

# Chapter 29

## Regulatory accounts

### Current Cost Accounting

Covering:  
Reconciliation of operating profit to net cash flow  
from operating activities

## **Chapter 29**

# **Regulatory accounts (Current Cost Accounting); Reconciliation of operating profit to net cash flow from operating activities**

### **Guidance**

This table links the current cost profit and loss account with the cash flow statement by reconciling the current cost operating profit to the net cash flow from operating activities.

Please note that the current cost depreciation charge, as defined in this table, is the amount that is charged to the profit and loss account, i.e. net of the amortisation of deferred credits. This figure is not the same as the current cost depreciation charge stated in table 25 line 13 or table 33 line 3, which is before the amortisation of deferred credits.

### **Company commentary**

We do not require commentary to this table.

## Table 29 line definitions

<b>1</b>	Current cost operating profit	£m	3dp
<b>Definition</b>	Current cost operating profit before tax, interest and extraordinary items.		
<b>Primary Purpose</b>	Informing relative performance and efficiency assessments.		
<b>Processing rule</b>	Copied: table 20 line 5		
<b>Responsibility</b>	Regulatory Finance Team		

<b>2</b>	Working capital adjustment	£m	3dp
<b>Definition</b>	The adjustment for the impact of general inflation on the real value of working capital to the business between opening and closing balance sheet dates.		
<b>Primary Purpose</b>	Informing relative performance and efficiency assessments.		
<b>Processing rule</b>	Calculated: table 20 line 4 and the sign reversed.		
<b>Responsibility</b>	Regulatory Finance Team		

<b>3</b>	Movement in working capital.	£m	3dp
<b>Definition</b>	The movement in the total of the working capital items, as defined in table 26, with the exception of capital creditors.		
<b>Primary Purpose</b>	Informing relative performance and efficiency assessments.		
<b>Processing rule</b>	Calculated:  For 2007-08: historic data.  For 2008-09: (Table 26 column 1 lines 1-10 and 12) minus (Table 26 column 2 lines 1-10 and 12)		
<b>Responsibility</b>	Regulatory Finance Team		

<b>4</b>	Receipts from other income	£m	3dp
<b>Definition</b>	Receipts in the year from other sources of income other than interest. These include rental income and any other income received from any other sources. It excludes receipts from 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		

5	Depreciation	£m	3dp
<b>Definition</b>	Total of: <ul style="list-style-type: none"> <li>current cost depreciation (as per tables 25 and 33);</li> <li>intangible asset amortisation; and</li> <li>amortisation of deferred credits, (relating to grants and contributions).</li> </ul> This is often referred to as net CCD.		
<b>Primary Purpose</b>	Informing relative performance and efficiency assessments.		
<b>Processing rule</b>	Column 1: historic data Column 2: Calculated: the sum of: table 21 line 26 column 3; table 21 line 27 column 3; table 21 line 28 column 3; table 21 line 29 column 3; table 21 line 31 column 3; table 22 line 25 column 4; table 22 line 26 column 4; table 22 line 27 column 4; table 22 line 28 column 4; and table 22 line 30 column 4.		
<b>Responsibility</b>	Regulatory Finance Team		

6	Current cost profit on sale of fixed assets	£m	3dp
<b>Definition</b>	Net current cost profit/loss on disposal of fixed assets.		
<b>Primary Purpose</b>	Informing relative performance and efficiency assessments.		
<b>Processing rule</b>	Column 1: Calculated table 23 line 17, column 3, with the sign reversed. Column 2: Calculated: table 23 line 17, column 6, with the sign reversed.		
<b>Responsibility</b>	Regulatory Finance Team		

7	Infrastructure renewals charge	£m	3dp
<b>Definition</b>	The total infrastructure renewals charge.		
<b>Primary Purpose</b>	Informing relative performance and efficiency assessments.		
<b>Processing rule</b>	Column 1: historic data Column 2: Calculated: the sum of: table 21 line 25 column 3; table 21 line 32 column 3; table 22 line 24 column 4; and table 22 line 31 column 4.		
<b>Responsibility</b>	Regulatory Finance Team		

8	Other non-cash profit and loss items	£m	3dp
<b>Definition</b>	Any other non-cash profit and loss items which affect operating profit. This will include, but is not restricted to: <ul style="list-style-type: none"> <li>movements in provisions; and</li> <li>the difference between pension contributions and the FRS17 charge (to operating profit).</li> </ul>		
<b>Primary Purpose</b>	Informing relative performance and efficiency assessments.		
<b>Processing rule</b>	Column 1: historic data Column 2: Input (positive number if the movement is an increase, negative number if the movement is a decrease).		

<b>Responsibility</b>	Regulatory Finance Team
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<b>9</b>	Net cash flow 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>	Calculated: sum of lines 1, 2, 3, 4, 5, 6, 7 and 8.		
<b>Responsibility</b>	Regulatory Finance Team		

## CHANGE CONTROL SHEET

### CHAPTER 29

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 3-8 inclusive.</li></ul>