

Heathrow Airport Limited

Specified activities – transparency and trading statements

Year ended 31 December
2022

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Heathrow Airport Limited

Specified activities – transparency and trading statements for year ended 31 December 2022

This document sets out the actual costs and income in respect of the specified activities outlined in condition C2 of Heathrow’s Economic Licence.

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 is approved by:



.....
Javier Echave
Chief Financial Officer
29 September 2023

1. Background

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

The designation of specified activities for H7 is derived from Paragraph C2.12 in Heathrow's Economic Licence

- baggage handling systems;
- hold baggage screening;
- services for passengers with reduced mobility (PRMs);
- staff car parking;
- staff identity cards;
- fixed electrical ground power;
- pre-conditioned air;
- airside licences;
- waste, recycling and refuse collection;
- taxi feeder park;
- utility services (including electricity and water & sewerage); and
- the Licensee's contribution to the funding of the AOC.

2. Accounts

The figures included in the statements have been prepared by Heathrow Airport and have been subject to a set of specified procedures in accordance with the terms of Heathrow Airport Limited's economic licence which have been carried out by an independent external party.

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 in the fixed costs explained below.

Fixed costs and business rates

In the H7 Final Decision, the CAA published the level of fixed costs and business rates for the H7 regulatory period (Table 8.2 CAP2524C) which were to be recovered via ORC charges. These costs were set by the CAA and based on information provided as part of the constructive engagement process and which were in turn based on the annuity and allocated costs included in the Q6 determination. As a result of the absence of a mechanism in the price control formula, these have been fixed for the duration of H7. The CAA identified £90m relating to non-airline fixed costs and £5.5m for business rates (both in 2020 prices) to be recovered via ORCs.

A breakdown of the fixed costs and business rates which underpin Table 8.2 by activity is outlined below, including an uplift for inflation.

Fixed Costs (£ks)	Real 2020	Nominal 2022
Electricity	11,053	12,832
Water	2,821	3,275
Waste (Area)	175	203
Staff Car Parking	3,138	3,644
Staff Identity Cards	211	245
Airside Licences	138	160
Taxi Feeder Park	746	866
Total	18,282	21,225

Rates (£ks)	Real 2020	Nominal 2022
Staff Car Parking	1,118	1,298
Staff Identity Cards	24	27
Taxi Feeder Park	58	68
Total	1,200	1,393

Indexation

The following indices have been used for revaluing forecasts:

Average RPI index for the year ended 31 December 2020	293.14
Average RPI index for the year ended 31 December 2022	340.33

Indexation calculations as on unrounded numbers

(sourced from the Office for National Statistics)

4. Prices

For pricing information please refer to General Notice 01/22.

5. Explanatory notes

Baggage handling systems

Baggage costs consist of direct costs which include: operations and maintenance of the infrastructure and utilities.

Bag volumes are calculated using a bag per departing passenger ratio.

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.

Hold baggage screening

HBS costs consist of direct costs which include: staff and operational contract costs.

Bag volumes are calculated using the same bag per departing passenger ratio as baggage handling systems.

HBS prices are charged on a “per departing bag” basis and cover the costs of all departing bags, arriving bags, transferring bags and “gate bags”.

Passengers with reduced mobility (PRMs)

The cost of the PRM service consists of the direct operating cost (which is primarily the contracted service provider) and other miscellaneous operational costs.

The charging structure established in Q5 & Q6 will remain for H7 as the pre-notification performance is important in that it facilitates the most efficient use of resources and therefore cost. The pre-notification threshold was increased to 36 hours in line with regulatory guidance and the charging categories for PRS are as follows:

- Category 1 – at 65%+ pre-notification at 36 hours
- Category 2 – between 50% and 64.99% pre-notification at 36 hours
- Category 3 – less than 49.99% pre-notification at 36 hours

Heathrow reserves the right to amend the charging structure for the PRM service, in consultation with the airline community.

Staff car parking

Staff car parking costs consist of direct costs, fixed costs and business rates. Direct costs include: bussing, car park management and rent.

Income from staff car parking is derived from sales of car park passes. In H7, 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.

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.

Staff identity cards and vehicle apron passes

Staff identity card and vehicle apron pass service costs consist of direct costs, fixed costs and business rates. 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 costs which include: staff, maintenance, parts and electricity costs.

Electricity costs are calculated using the General Notice published for the applicable regulatory year.

FEGP charges are invoiced 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 costs which include: staff, maintenance, parts and electricity costs.

Electricity costs are calculated using the General Notice published for the applicable regulatory year.

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 costs and fixed costs. 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

Waste services costs consist of direct costs, fixed costs and business rates. 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 costs, fixed costs and business rates. Direct costs include: the TFP management contract, maintenance and IT costs.

Forecast movements are used to calculate an average unit price per movement and income is recovered based on movement charges with operators.

Electricity

Electricity costs consist of direct costs and fixed costs. Direct costs include the 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 2022 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 2022 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 costs and fixed costs. 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
- 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 2022, 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 2022 transparency and trading statement to reflect the appropriate increase in direct costs, calculated from the year of consumption.

HAL contribution to the funding of the Airline Operators' Committee (AOC)

The AOC costs that comprise this ORC category consist of direct costs which include 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.

6. Transparency statement for specified activities

	Baggage year ended 31 Dec 2022 £'000	HBS year ended 31 Dec 2022 £'000	PRM year ended 31 Dec 2022 £'000	SCP year ended 31 Dec 2022 £'000	Staff ID year ended 31 Dec 2022 £'000	FEGP year ended 31 Dec 2022 £'000	PCA year ended 31 Dec 2022 £'000
Income	128,488	9,575	40,007	19,532	3,964	3,828	417
Backbilling income							
Airport Cost Recovery Charge							
Total Income	128,488	9,575	40,007	19,532	3,964	3,828	417
Expenditure							
Direct Expenditure	90,952	7,633	34,288	9,724	2,035	3,785	359
Rates				1,298	27		
Fixed Costs				3,644	245		
Total Expenditure	90,952	7,633	34,288	14,666	2,307	3,785	359
Net (Under) / Over Recovery	37,536	1,942	5,719	4,866	1,657	43	58
Prior year (under) / over recovery	(11,389)	(17)	1,114	(4,834)	(670)	1,245	(18,650)
Backbilling cost adjustment							
Backbilling cost adjustment reversal							
Total (Under) / Over Recovery to cfwd	26,147	1,925	6,833	32	987	1,288	(18,592)

	Waste year ended 31 Dec 2022 £'000	TFP year ended 31 Dec 2022 £'000	Electricity year ended 31 Dec 2022 £'000	Water & sewerage year ended 31 Dec 2022 £'000	AOC year ended 31 Dec 2022 £'000	Airside licences year ended 31 Dec 2022 £'000
Income	2,556	5,287	23,188	2,605	614	1,225
Backbilling income			2,384	661		
Airport Cost Recovery Charge						
Total Income	2,556	5,287	25,572	3,266	614	1,225
Expenditure						
Direct Expenditure	2,071	1,188	23,161	1,021	429	921
Rates		68				
Fixed Costs	203	866	12,832	3,275		160
Total Expenditure	2,274	2,122	35,993	4,296	429	1,081
Net (Under) / Over Recovery	282	3,165	(10,421)	(1,030)	185	144
Prior year (under) / over recovery	(144)	(1,420)	(6,539)	(2,509)	35	(388)
Backbilling cost adjustment			(637)	(72)		
Price Smoothing		(716)				
Total (Under) / Over Recovery to cfwd	138	1,029	(17,597)	(3,611)	220	(244)

7. Detailed trading statements

Baggage handling systems

Trading statement year ended 31 December 2022

H7 summary

	12 months to 31 Dec 2022	12 months to 31 Dec 2023	12 months to 31 Dec 2024	12 months to 31 Dec 2025	12 months to 31 Dec 2026
	£'000	£'000	£'000	£'000	£'000
Income	128,488				
Total expenditure	90,952				
Net (under) / over recovery	37,536	-	-	-	-
Prior year (under) / over recovery	(11,389)				
Total (under) / over recovery to cfw	26,147	-	-	-	-
Customer share	100%	100%	100%	100%	100%
Pricing					
Charge per departing bag	£4.43				

Baggage handling systems

Trading statement year ended 31 December 2022

Detail

	Underlying accounts (UA) £'000	Adjustment to UA £'000	Total £'000	Customer trading statement £'000	Notes
Income	125,945	2,543	128,488	128,488	1
Direct expenditure					
Staff	5,788	(1,326)	4,462	4,462	2
Utilities	6,555		6,555	6,555	
Maintenance and equipment	69,759	(365)	69,394	69,394	3
Other	10,544	(3)	10,541	10,541	4
Total direct expenditure	92,646	(1,694)	90,952	90,952	
Net (under) / over recovery	33,299	4,237	37,536	37,536	
Bfwd (under) / over recovery from 2021 in Pricing				(1,906)	
(Under) / over recovery year ended 31 Dec 2022				35,630	
Bfwd (under) / over recovery from 2021 not in Pricing				(9,483)	
Total (under) / over recovery to cfwd to 2023				26,147	

Notes

(1) Staff cost adjustment

An adjustment has been made to exclude HSBC Capital Rebate relating to de-scoped T4 BC216.

(2) Staff cost adjustment

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

(3) Maintenance and equipment related 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 been recharged directly.

(4) Other costs

An adjustment has been made to exclude non-recoverable costs (consultancy and other general expenses)

Hold baggage screening
Trading statement year ended 31 December 2022
H7 summary

	12 months to 31 Dec 2022	12 months to 31 Dec 2023	12 months to 31 Dec 2024	12 months to 31 Dec 2025	12 months to 31 Dec 2026
	£'000	£'000	£'000	£'000	£'000
Income	9,575				
Total Expenditure	7,633				
Net (under) / over recovery	1,942				
Prior year (under) / over recovery	(17)				
Total (under) / over recovery to cfwd	1,925				
Customer share	100%				
Pricing					
Charge per departing bag	£0.33				

Hold baggage screening

Trading statement year ended 31 December 2022

Detail

	Underlying accounts (UA) £'000	Adjustment to UA £'000	Total £'000	Customer trading statement £'000	Notes
Income	9,575		9,575	9,575	
Direct expenditure					
Staff	15	152	167	167	1
Operating costs	7,538	(72)	7,466	7,466	2
Total direct expenditure	7,553	80	7,633	7,633	
Net (under) / over recovery	2,022	(80)	1,942	1,942	
Bfwd (under) / over recovery from 2021 in Pricing				25	
(Under) / over recovery year ended 31 Dec 2022				1,967	
Bfwd (under) / over recovery from 2021 not in Pricing				(42)	
Total (under) / over recovery to cfwd to 2023				1,925	

Notes

(1) Staff cost adjustment

An adjustment has been made to include recoverable staff costs

(2) Operating Costs adjustment

An adjustment has been made to exclude non recoverable operating costs

Passengers with reduced mobility (PRM)
Trading statement year ended 31 December 2022
H7 summary

	12 months to 31 Mar 2022 £'000	9 months to 31 Dec 2023 £'000	12 months to 31 Dec 2024 £'000	12 months to 31 Dec 2025 £'000	12 months to 31 Dec 2026 £'000	Notes
Income	40,007					1
Total expenditure	34,288					
Net (under) / over recovery	5,719					
Prior year (under) / over recovery	1,114					
Total (under) / over recovery to cfwd	6,833					
Customer share	100%					
Pricing						
Charge per departing passenger						
Category 1	£1.12					
Category 2	£1.32					
Category 3	£3.23					

Notes

(1) Income

January to December 2022			
Category	Price £	Departing passengers	Income £'000s
Cat 1	£1.12	21,447,157	24,021
Cat 2	£1.32	6,518,762	8,605
Cat 3	£3.23	2,285,313	7,381
Total		30,251,232	40,007

Passengers with reduced mobility (PRM)
Trading statement year ended 31 December 2022
Detail

	Underlying Accounts (UA) £'000	Adjustment to UA £'000	Total £'000	Customer trading statement £'000	Notes
Income	40,007	-	40,007	40,007	1
Direct Expenditure					
Staff	628	(289)	339	339	2
Operating costs	34,231	(282)	33,949	33,949	3
Total Direct Expenditure	34,859	(571)	34,288	34,288	
Net (under) / over recovery	5,148	571	5,719	5,719	
Bfwd (under) / over recovery from 2021 in Pricing				25	
(Under) / over recovery year ended 31 Dec 2022				5,744	
Bfwd (under) / over recovery from 2021 not in Pricing				1,089	
Total (under) / over recovery to cfwd to 2023				6,833	

Notes

(1) Income

	January to December 2022		
	Price £	Departing passengers	Income £'000s
Cat 1	£1.12	21,447,157	24,021
Cat 2	£1.32	6,518,762	8,605
Cat 3	£3.23	2,285,313	7,381
		30,251,232	40,007

(2) Staff costs

Adjustment to include agreed recoverable staff costs

(3) Operating cost adjustment

Adjustment made to exclude additional services.

Staff car parking
Trading statement year ended 31 December 2022
H7 summary

	12 months to 31 Mar 2022 £'000	9 months to 31 Dec 2023 £'000	12 months to 31 Dec 2024 £'000	12 months to 31 Dec 2025 £'000	12 months to 31 Dec 2026 £'000
Income	19,532				
Expenditure					
Direct expenditure	9,724				
Rates	1,298				
Fixed Costs	3,644				
Total expenditure	14,666				
Net (under) / over recovery	4,866				
Prior year (under) / over recovery	(4,834)				
Total (under) / over recovery to cfwd	32				
Customer share	82%				
Annual Pass Prices					
Perimeter passes	£1,092.83				
Lost passes	£30.00				

Staff car parking

Trading statement year ended 31 December 2022

Detail - with customer share

	Underlying Accounts (UA) £'000	Adjustment to UA £'000	Total £'000	Customer Share £'000	Customer Trading Statement £'000	Notes
				81.84%		
Income	19,532	4,334	23,866	19,532	19,532	1
Direct Expenditure						
Staff Car Park Management		390	390	319	319	2
Staff Bussing	12,541	(6,457)	6,084	4,979	4,979	3
Staff Bussing Fuel	2,900	(609)	2,291	1,875	1,875	3
Staff Costs		118	118	97	97	4
Rent		2,801	2,801	2,292	2,292	5
Maintenance & Parts		198	198	162	162	6
Total Direct Expenditure	15,441	(3,559)	11,882	9,724	9,724	
Rates as per Table 8.2 breakdown				1,298	1,298	
Fixed costs as per Table 8.2 breakdown				3,644	3,644	
Total Expenditure	15,441	(3,559)	11,882	14,666	14,666	
Net (under) / over recovery	4,091	7,893	11,984	4,866	4,866	
Bfwd (under) / over recovery from 2021 in Pricing					(7,679)	
(Under) / over recovery year ended 31 Dec 2022					(2,813)	
Bfwd (under) / over recovery from 2021 not in Pricing					2,845	
Total (under) / over recovery to cfwd to 2023					32	

Notes

(1) Income

A notional income has been included for HAL non-chargable 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

An adjustment has been made to exclude Bussing charges that do not relate 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) Maintenance and Parts

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

Staff identity cards
Trading statement year ended 31 December 2022
H7 summary

	12 months to 31 Mar 2022	9 months to 31 Dec 2023	12 months to 31 Dec 2024	12 months to 31 Dec 2025	12 months to 31 Dec 2026
	£'000	£'000	£'000	£'000	£'000
Income	3,964				
Expenditure					
Direct expenditure	2,035				
Rates	27				
Fixed Costs	245				
Total expenditure	2,307				
Net (under) / over recovery	1,657				
Prior year (under) / over recovery	(670)				
Total (under) / over recovery to cfwd	987				
Customer share	86%				

Detailed pricing information is available on the General Notice

Staff identity cards

Trading statement year ended 31 December 2022

Detail - with customer share

	Underlying accounts (UA) £'000	Adjustment to UA £'000	Total £'000	Customer share £'000	Customer trading statement £'000
				86.40%	
Income	3,964	624	4,588	3,964	3,964
Direct expenditure					
Staff	1,930	(567)	1,363	1,178	1,178
Property related		128	128	111	111
General expenses & Maintenance	337	(75)	262	226	226
BSC processing costs	909	(826)	83	72	72
Accreditation Check Cost (CAA)		148	148	128	128
IT Costs		320	320	276	276
Electricity		51	51	44	44
Total direct expenditure	3,176	(821)	2,355	2,035	2,035
Rates as per Table 8.2 breakdown				27	27
Fixed costs as per Table 8.2 breakdown				245	245
Total expenditure	3,176	(821)	2,355	2,307	2,307
Net (under) / over recovery	788	1,445	2,233	1,657	1,657
Bfwd (under) / over recovery from 2021 in Pricing					(756)
(Under) / over recovery year ended 31 Dec 2022					901
Bfwd (under) / over recovery from 2021 not in Pricing					86
Total (under) / over recovery to cfwd to 2023					987

Notes

(1) Income

Adjustment to include notional income for HAL passes.

(2) Staff cost adjustment

An adjustment has been made to exclude non-recoverable staff costs

(3) Property related costs

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

	Sq m	Sq ft	
Space occupied	420	4,525	
	Unit	Rate	ended 31 Dec 2022
Rent	Sq m	£262.53	£123,034
Waste	Per 250 Sq ft	£252.44	£5,031
			£128,065

(4) General expenses & Maintenance

An adjustment has been made to excluded non-recoverable expenses

(5) BSC processing costs

An adjustment has been made included to remove non-recoverable BSC Processing costs

(6) Accreditation Check Cost (CAA)

An adjustment has been made to include costs levied by the Civil Aviation Authority for accreditation checks

(7) IT Costs

An adjustment has been made to included recoverable IT system & support costs such as licence fees for ID Gateway

(8) Electricity

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

	Total
Units (kwh)	234,969
Price per unit	£0.216 (Heathrow General Notices)
Total	£50,753

Fixed electrical ground power (FEGP)
Trading statement year ended 31 December 2022
H7 summary

	12 months to 31 Dec 2022	12 months to 31 Dec 2023	12 months to 31 Dec 2024	12 months to 31 Dec 2025	12 months to 31 Dec 2026
	£'000	£'000	£'000	£'000	£'000
Income	3,828				
Total expenditure	3,785				
Net (under) / over recovery	43				
Prior year (under) / over recovery	1,245				
Total (under) / over recovery to cfwd	1,288				
Customer share	100%				
Pricing - per kwh	£0.19				

Fixed electrical ground power (FEGP)
Trading statement year ended 31 December 2022
Detail

	Underlying Accounts (UA) £'000	Adjustment to UA £'000	Total £'000	Customer trading statement £'000	Notes
Income	3,828		3,828	3,828	
Direct expenditure					
Staff		18	18	18	1
Electricity		3,367	3,367	3,367	2
Maintenance and parts		400	400	400	3
Total direct expenditure		3,785	3,785	3,785	
Net (under) / over recovery	3,828	(3,785)	43	43	
Bfwd (under) / over recovery from 2021 in Pricing				25	
(Under) / over recovery year ended 31 Dec 2022				68	
Bfwd (under) / over recovery from 2021 not in Pricing				1,220	
Total (under) / over recovery to cfwd to 2023				1,288	

Notes

(1) Staff

An adjustment has been made to include direct costs of HAL staff working on FEGP activities

(2) Electricity

Adjustment to include the internal cost of electricity.

(3) Maintenance and parts

Adjustment to include internal maintenance charges and direct costs.

Pre-conditioned air (PCA)
Trading statement year ended 31 December 2022
H7 summary

	12 months to 31 Dec 2022	12 months to 31 Dec 2023	12 months to 31 Dec 2024	12 months to 31 Dec 2025	12 months to 31 Dec 2026
	£'000	£'000	£'000	£'000	£'000
Income	417				
Total expenditure	359				
Net (under) / over recovery	58				
Prior year (under) / over recovery	(18,650)				
Total (under) / over recovery to cfwd	(18,592)				
Customer share	100%				
Pricing - per kwh	£1.00				

Pre-conditioned air (PCA)
Trading statement year ended 31 December 2022
Detail

	Underlying Accounts (UA) £'000	Adjustment to UA £'000	Total £'000	Customer trading statement £'000	Notes
Income	417		417	417	
Direct expenditure					
Staff		2	2	2	1
Electricity		128	128	128	2
Maintenance and parts		229	229	229	3
Total direct expenditure		359	359	359	
Net (under) / over recovery	417	(359)	58	58	
Bfwd (under) / over recovery from 2021 in Pricing				(18,618)	
(Under) / over recovery year ended 31 Dec 2022				(18,560)	
Bfwd (under) / over recovery from 2021 not in Pricing				(32)	
Total (under) / over recovery to cfwd to 2023				(18,592)	

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

Airside licences
Trading statement year ended 31 December 2022
H7 summary

	12 months to 31 Dec 2022	12 months to 31 Dec 2023	12 months to 31 Dec 2024	12 months to 31 Dec 2025	12 months to 31 Dec 2026
	£'000	£'000	£'000	£'000	£'000
Income	1,225				
Expenditure					
Direct expenditure	921				
Fixed Costs	160				
Total expenditure	1,081				
Net (under) / over recovery	144				
Prior year (under) / over recovery	(388)				
Total (under) / over recovery to cfwd	(244)				
Customer share	98%				
Pricing					
Annual charge per licence	£3,866				

Airside licences

Trading statement year ended 31 December 2022

Detail - with customer share

	Underlying Accounts (UA) £'000	Adjustment to UA £'000	Total £'000	Customer share £'000	Customer trading statement £'000	Notes
				97.57%		
Income	1,225	31	1,256	1,225	1,225	1
Direct expenditure						
Staff	390	287	677	661	661	2
Maintenance & equipment	100	(84)	16	15	15	3
General expenses	311	(60)	251	245	245	4
Total Direct Expenditure	801	143	944	921	921	
Fixed costs as per Table 8.2 breakdown				160	160	
Total Expenditure	801	143	944	1,081	1,081	
Net (under) / over recovery	424	(112)	312	144	144	
Bfwd (under) / over recovery from 2021 in Pricing					(424)	
(Under) / over recovery year ended 31 Dec 2022					(280)	
Bfwd (under) / over recovery from 2021 not in Pricing					36	
Total (under) / over recovery to cfwd to 2023					(244)	

Notes

(1) Income

Income is stated after including notional income for licences issued to third parties free of charge & HAL licences

(2) Staff cost adjustment

An adjustment has been made to exclude non-recoverable staff costs in Ramp Operations.

(3) Maintenance & equipment cost adjustment

An adjustment has been made to exclude non-recoverable maintenance and equipment costs

(4) General Expenses cost adjustment

An adjustment has been made to exclude non-recoverable ISAGO costs

Waste, recycling and refuse collection
Trading statement year ended 31 December 2022
H7 summary

	12 months to 31 Dec 2022	12 months to 31 Dec 2023	12 months to 31 Dec 2024	12 months to 31 Dec 2025	12 months to 31 Dec 2026
	£'000	£'000	£'000	£'000	£'000
Income	2,556				
Expenditure					
Direct expenditure	2,071				
Fixed Costs	203				
Total expenditure	2,274				
Net (under) / over recovery	282				
Prior year (under) / over recovery	(144)				
Total (under) / over recovery to cfwd	138				
Customer share					
Refuse Area	72%				
Refuse Bin	100%				
Pricing					
Refuse Area Charge - per assessed unit per quarter					
Low Waste Use (eg Services)	£69.49				
Low Waste Use GREEN TARIFF	£60.72				
Medium Waste Use (eg Shops)	£79.92				
Medium Waste Use GREEN TARIFF	£69.83				
High Waste Use (eg Food and Beverage outlets)	£90.34				
High Waste Use GREEN TARIFF	£78.94				
Refuse Bin Charge - per outlet per quarter					
Low Waste Use (eg Services)	£773.46				
Low Waste Use GREEN TARIFF	£675.84				
Medium Waste Use (eg Shops)	£2,524.21				
Medium Waste Use GREEN TARIFF	£2,205.62				
High Waste Use (eg Food and Beverage outlets)	£4,670.08				
High Waste Use GREEN TARIFF	£4,080.65				

Waste, recycling and refuse collection
Trading statement year ended 31 December 2022
Detail - with customer share

	Underlying accounts (UA) £'000	Adjustment to UA £'000	Total £'000	Refuse Area £'000	Refuse Bin £'000	Customer Share £'000	Customer trading statement £'000	Notes
				71.70%	100%			
Income	2,555	1,008	3,563	1,444	1,112	2,556	2,556	1
Direct expenditure								
Management fee @ 40%	3,392		3,392	973		973	973	2
Sortation	13		13	9		9	9	2
T5 & T2 Bin Rooms Cost	1,089		1,089		1,089	1,089	1,089	2
Total direct expenditure	4,494	-	4,494	982	1,089	2,071	2,071	
Fixed costs as per Table 8.2 breakdown						203	203	
Total expenditure	4,494	-	4,494	982	1,089	2,274	2,274	
Net (under) / over recovery	(1,939)	1,008	(931)	462	23	282	282	
Bfwd (under) / over recovery from 2021 in Pricing							(236)	
(Under) / over recovery year ended 31 Dec 2022							46	
Bfwd (under) / over recovery from 2021 not in Pricing							92	
Total (under) / over recovery to cfwd to 2023							138	

Notes

(1) Income

Adjustment to include notional income attributable to HALs waste activities.

(2) Direct expenditure

An adjustment has been made to include the element of T3 & T4 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

Taxi feeder park
Trading statement year ended 31 December 2022
H7 summary

	12 months to 31 Mar 2022 £'000	9 months to 31 Dec 2023 £'000	12 months to 31 Dec 2024 £'000	12 months to 31 Dec 2025 £'000	12 months to 31 Dec 2026 £'000	Notes
Income	5,287					
Expenditure						
Direct expenditure	1,188					
Rates	68					
Fixed Costs	866					
Total expenditure	2,122					
Net (under) / over recovery	3,165					
Prior year (under) / over recovery	(1,420)					
Price Smoothing	(716)					1
Total (under) / over recovery to cfwd	1,029					
Customer share	100%					
Pricing						
Price per Movement (incl VAT)	£7.20					

(1) Price Smoothing

2020 under-recovery reclaimed over 2 years

Taxi feeder park

Trading statement year ended 31 December 2022

Detail

	Underlying Accounts (UA) £'000	Adjustment to UA £'000	Total £'000	Customer Trading Statement £'000	Notes
Income	5,287	-	5,287	5,287	
Direct Expenditure					
Staff		43	43	43	1
Management Fee		954	954	954	2
Internal Maintenance		38	38	38	3
IT Support		153	153	153	4
Total Direct Expenditure		1,188	1,188	1,188	
Rates as per Table 8.2 breakdown				68	
Fixed costs as per Table 8.2 breakdown				866	
Total Expenditure		1,188	1,188	2,122	
Net (under) / over Recovery	5,287	(1,188)	4,099	3,165	
Bfwd (under) / over recovery from 2021 in Pricing				(1,272)	
(Under) / over recovery year ended 31 Dec 2022				1,893	
Bfwd (under) / over recovery from 2021 not in Pricing				(148)	
Price Smoothing				(716)	5
Total (under) / over recovery to cfwd to 2023				1,029	

Notes

(1) Staff costs

Adjustment to include agreed recoverable staff costs

(2) Management Fee

An adjustment has been made to include the element of the Management Fee relating to the Taxi Feeder Park.

(3) Internal Maintenance

An adjustment has been made to include the maintenance costs relating to the Taxi Feeder Park.

(4) IT Support

An adjustment has been made to include the IT support charges relating to Taxi Feeder Park.

(5) Price Smoothing

2020 under-recovery reclaimed over 2 years

Electricity
Trading statement year ended 31 December 2022
H7 summary

	12 months to 31 Dec 2022 £'000	12 months to 31 Dec 2023 £'000	12 months to 31 Dec 2024 £'000	12 months to 31 Dec 2025 £'000	12 months to 31 Dec 2026 £'000
Income	23,188				
Backbilling income	2,384				
Total income	25,572				
Expenditure					
Direct expenditure	23,161				
Fixed Costs	12,832				
Total Expenditure	35,993				
Net (under) / over recovery	(10,421)				
Prior year (under) / over recovery	(6,539)				
Backbilling cost adjustment	(637)				
Total (under) / over recovery to cfwd	(17,597)				
Customer share	28%				
Pricing					
HV electricity price (per kwh)	£0.183				
LV electricity price (per kwh)	£0.216				

Electricity

Trading statement year ended 31 December 2022

Detail - with customer share

	Underlying accounts (UA) £'000	Adjustment to UA £'000	Total £'000	Customer share £'000	Customer adjusted trading statement £'000
				27.58%	
Income	25,572	58,489	84,061	23,188	23,188
Backbilling income		2,384	2,384	2,384	2,384
Total Income					25,572
Direct expenditure					
Supplier costs	83,966	340	84,306	23,256	23,256
CLC		(344)	(344)	(95)	(95)
Total Direct Expenditure	83,966	(4)	83,962	23,161	23,161
Fixed costs as per Table 8.2 breakdown				12,832	12,832
Total Expenditure	83,966	(4)	83,962	35,993	35,993
Net (under) / over recovery	(58,394)	60,877	2,483	(10,421)	(10,421)
Bfwd (under) / over recovery from 2021 in Pricing					(6,308)
Backbilling cost adjustment					
2019					3
2020					4
2021					(644)
Total					(637)
(Under) / over recovery year ended 31 Dec 2022					(17,366)
Bfwd (under) / over recovery from 2021 not in Pricing					(231)
Total (under) / over recovery to cfwd to 2023					(17,597)

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 2021 and the associated increase in costs

(3) Supplier costs

An adjustment has been made to include recoverable costs

(4) CLC

An adjustment has been made to exclude non-recoverable costs

Water and sewerage

Trading statement year ended 31 December 2022

H7 summary

	12 months to 31 Dec 2022 £'000	12 months to 31 Dec 2023 £'000	12 months to 31 Dec 2024 £'000	12 months to 31 Dec 2025 £'000	12 months to 31 Dec 2026 £'000	12 months to 31 Dec 2020 £'000	12 months to 31 Dec 2021 £'000	Notes
Income	2,605							
Backbilling income	661							
Total income	3,266							
Expenditure								
Direct expenditure	1,021							
Fixed Costs	3,275							
Total Expenditure	4,296							
Net (under) / over recovery	(1,030)							
Prior year (under) / over recovery	(2,509)							
Backbilling cost adjustment	(72)							
Total (under) / over recovery to cfwd	(3,611)							
Customer share	25%							
Pricing (per cubic metre)								
Water & sewerage	£8.60							
Water supply only	£6.65							
Waste water only	£2.57							
Domestic Hot Water	£10.16							

Water and sewerage

Trading statement year ended 31 December 2022

Detail - with customer share

	Underlying accounts (UA) £'000	Adjustment to UA £'000	Total £'000	Customer share £'000	Customer trading statement £'000	Notes
				24.76%		
Income	3,266	7,255	10,521	2,605	2,605	1
Backbilling income adjustment		661	661	661	661	2
					3,266	
Direct expenditure						
Water in and water out	3,996	(1,868)	2,128	527	527	3
Staff	2,310	(1,155)	1,155	286	286	4
Maintenance	839		839	208	208	
General expenses	-		-	-	-	
Total direct expenditure	7,145	(3,023)	4,122	1,021	1,021	
Fixed costs as per Table 8.2 breakdown				3,275	3,275	
Total Expenditure	7,145	(3,023)	4,122	4,296	4,296	
Net (under) / over recovery	(3,879)	10,939	7,060	(1,030)	(1,030)	
Bfwd (under) / over recovery from 2021 in Pricing					(1,662)	
Backbilling cost adjustment						
2019					-	2
2020					7	2
2021					(79)	2
					(72)	
(Under) / over recovery year ended 31 Dec 2022					(2,764)	
Bfwd (under) / over recovery from 2021 not in Pricing					(847)	
Total (under) / over recovery to cfwd to 2023					(3,611)	

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 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)

Airline Operators Committee (AOC)
Trading statement year ended 31 December 2022
H7 summary

	12 months to 31 Mar 2022 £'000	12 months to 31 Mar 2023 £'000	12 months to 31 Mar 2024 £'000	12 months to 31 Mar 2025 £'000	12 months to 31 Mar 2026 £'000
Income	614				
Total expenditure	429				
Net (under) / over recovery	185				
Prior year (under) / over recovery	35				
Total (under) / over recovery to cfwd	220				
Customer share	100%				
Pricing					
Charge per departing passenger	£0.0203				

Airline Operators Committee (AOC)
Trading statement year ended 31 December 2022
Detail

	Underlying accounts (UA) £'000	Adjustment to UA £'000	Total £'000	Customer trading statement £'000	Notes
Income	614	-	614	614	
Direct expenditure					
AOC contribution costs	(3,548)	3,977	429	429	1
Total expenditure	(3,548)	3,977	429	429	
Net (under) / over recovery	4,162	(3,977)	185	185	
Bfwd (under) / over recovery from 2021 in Pricing				48	
(Under) / over recovery year ended 31 Dec 2022				233	
Bfwd (under) / over recovery from 2021 not in Pricing				(13)	
Total (under) / over recovery to cfwd to 2023				220	

Notes

(1) AOC contribution costs

An adjustment has been made to only included the agreed AOC contribution costs