

Chapter 28

Regulatory Accounts

Current Cost Accounting

Covering:
Cash flow statement for Appointed Business for
year ending 31 March 2011

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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 "Auditors' guidance, part H "Land Sales".

Table 28 line definitions

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

A RETURN ON INVESTMENTS & SERVICING OF FINANCE

2	Interest received	£m	3dp
Definition	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.		
Primary Purpose	Informing relative performance and efficiency assessments.		
Processing rule	Columns 1 and 2: historic data Column 3: Input (positive number)		
Responsibility	Regulatory Finance Team		

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

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

5	Non-equity dividends paid	£m	3dp
Definition	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'.		
Primary Purpose	Informing relative performance and efficiency assessments.		
Processing rule	Columns 1 and 2: historic data Column 3: Input (negative number)		
Responsibility	Regulatory Finance Team		

6	Net cashflow from returns on investments & servicing of finance	£m	3dp
Definition	The net financing cost in the year paid by NI Water.		
Primary Purpose	Informing relative performance and efficiency assessments.		
Processing rule	Calculated: the sum of lines 2, 3, 4 and 5		
Responsibility	Regulatory Finance Team		

B TAXATION

7	Taxation (paid)/received	£m	3dp
Definition	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.		
Primary Purpose	Informing relative performance and efficiency assessments.		
Processing rule	Columns 1 and 2: historic data Column 3: Input (negative number if net tax payment, positive number if net tax receipt).		
Responsibility	Regulatory Finance Team		

C CAPITAL EXPENDITURE AND FINANCING OF INVESTMENT

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

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

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

11	Disposal of fixed assets	£m	3dp
Definition	Cash proceeds received in the year on the sale of fixed assets.		
Primary Purpose	Informing relative performance and efficiency assessments.		
Processing rule	Columns 1 and 2: historic data Column 3: Input (positive number)		
Responsibility	Regulatory Finance Team		

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

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

D ACQUISITIONS AND DISPOSALS

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

E EQUITY DIVIDENDS

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

F MANAGEMENT OF LIQUID RESOURCES

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

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

G FINANCING

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

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

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

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

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

23	Increase/(decrease) in cash in the year	£m	3dp
Definition	The net cashflow of NI Water in the year measured by the change in the level of cash.		
Primary Purpose	Informing relative performance and efficiency assessments.		
Processing rule	Calculated: the sum of lines 17 and 22.		
Responsibility	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">• Second issue of chapter for the SBP period;• Amended processing rules for lines: 1-5, 7-12, 14-16 and 18-21.
2010/1.0	Third issue of chapter for the SBP period. <ul style="list-style-type: none">• Minor changes to line definitions.
2011/1.0	First issue of chapter for the PC10 period. <ul style="list-style-type: none">• No changes.