

Heathrow Airport Limited

Specified activities – transparency and trading statements

Year ended 31 December
2017

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Heathrow Airport Limited Specified activities – transparency and trading statements for year ended 31 December 2017

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 2017.

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 September 2018.



Andrew Macmillan
Director

1. Background

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

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

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

2. Accounts

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

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

3. Cost types and the principles of cost allocation

Direct costs

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

Allocated costs

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

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

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

Allocated expenditure percentages:

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

Note that all allocated costs will be adjusted back to the 2014 totals in the table G.4 breakdown and uplifted by inflation to 2017 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 14.83% 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 2017	272.5
RPI index at 31 December 2016	267.1
RPI index at 31 December 2017	278.1
Increase from average 2011/12 to 31 December 2017	17.19%
Increase from average 2011/12 to average 2017	14.83%
Increase from 31 December 2016 to 31 December 2017	4.12%

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 and 01/16

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 desks year ended 31 Dec 2017 £'000	Baggage year ended 31 Dec 2017 £'000	PRM year ended 31 Dec 2017 £'000	SCP year ended 31 Dec 2017 £'000	Staff ID year ended 31 Dec 2017 £'000	FEGP year ended 31 Dec 2017 £'000	PCA year ended 31 Dec 2017 £'000	Airside licences year ended 31 Dec 2017 £'000
Income	5,557	136,318	21,589	14,588	1,711	8,818	4,485	804
Backbilling income								
Total Income	5,557	136,318	21,589	14,588	1,711	8,818	4,485	804
Expenditure								
Direct Expenditure	4,507	117,152	20,897	11,374	1,457	5,955	1,416	842
Annuity	578			3,868	90	3,566	4,128	30
Allocated Costs	585	10,996	656	1,542	136	399	227	113
Total Expenditure	5,670	128,148	21,553	16,784	1,683	9,920	5,771	985
Net (Under) / Over Recovery	(113)	8,170	36	(2,196)	28	(1,102)	(1,286)	(181)
Prior year (under) / over recovery	193	(4,638)	(278)	1,395	388	1,088	(434)	385
Backbilling cost adjustment								
Backbilling cost adjustment reversal								
Total (Under) / Over Recovery to cfwd	80	3,532	(242)	(801)	416	(14)	(1,720)	204

	Waste year ended 31 Dec 2017 £'000	TFP year ended 31 Dec 2017 £'000	Heating & Gas year ended 31 Dec 2017 £'000	Electricity year ended 31 Dec 2017 £'000	Water & sewerage year ended 31 Dec 2017 £'000	Bus & coach year ended 31 Dec 2017 £'000	Common IT - Passive year ended 31 Dec 2017 £'000	AOC year ended 31 Dec 2017 £'000
Income	2,584	2,205	1,278	32,833	2,611	3,378	454	513
Backbilling income				1,397	443			
Total Income	2,584	2,205	1,278	34,230	3,054	3,378	454	513
Expenditure								
Direct Expenditure	2,291	1,490	1,277	14,593	1,103	2,328	1	606
Annuity	140	474	2	18,799	3,893	511	336	
Allocated Costs	125	229	7	1,555	191	260	15	49
Total Expenditure	2,556	2,193	1,286	34,947	5,187	3,099	352	655
Net (Under) / Over Recovery	28	12	(8)	(717)	(2,133)	279	102	(142)
Prior year (under) / over recovery	7	(323)	26	(691)	2,074	(318)	(28)	7
Backbilling cost adjustment				(654)	123			
Backbilling cost adjustment reversal					(123)			
Total (Under) / Over Recovery to cfwd	35	(311)	18	(2,062)	(59)	(39)	74	(135)

8. Detailed trading statements

Check-in desks

Trading statement year ended 31 December 2017

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	
London 2012 Olympic and Paralympic Games adjustment	278					
Expenditure						
Direct expenditure	4,104	3,460	4,455	4,111	4,507	
Annuity	685	500	597	574	578	
Allocated costs	844	442	596	601	585	
Total expenditure	5,633	4,402	5,648	5,286	5,670	
Net (under) / over recovery	175	(165)	(45)	149	(113)	
Prior year (under) / over recovery	79	254	89	44	193	
Total (under) / over recovery to cfwd	254	89	44	193	80	
Customer share	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	
Charge per desk per day						
April 2013 - Mar 2014	£21.68					
April 2014 - May 2014		£22.03				
June 2014 - December 2014		£20.87				
January 2015 - December 2015			£20.87			
January 2016 - December 2016				£20.02		
January 2017 - December 2017					£20.73	

Check-in desks
Trading statement year ended 31 December 2017
Detail - with adjustment to table G.4 breakdown

	Underlying accounts (UA) £'000	Adjustment to UA £'000	Total £'000	Adjustment to table G.4 breakdown £'000	Customer trading statement £'000	Notes
Income	5,557	-	5,557		5,557	
Direct expenditure						
Property related	12	-	12		12	
Operating Costs	1,537	2,958	4,495		4,495	1
Total direct expenditure	1,549	2,958	4,507		4,507	
Annuity				578	578	2
Allocated costs (12% of Direct expenditure and Annuity)			610	(25)	585	2
Total expenditure	1,549	2,958	5,117	553	5,670	
Net (under) / over recovery	4,008	(2,958)	440	(553)	(113)	
Bfwd (under) / over recovery from 2016 in Pricing					57	
(Under) / over recovery year ended 31 Dec 2017					(56)	
Bfwd (under) / over recovery from 2016 not in Pricing					136	
Total (under) / over recovery to cfwd to 2018					80	

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 2017
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	
Expenditure						
Direct expenditure	109,508	86,359	118,647	118,006	117,152	
Annuities	-	-	-	-	-	
Allocated costs	7,594	9,074	10,734	10,354	10,996	
Total expenditure	117,102	95,433	129,381	128,360	128,148	
Net (under) / over recovery	4,696	(3,886)	(2,711)	(3,477)	8,170	
Prior year (under) / over recovery	740	5,436	1,550	(1,161)	(4,638)	
Total (under) / over recovery to cfwd	5,436	1,550	(1,161)	(4,638)	3,532	
Customer share	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	

Baggage systems
Trading statement year ended 31 December 2017
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	136,318		136,318		136,318	
Direct expenditure						
Staff	8,275	(2,233)	6,042		6,042	1
Property related	16,565		16,565		16,565	
Utilities	17,563	(42)	17,521		17,521	2
Maintenance and equipment	72,144	(282)	71,862		71,862	3
Other	5,162		5,162		5,162	
Total direct expenditure	119,709	(2,557)	117,152		117,152	
Annuity					-	4
Allocated costs (9.8% of direct expenditure)			11,481	(485)	10,996	5
Total expenditure	119,709	(2,557)	128,633	(485)	128,148	
Net (under) / over recovery	16,609	2,557	7,685	485	8,170	
Bfwd (under) / over recovery from 2016 in pricing					(4,677)	
(Under) / over recovery year ended 31 Dec 2017					3,493	
Balance of bfwd (under) / over recovery not in pricing					39	
Total (under) / over recovery to cfwd to 2018					3,532	

Notes**(1) Staff cost adjustment**

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

(2) Utilities adjustment

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

(3) 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.

(4) Annuity

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

(5) Allocated costs

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

Services for passengers with reduced mobility (PRM) Trading statement year ended 31 December 2017 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		
Expenditure							
Direct expenditure	17,124	13,984	19,383	19,313	20,897		
Annuity							
Allocated costs		547	723	706	656		1
Total expenditure	17,124	14,531	20,106	20,019	21,553		
Net (under) / over recovery	388	1,702	567	(237)	36		
Prior year (under) / over recovery	(2,698)	(2,310)	(608)	(41)	(278)		
Total (under) / over recovery to cfwd	(2,310)	(608)	(41)	(278)	(242)		
Customer share	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		
Category 2 (50% to 64.99% at 30 hours)	£0.85		£1.17	£1.17	£1.29		
Category 3 (less than 50% at 30 hours)	£1.75		£2.40	£2.40	£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 2017
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	21,589	-	21,589		21,589	1
Direct Expenditure						
Staff		202	202		202	2
Operating costs	20,929	(234)	20,695		20,695	3
Total direct expenditure	20,929	(32)	20,897		20,897	
Annuity						
Allocated costs (4% of Direct expenditure)			836	(180)	-	4 5
Total expenditure	20,929	(32)	21,733	(180)	21,553	
Net (under) / over recovery	660	32	(144)	180	36	
Bfwd (under) / over recovery from 2016 in Pricing					(336)	
(Under) / over recovery year ended 31 Dec 2017					(300)	
Bfwd (under) / over recovery from 2016 not in Pricing					58	
Total (under) / over recovery to cfwd to 2018					(242)	

Notes

(1) Income

Category	Price £	Departing passengers	Income £'000s
1 (> 65%)	0.55	38,193,808	21,007
2 (50% > 64.99%)	1.29	316,202	408
3 (<50%)	2.65	65,851	174
Total		38,575,861	21,589

(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 2017
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	
Expenditure						
Direct expenditure	10,226	8,291	10,968	11,351	11,374	
Annuity	5,928	3,212	4,071	4,001	3,868	
Allocated costs	5,081	1,139	1,521	1,522	1,542	
Total expenditure	21,235	12,642	16,560	16,874	16,784	
Net (under) / over recovery	476	430	1,188	(548)	(2,196)	
Prior year (under) / over recovery	(151)	325	755	1,943	674	
Price smoothing				(721)	721	
Total (under) / over recovery to cfwd	325	755	1,943	674	(801)	
Customer share	80%	77%	77%	77%	76%	
Annual Pass Prices						
Perimeter passes	£651.03		£635.41	£596.70	£535.29	
Lost passes	£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 2017
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	14,588	4,494	19,082	14,588		14,588	1
Direct Expenditure							
Staff Car Park Management	237	271	508	388		388	2
Staff Bussing	5,519	96	5,615	4,293		4,293	3
Staff Bussing Fuel	1,355	(406)	949	725		725	3
Staff costs		96	96	73		73	4
Rent		4,146	4,146	3,170		3,170	5
Rates		2,906	2,906	2,222		2,222	6
PTL	385	118	503	385		385	7
Maintenance & Parts		154	154	118		118	8
Total Direct Expenditure	7,496	7,381	14,877	11,374	-	11,374	
Annuity					3,868	3,868	9
Allocated Costs (10.8% of Direct expenditure and Annuity)				1,646	(104)	1,542	9
Total Expenditure	7,496	7,381	14,877	13,020	3,764	16,784	
Net (under) / over recovery	7,092	(2,887)	4,205	1,568	(3,764)	(2,196)	
Bfwd (under) / over recovery from 2016 in Pricing						941	
Price smoothing adjustment						721	10
(Under) / over recovery year ended 31 Dec 2017						(534)	
Bfwd (under) / over recovery from 2016 not in Pricing						(267)	
Total (under) / over recovery to cfwd to 2018						(801)	

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) Passenger Transport Levy

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

(8) Maintenance and Parts

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

(9) Annuity and allocated costs

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

(10) Price Smoothing adjustment

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

Staff ID cards
Trading statement year ended 31 December 2017
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	
Expenditure						
Direct expenditure	1,172	835	1,283	1,175	1,457	
Annuity	96	71	91	89	90	
Allocated costs	1,598	101	132	132	136	
Total expenditure	2,866	1,007	1,506	1,396	1,683	
Net (under) / over recovery	(51)	777	(372)	(132)	28	
Prior year (under) / over recovery	2,450	91	868	496	364	
One off rebate	(2,308)					
Prior year adjustment					24	
Total (under) / over recovery to cfwd	91	868	496	364	416	
Customer share	80%	81%	85%	86%	85%	

Detailed pricing information is available on the General Notice

Staff ID cards
Trading statement year ended 31 December 2017
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
				85%			
Income							
Prior year adjustment	1,508	272	1,780	1,508		1,508	1
		203	203			203	1
Direct expenditure							
Staff	884	(92)	792	671		671	2
Property related		130	130	110		110	3
Maintenance & equipment	406	-	406	344		344	
General expenses and BSC processing costs	360	(133)	227	192		192	4
Electricity		57	57	48		48	5
Gainshare adjustment				92		92	
Total direct expenditure	1,650	(38)	1,612	1,457		1,457	
Annuity					90	90	6
Allocated costs (12% of Direct expenditure and Annuity)				186	(50)	136	6
Total expenditure	1,650	(38)	1,612	1,643	40	1,683	
Net (under) / over recovery	(142)	310	168	(135)	(40)	28	
Bfwd (under) / over recovery from 2016 in Pricing						485	
Prioryear adjustment						24	7
(Under) / over recovery year ended 31 December 2017						537	
Bfwd (under) / overrecovery from 2016 not in Pricing						(121)	
Total (under) / over recovery to cfwd to 2018						416	

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
Space occupied	420	4,525

	Unit	Rate	Amt (£) for year ended 31 Dec 2017
Rent	Sq m	£232.65	£97,714
Waste	Per 250 Sq ft	£267.40	£4,840
Rates	Per Property	£27,042.64	£27,043
			£ 129,598

(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	£0.234 (Heathrow General Notices)
Total	£57,487

(6) Annuity and allocated costs

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

(7) Prior year adjustment

Adjustment relates to the change in 2016 customer share as a result of the additional 2016 income

Fixed electrical ground power (FEGP)
Trading statement year ended 31 December 2017
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	
Expenditure						
Direct expenditure	3,867	4,130	5,789	5,421	5,955	
Annuity	2,479	3,087	3,956	3,747	3,566	
Allocated costs	2,375	326	417	402	399	
Total expenditure	8,721	7,543	10,162	9,570	9,920	
Net (under) / over recovery	1,663	445	392	320	(1,102)	
Prior year (under) / over recovery	(1,732)	(69)	376	768	1,088	
Total (under) / over recovery to cfwd	(69)	376	768	1,088	(14)	
Customer share	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						
January 2015 - December 2015		£0.52				
January 2016 - December 2016			£0.49			
January 2017 - December 2017				£0.46		
					£0.40	

Fixed electrical ground power (FEGP)
Trading statement year ended 31 December 2017
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	8,818		8,818		8,818	
Direct expenditure						
Staff		72	72		72	1
Electricity		5,255	5,255		5,255	2
Maintenance and parts		628	628		628	3
Total direct expenditure		5,955	5,955	-	5,955	
Annuity				3,566	3,566	4
Allocated costs (4% of Direct expenditure and Annuity)				399	399	4
Total expenditure		5,955	5,955	3,965	9,920	
Net (under) / over recovery	8,818	(5,955)	2,863	(3,965)	(1,102)	
Bfwd (Under) / Overrecovery from 2016 in Pricing					1,099	
(Under) / over recovery year ended 31 December 2017					(3)	
Bfwd (Under) / over recovery from 2016 not in Pricing					(11)	
Total (under) / over recovery to cfwd to 2018					(14)	

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 2017
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		1
Expenditure							
Direct expenditure		818	1,136	1,229	1,416		
Annuity		2,993	3,927	3,978	4,128		
Allocated costs		178	229	223	227		
Total expenditure		3,989	5,292	5,430	5,771		
Net (under) / over recovery		(394)	76	(116)	(1,286)		
Prior year (under) / over recovery			(394)	(318)	(434)		
Total (under) / over recovery to cfwd		(394)	(318)	(434)	(1,720)		
Customershare		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		

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 2017
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	4,485		4,485		4,485	
Direct expenditure						
Staff		36	36		36	1
Electricity		738	738		738	2
Maintenance and parts		642	642		642	3
Total direct expenditure		1,416	1,416	-	1,416	
Annuity				4,128	4,128	4
Allocated costs (4% of Direct expenditure and Annuity)			222	5	227	4
Total expenditure		1,416	1,638	4,133	5,771	
Net (under) / over recovery	4,485	(1,416)	2,847	(4,133)	(1,286)	
Bfwd (under) / over recovery from 2016 in Pricing					(171)	
(Under) / over recovery year ended 31 Dec 2017					(1,457)	
Bfwd (under) / over recovery from 2016 not in Pricing					(263)	
Total (under) / over recovery to cfwd to 2018					(1,720)	

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 2017
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	
Expenditure						
Direct expenditure	798	628	741	591	842	
Annuity	49	27	30	29	30	
Allocated costs	435	83	108	109	113	
Total expenditure	1,282	738	879	729	985	
Net (under) / over recovery	41	184	38	353	(181)	
Prior year (under) / over recovery	(67)	(27)	157	195	548	
Price smoothing adjustment					(163)	
Total (under) / over recovery to cfwd	(26)	157	195	548	204	
Customers share	93%	92%	93%	92%	95%	
Pricing						
Annual charge per licence (£)	3,248	2,250	2,250	2,606	1,878	

Airside licences
Trading statement year ended 31 December 2017
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
				95%			
Income	804	45	849	804		804	1
Direct expenditure							
Staff	736	(17)	719	681		681	2
Property related		-	-	-		-	
Maintenance & equipment	48	-	48	45		45	
General expenses	122	-	122	116		116	
Total direct expenditure	906	(17)	889	842		842	
Annuity				-	30	30	3
Allocated costs (12% of Direct expenditure and Annuity)				105	8	113	3
Total expenditure	906	(17)	889	947	38	985	
Net (under) / over recovery	(102)	62	(40)	(143)	(38)	(181)	
Bfwd (Under) / Over recovery from 2016 in Pricing						326	
Price Smoothing adjustment						(163)	
(Under) / over recovery year ended to 31 Dec 2017						(18)	
Bfwd (Under) / over recovery from 2016 not in Pricing						222	
Total (under) / over recovery to cfwd to 2018						204	

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 2017

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		1
Expenditure							
Direct expenditure		1,637	2,004	2,088	2,291		
Annuity		312	389	140	140		
Allocated costs		89	125	120	125		
Total expenditure		2,038	2,518	2,348	2,556		
Net (under) / over recovery		(12)	171	(152)	28		
Prior year (under) / over recovery		-	(12)	159	7		
Total (under) / over recovery to cfwd		(12)	159	7	35		
Customer share							
Refuse Area		72%	74%	74%	74%		
Refuse Bin		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		

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 2017
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	
Income	2,584	923	3,507	1,808	776	2,584		2,584	1
Direct expenditure				74%	100%				
Management fee @ 40%, sortation and bin room costs	5,640	-	5,640	1,462	829	2,291		2,291	2
Total direct expenditure	5,640	-	5,640	1,462	829	2,291		2,291	
Annuity									
Allocated costs (4% of Direct expenditure and Annuity)						- 97	140 28	140 125	3 3
Total expenditure	5,640	-	5,640	1,462	829	2,388	168	2,556	
Net (under) / over recovery	(3,056)	923	(2,133)	346	(53)	196	(168)	28	
Bfwd (under) / over recovery from 2016 in Pricing								(37)	
(Under) / over recovery year ended 31 Dec 2017								(9)	
Bfwd (Under) / over recovery from 2016 not in Pricing								44	
Total (under)/over recovery to cfwd to 2018								35	

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 2017
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	
Expenditure						
Direct expenditure	1,354	1,237	1,368	1,375	1,490	
Annuity	180	341	450	457	474	
Allocated costs	2,066	172	223	226	229	
Total expenditure	3,600	1,750	2,041	2,058	2,193	
Net (under) / over recovery	(308)	478	(155)	(162)	12	
Prior year (under) / over recovery	(176)	(484)	(6)	(161)	(323)	
Total (under) / over recovery to cfwd	(484)	(6)	(161)	(323)	(311)	
Customer share	100%	100%	100%	100%	100%	
Annual Prices agreed						
Price per Movement	£4.35	£4.35	£2.82	£2.82	£3.50	

Taxi feeder park
Trading statement year ended 31 December 2017
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	2,205	-	2,205		2,205	
Direct Expenditure						
Management Fee		1,012	1,012		1,012	1
Internal Maintenance		314	314		314	2
Rates		59	59		59	3
IT Support		105	105		105	3
Total Direct Expenditure		1,490	1,490	-	1,490	
Annuity				474	474	4
Allocated Costs (12% of Direct expenditure and Annuity)			236	(7)	229	4
Total Expenditure		1,490	1,726	467	2,193	
Net (under) / over Recovery	2,205	(1,490)	479	(467)	12	
Bfwd (under) / over recovery from 2016 in Pricing					(323)	
(Under) / over recovery year ended 31 Dec 2017					(311)	
Bfwd (under) / over recovery from 2016 not in Pricing					-	
Total (under) / over Recovery to cfw to 2018					(311)	

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 2017

Q6 summary

	12 months to 31 Mar 2014 £'000	9 months to 31 Dec 2014 £'000	12 months to 31 Dec 2015 £'000	12 months to 31 Dec 2016 £'000	12 months to 31 Dec 2017 £'000	12 months to 31 Dec 2018 £'000	Notes
Income	1,305	961	1,182	1,185	1,278		1
Expenditure							
Direct expenditure	734	961	1,228	1,201	1,277		
Annuity	620	1	2	2	2		
Allocated costs	328	5	6	6	7		
Total expenditure	1,682	967	1,236	1,209	1,286		
Net (under) / over recovery	(377)	(6)	(54)	(24)	(8)		
Prior year (under) / over recovery		110	104	50	26		
Total (under) / over recovery to cfwd	(377)	104	50	26	18		
Customer share	11.00%	0.64%	0.54%	0.38%	0.46%		
Pricing							
April 2013 - April 2014							
Heating - price per square foot	£122						
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		

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 2017

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				0.46%			
Gas	27	5,868	5,895	27		27	1
Heating	1,251		1,251	1,251		1,251	
Direct Expenditure							
Total supplier costs	2,979	-	2,979	14		14	
Staff	1,770	-	1,770	8		8	
Maintenance	870	-	870	4		4	
General expenses	-	-	-	-		-	
Heating costs		1,251	1,251	1,251		1,251	2
Total direct expenditure	5,619	1,251	6,870	1,277		1,277	
Annuity				-	2	2	3
Allocated costs (4% of Direct expenditure and Annuity)				1	6	7	3
Total expenditure	5,619	1,251	6,870	1,278	8	1,286	
Net (under) / over recovery	(4,341)	4,617	276	-	(8)	(8)	
Bfwd (under) / over recovery from 2016 in Pricing						24	
(Under) / over recovery year ended 31 Dec 2017						16	
Bfwd (under) / over recovery from 2016 not in Pricing						2	
Total (under) / over recovery cfwd to 2018						18	

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 2017

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	
Backbilling income	1,534	939	2,522	1,924	1,397	
Total income	24,294	25,269	37,458	34,508	34,230	
Expenditure						
Direct expenditure	15,608	10,646	13,275	16,457	14,593	
Annuity	5,705	15,803	19,766	18,951	18,799	
Allocated costs	3,002	1,175	1,528	1,530	1,555	
Total expenditure	24,315	27,624	34,569	36,938	34,947	
Net (under) / over recovery	(21)	(2,355)	2,889	(2,430)	(717)	
Prior year (under) / over recovery	4,087	3,182	232	2,200	(691)	
Less backbilling cost adjustment	884	595	921	461	654	
Total (under) / over recovery to cfwd	3,182	232	2,200	(691)	(2,062)	
Customer share	34%	30%	33%	34%	35%	
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	

Electricity
Trading statement year ended 31 December 2017
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
				35.1%			
Income							
Backbilling income	34,230	59,364	93,594	32,833		32,833	1
		1,397	1,397	1,397		1,397	2
						34,230	
Direct expenditure							
Supplier costs	41,770	(171)	41,599	14,593		14,593	3
Total direct expenditure	41,770	(171)	41,599	14,593		14,593	
Annuity							
Allocated costs (4% of direct expenditure and annuity)				1,336	18,799	18,799	4
					219	1,555	4
Total expenditure	41,770	(171)	41,599	15,929	19,018	34,947	
Net (under) / over recovery	(7,540)	60,932	53,392	18,301	(19,018)	(717)	
Bfwd (Under) / Over recovery from 2016 in Pricing						43	
Less backbilling cost adjustment							
09/10						(43)	2
10/11						(32)	2
11/12						(26)	2
12/13						47	2
13/14						84	2
2014						55	2
2015						63	2
2016						506	
						654	
(Under) / over recovery year ended 31 Dec 2017						(1,328)	
Bfwd (Under) / over recovery from 2016 not in Pricing						(734)	
Total (under) / over recovery to cfwd to 2018						(2,062)	

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 2017

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						
Backbilling income	1,582 143	4,061 355	5,359 1,152	5,059 511	2,611 443	
Total income	1,725	4,416	6,511	5,570	3,054	
Expenditure						
Direct expenditure	900	729	1,004	1,239	1,103	
Annuity	176	3,112	3,985	3,899	3,893	
Allocated costs	205	157	193	190	191	
Total expenditure	1,281	3,998	5,182	5,328	5,187	
Net (under) / over recovery	444	418	1,329	242	(2,133)	
Prior year (under) / over recovery	(359)	85	503	1,832	2,074	
Less backbilling cost adjustment	110	188	123	68	123	
Cap backbilling to CAA decision customer share	(110)	(188)	(123)	(68)	(123)	
Total (under) / over recovery to cfwd	85	503	1,832	2,074	(59)	
Customer share	26%	26%	28%	29%	28%	
Pricing						
Annual charge - per cubic metre	£3.65		£11.42	£10.58	£5.79	
April 2014 - May 2014		£3.65				
June 2014 - December 2014		£13.10				

Water and sewerage
Trading statement year ended 31 December 2017
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
				28%			
Income	3,054	6,435	9,489	2,611		2,611	1
Backbilling income adjustment		443	443	443		443	2
						3,054	
Direct expenditure							
Water in and water out	2,882	(28)	2,854	785		785	3
Staff		899	899	247		247	4
Maintenance	254		254	70		70	
General expenses	2		2	1		1	
Total direct expenditure	3,138	871	4,009	1,103		1,103	
Annuity					3,893	3,893	5
Allocated costs (4% of Direct expenditure and Annuity)				200	(9)	191	5
Total expenditure	3,138	871	4,009	1,303	3,884	5,187	
Net (under) / over recovery	(84)	6,007	5,923	1,751	(3,884)	(2,133)	
Bfwd (under) / over recovery from 2016 in Pricing						(149)	
Less backbilling cost adjustment							
10/11						1	2
11/12						2	2
12/13						(2)	2
13/14						(1)	2
2014						-	2
2015						14	2
2016						109	2
						123	
Cap backbilling to CAA decision customer share						(123)	
(Under) / over recovery year ended 31 Dec 2017						(2,282)	
Bfwd (under) / over recovery from 2016 not in Pricing						2,223	
Total (under) / over recovery to cfwd to 2018						(59)	

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 2017

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		
Expenditure							
Direct expenditure	1,952	1,959	2,740	2,450	2,328		
Annuity	945	429	548	530	511		
Allocated costs	3,045	194	256	256	260		
Total expenditure	5,942	2,582	3,544	3,236	3,099		
Net (under) / over recovery	(4,325)	4	(359)	37	279		
Prior year (under) / over recovery	-	-	4	(355)	(318)		
Total (under) / over recovery to cfwd	(4,325)	4	(355)	(318)	(39)		1
Customer share	86%	100%	100%	100%	100%		
Pricing - per departing movement							
Central Bus Station (CBS)	£2.74	£4.74					
January 2015 - July 2015			All operators	£4.74			
August 2015 - December 2015			Bus up to 60 seats	£4.42			
August 2015 - December 2015			Bus up to 15 seats	£2.37	£2.37		
January 2016 - December 2016			Bus up to 15 seats	£4.42	£4.42		
January 2016 - December 2016			Bus more than 15 seats			£2.37	
January 2017 - December 2017			Bus up to 15 seats			£4.42	
January 2017 - December 2017			Bus more than 15 seats				
West Ramp Coach Park (WRCP)	£23.24	£23.24	£21.56	£21.56	£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 2017
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	2,017	1,361	2,117	1,261	3,378		3,378	1
Direct Expenditure								
Staff		55	29	26	55		55	2
Rent		30	30	-	30		30	3
Cleaning		175	175	-	175		175	4
Maintenance		233	222	11	233		233	4
Rates		309	255	54	309		309	5
Management Fee		1,526	935	591	1,526		1,526	6
Total Direct Expenditure		2,328	1,646	682	2,328		2,328	
Annuity						511	511	7
Allocated Costs (12% of Direct expenditure and Annuity)					341	(81)	260	7
Total Expenditure		2,328	1,646	682	2,669	430	3,099	
Net (under) / over Recovery	2,017	(967)	471	579	709	(430)	279	
Bfwd (under) / over recovery from 2016 in Pricing							(318)	
(Under) / over recovery year ended 31 Dec 2017							(39)	
Bfwd (Under) / over recovery from 2016 not in Pricing							-	
Total (under)/over recovery to cfwd to 2018							(39)	

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 RP1

Common I.T. infrastructure
Trading statement year ended 31 December 2017
Q6 summary

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

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 2017
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
Income	454	26,252	26,706	454	-	454	
Direct expenditure							
Staff	-	59	59	1		1	1
Total direct expenditure	-	59	59	1	-	1	
Annuity							
Allocated costs (4% of direct expenditure and annuity)				13	336	336	2
					2	15	2
Total expenditure	-	59	59	14	338	352	
Net (under) / over recovery	454	26,193	26,647	440	(338)	102	
Bfwd (Under) / Over recovery from 2016 in Pricing						(36)	
(Under) / over recovery year ended 31 Dec 2017						66	
Bfwd (Under) / over recovery from 2016 not in Pricing						8	
Price Smoothing Adjustment						(58)	3
Total (under) / over recovery to cfwd to 2018						16	

Notes

(1) Staff cost adjustment

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

(2) Annuity and allocated Costs

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

(3) Price Smoothing adjustment

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

Airline Operators Committee (AOC)
Trading statement year ended 31 December 2017
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
Expenditure							
Direct expenditure		359	456	437	606		
Annuity							
Allocated costs		36	47	48	49		
Total expenditure		395	503	485	655		
Net (under) / over recovery		(6)	(21)	34	(142)		
Prior year (under) / over recovery		-	(6)	(27)	7		
Total (under) / over recovery to cfwd		(6)	(27)	7	(135)		
Customer share		100%	100%	100%	100%		
Pricing							
Annual charge per departing passenger (£)	Not charged	£0.0173	£0.0131	£0.0139	£0.0133		
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 2017
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	513	-	513		513	
Direct expenditure						
AOC contribution costs		606	606		606	1
Total direct expenditure		606	606		606	
Annuity			-		-	2
Allocated costs (12% of Direct expenditure)			73	(24)	49	3
Total expenditure		606	679	(24)	655	
Net (under) / over recovery	513	(606)	(166)	24	(142)	
Bfwd (under) / over recovery from 2016 in Pricing						5
(Under) / over recovery year ended 31 Dec 2017					(137)	
Bfwd (under) / over recovery from 2016 not in Pricing						2
Total (under) / over recovery to cfwd to 2018					(135)	

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