

# Chapter 19

## Regulatory accounts

### Historical Cost

### Accounting

Covering:  
Balance sheet as at 31 March 2011

# Chapter 19

## Regulatory accounts

### Historical Cost Accounting

#### Guidance

The reporting requirements relate to the appointed business and table 19 is no exception. It should be completed for the balance sheet of the appointed business only.

#### Company commentary

If NI Water takes advantage of the materiality threshold under Condition F to declare only the total balance sheet of the appointed business in their published regulatory accounts it should provide a summary of the non-appointed balances in the commentary to this table.

Short term loans to group companies, should not be included within debtors, but within short term investments. This is to ensure that gearing can be correctly calculated.

The movement in the profit and loss account between the current and previous year should be simply the retained profit for the year. Where this is not the case, then the details of other movements should be reported.

Amounts attributable to minority interests (if applicable) should be included within **other reserves**.

The PPP element of any line should be detailed and explained e.g. PPP element of tangible fixed assets and/or creditors.

For all items in the table (with the exception of deferred tax) significant features and movements over the last period should be noted and an explanation provided. Any comments on the deferred tax balances should be cross-referenced to your commentary on table 18 rather than repeated for this table.

#### PPP

NI Water should separately disclose any infrastructure renewals accounting charges, expenditure and maintenance costs associated with PPP contracts by PPP scheme and provide a supporting commentary.

#### Guidance to Auditors

See separate guidance for auditors.

## Table 19 line definitions

Columns 1 and 2 relate to historic data.

### A FIXED ASSETS

<b>1</b>	Tangible fixed assets	£m	3dp
<b>Definition</b>	Historical cost net book value of tangible fixed assets at the end of the financial year. This is stated after deducting grants and contributions received relating to infrastructure assets.		
<b>Primary Purpose</b>	Informing relative performance and efficiency assessments.		
<b>Processing rule</b>	Input: (positive number)		
<b>Responsibility</b>	Regulatory Finance Team		

<b>2</b>	Investment – loan to a group company	£m	3dp
<b>Definition</b>	Loans made to other group companies repayable in more than one year		
<b>Primary Purpose</b>	Informing relative performance and efficiency assessments.		
<b>Processing rule</b>	Input: positive number		
<b>Responsibility</b>	Regulatory Finance Team		

<b>3</b>	Investment – other	£m	3dp
<b>Definition</b>	All investments as defined by UKGAAP, excluding those in line 2.		
<b>Primary Purpose</b>	Informing relative performance and efficiency assessments.		
<b>Processing rule</b>	Input: positive number		
<b>Responsibility</b>	Regulatory Finance Team		

<b>4</b>	Total fixed assets	£m	3dp
<b>Definition</b>	Historical cost total fixed assets		
<b>Primary Purpose</b>	Informing relative performance and efficiency assessments.		
<b>Processing rule</b>	Calculated: sum of lines 1, 2 and 3.		
<b>Responsibility</b>	Regulatory Finance Team		

### B CURRENT ASSETS

<b>5</b>	Stocks	£m	3dp
<b>Definition</b>	Stocks held at the year end. Stocks consist of consumable stores and work in progress, including chemicals, stationary, petrol, backfill materials etc.		
<b>Primary Purpose</b>	Informing relative performance and efficiency assessments.		
<b>Processing rule</b>	Copied: table 26 line1		
<b>Responsibility</b>	Regulatory Finance Team		

<b>6</b>	Debtors	£m	3dp
<b>Definition</b>	Debtors consist of all amounts owing to NI Water at the financial year end including trade debtors, prepayments and accrued income. This includes amounts falling due after more than one year.		
<b>Primary Purpose</b>	Informing relative performance and efficiency assessments.		
<b>Processing rule</b>	Input: (positive number)		
<b>Responsibility</b>	Regulatory Finance Team		

<b>7</b>	Cash	£m	3dp
<b>Definition</b>	Cash in hand and at bank. Overdraft balances should not be netted off the figure, they should be included separately in table 19 line 11.		
<b>Primary Purpose</b>	Informing relative performance and efficiency assessments.		
<b>Processing rule</b>	Input		
<b>Responsibility</b>	Regulatory Finance Team		

<b>8</b>	Short term deposits	£m	3dp
<b>Definition</b>	Short term deposits, including those made with associated companies.		
<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>	Infrastructure renewals prepayment	£m	3dp
<b>Definition</b>	The cumulative difference between the IRE and IRC where the IRE has exceeded the IRC.		
<b>Primary Purpose</b>	Informing relative performance and efficiency assessments.		
<b>Processing rule</b>	Input: (positive number) If the balance sheet carries an accrual then enter 0 in this line and report the accrual in line 12.		
<b>Responsibility</b>	Regulatory Finance Team		

<b>10</b>	Total current assets	£m	3dp
<b>Definition</b>	Historical cost total current assets		
<b>Primary Purpose</b>	Informing relative performance and efficiency assessments.		
<b>Processing rule</b>	Calculated: sum of lines 5, 6, 7, 8 and 9.		
<b>Responsibility</b>	Regulatory Finance Team		

## C CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

<b>11</b>	Overdrafts	£m	3dp
<b>Definition</b>	Overdrafts		
<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>	Infrastructure renewals accrual	£m	3dp
<b>Definition</b>	The cumulative difference between the IRE and IRC where the IRC has exceeded the IRE.		
<b>Primary Purpose</b>	Informing relative performance and efficiency assessments.		
<b>Processing rule</b>	Input: negative number. If the balance sheet carries a prepayment then enter 0 in this line and report the prepayment in line 9.		
<b>Responsibility</b>	Regulatory Finance Team		

<b>13</b>	Creditors	£m	3dp
<b>Definition</b>	Creditors due within one year, excluding overdrafts, infrastructure renewals accrual, corporation tax payable and dividends payable.		
<b>Primary Purpose</b>	Informing relative performance and efficiency assessments.		
<b>Processing rule</b>	Input: negative number		
<b>Responsibility</b>	Regulatory Finance Team		

<b>14</b>	Borrowings	£m	3dp
<b>Definition</b>	Borrowings falling due within one year comprises obligations under finance leases due within the year, loans due to other group companies repayable within one year, redeemable debentures repayable within one year, bonds redeemable within one year, commercial paper due within one year, bills of exchange maturing within one year and any other form of borrowing repayable in less than one year. Accrued interest, mains deposits and the fair value of interest rate swap agreements should not be included.		
<b>Primary Purpose</b>	Informing relative performance and efficiency assessments.		
<b>Processing rule</b>	Input: (negative number)		
<b>Responsibility</b>	Regulatory Finance Team		

<b>15</b>	Corporation tax payable	£m	3dp
<b>Definition</b>	Any balances of Corporation tax due to HMRC		
<b>Primary Purpose</b>	Informing relative performance and efficiency assessments.		
<b>Processing rule</b>	Input: negative number		
<b>Responsibility</b>	Regulatory Finance Team		

<b>16</b>	Ordinary share dividends payable	£m	3dp
<b>Definition</b>	Any unpaid dividends which have been recognised in accordance with FRS21.		
<b>Primary Purpose</b>	Informing relative performance and efficiency assessments.		
<b>Processing rule</b>	Input: negative number		
<b>Responsibility</b>	Regulatory Finance Team		

<b>17</b>	Preference share dividends payable	£m	3dp
<b>Definition</b>	Any unpaid preference share dividends.		
<b>Primary Purpose</b>	Informing relative performance and efficiency assessments.		
<b>Processing rule</b>	Input: negative number		
<b>Responsibility</b>	Regulatory Finance Team		

<b>18</b>	Total creditors	£m	3dp
<b>Definition</b>	Total creditors falling due within one year		
<b>Primary Purpose</b>	Informing relative performance and efficiency assessments.		
<b>Processing rule</b>	Calculated: sum of lines 11, 12, 13, 14, 15, 16 and 17.		
<b>Responsibility</b>	Regulatory Finance Team		

<b>19</b>	Net current assets	£m	3dp
<b>Definition</b>	Historical cost net current assets		
<b>Primary Purpose</b>	Informing relative performance and efficiency assessments.		
<b>Processing rule</b>	Calculated: sum of lines 10 and 18.		
<b>Responsibility</b>	Regulatory Finance Team		

#### D CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

<b>20</b>	Borrowings	£m	3dp
<b>Definition</b>	Borrowings falling due after one year comprises obligations under finance leases due after one year, loans due to other group companies repayable after one year, redeemable debentures repayable after one year, bonds redeemable after one year, commercial paper due after one year, bills of exchange maturing after one year and any other form of borrowing repayable after one year. Accrued interest, mains deposits and the fair value of interest rate swap agreements should not be included.		
<b>Primary Purpose</b>	Informing relative performance and efficiency assessments.		
<b>Processing rule</b>	Input: (negative number)		
<b>Responsibility</b>	Regulatory Finance Team		

<b>21</b>	Other creditors	£m	3dp
<b>Definition</b>	Creditors due after one year (other than items defined as borrowings).		
<b>Primary Purpose</b>	Informing relative performance and efficiency assessments.		
<b>Processing rule</b>	Input: (negative number)		
<b>Responsibility</b>	Regulatory Finance Team		

<b>22</b>	Total creditors	£m	3dp
<b>Definition</b>	Total creditors due after one year		
<b>Primary Purpose</b>	Informing relative performance and efficiency assessments.		
<b>Processing rule</b>	Calculated: sum of lines 20 and 21		
<b>Responsibility</b>	Regulatory Finance Team		

**E PROVISION FOR LIABILITIES AND CHARGES**

<b>23</b>	Deferred tax provision	£m	3dp
<b>Definition</b>	The deferred tax position as defined under UKGAAP.		
<b>Primary Purpose</b>	Informing relative performance and efficiency assessments.		
<b>Processing rule</b>	Input: (will be a negative number if a net liability or positive number if a net asset).		
<b>Responsibility</b>	Regulatory Finance Team		

<b>24</b>	Deferred income – grants and contributions	£m	3dp
<b>Definition</b>	Deferred income received which is to be credited to the profit and loss account over a number of future years. This arises from grants and contributions on capital expenditure.		
<b>Primary Purpose</b>	Informing relative performance and efficiency assessments.		
<b>Processing rule</b>	Input: (negative number)		
<b>Responsibility</b>	Regulatory Finance Team		

<b>25</b>	Post employment asset/(liabilities)	£m	3dp
<b>Definition</b>	The excess/shortfall of the pension scheme assets over/below the pension scheme assets over/below the present value of the scheme liabilities (as defined in FRS17 'Retirement Benefits').		
<b>Primary Purpose</b>	Informing relative performance and efficiency assessments.		
<b>Processing rule</b>	Input		
<b>Responsibility</b>	Regulatory Finance Team		

<b>26</b>	Other provisions	£m	3dp
<b>Definition</b>	All provisions including restructuring or reorganisation provisions but excluding the deferred tax provision.		
<b>Primary Purpose</b>	Informing relative performance and efficiency assessments.		
<b>Processing rule</b>	Input: (negative number)		
<b>Responsibility</b>	Regulatory Finance Team		

**F PREFERENCE SHARE CAPITAL**

<b>27</b>	Preference share capital	£m	3dp
<b>Definition</b>	Preference share capital		
<b>Primary Purpose</b>	Informing relative performance and efficiency assessments.		
<b>Processing rule</b>	Input: negative number		
<b>Responsibility</b>	Regulatory Finance Team		

<b>28</b>	Net assets employed	£m	3dp
<b>Definition</b>	Total assets employed by the business under the historical cost accounting convention.		
<b>Primary Purpose</b>	Informing relative performance and efficiency assessments.		
<b>Processing rule</b>	Calculated: sum of lines 4, 19, 22, 23, 24, 25, 26 and 27; it is validated by line 33.		
<b>Responsibility</b>	Regulatory Finance Team		

**G CAPITAL AND RESERVES**

<b>29</b>	Called up share capital	£m	3dp
<b>Definition</b>	Nominal value of shares of NI Water which are issued and fully paid.		
<b>Primary Purpose</b>	Informing relative performance and efficiency assessments.		
<b>Processing rule</b>	Input: positive number		
<b>Responsibility</b>	Regulatory Finance Team		

<b>30</b>	Share premium	£m	3dp
<b>Definition</b>	Excess of proceeds from share issue over the nominal value of shares issued less amounts written off for approved purposes under the Companies (Northern Ireland) Order 1990.		
<b>Primary Purpose</b>	Informing relative performance and efficiency assessments.		
<b>Processing rule</b>	Input: positive number		
<b>Responsibility</b>	Regulatory Finance Team		

<b>31</b>	Profit and loss account	£m	3dp
<b>Definition</b>	Cumulative balance of profits retained under the historical cost accounting convention.		
<b>Primary Purpose</b>	Informing relative performance and efficiency assessments.		
<b>Processing rule</b>	Input: (should be the sum of line 31 column 2+ table 18 line 15 column 3+ table 18c line 2 column 3 + table 18c line 3 column 3)		
<b>Responsibility</b>	Regulatory Finance Team		

<b>32</b>	Other reserves	£m	3dp
<b>Definition</b>	Non-distributable reserves (other than share capital and share premium). It will include Capital Redemption reserves, contingency reserves and other capital reserves. Amounts attributable to minority interests (if applicable) should also be included in this category.		
<b>Primary Purpose</b>	Informing relative performance and efficiency assessments.		
<b>Processing rule</b>	Input: (positive number)		
<b>Responsibility</b>	Regulatory Finance Team		

<b>33</b>	Capital and reserves	£m	3dp
<b>Definition</b>	Total of shareholders' funds.		
<b>Primary Purpose</b>	Informing relative performance and efficiency assessments.		
<b>Processing rule</b>	Calculated: the sum of lines 29, 30, 31 and 32.		
<b>Responsibility</b>	Regulatory Finance Team		



## CHANGE CONTROL SHEET

### CHAPTER 19

2008/1.0	First issue of chapter for the SBP period
2009/1.0	Second issue of chapter for the SBP period.
2010/1.0	Third issue of chapter for the SBP period — Minor changes to processing rules for line 31. — Additional requirements for PPP reporting.
2011/1.0	First issue of chapter for the PC10 period — No changes.