

Heathrow Airport Limited

**Specified activities –
transparency and trading
statements**

Year ended 31 December 2015

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.....	11
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 2015

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 2015.

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 12 July 2015.



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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 auditors do 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 2015 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 2015	258.5
RPI index at 31 December 2014	257.5
RPI index at 31 December 2015	260.6
Increase from average 2011/12 to average 2015	8.93%
Increase from 31 December 2015 to average 2015	0.80%
Increase from 31 December 2014 to 31 December 2015	1.20%

(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 and 04/14.

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 2015, 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 2015 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 2015, 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 2015 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 2015 £'000	Baggage year ended 31 Dec 2015 £'000	PRM year ended 31 Dec 2015 £'000	SCP year ended 31 Dec 2015 £'000	Staff ID year ended 31 Dec 2015 £'000	FEGP year ended 31 Dec 2015 £'000	PCA year ended 31 Dec 2015 £'000	Airside licences year ended 31 Dec 2015 £'000
Income	5,603	126,670	20,673	17,748	1,134	10,554	5,368	917
Backbilling income								
Expenditure								
Direct Expenditure	4,455	118,647	19,383	10,968	1,283	5,789	1,136	741
Annuity	597	-	-	4,071	91	3,956	3,927	30
Allocated Costs	596	10,734	723	1,521	132	417	229	108
Total Expenditure	5,648	129,381	20,106	16,560	1,506	10,162	5,292	879
Net (Under) / Over Recovery	(45)	(2,711)	567	1,188	(372)	392	76	38
Prior year (under) / over recovery	89	1,550	(608)	755	868	376	(394)	157
Backbilling cost adjustment								
Backbilling Cost adjustment reversal								
Total (Under)/Over Recovery to cfwd	44	(1,161)	(41)	1,943	496	768	(318)	195
	Waste year ended 31 Dec 2015 £'000	TFP year ended 31 Dec 2015 £'000	Heating & Gas year ended 31 Dec 2015 £'000	Electricity year ended 31 Dec 2015 £'000	Water & sewerage year ended 31 Dec 2015 £'000	Bus & coach year ended 31 Dec 2015 £'000	Common IT - Passive year ended 31 Dec 2015 £'000	AOC year ended 31 Dec 2015 £'000
Income	2,689	1,886	1,182	34,936	5,359	3,185	284	482
Backbilling income				2,522	1,152			
Total Income	2,689	1,886	1,182	37,458	6,511	3,185	284	482
Expenditure								
Direct Expenditure	2,004	1,368	1,228	13,275	1,004	2,740	1	456
Annuity	389	450	2	19,766	3,985	548	341	
Allocated Costs	125	223	6	1,528	193	256	15	47
Total Expenditure	2,518	2,041	1,236	34,569	5,182	3,544	357	503
Net (Under) / Over Recovery	171	(155)	(54)	2,889	1,329	(359)	(73)	(21)
Prior year (under) / over recovery	(12)	(6)	104	232	503	4	(51)	(6)
Less Backbilling cost adjustment				921	257			
Backbilling Cost adjustment reversal					(257)			
Total (Under)/Over Recovery to cfwd	159	(161)	50	2,200	1,832	(355)	(124)	(27)

8. Detailed trading statements

Check-in desks

Trading statement year ended 31 December 2015

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			
London 2012 Olympic and Paralympic Games adjustment	278					
Expenditure						
Direct expenditure	4,105	3,460	4,455			
Annuity	685	500	597			
Allocated costs	844	442	596			
Total expenditure	5,633	4,402	5,648			
Net (under) / over recovery	175	(165)	(45)			
Prior year (under) / over recovery	79	254	89			
Total (under) / over recovery to cfwd	254	89	44			
Customer share	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			

Check-in desks
Trading statement year ended 31 December 2015
Detail with adjustment to table G.4 breakdown

	Underlying accounts (UA) £'000	Adjustment to UA £'000	Adjustment Head of Stand £'000	Total £'000	Adjustment to table G.4 breakdown £'000	Customer trading statement £'000	Notes
Income	6,210		(607)	5,603		5,603	1
Direct expenditure							
Property related	849			849		849	
Maintenance and equipment	1,890	439	(607)	1,722		1,722	2
Other	135	1,749		1,884		1,884	2
Total direct expenditure	2,874	2,188		4,455		4,455	
Annuity					597	597	3
Allocated costs (12% of direct expenditure and annuity)				606	(10)	596	3
Total expenditure	2,874	2,188		5,061	587	5,648	
Net (under) / over recovery	3,336	(2,188)	(607)	542	(587)	(45)	
Bfwd (under) / over recovery from 2014 in pricing						147	
(Under) / over recovery year ended 31 Dec 2015						102	
Balance of bfwd (under) / over recovery not in pricing						(58)	
Total (under) / over recovery to cfwd to 2016						44	

Notes

- (1) **Income**
Adjustment to remove Head of Stand income and corresponding costs - as this income is charged separately
- (2) **Other**
Adjustment to include agreed site fee and service costs
- (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 2015
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			
Expenditure						
Direct expenditure	109,508	86,359	118,647			
Annuities	-	-	-			
Allocated costs	7,594	9,074	10,734			
Total expenditure	117,102	95,433	129,381			
Net (under) / over recovery	4,696	(3,886)	(2,711)			
Prior year (under) / over recovery	740	5,436	1,550			
Total (under) / over recovery to cfwd	5,436	1,550	(1,161)			
Customer share	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			

Baggage systems
Trading statement year ended 31 December 2015
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	125,177	1,493	126,670		126,670	1
Direct expenditure						
Staff	6,015		6,015		6,015	
Property related	15,553		15,553		15,553	
Utilities	17,357		17,357		17,357	
Maintenance and equipment	67,105	(305)	66,800		66,800	2
General expenses	7,394		7,394		7,394	
Other	2,378		2,378		2,378	
2015 gainshare adjustment		3,150	3,150		3,150	3
Total direct expenditure	115,802	2,845	118,647		118,647	
Annuity					-	4
Allocated costs (9.8% of direct expenditure)			11,627	(893)	10,734	5
Total expenditure	115,802	2,845	130,274	(893)	129,381	
Net (under) / over recovery	9,375	(1,352)	(3,604)	893	(2,711)	
Bfwd (under) / over recovery from 2014 in pricing					1,493	
(Under) / over recovery year ended 31 Dec 2015					(1,218)	
Balance of bfwd (under) / over recovery not in pricing					57	
Total (under) / over recovery to cfwd to 2016					(1,161)	

Notes

- (1) **Transfer of Baggage income**
Transfer of Baggage income and change in internal accounting treatment
- (2) **Maintenance cost adjustment**
An adjustment has been made to exclude non-recoverable costs
- (3) **Gainshare adjustment**
From 2015 delivered savings as per Other Regulated Charges Group protocol dated October 2013
- (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 2015
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				
Expenditure							
Direct expenditure	17,124	13,984	19,383				
Annuity	-	-	-				
Allocated costs		547	723				1
Total direct expenditure	17,124	14,531	20,106				
Net (under) / over recovery	388	1,702	567				
Prior year (under) / over recovery	(2,698)	(2,310)	(608)				
Total (under) / over recovery to cfwd	(2,310)	(608)	(41)				
Customer share	100%	100%	100%				
Pricing							
Annual charge per departing passenger (£)							
Category 1 (above 65% at 30 hours)	£0.44		£0.52				
Category 2 (50% to 64.99% at 30 hours)	£0.85		£1.17				
Category 3 (less than 50% at 30 hours)	£1.75		£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 2015
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 adjusted trading statement £'000	Notes
Income	20,673		20,673		20,673	1
Direct Expenditure						
Staff	-	185	185		185	
Maintenance and equipment	-		-		-	
General expenses	18,448	(1,336)	17,112		17,112	2
Assistance bus / PRM transport		102	102		102	3
Porterage		283	283		283	4
Property		951	951		951	5
2015 gainshare adjustment		750	750		750	6
Total direct expenditure	18,448	935	19,383		19,383	
Annuity					-	7
Allocated costs (4% of direct expenditure)			775	(52)	723	8
Total expenditure	18,448	935	20,158	(52)	20,106	
Net (under) / over recovery	2,225	(935)	515	52	567	
Bfwd (under) / over recovery from 2014 in pricing					(145)	
(Under) / over recovery year ended 31 Dec 2015					422	
Balance of bfwd 2014 (under) / over recovery not in pricing					(463)	
Total (under) / over recovery to cfwd to 2016					(41)	

Notes

(1) Income	Price Jan - Dec 2015	Jan - Dec departing passengers '000s	Jan - Dec income £'000s
Category			
1 (> 65%)	0.52	35,473,831	18,446,392
2 (50% > 64.99%)	1.17	1,072,399	1,254,706
3 (<50%)	2.40	405,149	972,358
Total		36,951,379	20,673,456

- (2) **Staff costs**
Adjustment to include agreed recoverable staff costs
- (3) **Assistance bus/PRM transport (help bus)**
The help bus charge has been separated from the general expenditure (provision of service cost) line above
- (4) **Porterage costs**
The porterage charge has been separated from the general expenditure (provision of service cost) line above
- (5) **Property costs**
The property charge has been separated from the general expenditure (provision of service cost) line above. This is for the areas occupied by the supplier for the provision of the service
- (6) **Gainshare adjustment**
From 2015 delivered savings as per Other Regulated Charges Group protocol dated July 2015
- (7) **Annuity**
There is no annuity included as part of the PRM specified activity
- (8) **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 2015
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			
Expenditure						
Direct Expenditure	10,226	8,291	10,968			
Annuity	5,928	3,212	4,071			
Allocated Costs	5,081	1,139	1,521			
Total Expenditure	21,235	12,642	16,560			
Net (Under) / Over Recovery	476	430	1,188			
Prior year (under) / over recovery	(151)	325	755			
Total (Under) / Over Recovery to cfwd	325	755	1,943			
Customer share	80%	77%	77%			
Annual Pass Prices						
Perimeter passes	£651.03		£596.70			
Lost passes	£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 2015
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
				77%			
Income	17,748	5,179	22,927	17,748		17,748	1
Direct Expenditure							
Staff Car Park Management	2,258	(1,679)	579	448		448	2
Staff Bussing	9,646	(4,177)	5,469	4,234		4,234	3
Staff Bussing Fuel	1,020	384	1,404	1,087		1,087	
Staff costs		116	116	90		90	4
Rent		3,347	3,347	2,591		2,591	5
Rates		2,565	2,565	1,986		1,986	6
PTL	386	114	500	387		387	7
Maintenance & Parts		187	187	145		145	8
Total Direct Expenditure	13,310	857	14,167	10,967	-	10,968	
Annuity					4,071	4,071	9
Allocated Costs (10.8% of Direct Expenditure and Annuity)				1,624	(103)	1,521	9
Total Expenditure	13,310	857	14,167	12,591	3,968	16,560	
Net (Under) / Over Recovery	4,438	4,322	8,760	5,157	(3,968)	1,188	
Bfwd (under) / over recovery from 2014 in pricing						113	
(Under) / Over Recovery year ended 31 Dec 2015						1,301	
Balance of bfwd 2014 (under) / over recovery not in pricing						642	
Total (Under) / Over Recovery to cfwd to 2016						1,943	

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) **Allocated Costs and Annuity**
Allocated costs and the annuity for perimeter car parks have been fixed at the level stated in Table G.4 plus RPI.

Staff ID cards
Trading statement year ended 31 December 2015
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			
Expenditure						
Direct expenditure	1,172	835	1,283			
Annuity	96	71	91			
Allocated costs	1,598	101	132			
Total expenditure	2,866	1,007	1,506			
Net (under) / over recovery	(51)	777	(372)			
Prior year (under) / over recovery	2,450	91	868			
One off rebate	(2,308)					
Total (under) / over recovery to cfwd	91	868	496			
Customer share	80%	81%	82%			

Detailed pricing information is available on the General Notice

Staff ID cards
Trading statement year ended 31 December 2015
Detail with adjustment to table G.4 breakdown

	Underlying accounts (UA) £'000	Adjustment to UA £'000	Total £'000	Customer share £'000 82%	Adjustment to table G.4 breakdown £'000	Customer adjusted trading statement £'000	Notes
Income	1,134	242	1,376	1,134		1,134	1
Direct expenditure							
Staff	905	(67)	838	691		691	2
Property related		154	154	127		127	3
Maintenance & equipment	353		353	291		291	
General expenses and BSC processing costs	442	(261)	181	149		149	4
Electricity		30	30	25		25	5
Total direct expenditure	1,700	(144)	1,556	1,283		1,283	
Annuity					91	91	6
Allocated costs (12% of direct expenditure and annuity)				165	(33)	132	6
Total expenditure	1,700	(144)	1,556	1,448	58	1,506	
Net (under) / over recovery	(566)	387	(180)	(314)	(58)	(372)	
Bfwd (under) / over recovery from 2014 in pricing						373	
(Under) / over recovery year ended 31 December 2015						1	
Balance of bfwd 2014 (under) / over recovery not in pricing						495	
Total (under) / over recovery to cfwd to 2016						496	

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 m p.a.	Amt (£) for year ended 31 Dec 2015
Space occupied			
Rent	264	£221.10	£58,380
Waste	264	£256.76	£67,796
Rates	Per Property	£104.35	£27,554
			£153,730

(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)	124,415
Price per unit	£0.239 (Heathrow General Notices)
Total	£29,735

(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 2015
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	10,384	7,988	10,554			
Expenditure						
Direct expenditure	3,867	4,130	5,789			
Annuity	2,479	3,087	3,956			
Allocated costs	2,375	326	417			
Total expenditure	8,721	7,543	10,162			
Net (under) / over recovery	1,663	445	392			
Prior year (under) / over recovery	(1,732)	(69)	376			
Total (under) / over recovery to cfwd	(69)	376	768			
Customer share	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			

Fixed electrical ground power (FEGP)
Trading statement year ended 31 December 2015
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	10,554		10,554	10,554		10,554	
Direct expenditure							
Staff		63	63	63		63	1
Electricity		5,181	5,181	5,181		5,181	2
Maintenance and parts		545	545	545		545	3
Total direct expenditure		5,789	5,789	5,789		5,789	
Annuity					3,956	3,956	4
Allocated costs (4% of direct expenditure and annuity)				390	27	417	4
Total expenditure		5,789	5,789	6,179	3,983	10,162	
Net (under) / over recovery	10,554	(5,789)	4,765	4,375	(3,983)	392	
Bfwd (under) / over recovery from 2014 in pricing						302	
(Under) / over recovery year ended 31 December 2015						694	
Balance of bfwd 2014 (under) / over recovery not in pricing						74	
Total (under) / over recovery to cfwd to 2016						768	

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) **Allocated costs & annuity**
Fixed at the level stated in Table G.4 breakdown plus RPI

Pre-conditioned air (PCA)
Trading statement year ended 31 December 2015
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				1
Expenditure							
Direct expenditure		818	1,136				
Annuity		2,993	3,927				
Allocated costs		178	229				
Total expenditure		3,989	5,292				
Net (under) / over recovery		(394)	76				
Prior year (under) / over recovery			(394)				
Total (under) / over recovery to cfwd		(394)	(318)				
Customer share		100%	100%				
Pricing - per kwh							
June 2014 - December 2014		£2.09					
January 2015 - December 2015			£1.81				

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 2015
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	5,368		5,368		5,368	
Direct expenditure						
Staff		32	32		32	1
Electricity		776	776		776	2
Maintenance and parts		328	328		328	3
Total direct expenditure		1,136	1,136		1,136	
Annuity				3,927	3,927	4
Allocated costs (4% of direct expenditure and annuity)			203	26	229	4
Total expenditure		1,136	1,339	3,953	5,292	
Net (under) / over recovery	5,368	(1,136)	4,029	(3,953)	76	
Bfwd (under) / over recovery from 2014 in pricing					55	
(Under) / over recovery year ended 31 Dec 2015					131	
Balance of bfwd 2014 (under) / over recovery not in pricing					(449)	
Total (under) / over recovery to cfwd to 2016					(318)	

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) **Allocated costs and annuity**
Fixed at the level stated in table G.4 breakdown plus RPI

Airside licences
Trading statement year ended 31 December 2015
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			
Expenditure						
Direct expenditure	798	628	741			
Annuity	49	27	30			
Allocated costs	435	83	108			
Total expenditure	1,282	738	879			
Net (under) / over recovery	41	184	38			
Prior year (under) / over recovery	(67)	(27)	157			
Total (under)/over recovery to cfwd	(26)	157	195			
Customer share	93%	92%	93%			
Pricing						
Annual charge per licence (£)	3,248	2,250	2,250			

Airside licences
Trading statement year ended 31 December 2015
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 adjusted trading statement £'000	Notes
Income	917	74	991	917		917	1
Direct expenditure							
Staff	786	(66)	720	666		666	2
Property related	(3)		(3)	(3)		(3)	
Maintenance & equipment	59		59	55		55	
General expenses	25		25	23		23	
Total direct expenditure	867	(66)	801	741		741	
Annuity				-	30	30	3
Allocated costs (12% of direct expenditure and annuity)				93	15	108	3
Total expenditure	867	(66)	801	834	45	879	
Net (under) / over recovery	50	140	190	83	(45)	38	
Bfwd (under) / over recovery from 2014 in pricing						98	
(Under) / over recovery year ended to 31 Dec 2015						136	
Balance of bfwd 2014 (under) / over recovery not in pricing						59	
Total (under) / over recovery to cfwd to 2016						195	

Notes

- (1) **Income**
There are a number of licences issued to 3rd 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 2015

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				1
Expenditure							
Direct expenditure		1,637	2,004				
Annuity		312	389				
Allocated costs		89	125				
Total expenditure		2,038	2,518				
Net (under) / over recovery		(12)	171				
Prior year (under) / over recovery		-	(12)				
Total (under) / over recovery to cfwd		(12)	159				
Customer share							
Refuse Area		72%	74%				
Refuse Bin		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

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 2015
Detail with adjustment to table G.4 breakdown

	Underlying Accounts (UA) £'000	Adjustment to UA £'000	Total £'000	Refuse Area £'000 74%	Refuse Bin £'000 100%	Customer share £'000	Adjustment to table G.4 breakdown £'000	Customer adjusted trading statement £'000	Notes
Income	2,689	961	3,650	1,890	799	2,689		2,689	1
Direct expenditure									
Management fee @ 40%, sortation and bin room costs		2,441	2,441	1,219	785	2,004		2,004	2
Total direct expenditure		2,441	2,441	1,219	785	2,004		2,004	
Annuity							389	389	3
Allocated costs (4% of direct expenditure and annuity)						96	29	125	3
Total expenditure		2,441	2,441	1,219	785	2,100	418	2,518	
Net (under) / over recovery	2,689	(1,480)	1,209	671	14	589	(418)	171	
Bfwd (under) / over recovery from 2014 in pricing									(12)
(Under) / over recovery year ended 31 Dec 2015								159	
Balance of bfwd 2014 (under) / over recovery not in pricing									
Total (under)/over recovery to cfwd to 2016								159	

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) **Allocated costs & annuity**
Allocated costs and the annuity are fixed at the level stated in the table G.4 breakdown plus RPI

Taxi feeder park
Trading statement year ended 31 December 2015
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	3,292	2,228	1,886			
Expenditure						
Direct Expenditure	1,354	1,237	1,368			
Annuity	180	341	450			
Allocated Cost	2,066	172	223			
Total Expenditure	3,600	1,750	2,041			
Net (Under) / Over Recovery	(308)	478	(155)			
Prior year (under) / over recovery	(176)	(484)	(6)			
Total (Under) / Over Recovery to cfwd	(484)	(6)	(161)			
Customer share	100%	100%	100%			
Annual Prices agreed						
Price per Movement	£4.35	£4.35	£2.82			

Taxi feeder park
Trading statement year ended 31 December 2015
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	1,886	-	1,886		1,886	
Direct Expenditure						
Management Fee		1,051	1,051		1,051	1
Internal Maintenance		65	65		65	2
Rates		34	34		34	3
IT Support		218	218		218	3
Total Direct Expenditure	-	1,368	1,368	-	1,368	
Annuity				450	450	4
Allocated Costs (12% of Direct Expenditure and Annuity)			218	5	223	4
Total Expenditure	-	1,368	1,586	455	2,041	
Net (Under) / Over Recovery	1,886	(1,368)	300	(455)	(155)	
Bfwd (under) / over recovery from 2014 in pricing					(6)	
(Under) / Over Recovery 13/14					(161)	
Balance of bfwd 2014 (under) / over recovery not in pricing					-	
Total (Under) / Over Recovery to cfwd to 2016					(161)	

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 included 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) **Allocated Costs and Annuity**
Allocated costs and the annuity for perimeter car parks have been fixed at the level stated in Table G.4 breakdown plus RPI.

Heating and Gas

Trading statement year ended 31 December 2015

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
Expenditure							
Direct expenditure	734	961	1,228				
Annuity	620	1	2				
Allocated costs	328	5	6				
Total expenditure	1,682	967	1,236				
Net (under) / over recovery	(377)	(6)	(54)				
Prior year (under) / over recovery		110	104				
Total (under) / over recovery to cfwd	(377)	104	50				
Customer share	11.00%	0.64%	0.54%				
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				

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 2015
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 adjusted trading statement £'000	Notes
Income				0.54%			
Gas	15	2,786	2,801	15		15	1
Heating	1,167		1,167	1,167		1,167	
Direct Expenditure							
Total supplier costs	6,566	(1,167)	5,399	29		29	2
Staff	1,634		1,634	9		9	
Maintenance	758	3,483	4,241	23		23	3
General expenses	7		7	0		0	
Heating costs		1,167	1,167	1,167		1,167	2
Total direct expenditure	8,965	3,483	12,448	1,228		1,228	
Annuity				0	2	2	4
Allocated costs (4% of direct expenditure and annuity)				2	4	6	4
Total expenditure	8,965	3,483	12,448	1,230	6	1,236	
Net (under) / over recovery	(7,783)	(697)	(8,480)	(48)	(6)	(54)	
Bfwd (under) / over recovery from 2014 in pricing						50	
(Under) / over recovery year ended 31 Dec 2015						(4)	
Balance of bfwd 2014 (under) / over recovery not in pricing						54	
Total (under) / over recovery cfwd to 2016						50	

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) **Maintenance**
An adjustment has been made to include indirect maintenance and parts cost that relate to gas and heating
- (4) **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 2015
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			
Backbilling income	1,534	939	2,522			
Total income	24,294	25,269	37,458			
Expenditure						
Direct expenditure	15,608	10,646	13,275			
Annuity	5,705	15,803	19,766			
Allocated costs	3,002	1,175	1,528			
Total expenditure	24,315	27,624	34,569			
Net (under) / over recovery	(21)	(2,355)	2,889			
Prior year (under) / over recovery	4,087	3,182	232			
Less backbilling cost adjustment	884	595	921			
Total (under) / over recovery to cfwd	3,182	232	2,200			
Customer share	34%	30%	33%			
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			

Electricity
Trading statement year ended 31 December 2015
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 adjusted trading statement £'000	Notes
				33%			
Income	37,458	68,044	105,502	34,936		34,936	1
Backbilling income		2,522	2,522	2,522		2,522	2
						37,458	
Direct expenditure							
Supplier costs	40,090		40,090	13,275		13,275	
Total direct expenditure	40,090		40,090	13,275		13,275	
Annuity					19,766	19,766	3
Allocated costs (4% of direct expenditure and annuity)				1,322	206	1,528	3
Total expenditure	40,090		40,090	14,597	19,972	34,569	
Net (under) / over recovery	(2,632)	70,566	67,934	22,861	(19,972)	2,889	
Bfwd (under) / over recovery from 2014 in pricing						387	
Less backbilling cost adjustment							
09/10						(9)	2
10/11						174	2
11/12						4	2
12/13						7	2
13/14						10	2
2014						735	2
						921	
(Under) / over recovery year ended 31 Dec 2015						2,355	
Balance of bfwd 2014 (under) / over recovery not in pricing						(155)	
Total (under) / over recovery to cfwd to 2016						2,200	

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) **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 2015
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			
Backbilling income	143	355	1,152			
Total income	1,725	4,416	6,511			
Expenditure						
Direct expenditure	900	729	1,004			
Annuity	176	3,112	3,985			
Allocated costs	205	157	193			
Total expenditure	1,281	3,998	5,182			
Net (under) / over recovery	444	418	1,329			
Prior year (under) / over recovery	(359)	85	503			
Less backbilling cost adjustment	110	188	257			
Cap backbilling to CAA decision customer share	(110)	(188)	(257)			
Total (under) / over recovery to cfwd	85	503	1,832			
Customer share	26%	26%	29%			
Pricing						
Annual charge - per cubic metre	£3.65		£11.42			
April 2014 - May 2014		£3.65				
June 2014 - December 2014		£13.10				

Water and sewerage
Trading statement year ended 31 December 2015
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 adjusted trading statement £'000	Notes
				29%			
Income	6,511	12,049	18,560	5,359		5,359	1
Backbilling income adjustment		1,152	1,152	1,152		1,152	2
						6,511	
Direct expenditure							
Water in and water out	2,240		2,240	647		647	
Staff		911	911	263		263	3
Maintenance	339		339	98		98	
General expenses	(15)		(15)	(4)		(4)	
Total direct expenditure	2,564	911	3,475	1,004		1,004	
Annuity					3,985	3,985	4
Allocated costs (4% of direct expenditure and annuity)				200	(7)	193	4
Total expenditure	2,564	911	3,475	1,204	3,978	5,182	
Net (under) / over recovery	3,947	12,290	16,237	5,307	(3,978)	1,329	
Bfwd (under) / over recovery from 2014 in pricing						468	
Less backbilling cost adjustment							
09/10						27	2
10/11						31	2
11/12						35	2
12/13						24	2
13/14						36	2
2014						104	2
						257	
Cap backbilling to CAA decision customer share						(257)	
(Under) / over recovery year ended 31 Dec 2015						1,797	
Balance of bfwd 2014 (under) / over recovery not in pricing						35	
Total (under) / over recovery to cfwd to 2016						1,832	

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 9 months to 31 Dec 2014 and the associated increase in costs
- (3) **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)
- (4) **Annuity and allocated costs**
Annuity and allocated costs are fixed at the level stated in the table G.4 breakdown plus RPI

Bus and coach facilities
Trading statement year ended 31 December 2015
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				
Expenditure							
Direct Expenditure	1,952	1,959	2,740				
Annuity	945	429	548				
Allocated Costs	3,045	194	256				
Total Expenditure	5,942	2,582	3,544				
Net (Under) / Over Recovery	(4,325)	4	(359)				
Prior year (under) / over recovery	-	-	4				
Total (Under) / Over Recovery to cfwd	(4,325)	4	(355)				1
Customer share	86%	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			
West Ramp Coach Park (WRCP)	£23.24	£23.24	£23.24				

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 2015
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	1,822	1,363	2,409	776	3,185		3,185	1
Direct Expenditure								
Staff		64	34	30	64		64	2
Rent		30	30		30		30	3
Cleaning		115	115		115		115	4
Maintenance		624	598	26	624		624	4
Rates		184	153	31	184		184	5
Management Fee		1,723	1,102	621	1,723		1,723	6
Total Direct Expenditure		2,740	2,032	708	2,740		2,740	
Annuity						548	548	7
Allocated Costs (12% of Direct Expenditure and Annuity)					395	(139)	256	7
Total Expenditure	-	2,740	2,032	708	3,135	409	3,544	
Net (Under) / Over Recovery	1,822	(1,377)	377	68	50	(409)	(359)	
Bfwd (under) / over recovery from 2014 in pricing							4	
(Under) / Over Recovery year ended 31 Dec 2015							(355)	
Bfwd of bfwd 2014 (under) / over recovery not in pricing							-	
Total (Under)/Over Recovery to cfwd to 2016							(355)	

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) **Allocated Costs & Annuity**
Fixed at the level stated in Table G.4 breakdown plus RPI.

Common I.T. infrastructure
Trading statement year ended 31 December 2015
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				1
Expenditure							
Direct expenditure		1	1				
Annuity		268	341				
Allocated costs		12	15				
Total expenditure		281	357				
Net (under) / over recovery		(51)	(73)				
Prior year (under) / over recovery			(51)				
Total (under)/over recovery to cfwd		(51)	(124)				
Customer share		1.8%	1.6%				
Pricing							
Annual charge per port	not charged	£165.43	£147.44				

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 2015
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 adjusted trading statement £'000	Notes
Income	284	17,941	18,225	284		284	
Direct expenditure							
Staff		60	60	1		1	1
Total direct expenditure		60	60	1		1	
Annuity					341	341	2
Allocated costs (4% of direct expenditure and annuity)				14	1	15	
Total expenditure		60	60	15	342	357	
Net (under) / over recovery	284	17,881	18,165	269	(342)	(73)	
Bfwd (under) / over recovery from 2014 in pricing						27	
(Under) / over recovery year ended 31 Dec 2015						(46)	
Balance of bfwd 2014 (under) / over recovery not in pricing						(78)	
Total (under) / over recovery to cfwd to 2016						(124)	

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 2015
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				1
Expenditure							
Direct expenditure		359	456				
Annuity							
Allocated costs		36	47				
Total expenditure		395	503				
Net (under) / over recovery		(6)	(21)				
Prior year (under) / over recovery			(6)				
Total (under)/over recovery to cfwd		(6)	(27)				
Customer share		100%	100%				
Pricing							
Annual charge per departing passenger (£)	Not charged	£0.0173	£0.0131				

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 2015
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 adjusted trading statement £'000	Notes
Income	482		482		482	
Direct expenditure						
AOC contribution costs		456	456		456	1
Total direct expenditure	-	456	456		456	
Annuity			-		-	2
Allocated costs (12% of direct expenditure)			55	(8)	47	3
Total expenditure	-	456	511	(8)	503	
Net (under) / over recovery	482	(456)	(29)	8	(21)	
Bfwd (under) / over recovery from 2014 in pricing					-	
(Under) / over recovery year ended 31 Dec 2015					(21)	
Balance of bfwd 2014 (under) / over recovery not in pricing					(6)	
Total (under) / over recovery to cfwd to 2016					(27)	

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