

COMMERCIAL IN CONFIDENCE

Chapter 39

Financial measures

Proceeds from the disposals of Protected Land

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Proceeds from the disposals of protected land

The table has four blocks, three of which are in a flexible format to allow NI Water to include information for each significant land disposal transaction.

The table covers all proceeds from the disposals of protected land, including those already subject to regulation through Condition K of the Licence. The net amounts, after the deduction of all offsetting costs, are considered against the criteria for a "Relevant Change of Circumstance", as defined in Condition B

The definitions for this chapter relate to column headings, and are given below.

Guidance

The description of the site recorded here should be the same as the Condition K notification record.

All figures should be in report year (cash) prices.

The thresholds for disclosure of individual sales (blocks B, C and D) is £100,000.

NI Water should state in the commentary how many transactions make up both 'inter-company' and 'third party' totals, and should reconcile this to the total net proceeds per block 'A' summary of Table 39.

Example:

| | <u>Inter-Company</u> | | <u>Third Party</u> | |
|-----------------------------|----------------------|--------|--------------------|--------|
| | Net Proceeds | Number | Net Proceeds | Number |
| Sales in excess of £100,000 | £650,000 | 2 | £400,000 | 3 |
| Sales below £100,000 | £323,000 | 13 | £250,000 | 11 |
| Total third party sales | £973,000 | 15 | £650,000 | 14 |

Guidance to Auditors

The Auditors should confirm that:

- all land disposals are included in the table and the net proceeds are consistent with other tables in the regulatory accounts (principally disposal of fixed assets in the cash flow statement on table 28 and the profit/loss on disposal in table 23); and
- the gross proceeds are consistent with valuers' certificates for each transaction.

Table 39 column definitions

| | |
|------------------------|--|
| 1 | Description of site |
| Definition | Name or textual description which identifies the site against the record of Condition K notifications. |
| Primary Purpose | Checking compliance with statutory and Licence requirements. |
| Processing rule | Input |
| Responsibility | Regulatory Finance Team |

| | |
|------------------------|--|
| 2 | Interest |
| Definition | The following codes should be used: FL Freehold LL Long leasehold (over 30 months) SL Short leasehold (30 months or less) O Other (please specify in accompanying narrative) |
| Primary Purpose | Checking compliance with statutory and Licence requirements. |
| Processing rule | Input |
| Responsibility | Regulatory Finance Team |

| | |
|------------------------|---|
| 3 | Name of purchaser |
| Definition | Brief textual name of purchaser, to identify transfers to associated companies. |
| Primary Purpose | Checking compliance with statutory and Licence requirements. |
| Processing rule | Input |
| Responsibility | Regulatory Finance Team |

| | | | |
|------------------------|---|------|-----|
| 4 | Gross proceeds | £000 | 0dp |
| Definition | Gross proceeds from disposal, including clawback received in the current year | | |
| Primary Purpose | Checking compliance with statutory and Licence requirements. | | |
| Processing rule | Input | | |
| Responsibility | Regulatory Finance Team | | |

| | | | |
|------------------------|--|------|-----|
| 5 | Offsetting costs | £000 | 0dp |
| Definition | Costs of sale | | |
| Primary Purpose | Checking compliance with statutory and Licence requirements. | | |
| Processing rule | Input | | |
| Responsibility | Regulatory Finance Team | | |

| | | | |
|------------------------|--|------|-----|
| 6 | Net proceeds | £000 | 0dp |
| Definition | A simple arithmetical calculation of the gross proceeds, less offsetting costs. The total for the year equates to gross proceeds minus the total offsetting costs. | | |
| Primary Purpose | Checking compliance with statutory and Licence requirements. | | |
| Processing rule | Calculated: Column 4 minus column 5 | | |
| Responsibility | Regulatory Finance Team | | |

| | | | |
|------------------------|--|--|--|
| 7 | Clawback | | |
| Definition | An indication as to whether the current transaction will be subject to future claw back. | | |
| Primary Purpose | Checking compliance with statutory and Licence requirements. | | |
| Processing rule | Input | | |
| Responsibility | Regulatory Finance Team | | |

CHANGE CONTROL SHEET

CHAPTER 39

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|----------|---|
| 2008/1.0 | First issue of chapter for the SBP period. |
| 2009/1.0 | Second issue of chapter for the SBP period. - no amendments. |
| 2010/1.0 | Third issue of chapter for the SBP period. - No Changes |
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