

Chapter 26

Regulatory Accounts

Current Cost Accounting

Covering:
Working capital

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Working capital

Guidance

This table analyses the components of working capital.

Trade debtors are sub-analysed into five categories. It is expected that your systems are able to provide such a breakdown. However, if any apportionments are used to populate these lines then an explanation of the basis of this calculation should be provided in the commentary.

Company commentary

Any assumptions or calculations used to split the trade debtors figures into the 5 components should be explained fully in the commentary.

The PPP element of any line should be disclosed separately in commentary.

For all items in the table significant features, movements, events and transactions over the last period should be noted.

Guidance to Auditors

See "Auditor's guidance".

Table 26 line definitions

1	Stocks	£m	3dp
Definition	Stock held at the year end. Stocks comprise consumable stores and work in progress, including chemicals, stationary, petrol, backfill materials etc.		
Primary Purpose	Informing relative performance and efficiency assessments.		
Processing rule	Input (positive number)		
Responsibility	Regulatory Finance Team		

2	Trade debtors – measured household	£m	3dp
Definition	Trade debtors relating to measured household billings.		
Primary Purpose	Informing relative performance and efficiency assessments.		
Processing rule	Input (positive number)		
Responsibility	Regulatory Finance Team		

3	Trade debtors – unmeasured household	£m	3dp
Definition	Trade debtors relating to unmeasured household billings.		
Primary Purpose	Informing relative performance and efficiency assessments.		
Processing rule	Input (positive number)		
Responsibility	Regulatory Finance Team		

4	Trade debtors – measured non-household	£m	3dp
Definition	Trade debtors relating to measured non-household billings.		
Primary Purpose	Informing relative performance and efficiency assessments.		
Processing rule	Input (positive number)		
Responsibility	Regulatory Finance Team		

5	Trade debtors – unmeasured non-household	£m	3dp
Definition	Trade debtors relating to unmeasured non-household billings.		
Primary Purpose	Informing relative performance and efficiency assessments.		
Processing rule	Input (positive number)		
Responsibility	Regulatory Finance Team		

6	Other trade debtors	£m	3dp
Definition	Trade debtors relating to billings not covered by lines 2 to 5. This may include amounts for services provided other than water and sewerage charges.		
Primary Purpose	Informing relative performance and efficiency assessments.		
Processing rule	Input (positive number)		
Responsibility	Regulatory Finance Team		

7	Measured income accrual	£m	3dp
Definition	The accrual for revenue from measured customers which relates to the reporting year but that has not yet been billed.		
Primary Purpose	Informing relative performance and efficiency assessments.		
Processing rule	Input: positive number		
Responsibility	Regulatory Finance Team		

8	Prepayments and other debtors	£m	3dp
Definition	Prepayments and other debtors which relate to operating activities, excluding the measured income accrual and the infrastructure renewals prepayments.		
Primary Purpose	Informing relative performance and efficiency assessments.		
Processing rule	Input: positive number		
Responsibility	Regulatory Finance Team		

9	Trade creditors	£m	3dp
Definition	Trade creditor balances at the year end falling due within one year.		
Primary Purpose	Informing relative performance and efficiency assessments.		
Processing rule	Input: negative number		
Responsibility	Regulatory Finance Team		

10	Deferred income – customer advance receipts	£m	3dp
Definition	The liability relating to all monies received from customers where the turnover relating to this has not yet been recognised. This will include: <ul style="list-style-type: none"> • Unmeasured customers' payments made in advance of the 1 April for the next charging year; and • Measured customers who have credit balances arising from a direct debit payment plan. 		
Primary Purpose	Informing relative performance and efficiency assessments.		
Processing rule	Input: negative number		
Responsibility	Regulatory Finance Team		

11	Short term capital creditors	£m	3dp
Definition	Creditor balances at the year end for capital goods falling due within one year. This should include any accruals for capital goods.		
Primary Purpose	Informing relative performance and efficiency assessments.		
Processing rule	Input: negative number		
Responsibility	Regulatory Finance Team		

12	Accruals and other creditors	£m	3dp
Definition	Accruals and non-trade creditors which relate to operating activities, excluding deferred income from customer receipts and also excluding the infrastructure renewals accrual.		
Primary Purpose	Informing relative performance and efficiency assessments.		
Processing rule	Input		
Responsibility	Regulatory Finance Team		

13	Total working capital	£m	3dp
Definition	The total of all stock, debtors and creditors which relate to operating items, including short term capital creditors, but excluding any infrastructure renewals prepayment or accrual.		
Primary Purpose	Informing relative performance and efficiency assessments.		
Processing rule	Calculated: sum of lines 1 to 12		
Responsibility	Regulatory Finance Team		

CHANGE CONTROL SHEET
CHAPTER 26

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