

# Chapter 28

## Regulatory Accounts

### Current Cost Accounting

Covering:  
Cash flow statement for Appointed Business for  
year ending 31 March 2009

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### **Current Cost Accounting**

#### **Cash flow statement for Appointed Business for year ending 31 March 2009**

##### **Guidance**

Infrastructure renewals expenditure is considered as an investing activity for the purposes of this table and is disclosed accordingly.

Acquisitions and disposals (line 14) should only be used strictly for expenditure in accordance with the definition. It is anticipated that this line will be rarely used.

The policy regarding classification as items under the heading Management of liquid resources should be stated.

##### **Company commentary**

NI Water should provide commentary for all significant features and movements over the last period. 'Management of liquid resources' and 'Financing' should be covered in particular. The commentary should describe the movements of and the nature of the deposits/loan facilities. The PPP element of any line should be disclosed and explained separately in commentary.

Where NI Water has completed a financial restructuring the commentary should also make reference to movements in loans to other group companies.

##### **Guidance to Auditors**

See "Auditor's guidance, part H "Land Sales".

## Table 28 line definitions

<b>1</b>	Net cashflow from operating activities.	£m	3dp
<b>Definition</b>	Net cash flow movement from the operating activities of NI Water.		
<b>Primary Purpose</b>	Informing relative performance and efficiency assessments.		
<b>Processing rule</b>	Copied: table 29 line 9		
<b>Responsibility</b>	Regulatory Finance Team		

### A RETURN ON INVESTMENTS & SERVICING OF FINANCE

<b>2</b>	Interest received	£m	3dp
<b>Definition</b>	The amount of interest received by NI Water in the year. This should exclude interest on finance leases which should be entered in line 4.		
<b>Primary Purpose</b>	Informing relative performance and efficiency assessments.		
<b>Processing rule</b>	Column 1: historic data Column 2: Input (positive number)		
<b>Responsibility</b>	Regulatory Finance Team		

<b>3</b>	Interest paid	£m	3dp
<b>Definition</b>	The amount of interest paid by NI Water in the year.		
<b>Primary Purpose</b>	Informing relative performance and efficiency assessments.		
<b>Processing rule</b>	Column 1: historic data Column 2: Input (negative number)		
<b>Responsibility</b>	Regulatory Finance Team		

<b>4</b>	Interest in finance lease rentals	£m	3dp
<b>Definition</b>	The interest element on finance leases paid by NI Water in the year.		
<b>Primary Purpose</b>	Informing relative performance and efficiency assessments.		
<b>Processing rule</b>	Column 1: historic data Column 2: Input (negative number)		
<b>Responsibility</b>	Regulatory Finance Team		

<b>5</b>	Non-equity dividends paid	£m	3dp
<b>Definition</b>	The total non-equity dividend paid by NI Water in the year.  Non-equity dividends are those relating to non-equity shares as defined in paragraph 12 of FRS4, 'Capital Investments'.		
<b>Primary Purpose</b>	Informing relative performance and efficiency assessments.		
<b>Processing rule</b>	Column 1: historic data Column 2: Input (negative number)		
<b>Responsibility</b>	Regulatory Finance Team		

<b>6</b>	Net cashflow from returns on investments & servicing of finance	£m	3dp
<b>Definition</b>	The net financing cost in the year paid by NI Water.		
<b>Primary Purpose</b>	Informing relative performance and efficiency assessments.		

<b>Processing rule</b>	Calculated: the sum of lines 2, 3, 4 and 5
<b>Responsibility</b>	Regulatory Finance Team

## B TAXATION

<b>7</b>	Taxation (paid)/received	£m	3dp
<b>Definition</b>	All cash flows to or from taxation authorities (or other group companies) in respect of NI Water's revenue and capital profits including total mainstream and advance corporation tax paid/received and group taxation payments/receipts by NI Water in the year.		
<b>Primary Purpose</b>	Informing relative performance and efficiency assessments.		
<b>Processing rule</b>	Column 1: historic data Column 2: Input (negative number if net tax payment, positive number if net tax receipt).		
<b>Responsibility</b>	Regulatory Finance Team		

## C CAPITAL EXPENDITURE AND FINANCING OF INVESTMENT

<b>8</b>	Gross cost of purchase of fixed assets	£m	3dp
<b>Definition</b>	The gross purchase price of fixed assets paid for by NI Water before any deduction of grants and contributions.		
<b>Primary Purpose</b>	Informing relative performance and efficiency assessments.		
<b>Processing rule</b>	Column 1: historic data Column 2: Input (negative number)		
<b>Responsibility</b>	Regulatory Finance Team		

<b>9</b>	Receipts of grants and contributions	£m	3dp
<b>Definition</b>	The total amount of grants and other contributions received for fixed asset purchases in the year.		
<b>Primary Purpose</b>	Informing relative performance and efficiency assessments.		
<b>Processing rule</b>	Column 1: historic data Column 2: Input (positive number)		
<b>Responsibility</b>	Regulatory Finance Team		

<b>10</b>	Infrastructure renewals expenditure	£m	3dp
<b>Definition</b>	Expenditure incurred in maintaining the existing operating capability of infrastructure assets.		
<b>Primary Purpose</b>	Informing relative performance and efficiency assessments.		
<b>Processing rule</b>	Column 1: historic data Column 2: Calculated: table 32 line 32 column 7, with the sign reversed.		
<b>Responsibility</b>	Regulatory Finance Team		

<b>11</b>	Disposal of fixed assets	£m	3dp
<b>Definition</b>	Cash proceeds received in the year on the sale of fixed assets.		
<b>Primary Purpose</b>	Informing relative performance and efficiency assessments.		

<b>Processing rule</b>	Column 1: historic data Column 2: Input (positive number)
<b>Responsibility</b>	Regulatory Finance Team

<b>12</b>	Movements on long term loans to group companies	£m	3dp
<b>Definition</b>	The movement in the loans advanced to group companies, as defined in table 19 line 2.		
<b>Primary Purpose</b>	Informing relative performance and efficiency assessments.		
<b>Processing rule</b>	Column 1: historic data Column 2: Input (positive number for a cash inflow, negative number for a cash outflow).		
<b>Responsibility</b>	Regulatory Finance Team		

<b>13</b>	Net cashflow from investing activities	£m	3dp
<b>Definition</b>	The net cashflow of NI Water relating to the acquisition or disposal of any asset held as a fixed asset.		
<b>Primary Purpose</b>	Informing relative performance and efficiency assessments.		
<b>Processing rule</b>	Calculated: the sum of lines 8, 9, 10 and 11 and 12.		
<b>Responsibility</b>	Regulatory Finance Team		

## D ACQUISITIONS AND DISPOSALS

<b>14</b>	Acquisitions and disposals	£m	3dp
<b>Definition</b>	The cash flows related to acquisition or disposal of any trade or business or any investment.		
<b>Primary Purpose</b>	Informing relative performance and efficiency assessments.		
<b>Processing rule</b>	Column 1: historic data Column 2: Input (positive number if disposal cash flows exceed the cash consideration of acquisitions; otherwise a negative number).		
<b>Responsibility</b>	Regulatory Finance Team		

## E EQUITY DIVIDENDS

<b>15</b>	Equity dividends paid	£m	3dp
<b>Definition</b>	The total equity dividend paid by NI Water in the year. This includes any special dividends paid in the year.		
<b>Primary Purpose</b>	Informing relative performance and efficiency assessments.		
<b>Processing rule</b>	Column 1: historic data Column 2: Input (negative number)		
<b>Responsibility</b>	Regulatory Finance Team		

## F MANAGEMENT OF LIQUID RESOURCES

<b>16</b>	New cashflow from management of liquid resources	£m	3dp
<b>Definition</b>	The net cashflow from the withdrawal/redemption and purchase of short term deposits and other liquid resources.		
<b>Primary Purpose</b>	Informing relative performance and efficiency assessments.		
<b>Processing rule</b>	Column 1: historic data Column 2: Input: positive for a cash inflow, negative for a cash outflow.		
<b>Responsibility</b>	Regulatory Finance Team		

<b>17</b>	Net cashflow before financing	£m	3dp
<b>Definition</b>	The net cash flow generated from operations, but after returns on investments and servicing of finance, taxation and investing activities.		
<b>Primary Purpose</b>	Informing relative performance and efficiency assessments.		
<b>Processing rule</b>	Calculated: the sum of lines 1, 6, 7, 13, 14, 15 and 16.		
<b>Responsibility</b>	Regulatory Finance Team		

## G FINANCING

<b>18</b>	Capital in finance lease rentals	£m	3dp
<b>Definition</b>	The capital element of finance lease payments made in the year.		
<b>Primary Purpose</b>	Informing relative performance and efficiency assessments.		
<b>Processing rule</b>	Column 1: historic data Column 2: Input (negative number if capital repaid on new leases exceed capital on existing leases, else positive number).		
<b>Responsibility</b>	Regulatory Finance Team		

<b>19</b>	New bank loans taken out	£m	3dp
<b>Definition</b>	The receipts from any loans taken out in the year. These include the proceeds of any loans taken out from other group companies.		
<b>Primary Purpose</b>	Informing relative performance and efficiency assessments.		
<b>Processing rule</b>	Column 1: historic data Column 2: Input (positive number)		
<b>Responsibility</b>	Regulatory Finance Team		

<b>20</b>	Repayment of bank loans	£m	3dp
<b>Definition</b>	The repayments of any loans repaid in the year. These include any loan repaid to other group companies.		
<b>Primary Purpose</b>	Informing relative performance and efficiency assessments.		
<b>Processing rule</b>	Column 1: historic data Column 2: Input (negative number)		
<b>Responsibility</b>	Regulatory Finance Team		

<b>21</b>	Proceeds from share issues	£m	3dp
<b>Definition</b>	The net proceeds from any share issues received in the year, less cost of any share buy backs.		
<b>Primary Purpose</b>	Informing relative performance and efficiency assessments.		
<b>Processing rule</b>	Column 1: historic data Column 2: Input (positive number if proceeds from new issues exceed cost of any re-purchases, else a negative number).		
<b>Responsibility</b>	Regulatory Finance Team		

<b>22</b>	Net cash inflow from financing	£m	3dp
<b>Definition</b>	The net effect on cashflow after repaying the capital element of finance leases, raising /repaying loans and share issues.		
<b>Primary Purpose</b>	Informing relative performance and efficiency assessments.		
<b>Processing rule</b>	Calculated: the sum of lines 18, 19, 20 and 21.		
<b>Responsibility</b>	Regulatory Finance Team		

<b>23</b>	Increase/(decrease) in cash in the year	£m	3dp
<b>Definition</b>	The net cashflow of NI Water in the year measured by the change in the level of cash.		
<b>Primary Purpose</b>	Informing relative performance and efficiency assessments.		
<b>Processing rule</b>	Calculated: the sum of lines 17 and 22.		
<b>Responsibility</b>	Regulatory Finance Team		

## CHANGE CONTROL SHEET

### CHAPTER 28

2008/1.0	First issue of chapter for the SBP period
2009/1.0	<ul style="list-style-type: none"><li>• Second issue of chapter for the SBP period;</li><li>• Amended processing rules for lines: 1-5, 7-12, 14-16 and 18-21.</li></ul>