

# Chapter 18d Regulatory accounts (Historical Cost Accounting);

Covering:  
Analysis of dividends and interest charges for year  
ending 31 March 2009

## **Section 2**

### **Chapter 18d**

# **Regulatory accounts**

## **Historical Cost Accounting**

### **Guidance to company**

The reporting requirements relate to the appointed business only.

### **Company commentary**

A commentary should be provided explaining the nature of the interest and dividend flows where schemes have been set up as part of a financial re-organisation.

For all items in the table significant features, movements, changes to forecasts, events and transactions over the last period should be noted and any PPP element set out and explained.

### **Guidance to Auditors**

See separate guidance for auditors.

## Table 18d Line definitions

### A DIVIDEND ANALYSIS

<b>1</b>	Dividends in respect of a financial re-organisation	£m	3dp
<b>Definition</b>	All dividends payable which are part of a scheme whereby the proceeds of the dividends are used by another group company to pay interest to an external party as a result of a financial reorganisation.		
<b>Primary Purpose</b>	Informing relative performance and efficiency assessments.		
<b>Processing rule</b>	Input: negative number		
<b>Responsibility</b>	Regulatory Finance Team		

<b>2</b>	Other ordinary dividends	£m	3dp
<b>Definition</b>	Any ordinary dividends excluding those made in respect of a financial reorganisation.		
<b>Primary Purpose</b>	Informing relative performance and efficiency assessments.		
<b>Processing rule</b>	Input : negative number		
<b>Responsibility</b>	Regulatory Finance Team		

<b>3</b>	Total dividends	£m	3dp
<b>Definition</b>	The sum of all dividends, excluding preference share dividends		
<b>Primary Purpose</b>	Informing relative performance and efficiency assessments.		
<b>Processing rule</b>	Calculated: sum of lines 1 and 2		
<b>Responsibility</b>	Regulatory Finance Team		

### B INTEREST ANALYSIS

<b>4</b>	Interest receivable/payable on inter-company balances	£m	3dp
<b>Definition</b>	The net of interest payable/receivable on inter-company borrowings/debtors.		
<b>Primary Purpose</b>	Informing relative performance and efficiency assessments.		
<b>Processing rule</b>	Input : negative for interest payable, positive for interest receivable		
<b>Responsibility</b>	Regulatory Finance Team		

<b>5</b>	Interest receivable/payable in respect of a financial re-organisation	£m	3dp
<b>Definition</b>	All interest payable/receivable relating to balances which arise as a result of a financial reorganisation		
<b>Primary Purpose</b>	Informing relative performance and efficiency assessments.		
<b>Processing rule</b>	Input : negative for interest payable, positive for interest receivable		
<b>Responsibility</b>	Regulatory Finance Team		

<b>6</b>	Indexation element of index-linked bonds	£m	3dp
<b>Definition</b>	That part of the profit and loss account charge for interest (relating to index-linked debt) which represents the indexation of the debt by RPI.		
<b>Primary Purpose</b>	Informing relative performance and efficiency assessments.		
<b>Processing rule</b>	Input: negative number		
<b>Responsibility</b>	Regulatory Finance Team		

<b>7</b>	Preference share dividends	£m	3dp
<b>Definition</b>	Dividends payable which arise from preference shares		
<b>Primary Purpose</b>	Informing relative performance and efficiency assessments.		
<b>Processing rule</b>	Input: negative number		
<b>Responsibility</b>	Regulatory Finance Team		

<b>8</b>	Other interest receivable	£m	3dp
<b>Definition</b>	Interest receivable on loans advanced and deposits etc., excluding any interest relating to either a financial reorganisation or to intercompany balances.		
<b>Primary Purpose</b>	Informing relative performance and efficiency assessments.		
<b>Processing rule</b>	Input: positive number		
<b>Responsibility</b>	Regulatory Finance Team		

<b>9</b>	Other interest payable	£m	3dp
<b>Definition</b>	Interest payable on loans excluding any interest relating to either a financial reorganisation or to intercompany balances.		
<b>Primary Purpose</b>	Informing relative performance and efficiency assessments.		
<b>Processing rule</b>	Input : negative number		
<b>Responsibility</b>	Regulatory Finance Team		

<b>10</b>	Other finance charges – post employment costs	£m	3dp
<b>Definition</b>	Any ‘other finance charges’ which relate to post employment cost as defined by FRS17.		
<b>Primary Purpose</b>	Informing relative performance and efficiency assessments.		
<b>Processing rule</b>	Input: negative number		
<b>Responsibility</b>	Regulatory Finance Team		

<b>11</b>	Other finance charges	£m	3dp
<b>Definition</b>	Any ‘other finance charges’ which do not relate to post employment cost as defined by FRS17.		
<b>Primary Purpose</b>	Informing relative performance and efficiency assessments.		
<b>Processing rule</b>	Input: negative number		
<b>Responsibility</b>	Regulatory Finance Team		

<b>12</b>	Total net Interest	£m	3dp
<b>Definition</b>	The sum of all interest charges and preference dividends		
<b>Primary Purpose</b>	Informing relative performance and efficiency assessments.		
<b>Processing rule</b>	Calculated: the sum of lines 4, 5, 6, 7, 8, 9,10, 11.		
<b>Responsibility</b>	Regulatory Finance Team		

**CHANGE CONTROL SHEET**  
**CHAPTER 18d**

2008/1.0	First issue of chapter for the SBP period
2009/1.0	Second issue of chapter for the SBP period.