

Heathrow Airport Limited

Specified activities – transparency and trading statements

Year ended 31 December
2018

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Heathrow Airport Limited Specified activities – transparency and trading statements for year ended 31 December 2018

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 2018.

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 *05 February 2020.*



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Javier Echave
Director

05/02/2020

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 Deloitte LLP have performed agreed upon procedures for the purpose of the reporting obligations to the CAA. These procedures have been carried out in accordance with a defined scope of work as set out in a separate engagement letter with Heathrow and Deloitte LLP 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 2018 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 18.67% 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 2018	281.6
RPI index at 31 December 2017	278.1
RPI index at 31 December 2018	285.6
Increase from average 2011/12 to 31 December 2018	20.35%
Increase from average 2011/12 to average 2018	18.67%
Increase from 31 December 2017 to 31 December 2018	2.70%

Indexation calculations as on unrounded numbers

(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, 02/15, 01/16 and 01/17

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.

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

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

Staff identity cards and vehicle apron passes

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

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

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

Fixed electrical ground power (FEGP)

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

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

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

Pre-conditioned air (PCA)

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

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

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

Airside licences

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

Waste, recycling and refuse collection services

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

There are two types of waste charge:

- Refuse Area Charge
- Refuse Bin Room Charge

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

Taxi feeder park

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

Income is recovered based on movement charges with operators.

Heating and Gas

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

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

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

Electricity

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

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

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

In the year ended 31 December 2017 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 2017 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 2017, 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 2017 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 year ended 31 Dec 2018 £'000	Baggage year ended 31 Dec 2018 £'000	PRM year ended 31 Dec 2018 £'000	SCP year ended 31 Dec 2018 £'000	Staff ID year ended 31 Dec 2018 £'000	FEGP year ended 31 Dec 2018 £'000	PCA year ended 31 Dec 2018 £'000	Airside year ended 31 Dec 2018 £'000
Income	6,432	132,441	22,020	16,315	1,581	10,332	2,281	750
Backbilling income								
Total Income	6,432	132,441	22,020	16,315	1,581	10,332	2,281	750
Expenditure								
Direct Expenditure	4,321	119,170	23,438	11,532	1,684	6,609	1,004	731
Annuity	424			3,865	31	3,560	4,153	30
Allocated Costs	585	11,493	671	1,574	133	406	226	117
Total Expenditure	5,930	130,663	24,169	16,971	1,914	10,575	5,383	938
Net (Under) / Over Recovery	502	1,778	(2,149)	(656)	(333)	(183)	(3,102)	(188)
Prior year (under) / over recovery	80	3,532	(242)	(801)	416	(14)	(1,720)	204
Backbilling cost adjustment								(85)
Backbilling cost adjustment reversal								
Total (Under) / Over Recovery to cfud	582	5,310	(2,391)	(1,457)	83	(197)	(4,822)	(69)

	Waste year ended 31 Dec 2018 £'000	TFP year ended 31 Dec 2018 £'000	Heating & Gas year ended 31 Dec 2018 £'000	Electricity year ended 31 Dec 2018 £'000	Water & sewerage year ended 31 Dec 2018 £'000	Bus & coach year ended 31 Dec 2018 £'000	Common IT - Passive year ended 31 Dec 2018 £'000	AOC year ended 31 Dec 2018 £'000
Income	2,979	2,320	1,359	34,013	4,908	3,241	110	1,015
Backbilling income				1,652	223			
Total Income	2,979	2,320	1,359	35,665	5,131	3,241	110	1,015
Expenditure								
Direct Expenditure	2,689	1,366	1,365	14,969	1,203	2,487	1	774
Annuity	140	490	2	18,562	3,831	456	332	
Allocated Costs	130	236	7	1,568	191	260	15	51
Total Expenditure	2,959	2,092	1,374	35,099	5,285	3,203	348	825
Net (Under) / Over Recovery	20	228	(15)	566	(154)	38	(238)	190
Prior year (under) / over recovery	35	(311)	18	(2,062)	(59)	(64)	16	(135)
Backbilling cost adjustment				(418)	62			
Backbilling cost adjustment reversal					(62)			
Total (Under) / Over Recovery to cfud	55	(83)	3	(1,914)	(213)	(26)	(222)	55

8. Detailed trading statements

Check-in desks

Trading statement year ended 31 December 2018

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	5,557	6,432
London 2012 Olympic and Paralympic Games adjustment	278					
Expenditure						
Direct expenditure	4,104	3,460	4,455	4,111	4,507	4,921
Annuity	685	500	597	574	578	424
Allocated costs	844	442	596	601	585	585
Total expenditure	5,633	4,402	5,648	5,286	5,670	5,930
Net (under) / over recovery	175	(165)	(45)	149	(113)	502
Prior year (under) / over recovery	79	254	89	44	193	80
Total (under) / over recovery to cfwd	254	89	44	193	80	582
Customer share	100%	100%	100%	100%	100%	100%
Pricing						
Charge per desk per hour						
April 2013 - Mar 2014	£3.41					
April 2014 - May 2014		£3.41				
June 2014 - December 2014		£3.23				
January 2015 - December 2015			£3.23			
January 2016 - December 2016				£3.10		
January 2017 - December 2017					£3.21	
January 2018 - December 2018						£3.71
Charge per desk per day						
April 2013 - Mar 2014	£2168					
April 2014 - May 2014		£22.03				
June 2014 - December 2014		£20.87				
January 2015 - December 2015			£20.87			
January 2016 - December 2016				£20.02		
January 2017 - December 2017					£20.73	
January 2018 - December 2018						£23.95

Check-in desks
Trading statement year ended 31 December 2018
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	6,432	-	6,432		6,432	
Direct expenditure						
Property related	-	933	933		933	
Operating Costs	966	3,022	3,988		3,988	1
Total direct expenditure	966	3,955	4,921		4,921	
Annuity				424	424	2
Allocated costs (12% of Direct expenditure and Annuity)			641	(56)	585	2
Total expenditure	966	3,955	5,562	368	5,930	
Net (under) / over recovery	5,466	(3,955)	870	(368)	502	
Bfwd (under) / over recovery from 2017 in Pricing					(109)	
(Under) / over recovery year ended 31 Dec 2018					393	
Bfwd (under) / over recovery from 2017 not in Pricing					189	
Total (under) / over recovery to cfwd to 2019					582	

Notes

(1) Other

Adjustment to include site fee & service costs which are notional, as well as rates.

(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 2018
Q6 summary

Baggage
Trading Statement year ended 31 Dec 2018
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	136,318	132,441
Expenditure						
Direct expenditure	109,508	86,359	118,647	118,006	117,152	119,170
Annuities	-	-	-	-	-	-
Allocated costs	7,594	9,074	10,734	10,354	10,996	11,493
Total expenditure	117,102	95,433	129,381	128,360	128,148	130,663
Net (under) / over recovery	4,696	(3,886)	(2,711)	(3,477)	8,170	1,778
Prior year (under) / over recovery	740	5,436	1,550	(1,161)	(4,638)	3,532
Total (under) / over recovery to cfwd	5,436	1,550	(1,161)	(4,638)	3,532	5,310
Customer share	100%	100%	100%	100%	100%	100%
Pricing						
Charge per departing bag						
April 2013 - March 2014	£3.38					
April 2014 - May 2014		£3.38				
June 2014 - December 2014		£3.22				
January 2015 - December 2015			£3.53			
January 2016 - December 2016				£3.47		
January 2017 - December 2017					£3.66	
January 2018 - December 2018						£3.52

Baggage systems
Trading statement year ended 31 December 2018
Detail - with adjustment to table G.4 breakdown

	Underlying accounts (UA)	Adjustment to UA	Total	Adjustment to table G.4 breakdown	Customer trading statement	Notes
	£'000	£'000	£'000	£'000	£'000	
Income	132,441		132,441		132,441	
Direct expenditure						
Staff	8,156	(1,834)	6,322		6,322	1
Property related	(108)		17,282		17,282	2
Utilities	19,343	(15)	19,328		19,328	3
Maintenance and equipment	74,037	(44)	73,993		73,993	4
Other	2,445	(200)	2,245		2,245	
Total direct expenditure	103,873	15,297	119,170		119,170	
Annuity					-	5
Allocated costs (9.8% of direct expenditure)			11,679	(186)	11,493	6
Total expenditure	103,873	15,297	130,849	(186)	130,663	
Net (under) / over recovery	28,568	(15,297)	1,592	186	1,778	
Bfwd (under) / over recovery from 2018 in Pricing					3,091	
(Under) / over recovery year ended 31 Dec 2018					4,869	
Bfwd (under) / over recovery from 2018 not in Pricing					441	
Total (under) / over recovery to cfwd to 2019					5,310	

Notes

(1) Staff cost adjustment

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

(2) Property related adjustment

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

(3) Utilities adjustment

An adjustment has been made to exclude telecoms cost, an expense to be borne by Heathrow

(4) Maintenance and equipment adjustment

An adjustment has been made to exclude T5 head of stands maintenance, an expense relating to a sole user of the system who have recharged directly.

(5) Annuity

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

(6) 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 2018
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	21,589	22,020	
Expenditure							
Direct expenditure	17,124	13,984	19,383	19,313	20,897	23,498	
Annuity							
Allocated costs		547	723	706	656	671	1
Total expenditure	17,124	14,531	20,106	20,019	21,553	24,169	
Net (under) / over recovery	388	1,702	567	(237)	36	(2,149)	
Prior year (under) / over recovery	(2,698)	(2,310)	(608)	(41)	(278)	(242)	
Total (under) / over recovery to cfwd	(2,310)	(608)	(41)	(278)	(242)	(2,391)	
Customer share	100%	100%	100%	100%	100%	100%	
Pricing							
Annual charge per departing passenger (£)							
Category 1 (above 65%at 30 hours)	£0.44		£0.52	£0.50	£0.55	£0.55	
Category 2 (50%to 64.99%at 30 hours)	£0.85		£1.17	£1.17	£1.29	£1.29	
Category 3 (less than 50%at 30 hours)	£1.75		£2.40	£2.40	£2.65	£2.65	
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 2018
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	22,020	-	22,020		22,020	1
Direct Expenditure						
Staff		275	275		275	2
Operating costs	23,538	(315)	23,223		23,223	3
Total direct expenditure	23,538	(40)	23,498		23,498	
Annuity					-	4
Allocated costs (4% of Direct expenditure)			940	(269)	671	5
Total expenditure	23,538	(40)	24,438	(269)	24,169	
Net (under) / over recovery	(1,518)	40	(2,418)	269	(2,149)	
Bfwd (under) / over recovery from 2017 in Pricing					(24)	
(Under) / over recovery year ended 31 Dec 2018					(2,173)	
Bfwd (under) / over recovery from 2017 not in Pricing					(218)	
Stretch Target					129	
Total (under) / over recovery to cfwd to 2019					(2,262)	

Notes

(1) Income

Category	Price £	Departing passengers	Income £'000s
1 (> 65%)	0.55	39,420,514	21,681
2 (50% > 64.99%)	1.29	164,692	212
3 (< 50%)	2.65	54,300	144
Total		39,639,506	22,037

(2) Staff costs

Adjustment to include agreed recoverable staff costs

(3) Operating cost adjustment

An adjustment has been made to exclude additional service

(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 2018
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	14,588	16,315
Expenditure						
Direct expenditure	10,226	8,291	10,968	11,351	11,374	11,532
Annuity	5,928	3,212	4,071	4,001	3,868	3,865
Allocated costs	5,081	1,139	1,521	1,522	1,542	1,574
Total expenditure	21,235	12,642	16,560	16,874	16,784	16,971
Net (under) / over recovery	476	430	1,188	(548)	(2,196)	(656)
Prior year (under) / over recovery	(151)	325	755	1,943	674	(801)
Price smoothing				(721)	721	
Total (under) / over recovery to cfwd	325	755	1,943	674	(801)	(1,457)
Customer share	80%	77%	77%	77%	76%	76%
Annual Pass Prices						
Perimeter passes	£651.03		£635.41	£596.70	£535.29	£655.26
Lost passes	£30.00		£30.00	£30.00	£30.00	£30.00
June 2014 to December 2014						
Perimeter passes		£627.42				
Lost passes		£30.00				

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

Staff car parking
Trading statement year ended 31 December 2018
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
				76%			
Income	16,392	4,950	21,342	16,315		16,315	1
Direct Expenditure							
Staff Car Park Management	-	588	588	449		449	2
Staff Bussing	2	5,436	5,438	4,158		4,158	3
Staff Bussing Fuel	700	498	1,198	916		916	3
Staff costs		122	122	93		93	4
Rent		4,146	4,146	3,170		3,170	5
Rates		2,826	2,826	2,160		2,160	6
Maintenance & Parts		292	292	223		223	7
PTL	(2,672)	3,035	363			363	8
Total Direct Expenditure	(1,970)	16,943	14,973	11,169	-	11,532	
Annuity					3,865	3,865	9
Allocated Costs (10.8% of Direct expenditure and Annuity)				1,624	(50)	1,574	9
Total Expenditure	(1,970)	16,943	14,973	12,793	3,815	16,971	
Net (under) / over recovery	18,362	(11,992)	6,369	3,522	(3,815)	(656)	
Bfwd (under) / over recovery from 2017 in Pricing						(631)	
(Under) / over recovery year ended 31 Dec 2018						(1,287)	
Bfwd (under) / over recovery from 2017 not in Pricing						(170)	
Total (under) / over recovery to cfwd to 2019						(1,457)	

Notes

(1) Income

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

(2) Staff Car Park Management

Adjustment to allocate management cost of staff car parks excluding West Ramp Coach Park and Taxi Feeder Park

(3) Staff Bussing

Adjustment includes Bussing charges relating to Staff Car Parks

(4) Staff

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

(5) Rent

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

(6) Rates

The rates are based the rateable value of the staff car parks

(7) Maintenance and Parts

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

(8) Passenger Transport Levy

Passenger Transport Levy is charged at £14 per pass per annum. This annual Levy is based on the total number of passes issued and a customer apportionment is therefore not applied

(9) Annuity and allocated costs

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

Staff ID cards
Trading statement year ended 31 December 2018
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	1,711	1,581
Expenditure						
Direct expenditure	1,172	835	1,283	1,175	1,457	1,684
Annuity	96	71	91	89	90	91
Allocated costs	1,598	101	132	132	136	139
Total expenditure	2,866	1,007	1,506	1,396	1,683	1,914
Net (under) / over recovery	(51)	777	(372)	(132)	28	(333)
Prior year (under) / over recovery	2,450	91	868	496	364	416
One off rebate	(2,308)					
Prior year adjustment					24	
Total (under) / over recovery to cfwd	91	868	496	364	416	83
Customer share	80%	81%	81%	86%	85%	81%

Detailed pricing information is available on the General Notice

Staff ID cards
Trading statement year ended 31 December 2018
Detail - with customer share and adjustment to table G.4 breakdown

	Underlying accounts (UA) £'000	Adjustment to UA £'000	Total £'000	Customer share £'000	Adjustment to table G.4 breakdown £'000	Customer trading statement £'000	Notes
Income	1,581	366	1,947	1,581	81%	1,581	1
Direct expenditure							
Staff	1,007	(35)	972	789		789	2
Property related		134	134	109		109	3
Maintenance & equipment	491	-	491	399		399	
General expenses and BSC processing costs	414	(1)	413	336		336	4
Electricity		63	63	51		51	5
Gainshare adjustment				-		-	
Total direct expenditure	1,912	161	2,073	1,684		1,684	6
Annuity					91	91	6
Allocated costs (12% of Direct expenditure and Annuity)				213	(74)	139	
Total expenditure	1,912	161	2,073	1,897	17	1,914	
Net (under) / over recovery	(331)	205	(126)	(316)	(17)	(333)	
Bfwd (under) / over recovery from 2017 in Pricing						281	
(Under) / over recovery year ended 31 Dec 2018						(52)	
Bfwd (under) / over recovery from 2017 not in Pricing						135	
Total (under) / over recovery to cfwd to 2019						83	

Notes

(1) Income

Income is stated after including notional income for HAL passes, a prior year adjustment has been made for 2016 income not included in the Trading statement for 2016 relating to staff ID cards.

(2) Staff

Adjustment to remove non-recoverable staff costs

(3) Property related costs

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

	Sq m	Sq ft	Amt (£) for year ended 31 Dec 2018	
Space occupied	420	4,525		
	Unit	Rate		
Rent	Sq m	£240.43		£100,981
Waste	Per 250 Sq ft	£252.32		£4,567
Rates	Per Property	£28,213.09		£28,213
				£133,762

(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	£0.255 (Heathrow General Notices)
Total	£62,646

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

Fixed electrical ground power (FEGP)
Trading statement year ended 31 December 2018
Detail - with adjustment to table G.4 breakdown

	Underlying Accounts (UA) £'000	Adjustment to UA £'000	Total £'000	Adjustment to table G.4 breakdown £'000	Customer trading statement £'000	Notes
Income	10,392		10,392		10,392	
Direct expenditure						
Staff		104	104		104	1
Electricity		5,852	5,852		5,852	2
Maintenance and parts		653	653		653	3
Total direct expenditure		6,609	6,609	-	6,609	
Annuity				3,560	3,560	4
Allocated costs (4% of Direct expenditure and Annuity)			407	(1)	406	4
Total expenditure		6,609	7,016	3,559	10,575	
Net (under) / over recovery	10,392	(6,609)	3,783	(3,559)	(183)	
Bfwd (under) / over recovery from 2017 in Pricing					21	
(Under) / over recovery year ended 31 Dec 2018					(162)	
Bfwd (under) / over recovery from 2017 not in Pricing					(35)	
Total (under) / over recovery to cfwd to 2019					(197)	

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 2018
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	4,485	2,281	1
Expenditure							
Direct expenditure		818	1,136	1,229	1,416	1,004	
Annuity		2,993	3,927	3,978	4,128	4,153	
Allocated costs		178	229	223	227	226	
Total expenditure		3,989	5,292	5,430	5,771	5,383	
Net (under) / over recovery		(394)	76	(116)	(1,286)	(3,102)	
Prior year (under) / over recovery			(394)	(318)	(434)	(1,720)	
Total (under) / over recovery to cfwd		(394)	(318)	(434)	(1,720)	(4,822)	
Customer share		100%	100%	100%	100%	100%	
Pricing - per kwh							
June 2014 - December 2014		£2.09					
January 2015 - December 2015			£1.81				
January 2016 - December 2016				£1.77			
January 2017 - December 2017					£1.62		
January 2018 - December 2018						£1.62	

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 2018
Detail - with adjustment to table G.4 breakdown

	Underlying Accounts (UA) £'000	Adjustment to UA £'000	Total £'000	Adjustment to table G.4 breakdown £'000	Customer trading statement £'000	Notes
Income	2,281		2,281		2,281	
Direct expenditure						
Staff		23	23		23	1
Electricity		439	439		439	2
Maintenance and parts		542	542		542	3
Total direct expenditure		1,004	1,004	-	1,004	
Annuity				4,153	4,153	4
Allocated costs (4% of Direct expenditure and Annuity)			206	20	226	4
Total expenditure		1,004	1,210	4,173	5,383	
Net (under) / over recovery	2,281	(1,004)	1,071	(4,173)	(3,102)	
Bfwd (under) / over recovery from 2017 in Pricing					(858)	
(Under) / over recovery year ended 31 Dec 2018					(3,960)	
Bfwd (under) / over recovery from 2017 not in Pricing					(862)	
Total (under) / over recovery to cfwd to 2019					(4,822)	

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 2018
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	804	750
Expenditure						
Direct expenditure	798	628	741	591	842	791
Annuity	49	27	30	29	30	30
Allocated costs	435	83	108	109	113	117
Total expenditure	1,282	738	879	729	985	938
Net (under) / over recovery	41	184	38	353	(181)	(188)
Prior year (under) / over recovery	(67)	(27)	157	195	548	204
Price smoothing adjustment					(163)	(85)
Total (under) / over recovery to cfwd	(26)	157	195	548	204	(69)
Customer share	93%	92%	93%	92%	95%	91%
Pricing						
Annual charge per licence (£)	3,248	2,250	2,250	2,606	1,878	1,809

Airside licences
Trading statement year ended 31 December 2018
Detail - with customer share and adjustment to table G.4 breakdown

	Underlying Accounts (UA) £'000	Adjustment to UA £'000	Total £'000	Customer share £'000	Adjustment to table G.4 breakdown £'000	Customer trading statement £'000	Notes
				91%			
Income	750	74	824	750		750	1
Direct expenditure							
Staff	738	(38)	700	637		637	2
Property related	-	-	-	-		-	
Maintenance & equipment	111	-	111	101		101	
General expenses	58		58	53		53	
Total direct expenditure	907	(38)	869	791		791	
Annuity				-	30	30	3
Allocated costs (12% of Direct expenditure and Annuity)				99	18	117	3
Total expenditure	907	(38)	869	890	48	938	
Net (under) / over recovery	(157)	112	(45)	(140)	(48)	(188)	
Bfwd (Under) / Over recovery from 2017 in Pricing						186	
Price Smoothing adjustment						(85)	
(Under) / over recovery year ended 31 Dec 2018						(87)	
Bfwd (under) / over recovery from 2017 not in Pricing						18	
Total (under) / over recovery to cfwd to 2019						(69)	

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 2018 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	2,584	2,979	1
Expenditure							
Direct expenditure		1,637	2,004	2,088	2,291	2,689	
Annuity		312	389	140	140	140	
Allocated costs		89	125	120	125	130	
Total expenditure		2,038	2,518	2,348	2,556	2,959	
Net (under) / over recovery		(12)	171	(152)	28	20	
Prior year (under) / over recovery		-	(12)	159	7	35	
Total (under) / over recovery to cfwd		(12)	159	7	35	55	
Customer share							
Refuse Area		72%	74%	74%	74%	75%	
Refuse Bin		100%	100%	100%	100%	100%	
Pricing							
April 2014 - May 2014							
Refuse Area Charge - per assessed unit per quarter							
Low Waste Use (eg Services)					£54.71		
Medium Waste Use (eg Shops)					£62.92		
High Waste Use (eg Food and Beverage outlets)					£71.12		
Refuse Bin Charge - per outlet per quarter							
Low Waste Use (eg Services)					£450.00		
Medium Waste Use (eg Shops)					£1,470.00		
High Waste Use (eg Food and Beverage outlets)					£2,720.00		
June 2014 - December 2014							
Refuse Area Charge - per assessed unit per quarter							
Low Waste Use (eg Services)					£67.38		
Medium Waste Use (eg Shops)					£77.48		
High Waste Use (eg Food and Beverage outlets)					£87.59		
Refuse Bin Charge - per outlet per quarter							
Low Waste Use (eg Services)					£496.00		
Medium Waste Use (eg Shops)					£11,619.00		
High Waste Use (eg Food and Beverage outlets)					£2,996.00		
January 2015 - December 2015							
Refuse Area Charge - per assessed unit per quarter							
Low Waste Use (eg Services)					£72.30		
Medium Waste Use (eg Shops)					£83.15		
High Waste Use (eg Food and Beverage outlets)					£93.99		
Refuse Bin Charge - per outlet per quarter							
Low Waste Use (eg Services)					£399.00		
Medium Waste Use (eg Shops)					£1,302.00		
High Waste Use (eg Food and Beverage outlets)					£2,409.00		
January 2016 - December 2016							
Refuse Area Charge - per assessed unit per quarter							
Low Waste Use (eg Services)					£60.43		
Medium Waste Use (eg Shops)					£69.50		
High Waste Use (eg Food and Beverage outlets)					£78.56		
Refuse Bin Charge - per outlet per quarter							
Low Waste Use (eg Services)					£336.00		
Medium Waste Use (eg Shops)					£1,098.00		
High Waste Use (eg Food and Beverage outlets)					£2,032.00		
January 2017 - December 2017							
Refuse Area Charge - per assessed unit per quarter							
Low Waste Use (eg Services)					£66.85		
Medium Waste Use (eg Shops)					£76.89		
High Waste Use (eg Food and Beverage outlets)					£86.91		
Refuse Bin Charge - per outlet per quarter							
Low Waste Use (eg Services)					£365.00		
Medium Waste Use (eg Shops)					£1,192.00		
High Waste Use (eg Food and Beverage outlets)					£2,205.00		
January 2018 - December 2018							
Refuse Area Charge - per assessed unit per quarter							
Low Waste Use (eg Services)						£63.08	
Medium Waste Use (eg Shops)						£72.55	
High Waste Use (eg Food and Beverage outlets)						£82.01	
Refuse Bin Charge - per outlet per quarter							
Low Waste Use (eg Services)						£554.00	
Medium Waste Use (eg Shops)						£1,808.00	
High Waste Use (eg Food and Beverage outlets)						£3,345.00	

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 2018
Detail - with customer share and adjustment to table G.4 breakdown

	Underlying Accounts (UA) £'000	Adjustment to UA £'000	Total £'000	Refuse Area £'000	Refuse Bin £'000	Customer Share £'000	Adjustment to table G.4 breakdown £'000	Customer trading statement £'000	
				75%	100%				
Income	2,979	983	3,962	1,755	1,224	2,979		2,979	1
Direct expenditure									
Management fee @ 40%	3,216	1,145	4,361	1,312		1,312		1,312	
Sortation		577	577	434		434		434	
T5 & T2 Bin Rooms Cost		943	943		943	943		943	
Management fee @ 40% sortation and bin room costs	3,216	2,665	5,881	1,746	943	2,689		2,689	2
Total direct expenditure	3,216	2,665	5,881	1,746	943	2,689		2,689	
Annuity						-	140	140	3
Allocated costs (4% of Direct expenditure and Annuity)						113	17	130	3
Total expenditure	3,216	2,665	5,881	1,746	943	2,802	157	2,959	
Net (under) / over recovery	(237)	(1,682)	(1,919)	9	281	177	(157)	20	
Bfwd (under) / over recovery from 2017 in Pricing								(167)	
(Under) / over recovery year ended 31 Dec 2018								(147)	
Bfwd (under) / over recovery from 2017 not in Pricing								202	
Total (under) / over recovery to cfwd to 2019								55	

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 2018
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	1,896	2,205	2,320
Expenditure						
Direct expenditure	1,354	1,237	1,368	1,375	1,490	1,366
Annuity	180	341	450	457	474	490
Allocated costs	2,066	172	223	226	229	236
Total expenditure	3,600	1,750	2,041	2,058	2,193	2,092
Net (under) / over recovery	(308)	478	(155)	(162)	12	228
Prior year (under) / over recovery	(176)	(484)	(6)	(161)	(323)	(311)
Total (under) / over recovery to cfwd	(484)	(6)	(161)	(323)	(311)	(83)
Customer share	100%	100%	100%	100%	100%	100%
Annual Prices agreed						
Price per Movement	£4.35	£4.35	£2.82	£2.82	£3.50	£3.50

Taxi feeder park
Trading statement year ended 31 December 2018
Detail - with adjustment to table G.4 breakdown

	Underlying Accounts (UA) £'000	Adjustment to UA £'000	Total £'000	Adjustment to Table G.4 breakdown £'000	Customer Trading Statement £'000	Notes
Income	2,320	-	2,320		2,320	
Direct Expenditure						
Management Fee		1,070	1,070		1,070	1
Internal Maintenance		112	112		112	2
Rates		59	59		59	3
IT Support		125	125		125	3
Total Direct Expenditure		1,366	1,366	-	1,366	
Annuity				490	490	4
Allocated Costs (12% of Direct expenditure and Annuity)			223	13	236	4
Total Expenditure		1,366	1,589	503	2,092	
Net (under) / over Recovery	2,320	(1,366)	731	(503)	228	
Bfwd (under) / over recovery from 2017 in Pricing					92	
(Under) / over recovery year ended 31 Dec 2018					320	
Bfwd (under) / over recovery from 2017 not in Pricing					(403)	
Total (under) / over recovery to cfwd to 2019					(83)	

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 2018
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	1305	961	1,182	1,185	1,278	1,359	1
Expenditure							
Direct expenditure	734	961	1,228	1,201	1,277	1,365	
Annuity	620	1	2	2	2	2	
Allocated costs	328	5	6	6	7	7	
Total expenditure	1,682	967	1,236	1,209	1,286	1,374	
Net (under) / over recovery	(377)	(6)	(54)	(24)	(8)	(15)	
Prior year (under) / over recovery		110	104	50	26	18	
Total (under) / over recovery to cfwd	(377)	104	50	26	18	3	
Customer share	1100%	0.64%	0.54%	0.38%	0.46%	0.64%	
Pricing							
April 2013 - April 2014							
Heating - price per square foot	£1.22						
Gas - per kwh							
May 2014		£0.075					
June 2014 - December 2014		£0.050					
January 2015 - December 2015			£0.01				
January 2016 - December 2016				£0.02			
January 2017 - December 2017					£0.05		
January 2018 - December 2018						£0.03	

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 2018
Detail - with customer share and adjustment to table G.4 breakdown

	Underlying accounts (UA) £'000	Adjustment to UA £'000	Total £'000	Customer share £'000	Adjustment to table G.4 breakdown £'000	Customer trading statement £'000	Notes
Income				0.64%			
Gas	32	4,971	5,003	32		32	1
Heating	1,327		1,327	1,327		1,327	
Direct Expenditure							
Total supplier costs	3,071	-	3,071	20		20	
Staff	1,809	-	1,809	12		12	
Maintenance	904	-	904	6		6	
General expenses	-	-	-	-		-	
Heating costs		1,327	1,327	1,327		1,327	2
Total direct expenditure	5,784	1,327	7,111	1,365		1,365	
Annuity				-	2	2	3
Allocated costs (4% of Direct expenditure and Annuity)				55	(48)	7	3
Total expenditure	5,784	1,327	7,111	1,420	(46)	1,374	
Net (under) / over recovery	(4,425)	3,644	(781)	(61)	46	(15)	
Bfwd (under) / over recovery from 2017 in Pricing						24	
(Under) / over recovery year ended 31 Dec 2018						9	
Bfwd (under) / over recovery from 2017 not in Pricing						(8)	
Total (under) / over recovery to cfwd to 2019						3	

Notes

(1) Income

Income is stated after including notional income for HAL usage

(2) Heating costs

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

(3) Annuity and allocated costs

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

Electricity
Trading statement year ended 31 December 2018
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	32,833	34,013
Backbilling income	1,534	939	2,522	1,924	1,397	1,652
Total income	24,294	25,269	37,458	34,508	34,230	35,665
Expenditure						
Direct expenditure	15,608	10,646	13,275	16,457	14,593	14,969
Annuity	5,705	15,803	19,766	18,951	18,799	18,562
Allocated costs	3,002	1,175	1,528	1,530	1,555	1,568
Total expenditure	24,315	27,624	34,569	36,938	34,947	35,099
Net (under) / over recovery	(21)	(2,355)	2,889	(2,430)	(717)	566
Prior year (under) / over recovery	4,087	3,182	232	2,200	(691)	(2,062)
Less backbilling cost adjustment	884	595	921	461	654	418
Total (under) / over recovery to cfw	3,182	232	2,200	(691)	(2,062)	(1,914)
Customer share	34%	30%	33%	34%	35%	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			
January 2016 - December 2016						
HV electricity price (per kwh)				£0.160		
LV electricity price (per kwh)				£0.220		
January 2017 - December 2017						
HV electricity price (per kwh)					£0.166	
LV electricity price (per kwh)					£0.234	
January 2018 - December 2018						
HV electricity price (per kwh)						£0.185
LV electricity price (per kwh)						£0.255

Electricity
Trading statement year ended 31 December 2018
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
				33.3%			
Income	35,665	66,349	102,014	34,013		34,013	1
Backbilling income		1,652	1,652	1,652		1,652	2
						35,665	
Direct expenditure							
Supplier costs	44,662	235	44,897	14,969		14,969	3
Total direct expenditure	44,662	235	44,897	14,969		14,969	
Annuity					18,562	18,562	4
Allocated costs (4% of direct expenditure and annuity)				1,341	227	1,568	4
Total expenditure	44,662	235	44,897	16,310	18,789	35,099	
Net (under) / over recovery	(8,997)	67,766	58,769	19,355	(18,789)	566	
Bfwd (under) / over recovery from 2017 in Pricing						(1,509)	
Less backbilling cost adjustment							
09/10						(17)	2
10/11						(7)	2
11/12						(12)	2
12/13						(9)	2
13/14						(7)	2
2014						(1)	2
2015						(1)	2
2016						9	
2017						463	
						48	
(Under) / over recovery year ended 31 Dec 2018						(1,361)	
Bfwd (under) / over recovery from 2017 not in Pricing						(553)	
Total (under) / over recovery to cfwd to 2019						(1,914)	

Notes

(1) Income

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

(2) Backbilling adjustment

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

(3) Supplier costs

An adjustment has been made to exclude non-recoverable costs

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

Water and sewerage

Trading statement year ended 31 December 2018

Detail - with customer share and adjustment to table G.4 breakdown

	Underlying accounts (UA) £'000	Adjustment to UA £'000	Total £'000	Customer share £'000	Adjustment to table G.4 breakdown £'000	Customer trading statement £'000	Notes
Income	5,131	12,535	17,666	4,908		4,908	1
Backbilling income adjustment		223	223	223		223	2
						5,131	
Direct expenditure							
Water in and water out	2,494	26	2,520	700		700	3
Staff	2,100	(1,001)	1,099	305		305	4
Maintenance	708		708	197		197	
General expenses	2		2	1		1	
Total direct expenditure	5,304	(975)	4,329	1,203		1,203	
Annuity					3,891	3,891	5
Allocated costs (4% of Direct expenditure and Annuity)				204	(13)	191	5
Total expenditure	5,304	(975)	4,329	1,407	3,878	5,285	
Net (under) / over recovery	(173)	13,733	13,560	3,724	(3,878)	(154)	
Bfwd (under) / over recovery from 2017 in Pricing						(243)	
Less backbilling cost adjustment							
10/11						-	2
11/12						-	2
12/13						-	2
13/14						-	2
2014						-	2
2015						-	2
2016						-	2
2017						62	2
						62	
Cap backbilling to CAA decision customer share						(62)	
(Under) / over recovery year ended 31 Dec 2018						(397)	
Bfwd (under) / over recovery from 2017 not in Pricing						184	
Total (under) / over recovery to cfwd to 2019						(213)	

Notes

(1) Income

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

(2) Backbilling adjustment

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

(3) 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 2018
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	3 378	3 241	
Expenditure							
Direct expenditure	1 952	1 959	2 740	2 450	2 328	2 487	
Annuity	945	429	548	530	511	456	
Allocated costs	3 045	194	256	256	260	260	
Total expenditure	5 942	2 582	3 544	3 236	3 099	3 203	
Net (under) / over recovery	(4 325)	4	(359)	37	279	38	
Bfwd (under) / over recovery from 2017 in Pricing							26
Price Smoothing							(25)
Bfwd (under) / over recovery from 2017 not in Pricing	-	-	4	(355)	(318)	(65)	
Total (under) / over recovery to ctwd	(4 325)	4	(355)	(318)	(39)	(26)	1
Customer share	86%	100%	100%	100%	100%	100%	
Pricing - per departing movement							
Central Bus Station (CBS)	£2 74	£4 74					
January 2015 - July 2015			£4 74				
August 2015 - December 2015			£4 42				
August 2015 - December 2015			£2 37				
January 2016 - December 2016				£2 37			
January 2016 - December 2016				£4 42			
January 2017 - December 2017					£2 37		
January 2017 - December 2017					£4 42		
January 2018 - December 2018						£4 11	
West Ramp Coach Park (WRCP)	£23 24	£23 24	£21 56	£21 56	£24 15	£24 15	

Notes

(1) Prior Year (Under) recovery

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

Bus and coach facilities
Trading statement year ended 31 December 2018
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	2,001	1,241	2,276	965	3,241		3,241	1
Direct Expenditure								
Staff		67	35	32	67		67	2
Rent		30	30	-	30		30	3
Cleaning		230	230	-	230		230	4
Maintenance		282	274	8	282		282	4
Rates		311	256	55	311		311	5
Management Fee	238	1,329	935	632	1,567		1,567	6
Total Direct Expenditure	238	2,249	1,760	727	2,487		2,487	
Annuity						456	456	7
Allocated Costs (12% of Direct expenditure and Annuity)					353	(93)	260	7
Total Expenditure	238	2,249	1,760	727	2,840	363	3,203	
Net (under) / over Recovery	1,763	(1,008)	516	238	401	(363)	38	
Bfwd (under) / over recovery from 2017 in Pricing							26	
Price Smoothing							(25)	
(Under) / over recovery year ended 31 Dec 2018							39	
Bfwd (under) / over recovery from 2017 not in Pricing							(65)	
Total (under) / over recovery to cfwd to 2019							(26)	

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 2018
Q6 summary

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

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 2018
 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
				1.7%			
Income	110	6,524	6,634	110	-	110	
Direct expenditure Staff	4,148	(4,088)	60	1		1	1
Total direct expenditure	4,148	(4,088)	60	1	-	1	
Annuity					332	332	2
Allocated costs (4% of direct expenditure and annuity)				13	2	15	2
Total expenditure	4,148	(4,088)	60	14	334	348	
Net (under) / over recovery	(4,038)	10,612	6,574	96	(334)	(238)	
Bfwd (Under) / Over recovery from 2017 in Pricing						27	
(Under) / over recovery year ended 31 Dec 2017						(211)	
Bfwd (Under) / over recovery from 2016 not in Pricing						(11)	
Total (under) / over recovery to cfwd to 2018						(222)	

Notes

(1) Staff cost adjustment

An adjustment has been made to include time spent by HIAL 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 2018
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	513	1,015	1
Expenditure							
Direct expenditure		359	456	437	606	774	
Annuity							
Allocated costs		36	47	48	49	51	
Total expenditure		395	503	485	655	825	
Net (under) / over recovery		(6)	(21)	34	(142)	190	
Prior year (under) / over recovery		-	(6)	(27)	7	(135)	
Total (under) / over recovery to cfwd		(6)	(27)	7	(135)	55	
Customer share		100%	100%	100%	100%	100%	
Pricing							
Annual charge per departing passenger (£)	Not charged	£0.0173	£0.0131	£0.0139	£0.0133	£0.0256	

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 2018
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	1,015	-	1,015		1,015	
Direct expenditure						
AOC contribution costs		774	774		774	1
Total direct expenditure		774	774		774	
Annuity			-		-	2
Allocated costs (12% of Direct expenditure)			93	(42)	51	3
Total expenditure		774	867	(42)	825	
Net (under) / over recovery	1,015	(774)	148	42	190	
Bfwd (under) / over recovery from 2017 in Pricing					(150)	
(Under) / over recovery year ended 31 Dec 2018					40	
Bfwd (under) / over recovery from 2017 not in Pricing					15	
Total (under) / over recovery to cfwd to 2019					55	

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

