

Heathrow Airport Limited

Specified activities – transparency and trading statements

9 months ended 31 December
2014

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Heathrow Airport Limited Specified activities – transparency and trading statements for 9 months ended 31 December 2014

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 period 1 April 2014 to 31 December 2014.

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 28 July 2015.



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Michael Uzielli
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
- Electricity
- Gas
- 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 auditors, 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 third party 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%
• Heating	No allocated costs
• Electricity	4.0%
• Gas	4.0%
• Water and sewerage	4.0%
• Bus and coach facilities	12.0%
• Common I.T. infrastructure	12.0%
• 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 2014 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 8.18% 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 March 2014	256.8
Increase from average 2011/12 to average 9 month period to 31 December 2014	8.18%

(sourced from the Office of National Statistics)

5. Prices

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

6. Explanatory notes

Check-in desks and common use self service machines (CUSS)

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

Check-in desk 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. 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 2014 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 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 9 month period to 31st December 2014, 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 2014 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 & 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 9 month period to 31st December 2014, 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 2014 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/CUSS	Baggage	PRM	SCP	Staff ID	FEGP	PCA	Airside licences
	9 months to 31 Dec 2014	9 months to 31 Dec 2014	9 months to 31 Dec 2014	9 months to 31 Dec 2014	9 months to 31 Dec 2014	9 months to 31 Dec 2014	9 months to 31 Dec 2014	9 months to 31 Dec 2014
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Income	4,237	91,547	16,233	13,072	1,784	7,988	3,595	922
Backbilling income								
Expenditure								
Direct Expenditure	3,460	86,359	13,984	8,291	835	4,130	818	628
Annuity	500	0	0	3,212	71	3,087	2,993	27
Allocated Costs	442	9,074	547	1,139	101	326	178	83
Total Expenditure	4,402	95,433	14,531	12,642	1,007	7,543	3,989	738
Net (Under) / Over Recovery	(165)	(3,886)	1,702	430	777	445	(394)	184
Prior year (under) / over recovery	254	5,436	(2,310)	325	92	(68)	0	(27)
Less backbilling cost adjustment								
Cap backbilling cost adjustment								
Total (Under)/Over Recovery to cfwd	89	1,550	(608)	755	869	377	(394)	157

	Waste	TFP	Heating & Gas	Electricity	Water & sewerage	Bus & coach	Common IT - Passive	AOC
	9 months to 31 Dec 2014	9 months to 31 Dec 2014	9 months to 31 Dec 2014	9 months to 31 Dec 2014	9 months to 31 Dec 2014	9 months to 31 Dec 2014	9 months to 31 Dec 2014	9 months to 31 Dec 2014
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Income	2,026	2,228	961	24,330	4,061	2,586	230	389
Backbilling income				939	355			
Expenditure								
Direct Expenditure	1,637	1,237	961	10,646	729	1,959	1	359
Annuity	312	341	1	15,803	3,112	429	268	0
Allocated Costs	89	172	5	1,175	157	194	12	36
Total Expenditure	2,038	1,750	967	27,624	3,998	2,582	281	395
Net (Under) / Over Recovery	(12)	478	(6)	(2,355)	418	4	(51)	(6)
Prior year (under) / over recovery	0	(484)	110	3,182	85	0	0	0
Less backbilling cost adjustment				595	188			
Cap backbilling cost adjustment					(188)			
Total (Under)/Over Recovery to cfwd	(12)	(6)	104	232	503	4	(51)	(6)

8. Detailed trading statements

Check-in desks

Trading statement 9 months to 31st December 2014

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				
London 2012 Olympic and Paralympic Games adjustment	278					
Expenditure						
Direct expenditure	4,105	3,460				
Annuity	685	500				
Allocated costs	844	442				
Total expenditure	5,633	4,402				
Net (under) / over recovery	175	(165)				
Prior year (under) / over recovery	79	254				
Total (under) / over recovery to cfwd	254	89				
Customer share	100%	100%				
Pricing						
Charge per desk per hour	£3.41					
April 2014 - May 2014		£3.41				
June 2014 - December 2014		£3.23				

Check-in desks
Trading statement 9 months to 31st December 2014
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	4,237		4,237		4,237	
Direct expenditure						
Property related	683		683		683	
Maintenance & equipment	1,358		1,358		1,358	
Other	101	1,318	1,419		1,419	1
Total direct expenditure	2,142	1,318	3,460		3,460	
Annuity				500	500	2
Allocated costs (12% of direct expenditure and annuity)			475	(33)	442	2
Total expenditure	2,142	1,318	3,935	467	4,402	
Net (under) / over recovery	2,095	(1,318)	302	(467)	(165)	
Bfwd (under) / over recovery from 2013/14 in pricing					170	
(Under) / over recovery 9 months to 31st Dec 2014					5	
Balance of bfwd (under) / over recovery not in pricing					84	
Total (under) / over recovery to cfwd to 2015					89	

Notes

- (1) **Other**
Adjustment to include agreed site fee and service costs
- (2) **Annuity and allocated costs**
Annuity and allocated costs have been fixed at the level stated in the table G.4 breakdown plus RPI

Baggage systems
Trading statement 9 months to 31st December 2014
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				
Expenditure						
Direct expenditure	109,508	86,359				
Annuities	0	0				
Allocated costs	7,594	9,074				
Total expenditure	117,102	95,433				
Net (under) / over recovery	4,696	(3,886)				
Prior year (under) / over recovery	740	5,436				
Total (under) / over recovery to cfwd	5,436	1,550				
Customer share	100%	100%				
Pricing						
Charge per departing bag	£3.38					
April 2014 - May 2014		£3.38				
June 2014 - December 2014		£3.22				

Baggage systems
Trading statement 9 months to 31st December 2014
Detail with adjustment to table G.4 breakdown

	Underlying accounts (UA) £'000	Adjustment to UA £'000	Non rechargeable £'000	Adjustment Head of Stand £'000	Total £'000	Adjustment to table G.4 breakdown £'000	Customer trading statement £'000	Notes
Income	93,699	(1,668)		(484)	91,547		91,547	1
Direct expenditure								
Staff	5,243		(1,022)		4,221		4,221	2
Property related	12,040				12,040		12,040	
Utilities	10,548				10,548		10,548	
Maintenance & equipment	51,163		(693)	(484)	49,986		49,986	1/3
General expenses	10,428		(4,418)		6,010		6,010	4
Other	45		1,359		1,404		1,404	5
2014 gainshare adjustment		2,150			2,150		2,150	6
Total direct expenditure	89,467	2,150	(4,774)	(484)	86,359		86,359	
Annuity							0	7
Allocated costs (10.8% of direct expenditure)					9,327	(253)	9,074	8
Total expenditure	89,467	2,150	(4,774)	(484)	95,686	(253)	95,433	
Net (under) / over recovery	4,232	(3,818)	4,774	0	(4,139)	253	(3,886)	
Bfwd (under) / over recovery from 2013/14 in pricing							4,902	
(Under) / over recovery 9 months to 31st Dec 2014							1,016	
Balance of bfwd (under) / over recovery not in pricing							534	
Total (under) / over recovery to cfwd to 2015							1,550	

Notes

- (1) **Income**
Adjustment to remove the impact of year end timing differences and Head of Stand income and corresponding costs - as this income is charged separately
- (2) **Staff**
Non-rechargeable staff costs relating to BRS and capital projects removed
- (3) **Maintenance & equipment**
Non-rechargeable maintenance & equipment costs relating to BRS and capital projects removed
- (4) **General expenses**
Non-rechargeable general expenditure relating to BRS and capital projects removed
- (5) **Capitalisation**
Project related staff costs, maintenance and consultancy capitalisation removed
- (6) **Gainshare adjustment**
From 13/14 delivered savings as per Other Regulated Charges Group protocol dated September 2014
- (7) **Annuity**
There is no annuity included as part of the Baggage specified activity
- (8) **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 9 months to 31st December 2014
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				
Expenditure							
Direct expenditure		17,124	13,984				
Annuity		0	0				
Allocated costs			547				1
Total direct expenditure		17,124	14,531				
Net (under) / over recovery		388	1,702				
Prior year (under) / over recovery		(2,698)	(2,310)				
Total (under) / over recovery to cfwd		(2,310)	(608)				
Customer share		100%	100%				
Pricing							
Annual charge per departing passenger (£)							
Category 1 (above 65% at 30 hours)		£0.44					
Category 2 (50% to 64.99% at 30 hours)		£0.85					
Category 3 (less than 50% at 30 hours)		£1.75					
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 9 months to 31st December 2014
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	16,233		16,233		16,233	1
Direct Expenditure						
Staff	44	85	129		129	2
Maintenance & equipment	(4)		(4)		(4)	
General expenses	13,959	(1,251)	12,708		12,708	3
Assistance bus / PRM transport		151	151		151	4
Porterage		291	291		291	5
Property		709	709		709	6
Total direct expenditure	13,999	(15)	13,984		13,984	
Annuity					0	7
Allocated costs (4% of direct expenditure)			559	(12)	547	8
Total expenditure	13,999	(15)	14,543	(12)	14,531	
Net (under) / over recovery	2,234	15	1,690	12	1,702	
Bfwd (under) / over recovery from 2013/14 in pricing					(2,251)	
(Under) / over recovery 9 months to 31 Dec 2014					(549)	
Balance of bfwd 2013/14 (under) / over recovery not in pricing					(59)	
Total (under) / over recovery to cfwd to 2015					(608)	

Notes

(1) Income Category	Price Apr - May 2014	Apr - May departing passengers '000s	Apr - May income £'000s	Price Jun - Dec 2014	Jun - Dec departing passengers '000s	Jun - Dec income £'000s	Total income £'000s
1 (> 65%)	0.44	5,687,999	2,502,720	0.55	21,263,807	11,695,094	14,197,814
2 (50% > 64.99%)	0.85	290,774	247,158	1.24	867,665	1,075,905	1,323,063
3 (<50%)	1.75	58,358	102,127	2.55	239,135	609,794	711,921
Total		6,037,131	2,852,005		22,370,607	13,380,793	16,232,798

- (2) **Staff costs**
Adjustment to include agreed recoverable staff costs
- (3) **General expenses**
An adjustment to remove non recoverable costs relating to T5B PRM lifts
- (4) **Assistance bus/PRM transport (help bus)**
The help bus charge has been separated from the general expenditure (provision of service cost) line above
- (5) **Porterage costs**
The porterage charge has been separated from the general expenditure (provision of service cost) line above
- (6) **Property costs**
The property charge has been separated from the general expenditure (provision of service cost) line. This is for the areas occupied by the supplier for the provision of the service
- (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 9 months to 31st December 2014
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				
Expenditure						
Direct expenditure	10,226	8,291				
Annuity	5,928	3,212				
Allocated costs	5,081	1,139				
Total expenditure	21,235	12,642				
Net (under) / over recovery	476	430				
Prior year (under) / over recovery	(151)	325				
Total (under) / over recovery to cfwd	325	755				
Customer share	80%	77%				
Annual pass prices						
Perimeter passes	£651.03					
Lost passes	£30.00					
April - May 2014						
Perimeter passes		£651.03				
Lost passes		£30.00				
June - 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 9 months to 31st December 2014
Detail with adjustment to table G.4 breakdown

	Underlying accounts (UA) £'000	Adjustment to UA £'000	Total £'000	Customer share £'000 77%	Adjustment to table G.4 breakdown £'000	Customer trading statement £'000	Notes
Income	13,072	3,963	17,035	13,072		13,072	1
Direct expenditure							
Staff car park management	1,163	(695)	468	359		359	2
Staff bussing	7,455	(3,541)	3,914	3,003		3,003	3
Staff bussing fuel	1,593		1,593	1,222		1,222	
Staff costs		74	74	57		57	4
Rent		2,314	2,314	1,776		1,776	5
Rates		1,892	1,892	1,452		1,452	6
PTL	288	88	376	289		289	7
Maintenance & parts		173	173	133		133	8
Total direct expenditure	10,499	305	10,804	8,291		8,291	
Annuity					3,212	3,212	9
Allocated costs (10.8% of direct expenditure and annuity)				1,242	(103)	1,139	9
Total Expenditure	10,499	305	10,804	9,533	3,109	12,642	
Net (under) / over recovery	2,573	3,658	6,231	3,539	(3,109)	430	
Bfwd (under) / over recovery from 2013/14 in pricing						315	
(Under) / over recovery 9 months to 31 Dec 2014						745	
Balance of bfwd 2013/14 (under) / over recovery not in pricing						10	
Total (under) / over recovery to cfwd to 2015						755	

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 (PTL)**
The PTL 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 9 months to 31st December 2014
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				
Expenditure						
Direct expenditure	1,172	835				
Annuity	96	71				
Allocated costs	1,598	101				
Total expenditure	2,866	1,007				
Net (under) / over recovery	(51)	777				
Prior year (under) / over recovery	2,450	92				
One off rebate	(2,308)					
Total (under) / over recovery to cfwd	92	869				
3rd party share	80%	81%				

Detailed pricing information is available on the General Notice

Staff ID cards
Trading statement 9 months to 31st December 2014
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
				81%			
Income	1,784	405	2,189	1,784		1,784	1
Direct expenditure							
Staff	643	(68)	575	469		469	2
Property related		111	111	91		91	3
Maintenance & equipment	313	(120)	193	157		157	4
General expenses and BSC processing costs	278	(161)	117	95		95	5
Electricity		28	28	23		23	6
Total direct expenditure	1,234	(210)	1,024	835		835	
Annuity					71	71	7
Allocated costs (12% of direct expenditure and annuity)				109	(8)	101	7
Total expenditure	1,234	(210)	1,024	944	63	1,007	
Net (under) / over recovery	550	615	1,165	840	(63)	777	
Bfwd (under) / over recovery from 2013/14 in pricing						0	
(Under) / over recovery 13/14						777	
Balance of bfwd 2013/143 (under) / over recovery not in pricing						92	
Total (under) / over recovery at 31 December 2014						869	

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

	Sq m	£/Sq m p.a.	Amt (£) for 9 months to 31 Dec
Space occupied	264		
Rent		£219.57	£43,483
Waste		£254.99	£50,496
Rates		£65.59	£17,319
			£111,298

(4) **Maintenance & equipment**
Adjustment to remove stock costs not consumed in the period April - December 2014

(5) **BSC processing costs**
Adjustment to align BSC processing costs with Q6 decision

(6) **Electricity**
An electricity charge has been included as this has not been charged through the normal mechanism

	Apr - Jun	Jul - Dec	Total
Units (kwh)	27,648	96,767	124,415
Price per unit	£0.1504	£0.247	(Heathrow General Notices - ref 01/14 and 02/12)
Total	£4,158	£23,902	£28,060

(7) **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 9 months to 31st December 2014
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				
Expenditure						
Direct expenditure	3,867	4,130				
Annuity	2,479	3,087				
Allocated costs	2,375	326				
Total expenditure	8,721	7,543				
Net (under) / over recovery	1,663	445				
Prior year (under) / over recovery	(1,732)	(68)				
Total (under) / over recovery to cfwd	(68)	377				
Customer share	100%	100%				
Pricing						
Price based on "time on stand" per quarter hour period						
April - May 2014	£4.04	£4.04				
Price based on consumption						
June - December 2014		£0.52				

Fixed electrical ground power (FEGP)
Trading statement 9 months to 31st December 2014
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	7,988		7,988	7,988		7,988	
Direct expenditure							
Staff		98	98	98		98	1
Electricity		3,657	3,657	3,657		3,657	2
Maintenance & parts		375	375	375		375	3
Total direct expenditure		4,130	4,130	4,130		4,130	
Annuity					3,087	3,087	4
Allocated costs (4% of direct expenditure and annuity)				289	37	326	4
Total expenditure		4,130	4,130	4,419	3,124	7,543	
Net (under) / over recovery	7,988	(4,130)	3,858	3,569	(3,124)	445	
Bfwd (under) / over recovery from 2013/14 in pricing						(280)	
(Under) / over recovery 9 months to 31 Dec 2014						165	
Balance of bfwd 2013/14 (under) / over recovery not in pricing						212	
Total (under) / over recovery to cfwd to 2015						377	

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 & 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 9 months to 31st December 2014
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		3,595				
Expenditure						
Direct expenditure		818				
Annuity		2,993				
Allocated costs		178				
Total expenditure		3,989				
Net (under) / over recovery		(394)				
Prior year (under) / over recovery						
Total (under) / over recovery to cfwd		(394)				
Customer share		100%				
Pricing						
Per kwh effective 1 Jun 2014		not charged	£2.09			

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

Pre-conditioned air (PCA)
Trading statement 9 months to 31st December 2014
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	3,595		3,595		3,595	
Direct expenditure						
Staff		44	44		44	1
Electricity		567	567		567	2
Maintenance & parts		207	207		207	3
Total direct expenditure		818	818		818	
Annuity				2,993	2,993	4
Allocated costs (4% of direct expenditure and annuity)			152	26	178	4
Total expenditure		818	970	3,019	3,989	
Net (under) / over recovery	3,595	(818)	2,625	(3,019)	(394)	
Bfwd (under) / over recovery from 2013/14 in pricing						
(Under) / over recovery 9 months to 31 Dec 2014					(394)	
Balance of bfwd 2013/14 (under) / over recovery not in pricing						
Total (under) / over recovery to cfwd to 2015					(394)	

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 & 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

Airside licences
Trading statement 9 months to 31st December 2014
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				
Expenditure						
Direct expenditure	798	628				
Annuity	49	27				
Allocated costs	435	83				
Total expenditure	1,283	738				
Net (under) / over recovery	40	184				
Prior year (under) / over recovery	(67)	(27)				
Total (under)/over recovery to cfwd	(27)	157				
Customer share	93%	92%				
Pricing						
Annual charge per licence (£)	3,248	2,250				

Airside licences
Trading statement 9 months to 31st December 2014
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	922	77	999	922		922	1
Direct expenditure							
Staff	677	(65)	612	565		565	2
Property related	1		1	1		1	
Maintenance & equipment	34		34	31		31	
General expenses	34		34	31		31	
Total direct expenditure	746	(65)	681	628		628	
Annuity				0	27	27	3
Allocated costs (12% of direct expenditure and annuity)				79	4	83	3
Total expenditure	746	(65)	681	707	31	738	
Net (under) / over recovery	176	142	318	215	(31)	184	
Bfwd (under) / over recovery from 2013/14 in pricing						(88)	
(Under) / over recovery 9 months to 31 Dec 2014						96	
Balance of bfwd 2013/14 (under) / over recovery not in pricing						61	
Total (under) / over recovery to cfwd to 2015						157	

Notes

- (1) **Income**
There are a number of licenses 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 9 months to 31st December 2014
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					1
Expenditure							
Direct expenditure		1,637					
Annuity		312					
Allocated costs		89					
Total expenditure		2,038					
Net (under) / over recovery		(12)					
Prior year (under) / over recovery							
Total (under) / over recovery to cfwd		(12)					
Customer share							
Refuse Area		72%					
Refuse Bin		100%					
Pricing							
April - 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 - 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					

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 9 months to 31st December 2014
Detail with adjustment to table G.4 breakdown

	Underlying Accounts (UA) £'000	Adjustment to UA £'000	Total £'000	Refuse Area £'000 72%	Refuse Bin £'000 100%	Customer share £'000	Adjustment to table G.4 breakdown £'000	Customer adjusted trading statement £'000	Notes
Income	2,025	769	2,794	1,381	645	2,026		2,026	1
Direct expenditure									
Management fee @ 40%, sortation and bin room costs		1,987	1,987	922	715	1,637		1,637	2
Total direct expenditure		1,987	1,987	922	715	1,637		1,637	
Annuity							312	312	3
Allocated costs (4% of direct expenditure and annuity)						78	11	89	3
Total expenditure		1,987	1,987	922	715	1,715	323	2,038	
Net (under) / over recovery	2,025	(1,218)	807	459	(70)	311	(323)	(12)	
Bfwd (under) / over recovery from 2013/14 in pricing									
(Under) / over recovery 9 months to 31 Dec 2014								(12)	
Balance of bfwd 2013/14 (under) / over recovery not in pricing									
Total (under)/over recovery to cfwd to 2015								(12)	

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 9 months to 31st December 2014
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	3,292	2,228					1
Expenditure							
Direct expenditure	1,354	1,237					
Annuity	180	341					
Allocated cost	2,066	172					
Total expenditure	3,600	1,750					
Net (under) / over recovery	(308)	478					
Prior year (under) / over recovery	(176)	(484)					
Total (under) / over recovery to cfwd	(484)	(6)					
Customer share	100%	100%					
Pricing							
Price per movement	£4.35	£4.35					

Notes

(1) **Taxi feeder park**

The figures shown for the 12 months to 31 Mar 2014 are taken from the informal trading statements that were produced and presented to the Taxi Liaison Group for pricing purposes as formal trading statements were not prepared in Q5 for the taxi feeder park as it was not a designated specified activity

Taxi feeder park
Trading statement 9 months to 31st December 2014
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	2,228		2,228		2,228	
Direct expenditure						
Management fee		809	809		809	1
Maintenance		224	224		224	2
Rates		40	40		40	3
IT support		164	164		164	3
Total direct expenditure		1,237	1,237		1,237	
Annuity				341	341	4
Allocated costs (12% of direct expenditure and annuity)			189	(17)	172	4
Total expenditure		1,237	1,426	324	1,750	
Net (under) / over recovery	2,228	(1,237)	802	(324)	478	
Bfwd (under) / over recovery from 2013/14 in pricing					(308)	
(Under) / over recovery 9 months to 31st Dec 2014					170	
Balance of bfwd (under) / over recovery not in pricing					(176)	
Total (under) / over recovery to cfwd to 2015					(6)	

Notes

- (1) **Management fee**
An adjustment has been made to include the element of the management fee relating to the taxi feeder park
- (2) **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) **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 9 months to 31st December 2014 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
Expenditure							
Direct expenditure	734	961					
Annuity	620	1					
Allocated costs	328	5					
Total expenditure	1,682	967					
Net (under) / over recovery	(377)	(6)					
Prior year (under) / over recovery		110					2
Total (under) / over recovery to cfwd	(377)	104					
Customer share	11.00%	0.64%					
Pricing							
Heating - price per square foot	£1.22						
Gas - per kwh Apr - May 2014		£0.075					
Gas - per kwh Jun - Dec 2014		£0.050					

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
- (2) **(Under) / over recovery**
As heating income is recovered via property leases, there was no pricing adjustment to recover the shortfall in income in Q5. The prior year over recovery included for the period Apr - Dec 2014 relates to the informal gas trading statement for 2013/14

**Heating and Gas
Trading statement 9 months to 31st December 2014
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				0.71%			
Gas	38	5,336	5,374	38		38	1
Heating	923		923	923		923	
Direct Expenditure							
Total supplier costs	3,552	(923)	2,629	19		19	2
Staff	997		997	7		7	
Maintenance	682	1,635	2,317	16		16	3
General expenses	3		3	0		0	
Heating costs		923	923	923		923	2
Total direct expenditure	5,234	1,635	6,869	965		965	
Annuity				0	1	1	4
Allocated costs (4% of direct expenditure and annuity)				2	3	5	4
Total expenditure	5,234	1,635	6,869	967	4	971	
Net (under) / over recovery	(4,273)	3,701	(572)	(6)	(4)	(10)	
Bfwd (under) / over recovery from 2013/14 in pricing						29	
(Under) / over recovery 9 months to 31 Dec 2014						19	
Balance of bfwd 2013/14 (under) / over recovery not in pricing						81	
Total (under) / over recovery cfwd to 2015						100	

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 9 months to 31st December 2014
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				
Backbilling income	1,534	939				
Total income	24,294	25,269				
Expenditure						
Direct expenditure	15,608	10,646				
Annuity	5,705	15,803				
Allocated costs	3,002	1,175				
Total expenditure	24,315	27,624				
Net (under) / over recovery	(21)	(2,355)				
Prior year (under) / over recovery	4,087	3,182				
Less backbilling cost adjustment	884	595				
Total (under) / over recovery to cfwd	3,182	232				
Customer share	34%	30%				
Pricing						
HV electricity price (per kwh)	£0.1005					
LV electricity price (per kwh)	£0.1504					
April - May 2014						
HV electricity price (per kwh)			£0.1005			
LV electricity price (per kwh)			£0.1504			
June - December 2014						
HV electricity price (per kwh)			£0.168			
LV electricity price (per kwh)			£0.247			

Electricity
Trading statement 9 months to 31st December 2014
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
				30%			
Income	25,269	55,855	81,124	24,330		24,330	1
Backbilling income		939	939	939		939	2
						25,269	
Direct expenditure							
Supplier costs	35,498		35,498	10,646		10,646	
Total direct expenditure	35,498		35,498	10,646		10,646	
Annuity					15,803	15,803	3
Allocated costs (4% of direct expenditure and annuity)				1,058	117	1,175	3
Total expenditure	35,498		35,498	11,704	15,920	27,624	
Net (under) / over recovery	(10,229)	56,794	46,565	13,565	(15,920)	(2,355)	
Bfwd (under) / over recovery from 2013/14 in pricing						2,972	
Less backbilling cost adjustment							
09/10						(38)	2
10/11						156	2
11/12						(15)	2
12/13						(6)	2
13/14						498	2
						595	
(Under) / over recovery 9 months to 31 Dec 2014						22	
Balance of bfwd 2013/14 (under) / over recovery not in pricing						210	
Total (under) / over recovery to cfwd to 2015						232	

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 31st 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 9 months to 31st December 2014
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				
Backbilling income	143	355				
Total income	1,725	4,416				
Expenditure						
Direct expenditure	900	729				
Annuity	176	3,112				
Allocated costs	205	157				
Total expenditure	1,281	3,998				
Net (under) / over recovery	444	418				
Prior year (under) / over recovery	(359)	85				
Less backbilling cost adjustment	110	188				
Cap backbilling to CAA decision customer share	(110)	(188)				
Total (under) / over recovery to cfwd	85	503				
Customer share	26%	26%				
Pricing						
Water & Sewerage charge per cubic metre	£3.65					
April - May 2014		£3.65				
June - December 2014		£13.10				

Water and sewerage
Trading statement 9 months to 31st December 2014
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
				26%			
Income	4,416	11,136	15,552	4,061		4,061	1
Backbilling income adjustment		355	355	355		355	2
						4,416	
Direct expenditure							
Water in and water out	1,931		1,931	504		504	
Staff		642	642	168		168	3
Maintenance	214		214	56		56	
General expenses	5		5	1		1	
Total direct expenditure	2,150	642	2,792	729		729	
Annuity					3,112	3,112	4
Allocated costs (4% of direct expenditure and annuity)				154	3	157	4
Total expenditure	2,150	642	2,792	883	3,115	3,998	
Net (under) / over recovery	2,266	10,849	13,115	3,533	(3,115)	418	
Bfwd (under) / over recovery from 2013/14 in pricing						(58)	
Less backbilling cost adjustment							
09/10						45	2
10/11						27	2
11/12						22	2
12/13						20	2
13/14						74	2
Cap backbilling to CAA decision customer share						188 (188)	
(Under) / over recovery 9 months to 31 Dec 2014						360	
Balance of bfwd 2013/14 (under) / over recovery not in pricing						143	
Total (under) / over recovery to cfwd to 2015						503	

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 31st 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 9 months to 31st December 2014
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					
Expenditure							
Direct expenditure	1,952	1,959					
Annuity	945	429					
Allocated costs	3,045	194					
Total expenditure	5,942	2,582					
Net (under) / over recovery	(4,325)	4					
Prior year (under) / over recovery							1
Total (under) / over recovery to cfwd	(4,325)	4					
Customer share	86%	100%					
Pricing - per departing movement							
Central Bus Station (CBS)	£2.74	£4.74					
West Ramp Coach Park (WRCP)	£23.24	£23.24					

Notes

(1) **(Under) / over recovery**

There was no pricing adjustment to recover any shortfall in income for bus and coach facilities in Q5, any prior year under or over recovery did not carry forward into the following year's pricing

Bus and coach facilities
Trading statement 9 months to 31st December 2014
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	1,535	1,052	1,854	732	2,586		2,586	1
Direct expenditure								
Staff		48	25	23	48		48	2
Rent		30	30		30		30	3
Cleaning		173	173		173		173	4
Maintenance		212	207	5	212		212	4
Rates		211	174	37	211		211	5
Management fee		1,285	795	490	1,285		1,285	6
Total direct expenditure		1,959	1,404	555	1,959		1,959	
Annuity						429	429	7
Allocated costs (12% of direct expenditure and annuity)					287	(93)	194	7
Total expenditure		1,959	1,404	555	2,246	336	2,582	
Net (under) / over recovery	1,535	(907)	450	177	340	(336)	4	
Bfwd (under) / over recovery from 2013/14 in pricing								
(Under) / over recovery 9 months to 31 Dec 2014							4	
Balance of bfwd 2013/14 (under) / over recovery not in pricing								
Total (under)/over recovery to cfwd to 2015							4	

Notes

- (1) **Income**
An adjustment has been made to include the notional income attributable to public bus services which is subsidised by HAL but classed as part of the customer share
- (2) **Staff**
An adjustment has been made to include direct costs of HAL staff working on bus and coach facilities
- (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 & maintenance**
An adjustment has been made to include the 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 facilities
- (6) **Management fee**
An adjustment has been made to include the element of the management fee relating to bus and coach facilities
- (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 9 months to 31st December 2014
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					1
Expenditure							
Direct expenditure		1					
Annuity		268					
Allocated costs		12					
Total expenditure		281					
Net (under) / over recovery		(51)					
Prior year (under) / over recovery							
Total (under)/over recovery to cfwd		(51)					
Customer share		1.8%					
Pricing							
Annual charge per port	not charged	£165.43					

Notes

- (1) **Common IT - passive**
The charge for common IT - passive has been introduced in Q6

Common I.T. infrastructure
Trading statement 9 months to 31st December 2014
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	230	12,671	12,901	230		230	
Direct expenditure							
Staff		52	52	1		1	1
Total direct expenditure		52	52	1		1	
Annuity					268	268	2
Allocated costs (4% of direct expenditure and annuity)				11	1	12	2
Total expenditure		52	52	12	269	281	
Net (under) / over recovery	230	12,619	12,849	218	(269)	(51)	
Bfwd (under) / over recovery from 2013/14 in pricing							
(Under) / over recovery 9 months to 31 Dec 2014						(51)	
Balance of bfwd 2013/14 (under) / over recovery not in pricing							
Total (under) / over recovery to cfwd to 2015						(51)	

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 9 months to 31st December 2014
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					1
Expenditure							
Direct expenditure		359					
Annuity							
Allocated costs		36					
Total expenditure		395					
Net (under) / over recovery		(6)					
Prior year (under) / over recovery							
Total (under)/over recovery to cfwd		(6)					
Customer share		100%					
Pricing							
Annual charge per departing passenger (£)	Not charged	£0.017					

Notes

- (1) **Airline Operators Committee**
The charge for the Airline Operators Committee has been introduced in Q6

Airline Operators Committee (AOC)
Trading statement 9 months to 31st December 2014
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	389		389		389	
Direct expenditure						
AOC contribution costs		359	359		359	1
Total direct expenditure	0	359	359		359	
Annuity			0		0	2
Allocated costs (12% of direct expenditure)			43	(7)	36	3
Total expenditure	0	359	402	(7)	395	
Net (under) / over recovery	389	(359)	(13)	7	(6)	
Bfwd (under) / over recovery from 2013/14 in pricing					0	
(Under) / over recovery 9 months to 31 Dec 2014					(6)	
Balance of bfwd 2013/14 (under) / over recovery not in pricing					0	
Total (under) / over recovery to cfwd to 2015					(6)	

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