

Airline Annual Profit and Loss Guidance Notes



CAA Business Intelligence

General Instructions

This form is to be completed annually based on audited results for the financial year. Airlines will be advised if they are required to submit this form each year.

Data is due no later than 3 months following the year end.

If any adjustments have been made to the previous financial year's figures, you may need to resubmit the form for the previous year.

If you need any additional guidance please contact a member of the CAA Business Intelligence team by calling 0207 453 6400 or via email us at AvStatsSupplierEnquiry@caa.co.uk.

File Naming Instructions

	Instruction
File Naming Convention	<p>AirlineFinancialProfitLossnnnnnyyyy</p> <p>nnnnn is the reporting operator's CAA code number (with leading zeroes) yyyy is the reporting period (where y=year)</p> <p>This file naming convention must be used or the file will be returned.</p>

Completion Instructions

Report in Column C of the form against each of the items listed in Column B the amount in £ rounded to the nearest thousand (£000). Any remarks should be listed against the relevant item number in Column D.

NOTE: Do not move, insert, delete or amend any of the following parts of the file format or the file will be returned: Column Headers, Item Numbers and Descriptions and the Worksheet Tab.

Item Number and Description	Instruction
Net Revenues (Items 1a to 7)	
Scheduled Passenger	
1a First Class	<p>Include revenue collected from passengers who purchased scheduled first class tickets on a departure date basis. This should include any value of free baggage allowance.</p> <p>Exclude tickets sold in advance where the passengers have not yet departed. Also exclude taxes.</p>

Airline Annual Profit and Loss Guidance Notes



CAA Business Intelligence

Item Number and Description	Instruction
<p>1b Normal Economy</p>	<p>Include revenue collected from passengers who purchased normal scheduled economy tickets (non discounted fares) on a departure date basis. This should include any value of free baggage allowance.</p> <p>Exclude tickets sold in advance where the passengers have not yet departed. Also exclude taxes.</p>
<p>1c Other Scheduled Service Passengers</p>	<p>Include revenue collected from the sale of scheduled fares not included in first class or economy on a departure date basis - this would relate to any discounted fares. In the case of 'two for one' include the cost for both tickets. For passengers travelling on tickets issued in exchange for frequent-flyer points, no revenue is to be included.</p> <p>This should include any value of free baggage allowance.</p> <p>Exclude tickets sold in advance where the passengers have not yet departed. Also exclude taxes.</p>
<p>2 Scheduled Excess Baggage</p>	<p>Include revenue collected from the carriage of passenger baggage not included in the permitted free allowance on scheduled flights.</p>
<p>3 Scheduled Freight and Diplomatic Bags</p>	<p>Include:</p> <ul style="list-style-type: none"> • Revenue for the carriage of freight, after deduction of applicable discounts and rebates, and interline prorated through-tariffs. • Revenue from the carriage of diplomatic bags. • Personal consignments sent by the operator's staff. <p>Exclude:</p> <ul style="list-style-type: none"> • Revenue from freight carried on non-scheduled services, this should be included under Item 5b.
<p>4 Scheduled Mail</p>	<p>Include revenue collected from the carriage of all scheduled domestic and foreign mail.</p>
<p>Non-scheduled flights</p>	
<p>5a Inclusive tours</p>	<p>Include revenue collected from the sale of inclusive tours or packages including any related empty legs.</p>
<p>5b Cargo (freight or mail)</p>	<p>Include revenue collected from the carriage of freight and/or mail on non-scheduled flights.</p>

Airline Annual Profit and Loss Guidance Notes



CAA Business Intelligence

Item Number and Description	Instruction
5c Other	Include any other revenue collected from non-scheduled flights not reported under Items 5a or 5b.
6 Incidental Revenue	<p>Include revenue from aircraft leased, chartered or interchanged to another operator when the aircraft are not operated under the control of the reporting operator.</p> <p>Also include the gross revenue obtained from selling part of the capacity of an aircraft for re-sale by an operator or other party.</p> <p>Include any other incidental revenue not reported under Items 1a to 5c.</p>
7 Total Operating Revenues	Auto-sum of Items 1a to 6.
Expenses (Items 8 – 36)	
8 Flight Crew Salaries	<p>Include pay, pensions, insurance of the flight crew. Also include the salaries of flight crew under training under this Item.</p> <p>Exclude pay and related expenses of pursers, cabin crew and passenger service personnel, these should be reported under Item 10.</p>
9 Flight Crew Allowances and Expenses	Include expenses incurred by the operator for the flight crew only e.g. meals, travelling, uniform and accommodation etc.
10 Cabin Crew Salaries (incl training)	Include pay, pensions, insurance of the cabin crew. Also include training costs of cabin crew.
11 Cabin Crew Allowances and Expenses	Include expenses incurred by the operator for the cabin crew only e.g. meals, travelling, uniform and accommodation etc.
12 Aircraft Fuel and Oil	Include non-refundable duties and taxes and fuel handling charges.

Airline Annual Profit and Loss Guidance Notes



CAA Business Intelligence

Item Number and Description	Instruction
<p>13 Flight Equipment Insurance and Uninsured Losses</p>	<p>Include insurance against accidental damage to flight equipment while in flight and on the ground and insurance against liability occurring from operation of aircraft.</p> <p>Uninsured losses should include the expenses incurred but not covered by insurance for which the operator is liable in respect of accidental damage to flight equipment while in flight and on the ground, and liability which has occurred from the operation of aircraft.</p> <p>Exclude passenger and cargo insurance, this should be reported under Item 28.</p>
<p>14 Rental of Flight Equipment</p>	<p>Include expenses incurred for the rental of aircraft and crews from other operators, such as in chartering, interchange agreements and payments made for capacity equalisation arising from pooled services.</p> <p><u>NOTE:</u> Leased aircraft: Two types of leases should be distinguished only one of which should be included on this return.</p> <p>Exclude: A finance lease of full payout lease, under which the aircraft is leased for a period considered to be the whole or nearly the whole, useful life of the asset. Normally the lessor (the legal owner) will be a finance house or leasing company, without expertise in the physical use of the aircraft. Since the lessee (the operator) has the constructive, if not the legal, ownership of the aircraft he should report as though the aircraft was in fact owned. This will affect depreciation and aircraft assets.</p> <p>Include: An operating lease under which the rentals are paid by an operator for such a period which is substantially less than the "normal" life of the aircraft.</p>
<p>15 Flight Crew Training (when not amortised)</p>	<p>Include the cost of training flight crew, when separately identifiable, if this cost is not amortised over two or more years. If the cost is amortised report under Item 21.</p>
<p>16 Flight Expenses Other Than Items 8-15</p>	<p>Include any other flight expenses not reported under Items 8 to 15.</p>

Airline Annual Profit and Loss Guidance Notes



CAA Business Intelligence

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<p>17a and 17b Maintenance and Overhaul (Fixed / Variable)</p>	<p>This Item is broken down into Fixed (17a) and Variable (17b) costs in order to separate that proportion which is fixed over an accounting year from that which varies with the amount of flying undertaken. The fixed element will include the cost of any engineering bases operated by the airline, and any fixed contracts held with maintenance organisations.</p> <p>Include:</p> <ul style="list-style-type: none"> • The cost of current maintenance of aircraft, engines, components and spares in an operative condition; • The cost of repair and overhaul, including certificate of airworthiness overhaul where such is carried out under Government mandatory requirements. Expenditure grouped under this account refers to the cost of engineering labour, or hourly rated or costed labour or engineering supervision, planning, inspection etc. which can be determined as relating solely to engineering work on the particular type of aircraft, or to the particular unit within the operator's organisations; • The cost of materials used in maintaining the flight equipment in an operative condition. The cost can be determined according to the operator's internal methods; • Indirect expenditure arising under the above heading should also be charged, whether by direct allocation or by pro-rating or apportionment. This will include items such as pay of supervisory personnel at maintenance and overhaul shops; including stores and supplies personnel, accounting personnel, timekeepers etc; travel, training and other expenses of maintenance and overhaul employees; maintenance and insurance of equipment used at the maintenance and overhaul shops, where separately assessed; accommodation costs; office supplies and expenses, telephone and cable costs, transportation costs; • The cost of repair, overhaul and maintenance of the flight equipment by outside contractors and manufacturers, or by specialist units within the operator's organisation; • Where maintenance or other engineering is carried out for outside bodies, the cost, net of revenue from these activities. <p>If the operator is able to separate the cost of engineering staff at out-stations, then include these costs under this Item. When this is not possible, such costs should be included under Item 25.</p> <p>Where direct and related indirect maintenance of ground facilities cannot be segregated for inclusion under Item 25 it should be included under this Item (17) with a note to this effect in the 'Remarks' column.</p>

Airline Annual Profit and Loss Guidance Notes



CAA Business Intelligence

Item Number and Description	Instruction
<p>18 Depreciation of Aircraft Fleet (including spares)</p>	<p>Include the normal annual depreciation of assets including engines, components and spare parts that have been purchased outright by the reporting operator.</p> <p>Also include the amortisation of capital/finance leases pertaining to assets - flight equipment acquired by the reporting operator under a capital/finance lease, i.e. a lease for a period considered to be the whole or nearly the whole life of the aircraft.</p> <p>The historic cost depreciation to the current financial year corresponding in aggregate to Items 1 and 8 of CAA Form Airline Financial Balance Sheet.</p>
<p>19 Depreciation of Ground Property and Equipment</p>	<p>Include the normal annual depreciation of assets – both ground property and equipment owned and those under a capital/finance lease i.e. a lease for a period considered to be the whole or nearly the whole life of the equipment.</p> <p>The historic cost depreciation to the current financial year corresponding in aggregate to Items 4 and 11 of CAA Form Airline Financial Balance Sheet.</p>
<p>20 Amortisation of Development and Pre-Operating Costs</p>	<p>Include charges for the amortisation of capitalised development and pre-operating costs and other intangible assets applicable to air transport.</p>
<p>21 Flight Crew Training (when amortised)</p>	<p>Include the cost of training flight crew, when separately identifiable, and amortised over two or more years. If the cost is not amortised report under Item 15.</p>
<p>22 Landing and Departure Fees</p>	<p>Include fees levied against the operator for landings and departures of its aircraft. Also include airport taxes.</p>
<p>23 En-Route and other Navigation Service Charges</p>	<p>Include fees levied against the operator for the provision of en-route facilities and services, including approach and aerodrome control charges.</p> <p>Where a single charge is levied for both airport and air navigation services, the amount should be reported under Item 22, with a note to this effect in the 'Remarks' column.</p>

Airline Annual Profit and Loss Guidance Notes



CAA Business Intelligence

Item Number and Description	Instruction
24 Handling Charges and Parking Fees	Include all payments to outside bodies for representation and handling of aircraft or passengers at airports. Also include housing (hangar) and parking charges at airports.
25 Station Costs Other Than Items 22-24	<p>Include such items as: pay, allowances and expenses of all station staff engaged in handling and servicing aircraft and load, including flight supervisors, dispatchers and ground radio operators; station accommodation costs; maintenance and insurance of airport facilities, where separately assessed; station store charges, including transport, packing and materials, rental of stores, storekeepers' pay, allowance and expenses, transit desks etc.</p> <p>Exclude costs which can be specifically identified as being associated with cargo handling, these should be reported under Item 34.</p> <p>When the maintenance expenditures for flight equipment at outstations cannot be segregated for reporting under Item 17a or 17b, they should be reported under this Item with a note in the 'Remarks' column.</p>
26a – 26b Passenger Services (Fixed / Variable)	<p>Include the full cost of all meals and other personal services furnished to passengers as part of the fare. Meals, accommodation and other services provided for passengers in transit or affected by aircraft delays or cancellation should also be included under this Item.</p> <p>Passenger meals fixed costs would include the cost of kitchens and catering staff, while variable costs consist of the passenger related component, such as food ingredients. Meals bought from outside caterers on a 'per passenger' basis should be entered as a variable cost.</p>
27 Passenger Embarkation Fees	Include embarkation/disembarkation fees and security charges levied by airport authorities on a 'per passenger' basis. Passenger taxes paid by the operator and which are collected in the price of the ticket should be included here.
28 Passenger Insurance	<p>Include liability insurance paid by the operator.</p> <p>Exclude cargo insurance, this should be reported under Item 34.</p>
29 Sales	Include pay, allowances, accommodation costs etc of all staff engaged in the sales function, including sales shops, sales costs at outstations and revenue accounting.

Airline Annual Profit and Loss Guidance Notes



CAA Business Intelligence

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30 Reservations	Include pay, allowances, accommodation costs and any other costs related to the issuing of tickets and making of reservations, including space control functions.
31 Advertising and Promotion	Include both corporate and regional advertising and publicity through various media, including related head office costs, the pay, expenses and accommodation of all staff engaged in promotion and publicity, and agency fees for outside services.
32 Commission	<p>Include commission paid on passenger ticket sales, this should be shown net of commission received from sale of tickets on behalf of other operators.</p> <p>Exclude freight commission, this should be reported under Item 34.</p>
33 General and Administrative	Include expenses incurred in performing the general and administrative functions of the operator and those expenses relating to matters of a general corporate nature, whether separately assessed or apportioned in conformity with the operator's accounting practices.
34 Specific cargo costs	Include any costs specifically attributed to the carriage of cargo, including insurance premiums against liability to consignors, commissions paid (less commissions received) on cargo sales, and directly attributable handling and marketing costs.
35 Other Operating Expenses	Include any other operating expenses not reported under Items 8 to 34.
36 Total Operating Expenses	Auto-sum of Items 8 to 35.
37 Operating Profit or Loss	Auto-sum of Item 7 minus Item 36.
38 Profit or Loss on Disposal of Fixed Assets	Self-explanatory.

Airline Annual Profit and Loss Guidance Notes



CAA Business Intelligence

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39 Interest Payable less Receivable (Net)	Include interest on long or short-term borrowings or lendings/advances, including transactions with other companies within the same group.
40 Direct Subsidies from Public Funds	Self-explanatory.
41 Other Payments from Public Funds	Include other indirect payments made by Government bodies, not accounted for elsewhere.
42 Dividends Receivable	Include dividends from all sources, i.e. other companies in the same group, associated companies, trade or other investments.
43 Other Non- Operating items	Include any other non-operating items not reported under Items 38 to 42.
44 Non-Operating Items (Balance)	Auto-sum of Items 38 to 43.
45 Profit or Loss Before Exceptionals and Taxation	Auto-sum of Items 37 and 44.