

FOREWORD

1 CONTENT

1.1 "UK Airlines - Annual Financial Statistics" is published by the Civil Aviation Authority with the co-operation of the United Kingdom airline operators.

1.2 Some of the figures included in this publication may be provisional and revised in later issues.

2 CONVENTIONS

2.1 Symbols and Abbreviations The following are used throughout:

.. = not available

- = 0 or value too low to register

2.2 Rounding of Figures In tables where figures have been rounded to the nearest final digit, there may be an apparent slight discrepancy between the sum of the constituent items and the total as shown.

2.3 Units of Measurement Metric measurements are used throughout this publication

Tonne = 1000 kilograms

Conversion factors (metric to imperial)

0.9072 tonnes = 1 short ton (2000 lbs)

1.0160 tonnes = 1 ton (2240 lbs)

1.6095 kilometres = 1 statute mile (5280 feet)

1.4600 tonne-kilometres = 1 short ton mile

The explanations of other terms used throughout the tables are contained in the section on Definitions immediately following the tables.

3 ENQUIRIES

3.1 Statistics Enquiries concerning the information in this publication should be addressed to:

Civil Aviation Authority

Room K4 G13

CAA House

45/59 Kingsway

London WC2B 6TE

Tel: 020-7453 6258

020-7453 6252

3.2 Distribution Enquiries concerning orders and subscriptions for magnetic versions should be addressed to the Aviation Data Unit given in paragraph 3.1 above, or by Tel: 020 7453 4545 These are available either:

a) 3.5 inch diskette

c) e-mailed

3.3 Magnetic Media Are available in an Excel spreadsheet format. Enquiries should be made to the Aviation Data Unit at the address given in Para 3.1 above.

Diskette Price: £16.00 + VAT

4 OTHER CIVIL AVIATION STATISTICS FOR EARLIER YEARS

4.1 Statistics for the period from February 1968 to December 1972 were published in the Civil Aviation Series of the Department of Trade & Industry's Business Monitors

The series comprise:

CA.1	Airport Activity	(Monthly and Annual)
CA.2	Air Passengers	" " "
CA.3	Air Freight & Mail	" " "
CA.4	Airline Operations	" " "
CA.5	Airline Operations	(Quarterly and Annual)
CA.6	Domestic Passenger Traffic	" " "
CA.7	Air Passengers - International and Cabotage	" " "
CA.8	Airline Financial Statistics	(Annually: 1968 to 1971 only)

Annual versions of CA.1 to CA.7 were also published.

4.2 Statistics for the period January 1973 to December 1982 were published in CAA Monthly and Annual Statistics. Financial statistics prior to 1975 were published in one document "Financial Resources of UK airlines 1968-1974" (CAP 379) and subsequently were incorporated into "CAA Annual Statistics".

4.3 With effect from 1983 data, "CAA Monthly Statistics" was published as two independent documents "UK Airlines - Monthly Operating and Traffic Statistics" and "UK Airports - Monthly Statements of Movements, Passengers and Cargo". With the exception of certain summary tables these broadly follow the data published in Chapters 1 and 2 of "CAA Monthly Statistics".

4.4 With effect from 1983 "CAA Annual Statistics" was published as two independent documents "UK Airlines - Annual Operating, Traffic and Financial Statistics" and "UK Airports - Annual Statements of Movements, Passengers and Cargo". The former contains information previously published in Chapters 1 and 3 and the latter, information previously published in Chapter 2 of "CAA Annual Statistics". Information previously published in Chapters 4 and 5 (ICAO and Aircraft Accident Data) is available from other sources and is no longer included in CAA Annual Statistical publications.

CONTENTS

Foreword

UK Airlines - Financial Results

Introduction

- 2.1 Financial Resources of Major UK Airlines 1994-2002
- 2.2 Revenues Expenses and Profits of Major UK Airlines 1994-2002
- 2.3 Major UK Airlines' Profit and Loss Account Summary 1994-1999
- 2.3_1 Major UK Airlines' Profit and Loss Account Summary 2000 - 2002
- 2.4 Major UK Airlines' Appropriation Account Summary 1994-1999
- 2.4_1 Major UK Airlines' Appropriation Account Summary 2000 - 2002
- 2.5 Major UK Airlines' Balance Sheet Summary 1994-1999
- 2.5_1 Major UK Airlines' Balance Sheet Summary 2000 - 2002
- 2.6 Major UK Airlines' Individual Airline Profit and Loss Accounts 2002
- 2.7 Major UK Airlines' Individual Appropriation Accounts 2002
- 2.8 Major UK Airlines' Individual Airline Balance Sheets 2002
- 2.9 Total Scheduled and Non-Scheduled Services. Operating and Traffic Statistics for the Financial Years of Reporting Airlines
- 2.10 All Scheduled Services. Operating and Traffic Statistics for the Financial Years of Reporting Airlines
- 2.11 All Non-scheduled Services. Operating and Traffic Statistics for the Financial Years of Reporting Airlines

Appendix C Definitions - UK Airline Financial Results

Appendix A - UK Airline Statistics

There are some differences between the definitions of UK airline statistics and those used for UK airport statistics published in "UK Airports - Monthly Statements of Movements Passengers and Cargo". These arise mainly because UK Airline Statistics do not include non-revenue traffic whereas Airport Statistics do. Additionally UK airlines report their worldwide activity whereas their data within the Airport Statistics includes only 3/4th freedom activity. Foreign carrier data is available only from Airport Statistics.

As a result of significant changes in the licensing of European airlines during 1993, the format and content of these statistics were reviewed. The changes were incorporated with effect from April data.

The main change was to identify the liberated area of activity created by the new rules. These allow airlines of member states to operate anywhere within the area without specific government approval. Since the liberated area may include points outside the EC some EFTA countries have joined the Aviation Package, we have called it the European Economic Area.

The UK's traditional licence classes still apply to carriers registered in the Channel Islands or Isle of Man and the mainland airlines activities elsewhere in the world. However, the volume of this activity is so reduced the old style tables have been withdrawn.

The volume of liberated activity has grown since 1993 as more carriers have acquired the new operating licences and the boundary of the liberated area has expanded.

DEFINITIONS

Types of Service

International services are services flown between the United Kingdom, Isle of Man, Channel Islands and points overseas, and services flown between points outside the United Kingdom, Isle of Man and Channel Islands. For the purposes of these statistics services operated between the United Kingdom and its Territories (cabotage) are regarded as international.

Domestic services are services flown entirely within the United Kingdom, Isle of Man and Channel Islands.

Scheduled services are services performed for remuneration according to a published timetable and which are open to use by members of the public. Extra revenue flights occasioned by overflow traffic from scheduled flights are also included.

Non-scheduled or charter services include all air transport movements other than scheduled services.

European Economic Area traffic is composed of those flights conducted under the EU's "Third Aviation Package". This excludes the Greek Islands (until July 1998), Gibraltar and the Azores but includes traffic to Iceland (July 1994), Norway (September 1993) and Switzerland (June 2002). A scheduled/charter distinction will be retained for as long as it is commercially relevant.

MEASURES AND THEIR COMPUTATION

The Civil Aviation Authority follows closely the statistical practices of the International Civil Aviation Organisation.

Aircraft days available The sum of the number of days each aircraft is available for use. This figure includes days required for maintenance and overhaul but it does not include days between the date of purchase and the date actually placed in service, days out of the service due to major accidents or conversion, days when an aircraft is in the possession of others or is not available because of government action such as grounding by government regulatory agencies.

Aircraft hours An aircraft hour is said to be performed when an aircraft operates one hour. Aircraft hours are measured on the basis of block-to-block times ie measured from the time the aircraft moves from the loading point until it stops at the unloading point.

Average daily utilisation per aircraft (hours) This is the total number of aircraft hours flown (passenger and cargo) divided by the number of aircraft days available for the period in question.

Aircraft kilometres are calculated by multiplying the number of flights performed by the stage distance.

All cargo services are scheduled or non-scheduled flights performed by aircraft carrying loads other than passengers, ie freight, unaccompanied baggage, mail.

Freight (or mail) tonne-kilometres used are calculated by multiplying the number of tonnes of freight and diplomatic bags carried over each stage flight by the stage distance. Mail tonne-kilometres used are computed in a similar way.

Cargo The weight of property carried on an aircraft including for example, the weight of freight, mail, excess baggage and diplomatic bags, but excluding passengers' and crews' permitted baggage.

Cargo tonnes uplifted are calculated by counting each tonne of revenue freight or mail on a particular journey (with one flight number) once only and not repeatedly on each individual stage of that flight.

Distance flown per passenger The average distance flown per passenger is calculated by dividing the seat kilometres used by the number of passengers carried.

Passenger load factor is calculated by dividing seat-kilometres used by seat-kilometres available and expressing it as a percentage.

Passenger tonne kilometres used are calculated by multiplying the weight of passengers carried over each stage flight by the stage distance.

Passengers uplifted are calculated by counting each revenue passenger on a particular flight (with one flight number) once only and not repeatedly on each individual stage of that flight.

Payload capacity Total of aircraft capacity available for the carriage of revenue load (passengers, baggage, freight and mail) measured in metric tonnes.

Payload carried The revenue load of passengers, baggage, freight and mail carried in the aircraft measured in metric tonnes.

Revenue passengers A passenger for whose transportation an air carrier receives commercial remuneration.

Notes

1. This definition includes, for example, a) passengers travelling under publicly available promotional offers (for example, "two-for-one") or loyalty programmes (for example, redemption of frequent-flyer points); b) passengers travelling as compensation for denied boarding; c) passengers travelling on corporate discounts; d) passengers travelling on preferential fares (government, seamen, military, youth, student, etc).

2. This definition excludes, for example, a) persons travelling free; b) persons travelling at a fare or discount available only to employees of air carriers or their agents or only for travel on business for the carriers; c) infants who do not occupy a seat.

Seat-kilometres available are calculated by multiplying the number of seats available for sale on each stage flight by the stage distance. Seats not available for the carriage of passengers because of the weight of fuel or other load are excluded from the calculations.

Seat-kilometres used are calculated by multiplying the number of revenue passengers carried on each stage flight by the stage distance.

Stage flight is operated from when an aircraft takes off to when it next lands (including technical stops).

Stage flights average distance is calculated by dividing the aircraft kilometres flown by the related number of stage flights.

Tonne 1000 kilograms.

Tonne-kilometres available are calculated by multiplying the number of tonnes available for the carriage of revenue load (passengers, freight and mail) on each flight stage by the stage distance.

Tonne-kilometres used are calculated by multiplying the number of tonnes of revenue load carried on each flight stage by the stage distance.

Tonnes available The capacity of the aircraft available for the carriage of payload measured in tonnes.

Weight load factor is calculated by dividing tonne-kilometres used by tonne-kilometres available and expressing it as a percentage.

Appendix C Definitions - UK Airline Financial Results

PROFIT AND LOSS ACCOUNT

REVENUES

- 1 Scheduled passenger Included under this heading are revenues earned in scheduled services performed where all the cargo capacity and at least 50% (or such other percentage as may be specified in the licence) of the passenger carrying capacity of the aircraft has been made available by the operator or his agent (without the intervention of a charterer) for purchase by the public including revenue earned from extra flights operated for overflow traffic from such scheduled services.
- 2 Scheduled excess baggage Includes revenue arising from the carriage of passenger baggage in excess of the fixed free weight and fixed valuation allowance.
- 3 Scheduled cargo and diplomatic bags Includes revenue, after deduction of applicable discounts and rebates, on the basis of published tariffs and agreed inter-line pro-rates of through-tariffs, Cargo revenue also includes revenue from the carriage of diplomatic bags.
- 4 Scheduled and Non-scheduled mail Includes payments received from the carriage of all domestic and foreign mail at prevailing rates, irrespective of the fact that such rates may be fixed in advance or in arrears.
- 5 Non-scheduled flights Includes revenue derived from all flights performed for remuneration, including empty positioning flights.
- 6 Incidental revenues Includes net revenues (ie gross revenues less related direct expenses) from such sources as surface transport, food services, bar and duty free sales, property and other incidental net operating revenues which accrued to the airline from sources other than air transport. This item also includes gross revenues from passengers paying less than 25% of the normal applicable fare, 'no-show' and cancellation fees, providing aircraft to other airlines or parties for operations under their control (such as in leasing, chartering or interchange agreements) revenues from capacity equalisation payments arising from pooled services, from the sale of blocked-space to other carriers on aircraft operated by the reporting carrier and any other operating revenues not classifiable in headings 1 to 5.
- 7 Total operating revenue The sum of headings 1 to 6.

EXPENSES

- 8 Flight crew salaries Includes pay, pensions, insurance and crew uniform and equipment costs. Pay and related expenses of pursers, cabin attendants and passenger service personnel is not charged under this account, but included under item 10. Training costs are not included in this item (see 15 and 21), but the salaries of flight crew under training are included.
- 9 Flight crew allowances and expenses Includes expenses incurred by the airline in respect of meals, travelling and accommodation for flight crew. Similar expenses relating to pursers, cabin attendants and passenger service personnel are not charged under this account, but included under item 11.
- 10 Cabin crew salaries Includes pay, pensions, uniforms, insurance and equipment.
- 11 Cabin crew allowances Includes expenses incurred in respect of meals, travelling and accommodation for cabin staff.

- 12 Aircraft fuel and oil Includes fuel, de-mineralised water and water methanol consumed. Non-refundable duties and taxes and fuel handling charges are included.
- 13 Flight equipment insurance and uninsured losses Includes insurance against accidental damage to flight equipment while in flight and on the ground and insurance against liability occurring from operation of aircraft. Passenger and cargo insurance is not included under this heading. Uninsured losses includes the expenses incurred but not covered by insurance for which the airline 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.
- 14 Rental of flight equipment Includes expenses incurred for the rental of aircraft and crews from other carriers such as in leasing, chartering and interchange agreements and payments made for capacity equalisation arising from pooled services. This item also includes payments for the purchase of blocked-space on aircraft operated by other carriers.
- 15 Flight crew training (when not amortised) Includes the cost of training flight crew, when separately identifiable, if this cost is not to be amortised over two or more years (see also item 21). The salaries of flight crew under training are included under item 8.
- 16 Flight expenses other than items 8 to 15 Includes expenses relating to inflight operation and related standby time of aircraft, which are not classifiable under items 8 to 15 inclusive.
- 17 Maintenance and overhaul This item is subdivided into (a) fixed and (b) and variable 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.

Included are not only the cost of current maintenance of aircraft engines, components and spares in an operative condition, but also 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, and also the cost of materials used in maintaining the flight equipment in an operative condition. The cost can be determined according to the airline's internal methods.

Indirect expenditure arising under the above heading is also included whether by direct allocation or by pro-rating or apportionment. This will include eg pay, travel and training costs of all personnel at maintenance and overhaul shops, 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, transport costs.

The cost of repair, overhaul and maintenance of the flight equipment by outside contractors and manufacturers, or by specialist units within the airline's organisation, is also included.

If the airline's organisation permits the separate costs of engineering staff at out-stations to be ascertained, then such costs should normally be included under this account, When this is not possible, such costs are included in item 25.

Where direct and related indirect maintenance of ground facilities cannot be segregated for inclusion under 'Station costs' it is included under item 17.

- 18 Depreciation of aircraft fleet including spares is the historic cost depreciation appropriate to the year.
- 19 Depreciation of ground property and equipment is the historic cost depreciation appropriate to the year.
- 20 Amortisation of development and pre-operating costs Includes charges for the amortisation of capitalised development and pre-operating costs and other intangible assets applicable to air transport.
21. Flight crew training (when amortised) Includes the cost of training flight crew, when separately identifiable, and amortised over two or more years (see also item 15). The salaries of flight crew while under training is included in item 8.
22. Landing and departure fees are levied against the airline for landings and departures of its aircraft. Airport taxes and aircraft parking fees are not entered under this heading, but aerodrome navigational charges are included.

- 23 En route and other navigation service charges
- 24 Handling charges and parking fees Includes all payments to outside bodies for representation and handling of aircraft or passengers at airports. Also includes housing, mooring and parking charges at airports.
- 25 Station costs other than those included in headings 22 to 24 Includes eg pay, allowances and expenses of all station staff engaged in handling and servicing aircraft and load, station accommodation costs, maintenance and insurance of airport facilities (where separately assessed), station stores charges (including transport, packing and materials), rental of stores, and storekeepers' pay, allowances and expenses.
- Costs which can be specifically identified as being associated with cargo handling are excluded and incorporated in item 34.
- The cost of providing services to third parties is charged to this account
- When the cost of maintenance expenditures at outstations cannot be segregated for reporting in item 17, it is reported in item 25.
- 26 Passenger Services (a) Fixed cost, (b) Variable cost. Includes the full cost of 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 are also included under this heading. The cost of transit desks should, however, be grouped with station costs. The cost of bar supplies for sale are excluded from this heading, and netted against revenue from this source and included under item 6 (Incidental revenue).
- Airlines which are able to split passenger meal costs between fixed and variable components are asked to do so. 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.
- 27 Passenger embarkation fees Includes embarkation/disembarkation fees and security charges levied by airport authorities on a 'per passenger' basis.
- 28 Passenger insurance Includes liability insurance paid by the airline. Cargo insurance should not be included under this heading.
- 29 Sales Includes eg pay, allowances, accommodation costs of all staff engaged in the sales function (including sales shops, sales costs at outstation and revenue accounting).
- 30 Reservations Includes 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 Includes both corporate and regional advertising and publicity through various media (including head office costs), the pay, expenses and accommodation of all staff engaged in promotion and publicity, and agency fees for outside services.
- 32 Commission paid on passenger ticket sales is shown net of commission received from sale of tickets on behalf of other carriers. Freight commission is included under heading 34.
- 33 General and administrative Includes expenses incurred in performing the general and administrative functions of the airline and those expenses relating to matters of a general corporate nature, whether separately assessed or apportioned in conformity with the airline's accounting practices.
- Note: Overhead costs directly related to operating expense items 8 to 17, and 24 to 30 should be included in the expense items to which they are related and not in item 33.
- 34 Specific cargo costs Includes any costs specifically attributed to the carriage of cargo eg insurance premium against liability to consignors, commissions paid less commissions received on cargo sales, and directly

attributable handling and marketing costs. No allowance should be made for an allocation of general flight-related costs to the specific cargo costs heading.

- 35 Other operating expenses Includes operating expenses which cannot be assigned to headings 8 to 34.
- 36 Total operating expenses The sum of items 8 to 35.
- 37 Operating profit (or loss) The difference between headings 7 and 36.
- 38 Profit or loss on disposal of fixed assets.
- 39 Interest payable less receivable (net) Includes all such interest whether on long or short-term borrowings or lendings/advances, including transactions with other companies within the same group.
- 40 Direct subsidies from public funds.
- 41 Other payments from public funds Other payments made by Government bodies, not accounted for elsewhere.
- 42 Dividends receivable Includes dividends from all sources, ie, other companies in the same group, associated companies, trade or other investments.
- 43 Other non-operating items Includes any items not appropriate for inclusion elsewhere.
- 44 Non-operating items balance The net balance of items 38 to 43.
- 45 Profit or loss before exceptionals & taxation The difference between item 37 and item 44.

Appendix D - Major Changes to UK Operators 2002

<u>New Companies</u>	<u>Date</u>	<u>Comments</u>
Astraeus	May 2002	
Global Supply Systems Ltd	June 2002	
Tag Aviation (UK) Ltd	January 2002	
<u>Companies Ceasing to Trade</u>	<u>Date</u>	
British Regional Airlines Ltd	October 2002	Operations merged with those of British Airways Citiexpress
British Airways (Euro Ops) LGW	March 2002	Operations From April 2002 were flown under the British Airways title
Euroceltic Airways Ltd	February 2002	
Go Fly	December 2002	Absorbed into Easyjet Airline Company
Heavylift	September 2002	
<u>Reverted to Solely an 'Air Taxi' Type Operator</u>		
Aravco	December 2002	
<u>Name Changes</u>	<u>Date</u>	<u>New Name</u>
Airtours INTL Airways Ltd	April 2002	My Travel Airways Ltd
Brymon Airways Ltd	April 2002	British Airways Citiexpress Ltd
British European	July 2002	Flybe.British European
JMC Airlines Ltd	April 2003	Thomas Cook Airlines Ltd
Manx	September 2002	BA Citiexpress (IOM) Ltd

Excludes information relating to airlines which operate solely on a small airlines' public transport operations basis.