		1	1
Total direct expenditure	-	71	71	1	-	1	
Annuity					334	334	2
Allocated costs (4% of direct expenditure and annuity)				13	2	15	
Total expenditure	-	71	71	14	336	350	
<b>Net (under) / over recovery</b>	<b>388</b>	<b>27,255</b>	<b>27,643</b>	<b>374</b>	<b>(336)</b>	<b>38</b>	
Bfwd (Under) / Over recovery from 2015 in Pricing						(58)	
<b>(Under) / over recovery year ended 31 Dec 2016</b>						<b>(20)</b>	
Bfwd (Under) / over recovery from 2015 not in Pricing						(66)	
Price Smoothing Adjustment						58	3
<b>Total (under) / over recovery to cfwd to 2017</b>						<b>(28)</b>	

**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

**(3) Price Smoothing adjustment**

2015 under recovery reclaimed over 2 years as agreed at Governance in July 2016

**Airline Operators Committee (AOC)**  
**Trading statement year ended 31 December 2016**  
**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	Notes
Income		389	482	519			1
Expenditure							
Direct expenditure		359	456	437			
Annuity							
Allocated costs		36	47	48			
Total expenditure		395	503	485			
<b>Net (under) / over recovery</b>		<b>(6)</b>	<b>(21)</b>	<b>34</b>			
Prior year (under) / over recovery		-	(6)	(27)			
<b>Total (under) / over recovery to cfwd</b>		<b>(6)</b>	<b>(27)</b>	<b>7</b>			
Customer share		100%	100%	100%			
<b>Pricing</b>							
Annual charge per departing passenger (£)	Not charged	£0.0173	£0.0131	£0.0139			

**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 2016**  
**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	519	-	519		519	
Direct expenditure						
AOC contribution costs		437	437		437	1
Total direct expenditure		437	437		437	
Annuity			-		-	2
Allocated costs (12% of Direct expenditure)			52	(4)	48	3
Total expenditure		437	489	(4)	485	
<b>Net (under) / over recovery</b>	<b>519</b>	<b>(437)</b>	<b>30</b>	<b>4</b>	<b>34</b>	
Bfwd (Under) / Over recovery from 2015 in Pricing					(38)	
<b>(Under) / over recovery year ended 31 Dec 2016</b>					<b>(4)</b>	
Bfwd (Under) / over recovery from 2015 not in Pricing					11	
<b>Total (under) / over recovery to cfwd to 2017</b>					<b>7</b>	

**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