

B7 – Financial Projections

Introduction

This section collects all financial inputs which determine Northern Ireland Water's revenue requirement for the 2010-12 regulatory period. It also collects the main outputs of NIAUR's financial model such as charge caps and reference ratios.

This section is divided into 3 areas:

- Base historic data
- Financial assumptions
- Outputs

Northern Ireland Water should state in its commentary all assumptions made to complete the tables in this section. All tables relate to the appointed business only unless non-appointed activities are not material, in which case no adjustment to total business performance is required. Materiality is calculated in accordance with RAG 3.06 section 3.2. . A commentary should accompany all tables and a description included of any assumptions made therein.

Guidance to Northern Ireland Water

Base Historic data (Tables B7-1 to B7-6)

These tables contain historic and current cost financial information for the year 2007-08. These include Regulatory accounts (Balance Sheet, Profit and Loss, Cash Flow, Working Capital, Tax, Debt and expected depreciation on closing assets).

Northern Ireland Water should note the following:

Table B7-8 Depreciation and amortisation of opening assets: Northern Ireland Water should provide a detailed explanation on how the expected MEAV depreciation on base assets has been calculated (Line 9). If the MEAV is not yet available, NI Water should outline its proposals and estimated timeline for the calculation of MEAVs. It should in any case provide a detailed explanation on how depreciation on base assets has been calculated in line 9 and line 10.

Financial Assumptions (Tables B7-9 to B7-16)

These tables contain any assumptions that could affect the financial accounts for the period 2008-09 to 2017-18. Inputs in these tables are equivalent to those input in the Financial Model tables A1, A2, A3, A4, A5, A6, A7 and "allocation" respectively.

Northern Ireland Water should note the following:

Table B7-9 Inflation: Inflation inputs refer to financial year averages. Information until 2007-08 has been input. Northern Ireland Water should input its inflation forecast for 2008-09 onwards.

Table B7-9 COPI: COPI inputs refer to financial year averages. Information until 2007-08 has been input. Northern Ireland Water should input its COPI forecast for 2008-09 onwards.

Table B7-10 Financing: Cost of capital assumptions are input in 'real' terms (i.e. net of inflation). Actual costs of financing assumptions are input in nominal terms. Line 10 relates to the portion of the cost of equity that should have been distributed as dividends but may be foregone by the Government.

Line 10 relates to expected increase/decrease in financial reserves accounted for by outperformance of regulatory efficiency targets.

Line 11 is the assumed closing RCV at the financial year end 2009-10.

Table B7-11 Capital expenditure: Capital expenditure should be split between enhancement and maintenance expenditure on infrastructure and non-infrastructure assets. The company should allocate this expenditure over asset lives and state in commentary the assumed asset lives in years of the life categories set out in the table (short, medium etc). NI Water should also comment on the basis of, and level of confidence in, current cost depreciation and infrastructure renewals charge forecasts including the relevant assumptions made. The company should ensure that it conducts a reasonableness check on CCD and IRC with reference to actual maintenance expenditure levels (MNI and IRE). The commentary should include a description of this check and of any adjustments made as a result of it. NIAUR does not expect strict application of broad equivalence but the company should provide commentary on the steps taken to allow broad equivalence and proposed timescale for implementation..

Northern Ireland Water should also reconcile in its commentary the capital expenditure assumptions in Table B7-11 against the capital expenditure information submitted in other sections of the Business Plan.

Table B7-13 Miscellaneous accounting assumptions : Inputs on profit and loss items are in base year prices and Balance Sheet assumptions are in outturn prices. In its commentary, Northern Ireland Water should ensure that it reconciles its assumptions on operating costs with those included in other sections of the Business Plan.

Line 2 Operating Costs; The company should split operating costs into the following categories which should be set out in a separate table to be included in commentary:

1. Wages & salaries, including travel and subsistence expenditure, after capitalisation. Excludes VER costs.
2. Power costs.
3. Materials and Chemicals
4. Hired & contracted services.
5. Rates.
6. Consultancy expenditure.

7. Provisions. Please provide a breakdown into the separate provisions for example bad debt, environmental etc and provide rationale for their movement in commentary.
8. Other costs.

Please ensure that the totals of items 1 – 8 in the table equals total operating costs in line 2 of Table B-13. Single categories of expenditure exceeding £2m should also be separately disclosed in the year of occurrence with explanation for their occurrence.

Significant non-recurrent items of spend in any one or more years should be separately disclosed with explanations for their occurrence and level of outturn provided in commentary. This should include, for example, Business Improvement Plan expenditure.

Northern Ireland Water should only include the cost of 'external' service fees in the PPP line. Any Northern Ireland Water 'internal' costs incurred in managing PPP contracts should be included as operating costs in line 2.

Table B7-14 Tax Assumptions: This table should include forecast tax liability including capital allowances arising from capital expenditure.

Table B7-15 Revenue Groups: This table should contain the breakdown of the smoothed revenue among the revenue customer groups.

Outputs (tables B7-16 and B7-17)

These tables collect the outputs of the financial model.

Table B7-16 Charge caps: Northern Ireland Water should include in Block A the 'calculated' charge caps from the financial model. These are the charge caps which match revenue from the 'building blocks' approach to the tariff baskets.

Northern Ireland Water should use Block B if it decides to apply any 'smoothing' to the resultant charge caps in Block A. Northern Ireland Water must explain the basis for this adjustment and justify its 'equivalence' to the revenue calculated through charge caps.

Table B7-17 Ratios and Debt outputs: This table collects the resultant financial ratios (as well as available public borrowing) from the applied 'smoothed' charge caps.

Reporter Guidance

The Reporter is asked to:

- Review the rules adopted by Northern Ireland Water for allocation of expenditure to asset life categories. The Reporter should indicate whether or not NI Water's procedures are reasonable, and whether staff involved in allocation decisions have followed them.
- Comment upon any differences from rules and procedures adopted in other submissions (particularly the Annual Information Return), consistency of the reported asset lives with those used for the calculation of depreciation profiles and those of assets and lives reported in the Annual Information Return.
- Confirm or otherwise that the depreciation charge stated has been calculated using Northern Ireland Water's rules on proportional allocation between purpose categories (specifically between base service and all enhancements).
- Confirm or otherwise that Northern Ireland Water's accounting rules used for depreciation on additions and work in progress (WIP) have been stated in the commentary and have been followed in the completion of the tables; and that Northern Ireland Water has commented on asset life assumptions.
- Confirm that the procedures set out in the commentary for the review of asset lives for both new and existing assets have been followed and the results of this review are reflected in the projections set out in the tables.
- Confirm that the allocation of capital expenditure across asset life categories is consistent with the assumptions on the capital programme made elsewhere in the plan.
- Comment on an exceptions basis where Northern Ireland Water has not provided commentary on inconsistencies in asset lives and investment allocation between those used in previous years and those reported. Similarly the Reporter should comment on inconsistencies between engineering and financial judgements on asset lives and investment allocation.
- Comment where judgments on asset lives and investment allocation made for engineering purposes are not fully consistent with those used for financial purposes.
- Confirm that where changes have been made to MEA values and/or depreciation charges that these have been fully explained in the commentary.
- Confirm that the impacts on CCD charges have been accurately calculated.
- Comment on the appropriateness of the approach to revaluation and assessment of remaining useful asset lives taken by Northern Ireland Water.

TABLE B7-1

Table B7-1

A Historic Cost

Line 1

1	Turnover	£m	3dp
Definition	Total appointed business revenue.		
Primary Purpose	Informing future price determination.		
Processing rule	Input		
Responsibility	Regulatory Finance Team		

Line 2

2	Operating costs (excluding PPP)	£m	3dp
Definition	Historic cost operating costs excluding PPP costs, infrastructure renewals charge, historic cost depreciation, amortisation of deferred income, amortisation of PPP assets and extraordinary items.		
Primary Purpose	Informing future price determination.		
Processing rule	Input (negative number)		
Responsibility	Regulatory Finance Team		

Line 3

3	PPP Operating costs	£m	3dp
Definition	PPP costs in the year (excludes any NI Water internal costs related to PPP contracts, for example managing contracts, tankering costs etc).		
Primary Purpose	Informing future price determination.		
Processing rule	Input (negative number)		
Responsibility	Regulatory Finance Team		

Line 4

4	Historic cost depreciation	£m	3dp
Definition	The depreciation charge on non-infrastructure assets in the historic cost accounts. This should include depreciation on intangible assets and should be net of grant amortisation.		
Primary Purpose	Informing future price determination.		
Processing rule	Input (negative number)		
Responsibility	Regulatory Finance Team		

Line 5

5	Infrastructure Renewals charge	£m	3dp
Definition	The infrastructure renewals charge for the year		
Primary Purpose	Informing future price determination.		
Processing rule	Input (negative number)		
Responsibility	Regulatory Finance Team		

Line 6

6	Amortisation of PPP assets	£m	3dp
Definition	Amortisation of PPP assets.		
Primary Purpose	Informing future price determination.		
Processing rule	Input (negative number)		
Responsibility	Regulatory Finance Team		

Line 7

7	Amortisation of deferred income	£m	3dp
Definition	Historic cost amortisation of deferred income.		
Primary Purpose	Informing future price determination.		
Processing rule	Input		
Responsibility	Regulatory Finance Team		

Line 8

8	Historic cost profit or loss on disposal of fixed assets	£m	3dp
Definition	Historic cost profit or loss on disposal of fixed assets		
Primary Purpose	Informing future price determination.		
Processing rule	Input as a positive number if profit or negative number if loss.		
Responsibility	Regulatory Finance Team		

Line 9

9	Operating income	£m	3dp
Definition	Historic cost operating income includes exceptional items as defined in paragraph 5 of FRS3 'Reporting financial performance' and excludes profit or loss on disposal of fixed assets.		
Primary Purpose	Informing future price determination.		
Processing rule	Input (normally a positive number, but a loss should be included as a negative number)		
Responsibility	Regulatory Finance Team		

Line 10

10	Operating profit	£m	3dp
Definition	Historic cost operating profit		
Primary Purpose	Informing future price determination.		
Processing rule	Calculated: sum of lines 1- 9 inclusive		
Responsibility	Regulatory Finance Team		

Line 11

11	Other income	£m	3dp
Definition	Includes rental income and income from investments (e.g. share income); excludes net interest and profit on disposal of fixed assets.		
Primary Purpose	Informing future price determination.		
Processing rule	Input: positive number		
Responsibility	Regulatory Finance Team		

Line 12

12	Net interest receivable less payable	£m	3dp
Definition	Interest receivable less interest payable.		
Primary Purpose	Informing future price determination.		
Processing rule	Input as positive number for interest income or negative for interest expenses.		
Responsibility	Regulatory Finance Team		

Line 13

13	Profit on ordinary activities before taxation	£m	3dp
Definition	Historic cost profit on ordinary activities before taxation		
Primary Purpose	Informing future price determination.		
Processing rule	Calculated: sum of lines 10, 11 and 12.		
Responsibility	Regulatory Finance Team		

Line 14

14	Current tax	£m	3dp
Definition	The current tax charge on profits from ordinary activities. This will include mainstream corporation tax, income and other taxes. It should exclude any deferred tax charge which is to be reported separately in line 15.		
Primary Purpose	Informing future price determination.		
Processing rule	Input: positive number for tax credit, negative number for tax charge.		
Responsibility	Regulatory Finance Team		

Line 15

15	Deferred tax	£m	3dp
Definition	The deferred tax charge.		
Primary Purpose	Informing future price determination.		
Processing rule	Input: positive number for tax credit, negative number for tax charge.		
Responsibility	Regulatory Finance Team		

Line 16

16	Profit on ordinary activities after taxation	£m	3dp
Definition	Historic cost profit on ordinary activities after taxation.		
Primary Purpose	Informing future price determination.		
Processing rule	Calculated: sum of lines 13, 14 and 15.		
Responsibility	Regulatory Finance Team		

Line 17

17	Extraordinary items	£m	3dp
Definition	The sum of: <ul style="list-style-type: none"> extraordinary items (after tax), as defined by UKGAAP; and profits/losses attributable to minority interests. 		
Primary Purpose	Informing future price determination.		
Processing rule	Input as positive for a credit or negative for a charge.		
Responsibility	Regulatory Finance Team		

Line 18

18	Historic cost profit for the year	£m	3dp
Definition	Historic cost profit for the year. Note: To be shown after taxation and extraordinary items, but before deduction of dividends.		
Primary Purpose	Informing future price determination.		
Processing rule	Calculated: sum of lines 16 and 17		
Responsibility	Regulatory Finance Team		

Line 19

19	Dividends	£m	3dp
Definition	Dividends declared in the year.		
Primary Purpose	Informing future price determination.		
Processing rule	Input as a negative number		
Responsibility	Regulatory Finance Team		

Line 20

20	Historic cost retained profit for year	£m	3dp
Definition	Total historic cost retained profit for the year		
Primary Purpose	Informing future price determination.		
Processing rule	Calculated: sum of lines 18 and 19		
Responsibility	Regulatory Finance Team		

B Current Cost
Line 21

21	Turnover	£m	3dp
Definition	Total appointed business revenue		
Primary Purpose	Informing future price determination.		
Processing rule	Input		
Responsibility	Regulatory Finance Team		

Line 22

22	Current cost operating costs (excluding PPP)	£m	3dp
Definition	Total current cost operating costs excluding PPP costs, infrastructure renewals charge, current cost depreciation, amortisation of deferred income, amortisation of PPP assets and extraordinary items.		
Primary Purpose	Informing future price determination.		
Processing rule	Input as a negative number.		
Responsibility	Regulatory Finance Team		

Line 23

23	PPP operating costs	£m	3dp
Definition	PPP costs in the year (excludes any NI Water internal costs related to PPP contracts, for example managing contracts, tankering costs, etc).		
Primary Purpose	Informing future price determination.		
Processing rule	Input as a negative number.		
Responsibility	Regulatory Finance Team		

Line 24

24	Current Cost Depreciation	£m	3dp
Definition	The depreciation charge on non-infrastructure assets in the current cost accounts. This should include depreciation on intangible assets and should be net of grant amortisation.		
Primary Purpose	Informing future price determination.		
Processing rule	Input as a negative number.		
Responsibility	Regulatory Finance Team		

Line 25

25	Infrastructure Renewals Charge	£m	3dp
Definition	The infrastructure renewals charge for the year.		
Primary Purpose	Informing future price determination.		
Processing rule	Input as a negative number.		
Responsibility	Regulatory Finance Team		

Line 26

26	Amortisation of PPP assets	£m	3dp
Definition	Amortisation of PPP assets.		
Primary Purpose	Informing future price determination.		
Processing rule	Input as a negative number.		
Responsibility	Regulatory Finance Team		

Line 27

27	Amortisation of deferred income	£m	3dp
Definition	Current cost amortisation of deferred income.		
Primary Purpose	Informing future price determination.		
Processing rule	Input		
Responsibility	Regulatory Finance Team		

Line 28

28	Current cost profit or loss on disposal of fixed assets	£m	3dp
Definition	Current cost profit or loss on disposal of fixed assets		
Primary Purpose	Informing future price determination.		
Processing rule	Input as a positive number if profit or as a negative number if loss		
Responsibility	Regulatory Finance Team		

Line 29

29	Operating income	£m	3dp
Definition	Current cost operating income, includes income from exceptional items as defined in paragraph 5 of FRS3 'Reporting Financial Performance'. Excludes profit or loss on disposal of fixed assets.		
Primary Purpose	Informing future price determination.		
Processing rule	Input		
Responsibility	Regulatory Finance Team		

Line 30

30	Current cost operating profit before working capital adjustment	£m	3dp
Definition	Current cost operating profit before working capital adjustment		
Primary Purpose	Informing future price determination.		
Processing rule	Calculated field: sum of lines 21 to 29 inclusive.		
Responsibility	Regulatory Finance Team		

Line 31

31	Working capital adjustment	£m	3dp
Definition	The adjustment for the impact of general inflation on the real value of working capital to the business		
Primary Purpose	Informing future price determination.		
Processing rule	Input		
Responsibility	Regulatory Finance Team		

Line 32

32	Current cost operating profit	£m	3dp
Definition	Current cost operating profit before tax, interest and extraordinary items		
Primary Purpose	Informing future price determination.		
Processing rule	Calculated: sum of lines 30 and 31		
Responsibility	Regulatory Finance Team		

Line 33

33	Other income	£m	3dp
Definition	Includes rental income and income from investments (e.g. share income); excludes net interest and profit on disposals of fixed assets.		
Primary Purpose	Informing future price determination.		
Processing rule	Input		
Responsibility	Regulatory Finance Team		

Line 34

34	Net interest receivable less payable	£m	3dp
Definition	Interest receivable less interest payable. Interest receivable includes interest on cash and other deposits. Interest payable includes interest on loans, leases, debentures, overdrafts and all other borrowings e.g. commercial paper or bills of exchange.		
Primary Purpose	Informing future price determination.		
Processing rule	Input as positive number for interest income or negative for interest expenses.		
Responsibility	Regulatory Finance Team		

Line 35

35	Financing adjustment	£m	3dp
Definition	The real gain or loss arising for shareholders from the impact of general inflation on monetary assets and liabilities.		
Primary Purpose	Informing future price determination		
Processing rule	Input positive if profit or negative if a loss.		
Responsibility	Regulatory Finance Team		

Line 36

36	Current cost profit on ordinary activities before taxation	£m	3dp
Definition	Current cost profit on ordinary activities before taxation		
Primary Purpose	Informing future price determination.		
Processing rule	Calculated: sum of lines 32, 33, 34 and 35		
Responsibility	Regulatory Finance Team		

Line 37

37	Taxation - Current taxation	£m	3dp
Definition	The current tax charge on profits from ordinary activities. This will include mainstream corporation tax, income and other taxes. It should exclude any deferred tax charge, which is to be reported separately in line 38.		
Primary Purpose	Informing future price determination.		
Processing rule	Input: positive number for tax credit, negative number for tax charge.		
Responsibility	Regulatory Finance Team		

Line 38

38	Deferred tax	£m	3dp
Definition	The deferred tax charge.		
Primary Purpose	Informing future price determination.		
Processing rule	Input: positive number for tax credit, negative number for tax charge.		
Responsibility	Regulatory Finance Team		

Line 39

39	Current cost profit on ordinary activities	£m	3dp
Definition	Current cost profit after taxation but before extraordinary items		
Primary Purpose	Informing future price determination.		
Processing rule	Calculated: sum of lines 36, 37 and 38		
Responsibility	Regulatory Finance Team		

Line 40

40	Extraordinary items	£m	3dp
Definition	The sum of: <ul style="list-style-type: none"> Extraordinary items (after tax), as defined by UKGAAP; and Profits/losses attributable to minority interests. 		
Primary Purpose	Informing future price determination.		
Processing rule	Input: (negative number if a charge, positive number if a credit).		
Responsibility	Regulatory Finance Team		

Line 41

41	Current cost profit for the year	£m	3dp
Definition	Current cost profit for the year after taxation and extraordinary items, but before dividends.		
Primary Purpose	Informing future price determination.		
Processing rule	Calculated: sum of lines 39 and 40		
Responsibility	Regulatory Finance Team		

Line 42

42	Dividends	£m	3dp
Definition	Dividends declared in the year.		
Primary Purpose	Informing future price determination.		
Processing rule	Input as a negative number		
Responsibility	Regulatory Finance Team		

Line 43

43	Current cost retained profit	£m	3dp
Definition	Current cost retained profit for the financial year		
Primary Purpose	Informing future price determination.		
Processing rule	Calculated: sum of lines 41 and 42		
Responsibility	Regulatory Finance Team		

TABLE B7-2

Table B7-2

A Fixed Assets

Line1

1	Tangible assets	£m	3dp
Definition	Historic 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.		
Primary Purpose	Informing future price determination.		
Processing rule	Input		
Responsibility	Regulatory Finance Team		

Line2

2	Investment – loan to a group company	£m	3dp
Definition	Loans made to other group companies repayable in more than one year		
Primary Purpose	Informing future price determination.		
Processing rule	Input		
Responsibility	Regulatory Finance Team		

Line 3

3	Investment – other	£m	3dp
Definition	All investments as defined by UKGAAP, excluding those in line 2		
Primary Purpose	Informing future price determination.		
Processing rule	Input		
Responsibility	Regulatory Finance Team		

Line 4

4	Total fixed assets	£m	3dp
Definition	Total historic cost fixed assets		
Primary Purpose	Informing future price determination.		
Processing rule	Calculated: sum of lines 1, .2 and3.		
Responsibility	Regulatory Finance Team		

B Current Assets

Line 5

5	Stocks	£m	3dp
Definition	Stocks held at the year end. Stocks consist of consumable stores and work in progress, including chemicals, stationery, petrol, backfill materials etc.		
Primary Purpose	Informing future price determination.		
Processing rule	Input		
Responsibility	Regulatory Finance Team		

Line 6

6	Debtors	£m	3dp
Definition	Debtors consist of all amounts owing to the company at the financial year end including trade debtors, prepayments and accrued income. This includes amounts falling due after more than one year.		
Primary Purpose	Informing future price determination.		
Processing rule	Input		
Responsibility	Regulatory Finance Team		

Line 7

7	Cash	£m	3dp
Definition	Cash in hand and at bank (net of overdrafts)		
Primary Purpose	Informing future price determination.		
Processing rule	Input		
Responsibility	Regulatory Finance Team		

Line 8

8	Short term deposits	£m	3dp
Definition	Short term deposits		
Primary Purpose	Informing future price determination.		
Processing rule	Input		
Responsibility	Regulatory Finance Team		

Line 9

9	Financial Reserves	£m	3dp
Definition	Amount transferred to reserves accounted for by outperformance of regulatory efficiency targets.		
Primary Purpose	Informing future price determination.		
Processing rule	Input.		
Responsibility	Regulatory Finance Team		

Line 10

10	PPP assets	£m	3dp
Definition	Assets related to PPP contracts (if applicable).		
Primary Purpose	Informing future price determination.		
Processing rule	Input.		
Responsibility	Regulatory Finance Team		

Line 11

11	Infrastructure renewals prepayment/accrual	£m	3dp
Definition	The cumulative difference between the IRE and IRC		
Primary Purpose	Informing future price determination.		
Processing rule	Input: (positive number) if prepayment, (negative number) if accrual		
Responsibility	Regulatory Finance Team		

Line 12

12	Total current assets	£m	3dp
Definition	Total historic cost current assets		
Primary Purpose	Informing future price determination.		
Processing rule	Calculated: sum of lines 5 to 11 inclusive.		
Responsibility	Regulatory Finance Team		

C Creditors: amounts falling due within one year

Line 13

13	Creditors (including corporation tax and dividends payable)	£m	3dp
Definition	Creditors due within one year, including corporation tax payable and dividends payable.		
Primary Purpose	Informing future price determination.		
Processing rule	Input: negative number		
Responsibility	Regulatory Finance Team		

Line 14

14	Borrowings (excl. Govt. loans)	£m	3dp
Definition	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 on borrowings should not be included. Government loans are excluded.		
Primary Purpose	Informing future price determination.		
Processing rule	Input: (negative number)		
Responsibility	Regulatory Finance Team		

Line 15

15	Total creditors	£m	3dp
Definition	Total creditors falling due within one year		
Primary Purpose	Informing future price determination.		
Processing rule	Calculated: sum of lines 13 and 14		
Responsibility	Regulatory Finance Team		

Line 16

16	Net current assets	£m	3dp
Definition	Historical cost net current assets		
Primary Purpose	Informing future price determination.		
Processing rule	Calculated: sum of lines 12 and 15		
Responsibility	Regulatory Finance Team		

Line 17

17	Total assets less current liabilities	£m	3dp
Definition	Historic cost assets less current liabilities.		
Primary Purpose	Informing future price determination.		
Processing rule	Calculated: sum of lines 4, 12 and 15.		
Responsibility	Regulatory Finance Team		

D Creditors: amounts falling due after one year
Line 18

18	Borrowings	£m	3dp
Definition	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 on borrowings should not be included. Government loans are excluded.		
Primary Purpose	Informing future price determination.		
Processing rule	Input: (negative number)		
Responsibility	Regulatory Finance Team		

Line 19

19	Other creditors	£m	3dp
Definition	Creditors due after one year (other than items defined as borrowings).		
Primary Purpose	Informing future price determination.		
Processing rule	Input: (negative number)		
Responsibility	Regulatory Finance Team		

Line 20

20	Total creditors	£m	3dp
Definition	Total creditors due after one year		
Primary Purpose	Informing future price determination.		
Processing rule	Calculated: sum of lines 18 and 19		
Responsibility	Regulatory Finance Team		

E Provision for liabilities & charges

Line 21

21	Deferred tax provision	£m	3dp
Definition	The deferred tax position as defined under UKGAAP.		
Primary Purpose	Informing future price determination.		
Processing rule	Input: (will be a negative number if a net liability or positive number if a net asset).		
Responsibility	Regulatory Finance Team		

Line 22

22	Deferred income – grants and contributions	£m	3dp
Definition	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.		
Primary Purpose	Informing future price determination.		
Processing rule	Input: (negative number)		
Responsibility	Regulatory Finance Team		

Line 23

23	Post employment asset/(liabilities)	£m	3dp
Definition	The excess/shortfall of the pension scheme assets over/below the present value of the scheme liabilities (as defined in FRS17 Retirement Benefits’).		
Primary Purpose	Informing future price determination.		
Processing rule	Input as negative number if liability or positive if asset.		
Responsibility	Regulatory Finance Team		

Line 24

24	Other provisions	£m	3dp
Definition	All provisions including restructuring or reorganisation provisions but excluding the deferred tax provision.		
Primary Purpose	Informing future price determination.		
Processing rule	Input: (negative number)		
Responsibility	Regulatory Finance Team		

Line 25

25	Net assets employed	£m	3dp
Definition	Total assets less total liabilities (Historic Cost).		
Primary Purpose	Informing future price determination.		
Processing rule	Calculated field: line 4 plus line 16 plus line 20 plus line 21 plus line 22 plus line 23 plus line 24.		
Responsibility	Regulatory Finance Team		

F Capital and reserves
Line 26

26	Government Loans	£m	3dp
Definition	Government loans		
Primary Purpose	Informing future price determination.		
Processing rule	Input		
Responsibility	Regulatory Finance Team		

Line 27

27	Profit and loss account	£m	3dp
Definition	Cumulative balance of profits retained under the historical cost accounting convention.		
Primary Purpose	Informing future price determination.		
Processing rule	Input		
Responsibility	Regulatory Finance Team		

Line 28

28	Other reserves	£m	3dp
Definition	Other reserves. These 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.		
Primary Purpose	Informing future price determination.		
Processing rule	Input		
Responsibility	Regulatory Finance Team		

Line 29

29	Capital and reserves	£m	3dp
Definition	Total of shareholders' funds.		
Primary Purpose	Informing future price determination.		
Processing rule	Calculated: the sum of lines 26, 27 and 28		
Responsibility	Regulatory Finance Team		

TABLE B7-3

Table B7-3

A Fixed Assets

Line 1

1	Tangible assets	£m	3dp
Definition	The current cost net book value of tangible fixed assets before third party contributions.		
Primary Purpose	Informing future price determination.		
Processing rule	Input		
Responsibility	Regulatory Finance Team		

Line 2

2	Third party contributions	£m	3dp
Definition	Grants and third party contributions received in respect of infrastructure assets and the balance of deferred income relating to grants and third party contributions for non-infrastructure assets.		
Primary Purpose	Informing future price determination.		
Processing rule	Input field (negative number)		
Responsibility	Regulatory Finance Team		

B Other Operating Assets and liabilities

Line 3

3	Working capital	£m	3dp
Definition	The total of all the assets and liabilities included in the working capital analysis in table B7-5.		
Primary Purpose	Informing future price determination.		
Processing rule	Input		
Responsibility	Regulatory Finance Team		

Line 4

4	Cash (net of overdrafts)	£m	3dp
Definition	Cash in hand and at bank net of overdraft balances.		
Primary Purpose	Informing future price determination.		
Processing rule	Input		
Responsibility	Regulatory Finance Team		

Line 5

5	Short term deposits	£m	3dp
Definition	Short term deposits, including those made with associated companies.		
Primary Purpose	Informing future price determination.		
Processing rule	Input		
Responsibility	Regulatory Finance Team		

Line 6

6	Infrastructure renewals prepayment/(accrual)	£m	3dp
Definition	The cumulative difference between the infrastructure renewals expenditure and infrastructure renewals charge .		
Primary Purpose	Informing future price determination.		
Processing rule	Input		
Responsibility	Regulatory Finance Team		

Line 7

7	Net operating assets	£m	3dp
Definition	Current cost tangible fixed assets net of third party contributions, and working capital, cash, short term deposits, overdrafts and the infrastructure renewals prepayment or accrual.		
Primary Purpose	Informing future price determination.		
Processing rule	Calculated: the sum of lines 1-6 inclusive		
Responsibility	Regulatory Finance Team		

C Non-operating assets and liabilities
Line 8

8	Borrowings (excl. Govt. loans)	£m	3dp
Definition	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 on borrowings should not be included. Government loans are excluded.		
Primary Purpose	Informing future price determination.		
Processing rule	Input (negative number)		
Responsibility	Regulatory Finance Team		

Line 9

9	Financial Reserves	£m	3dp
Definition	Amount transferred to reserves accounted for by outperformance of regulatory efficiency targets.		
Primary Purpose	Informing future price determination.		
Processing rule	Input		
Responsibility	Regulatory Finance Team		

Line 10

10	PPP assets	£m	3dp
Definition	Assets related to PPP contracts (if applicable).		
Primary Purpose	Informing future price determination.		
Processing rule	Input		
Responsibility	Regulatory Finance Team		

Line 11

11	Non-trade debtors	£m	3dp
Definition	Debtors, other than those included in working capital and also excluding the infrastructure renewals prepayment.		
Primary Purpose	Informing future price determination.		
Processing rule	Input		
Responsibility	Regulatory Finance Team		

Line 12

12	Non-trade creditors due within one year	£m	3dp
Definition	Creditor balances due to be paid in less than one year excluding amounts included as working capital. Includes dividends payable and corporation tax payable.		
Primary Purpose	Informing future price determination.		
Processing rule	Input (negative number)		
Responsibility	Regulatory Finance Team		

Line 13

13	Investment – loan to group company	£m	3dp
Definition	All loans made to other group companies.		
Primary Purpose	Informing future price determination.		
Processing rule	Input		
Responsibility	Regulatory Finance Team		

Line 14

14	Investment – Other	£m	3dp
Definition	All investments as defined by UKGAAP excluding those in line 13 above.		
Primary Purpose	Informing future price determination.		
Processing rule	Input		
Responsibility	Regulatory Finance Team		

Line 15

15	Total non-operating assets and liabilities.	£m	3dp
Definition	Total non-operating assets and liabilities.		
Primary Purpose	Informing future price determination.		
Processing rule	Calculated field: sum of lines 8 to 14.		
Responsibility	Regulatory Finance Team		

D Creditors - amounts falling due after more than one year
Line 16

16	Borrowings (excl. govt. loans)	£m	3dp
Definition	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 on borrowings should not be included. Government loans are excluded.		
Primary Purpose	Informing future price determination.		
Processing rule	Input (negative number)		
Responsibility	Regulatory Finance Team		

Line 17

17	Other creditors	£m	3dp
Definition	Creditors due after one year (other than items defined as borrowings)		
Primary Purpose	Informing future price determination.		
Processing rule	Input (negative number)		
Responsibility	Regulatory Finance Team		

Line 18

18	Total Creditors falling due after more than one year	£m	3dp
Definition	Total Creditors falling due after more than one year.		
Primary Purpose	Informing future price determination.		
Processing rule	Calculated field: line 16 plus line 17.		
Responsibility	Regulatory Finance Team		

E Provisions for liabilities & charges
Line 19

19	Deferred tax provision	£m	3dp
Definition	The deferred tax position as defined under UKGAAP.		
Primary Purpose	Informing future price determination.		
Processing rule	Input: (will be a negative number if a net liability or positive number if a net asset).		
Responsibility	Regulatory Finance Team		

Line 20

20	Post employment asset/(liabilities)	£m	3dp
Definition	The excess/shortfall of the value of the pension scheme assets over/below the present value of the scheme liabilities (as defined in FRS17, 'Retirement Benefits').		
Primary Purpose	Informing future price determination.		
Processing rule	Input as negative number if liability or positive if asset.		
Responsibility	Regulatory Finance Team		

Line 21

21	Other provisions	£m	3dp
Definition	All provisions including restructuring or reorganisation provisions but excluding the deferred tax provision.		
Primary Purpose	Informing future price determination.		
Processing rule	Input (negative number)		
Responsibility	Regulatory Finance Team		

Line 22

22	Total provisions for liabilities and charges.	£m	3dp
Definition	Total provisions for liabilities and charges.		
Primary Purpose	Informing future price determination.		
Processing rule	Calculated field: sum of lines 19 to 21 inclusive.		
Responsibility	Regulatory Finance Team		

Line 23

23	Net assets employed	£m	3dp
Definition	The current cost value of the net assets employed in the business.		
Primary Purpose	Informing future price determination.		
Processing rule	Calculated: the sum of lines 7, 15, 18 and 22		
Responsibility	Regulatory Finance Team		

F Capital and reserves
Line 24

24	Government loans.	£m	3dp
Definition	Government loans.		
Primary Purpose	Informing future price determination.		
Processing rule	Input		
Responsibility	Regulatory Finance Team		

Line 25

25	Profit and loss account	£m	3dp
Definition	Cumulative balance of profits retained under current cost accounting		
Primary Purpose	Informing future price determination.		
Processing rule	Input		
Responsibility	Regulatory Finance Team		

Line 26

26	Current cost reserve	£m	3dp
Definition	The balance on the current cost reserve at the end of the year.		
Primary Purpose	Informing future price determination.		
Processing rule	Input		
Responsibility	Regulatory Finance Team		

Line 27

27	Other reserves	£m	3dp
Definition	Other reserves. These 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.		
Primary Purpose	Informing future price determination.		
Processing rule	Input		
Responsibility	Regulatory Finance Team		

Line 28

28	Total capital and reserves	£m	3dp
Definition	Total shareholders' funds on a current cost basis.		
Primary Purpose	Informing future price determination.		
Processing rule	Calculated: sum of lines 24, 25, 26 and 27.		
Responsibility	Regulatory Finance Team		

TABLE B7-4

Table B7-4

A Net cash flow from operating activities

Line 1

1	Current cost operating profit	£m	3dp
Definition	Current cost operating profit before tax, interest and extraordinary items.		
Primary Purpose	Informing future price determination.		
Processing rule	Input		
Responsibility	Regulatory Finance Team		

Line 2

2	Working capital adjustment	£m	3dp
Definition	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.		
Primary Purpose	Informing future price determination.		
Processing rule	Input: copied from Table B7-1 line 1.31 multiplied by minus 1.		
Responsibility	Regulatory Finance Team		

Line 3

3	Movement in working capital.	£m	3dp
Definition	The movement in the total of the working capital items, as defined in table B7-5, with the exception of capital creditors.		
Primary Purpose	Informing future price determination.		
Processing rule	Input positive if cash inflow, negative if cash outflow.		
Responsibility	Regulatory Finance Team		

Line 4

4	Receipts from other income	£m	3dp
Definition	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.		
Primary Purpose	Informing future price determination.		
Processing rule	Input (positive number)		
Responsibility	Regulatory Finance Team		

Line 5

5	Current Cost Depreciation	£m	3dp
Definition	Current cost depreciation (as per table B7-1 line 24)		
Primary Purpose	Informing future price determination.		
Processing rule	Input: copied from Table B7-1 line 24 multiplied by minus 1.		
Responsibility	Regulatory Finance Team		

Line 6

6	Amortisation of PPP assets	£m	3dp
Definition	Amortisation of PPP assets		
Primary Purpose	Informing future price determination.		
Processing rule	Input: copied from Table B7-1 line 26 multiplied by minus 1.		
Responsibility	Regulatory Finance Team		

Line 7

7	Amortisation of deferred income	£m	3dp
Definition	Amortisation of deferred income		
Primary Purpose	Informing future price determination.		
Processing rule	Input: copied from Table B7-1 line line 27 multiplied by minus 1.		
Responsibility	Regulatory Finance Team		

Line 8

8	Current cost profit/(loss) on sale of assets	£m	3dp
Definition	Net current cost profit/loss on disposal of fixed assets.		
Primary Purpose	Informing future price determination.		
Processing rule	Input: copied from Table B7-1 line line 28 multiplied by minus 1.		
Responsibility	Regulatory Finance Team		

Line 9

9	Infrastructure renewals charge	£m	3dp
Definition	The total infrastructure renewals charge.		
Primary Purpose	Informing future price determination.		
Processing rule	Input: copied from Table B7-1 line 25 multiplied by minus 1.		
Responsibility	Regulatory Finance Team		

Line 10

10	Other non-cash profit and loss items	£m	3dp
Definition	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"> • movements in provisions; and • the difference between pension contributions and the FRS17 charge (to operating profit). 		
Primary Purpose	Informing future price determination.		
Processing rule	Input		
Responsibility	Regulatory Finance Team		

Line 11

11	Net cash flow from operating activities	£m	3dp
Definition	Net cash flow movement from the operating activities of the company.		
Primary Purpose	Informing future price determination.		
Processing rule	Calculated: sum of lines 1 to 10 inclusive		
Responsibility	Regulatory Finance Team		

B Cash changes in non-operating debtors/creditors and extraordinary items
Line 12

12	Cash inflow/outflow from changes in non-trade debtors/creditors and other creditors	£m	3dp
Definition	Changes in non-trade debtors and non-trade creditors within one year and other creditors falling due after more than one year (as defined by Table B7-3 lines 11, 12 and 17 respectively)		
Primary Purpose	Informing future price determination.		
Processing rule	Input as a positive number if cash inflow or as a negative number if cash outflow.		
Responsibility	Regulatory Finance Team		

Line 13

13	Cash inflow/outflow from extraordinary items	£m	3dp
Definition	Cash inflow/ outflow due to extraordinary items		
Primary Purpose	Informing future price determination.		
Processing rule	Input as a positive number if cash inflow or as a negative number if cash outflow.		
Responsibility	Regulatory Finance Team		

C Returns on investments & servicing of finance
Line 14

14	Interest received	£m	3dp
Definition	The amount of interest received by the company in the year.		
Primary Purpose	Informing future price determination.		
Processing rule	Input (positive number)		
Responsibility	Regulatory Finance Team		

Line 15

15	Interest paid	£m	3dp
Definition	The amount of interest paid by the company in the year.		
Primary Purpose	Informing future price determination.		
Processing rule	Input (negative number)		
Responsibility	Regulatory Finance Team		

Line 16

16	Net cash flow from returns on investments & servicing of finance	£m	3dp
Definition	The net financing cost in the year paid by the company.		
Primary Purpose	Informing future price determination.		
Processing rule	Calculated: the sum of lines 14 and 15		
Responsibility	Regulatory Finance Team		

D Taxation

Line 17

17	Taxation paid	£m	3dp
Definition	All cash flows to or from taxation authorities in respect of the company's revenue and capital profits.		
Primary Purpose	Informing future price determination.		
Processing rule	Input (negative number if net tax payment, positive number if net tax receipt).		
Responsibility	Regulatory Finance Team		

E Capital expenditure and financial investment

Line 18

18	Gross cost of purchase of fixed assets	£m	3dp
Definition	The gross purchase price of fixed assets paid for by the company before any deduction of grants and contributions.		
Primary Purpose	Informing future price determination.		
Processing rule	Input (negative number)		
Responsibility	Regulatory Finance Team		

Line 19

19	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 future price determination.		
Processing rule	Input (positive number)		
Responsibility	Regulatory Finance Team		

Line 20

20	Infrastructure renewals expenditure	£m	3dp
Definition	Expenditure incurred in maintaining the existing operating capability of infrastructure assets.		
Primary Purpose	Informing future price determination.		
Processing rule	Input (negative number)		
Responsibility	Regulatory Finance Team		

Line 21

21	Disposal of fixed assets	£m	3dp
Definition	Cash proceeds received in the year on the sale of fixed assets.		
Primary Purpose	Informing future price determination.		
Processing rule	Input (positive number)		
Responsibility	Regulatory Finance Team		

Line 22

22	Movements on long term loans to group companies	£m	3dp
Definition	The movement in loans advanced to group companies.		
Primary Purpose	Informing future price determination.		
Processing rule	Input (positive number for a cash inflow, negative number for a cash outflow).		
Responsibility	Regulatory Finance Team		

Line 23

23	Net cash flow from investing activities	£m	3dp
Definition	The net cashflow of the company relating to the acquisition or disposal of any asset held as a fixed asset.		
Primary Purpose	Informing future price determination.		
Processing rule	Calculated: the sum of lines 18 to 22 inclusive		
Responsibility	Regulatory Finance Team		

Line 24

24	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 future price determination.		
Processing rule	Input as positive number if cash inflow or negative number if cash outflow.		
Responsibility	Regulatory Finance Team		

Line 25

25	Equity dividends paid	£m	3dp
Definition	The total equity dividend paid by the company in the year.		
Primary Purpose	Informing future price determination.		
Processing rule	Input (negative number)		
Responsibility	Regulatory Finance Team		

F Management of liquid resources
Line 26

26	New cash flow from management of liquid resources	£m	3dp
Definition	The net cash flow from the withdrawal/redemption and purchase of short term deposits and other liquid resources.		
Primary Purpose	Informing future price determination.		
Processing rule	Input: positive for a cash inflow, negative for a cash outflow.		
Responsibility	Regulatory Finance Team		

Line 27

27	Net cash flow before financing	£m	3dp
Definition	The net cash flow generated from operations and after returns on investments and servicing of finance, taxation and investing activities.		
Primary Purpose	Informing future price determination.		
Processing rule	Calculated: the sum of lines 11, 12, 13, 16, 17, 23, 24, 25 and 26		
Responsibility	Regulatory Finance Team		

G Financing
Line 28

28	New Government loans	£m	3dp
Definition	The receipts from any government loans taken out in the year		
Primary Purpose	Informing future price determination.		
Processing rule	Input		
Responsibility	Regulatory Finance Team		

Line 29

29	Non-Government loan repayments	£m	3dp
Definition	The amount repaid on any Non-Government loans in the year.		
Primary Purpose	Informing future price determination.		
Processing rule	Input as a negative number		
Responsibility	Regulatory Finance Team		

Line 30

30	Government loan repayments	£m	3dp
Definition	The amount repaid on any Government loans in the year.		
Primary Purpose	Informing future price determination.		
Processing rule	Input as a negative number		
Responsibility	Regulatory Finance Team		

Line 31

31	Financial Reserves	£m	3dp
Definition	Changes to the amount transferred to reserves accounted for by outperformance of regulatory efficiency targets.		
Primary Purpose	Informing future price determination.		
Processing rule	Input: positive for a cash inflow, negative for a cash outflow.		
Responsibility	Regulatory Finance Team		

Line 32

32	Net cash inflow from financing	£m	3dp
Definition	The net effect on cashflow after raising /repaying loans and increases/decreases to financial reserves accounted for by outperformance.		
Primary Purpose	Informing future price determination.		
Processing rule	Calculated: the sum of lines 28-31 inclusive		
Responsibility	Regulatory Finance Team		

Line 33

33	Increase/(decrease) in cash in the year	£m	3dp
Definition	The net cash flow of the company in the year measured by the change in the level of cash.		
Primary Purpose	Informing future price determination.		
Processing rule	Calculated: the sum of lines 27 and 32		
Responsibility	Regulatory Finance Team		

TABLE B7-5

Table B7-5

A Working Capital

Line 1

1	Stocks	£m	3dp
Definition	Stock held at the year end. Stocks comprise consumable stores and work in progress, including chemicals, stationery, petrol, backfill materials etc.		
Primary Purpose	Informing future price determination.		
Processing rule	Input		
Responsibility	Regulatory Finance Team		

Line 2

2	Trade debtors	£m	3dp
Definition	Trade debtors		
Primary Purpose	Informing future price determination.		
Processing rule	Input		
Responsibility	Regulatory Finance Team		

Line 3

3	Prepayments and other short term debtors	£m	3dp
Definition	Prepayments and other debtors which relate to operating activities, excluding the infrastructure renewals prepayments.		
Primary Purpose	Informing future price determination.		
Processing rule	Input		
Responsibility	Regulatory Finance Team		

Line 4

4	Trade creditors	£m	3dp
Definition	Trade creditor balances at the year end falling due within one year.		
Primary Purpose	Informing future price determination.		
Processing rule	Input		
Responsibility	Regulatory Finance Team		

Line 5

5	Short term capital creditors	£m	3dp
Definition	Creditor balances at the year end for capital goods falling due within one year. This should include any accruals for capital goods.		
Primary Purpose	Informing future price determination.		
Processing rule	Input		
Responsibility	Regulatory Finance Team		

Line 6

6	Accruals and other creditors	£m	3dp
Definition	Accruals and non-trade creditors which relate to operating activities, excluding the infrastructure renewals accrual.		
Primary Purpose	Informing future price determination.		
Processing rule	Input		
Responsibility	Regulatory Finance Team		

Line 7

7	Total working capital	£m	3dp
Definition	The total of all stock, debtors and creditors which relate to operating items, including short term capital creditors, but excluding any infrastructure renewals prepayment or accrual.		
Primary Purpose	Informing future price determination.		
Processing rule	Calculated: sum of lines 1 to 6 inclusive		
Responsibility	Regulatory Finance Team		

TABLE B7-6

Table B7-6

A Allocation of capital expenditure for tax purposes

Line 1

1	Work in progress - Opening amount	£m	3dp
Definition	Total amount for assets considered as work in progress at the beginning of the year.		
Primary Purpose	Informing future price determination.		
Processing rule	Input field.		
Responsibility	Regulatory Finance Team		

Line 2

2	Work in progress (portion where capital allowances have not been claimed) - opening	£m	3dp
Definition	Portion of opening assets considered as work in progress that has not yet been added to the capital allowances pools.		
Primary Purpose	Informing future price determination.		
Processing rule	Input field.		
Responsibility	Regulatory Finance Team		

Line 3

3	Total capitalised expenditure including IRE (outturn prices) excluding grants	£m	3dp
Definition	The total of all capitalised expenditure (water and sewerage service) for both base service and enhancement purposes. This expenditure should be reported net of grants and contributions, but excluding adopted assets at nil cost. It should also include infrastructure renewals expenditure (express in outturn prices).		
Primary Purpose	Informing future price determination.		
Processing rule	Input		
Responsibility	Regulatory Finance Team		

Line 4

4	Capitalised expenditure allocated for capital allowances (including Work in progress).	£m	3dp
Definition	Capital expenditure claimed for capital allowances in the year (this includes any claims on assets classified as work in progress).		
Primary Purpose	Informing future price determination.		
Processing rule	Input field.		
Responsibility	Regulatory Finance Team		

Line 5

5	Work in progress (portion where capital allowances have not been claimed) – closing.	£m	3dp
Definition	Portion of assets considered work in progress where capital allowances have not been claimed yet (closing amount).		
Primary Purpose	Informing future price determination.		
Processing rule	Calculated field: line 2 plus line 3 minus line 4.		
Responsibility	Regulatory Finance Team		

Line 6

6	Assets qualifying for 100% first year allowances	£m	3dp
Definition	Amount of total capitalised expenditure net of grants (as reported in line.4), which qualify for 100% first year allowances.		
Primary Purpose	Informing future price determination.		
Processing rule	Input field (positive number)		
Responsibility	Regulatory Finance Team		

Line 7

7	Assets to be included in the general (25%) pool	£m	3dp
Definition	Amount of total capitalised expenditure net of grants (as reported in line 4), to be included in the general capital allowance pool which will receive capital allowances at 25% p.a. on a reducing balance basis.		
Primary Purpose	Informing future price determination.		
Processing rule	Input field (positive number)		
Responsibility	Regulatory Finance Team		

Line 8

8	Assets qualifying for the long life (6%) pool	£m	3dp
Definition	Amount of total capitalised expenditure net of grants (as reported in line 4); to be included in the long life pool which will receive capital allowances at 6% p.a.		
Primary Purpose	Informing future price determination.		
Processing rule	Input field (positive number)		
Responsibility	Regulatory Finance Team		

Line 9

9	Assets qualifying for the Industrial Buildings Allowance	£m	3dp
Definition	Amount of total capitalised expenditure net of grants (as reported in line 4), classified as industrial buildings for tax purposes.		
Primary Purpose	Informing future price determination.		
Processing rule	Input field (positive number)		
Responsibility	Regulatory Finance Team		

Line 10

10	Assets purchased under finance leasing	£m	3dp
Definition	Amount of total capitalised expenditure net of grants (as reported in line 4) purchased under finance leasing.		
Primary Purpose	Informing future price determination.		
Processing rule	Input field (positive number)		
Responsibility	Regulatory Finance Team		

Line 11

11	Capitalised revenue expenditure deducted in year of spend	£m	3dp
Definition	Amount of total capitalised expenditure net of grants (as reported in line 4) (a) which is of a revenue nature and hence treated as deferred revenue expenditure for tax purposes; and (b) for which a deduction is allowed for tax purposes in year of spend.		
Primary Purpose	Informing future price determination.		
Processing rule	Input field (positive number)		
Responsibility	Regulatory Finance Team		

Line 12

12	Capitalised revenue expenditure depreciated - non infrastructure	£m	3dp
Definition	Amount of total capitalised expenditure net of grants (as reported in line 4) (a) which is of a revenue nature; (and hence treated as deferred revenue expenditure for tax purposes) and (b) which relates to non-infrastructure assets; and for which a deduction for depreciation is allowed.		
Primary Purpose	Informing future price determination.		
Processing rule	Input field (positive number)		
Responsibility	Regulatory Finance Team		

Line 13

13	Capitalised revenue expenditure depreciated - Infrastructure	£m	3dp
Definition	Amount of total capitalised expenditure net of grants (as reported in line 4) which is (a) treated on a revenue nature and hence as deferred revenue expenditure for tax purposes and (b) related to infrastructure assets; and a deduction for depreciation is allowed.		
Primary Purpose	Informing future price determination.		
Processing rule	Input field (positive number)		
Responsibility	Regulatory Finance Team		

Line 14

14	Capitalised revenue expenditure not depreciated	£m	3dp
Definition	Amount of total capitalised expenditure net of grants (as reported in line 4) which is (a) of a revenue nature and hence is treated as deferred revenue expenditure for tax purposes and (b) not depreciated; and therefore no deduction is allowed.		
Primary Purpose	Informing future price determination.		
Processing rule	Input field (positive number)		
Responsibility	Regulatory Finance Team		

Line 15

15	Other assets not qualifying for capital allowances or revenue deductions	£m	3dp
Definition	Amount of total capitalised expenditure net of grants (as reported in line 4) in addition to those reported in line 14 which are not of a revenue nature and do not qualify for capital allowances or any other deduction for tax purposes.		
Primary Purpose	Informing future price determination.		
Processing rule	Input field (positive number)		
Responsibility	Regulatory Finance Team		

Line 16

16	Grants and contributions taxable on receipt	£m	3dp
Definition	Amount (as reported in line 4) which relates to grants and contributions which are taxable on receipt.		
Primary Purpose	Informing future price determination.		
Processing rule	Input field		
Responsibility	Regulatory Finance Team		

B Opening position

Line 17

17	Opening pool of capital allowances - asset life < 25 years	£m	3dp
Definition	Balance carried forward on capital allowances pool as at the balance sheet date for capital assets with a useful economic life of less than twenty-five years.		
Primary Purpose	Informing future price determination.		
Processing rule	Input field		
Responsibility	Regulatory Finance Team		

Line 18

18	Opening pool of capital allowances - asset life >= 25 years	£m	3dp
Definition	Balance carried forward on long life capital allowances pool as at the balance sheet date for capital assets with a useful economic life of greater than or equal to twenty-five years.		
Primary Purpose	Informing future price determination.		
Processing rule	Input field		
Responsibility	Regulatory Finance Team		

Line 19

19	Residual IBAs	£m	3dp
Definition	Net balance carried forward of Industrial Buildings Allowance assets as at balance sheet date for calculation of IBA's.		
Primary Purpose	Informing future price determination.		
Processing rule	Input field		
Responsibility	Regulatory Finance Team		

Line 20

20	General provisions – opening balance	£m	3dp
Definition	Opening balance of other general provisions		
Primary Purpose	Informing future price determination.		
Processing rule	Input field (negative number)		
Responsibility	Regulatory Finance Team		

Line 21

21	Losses brought forward	£m	3dp
Definition	Cumulative revenue tax losses carried forward for the appointed business as at the balance sheet date.		
Primary Purpose	Informing future price determination.		
Processing rule	Input field		
Responsibility	Regulatory Finance Team		

Line 22

22	Average asset life - Non infrastructure	Years	0dp
Definition	The average asset life for non-infrastructure assets identified in line 12 and used in the calculation of the depreciation allowance reported in line 31.		
Primary Purpose	Informing future price determination.		
Processing rule	Input field (positive number)		
Responsibility	Regulatory Finance Team		

Line 23

23	Average asset life - Infrastructure	Years	0dp
Definition	The average asset life for infrastructure assets identified in line 13 and used in the calculation of the depreciation allowance reported in line 32.		
Primary Purpose	Informing future price determination.		
Processing rule	Input field (positive number)		
Responsibility	Regulatory Finance Team		

C Calculation of trading profit
Line 24

24	HCA Operating profit	£m	3dp
Definition	Historic cost operating profit		
Primary Purpose	Informing future price determination		
Processing rule	Input		
Responsibility	Regulatory Finance Team		

Line 25

25	Total HCA Depreciation	£m	3dp
Definition	Total Historic cost depreciation charge for the year to be added back to operating profit to derive trading profit for tax purposes.		
Primary Purpose	Informing future price determination		
Processing rule	Input		
Responsibility	Regulatory Finance Team		

Line 26

26	Infrastructure renewals charge	£m	3dp
Definition	Total infrastructure renewals charge for the year to be added back to operating profit to derive trading profit for tax purposes.		
Primary Purpose	Informing future price determination		
Processing rule	Input		
Responsibility	Regulatory Finance Team		

Line 27

27	Amortisation of PPP assets.	£m	3dp
Definition	Amortisation of PPP assets.		
Primary Purpose	Informing future price determination		
Processing rule	Input		
Responsibility	Regulatory Finance Team		

Line 28

28	Amortisation of grants	£m	3dp
Definition	Amortisation of grants		
Primary Purpose	Informing future price determination		
Processing rule	Input (negative number)		
Responsibility	Regulatory Finance Team		

Line 29

29	Deduction for capitalised revenue expenditure	£m	3dp
Definition	Amount of deduction available relating to total capitalised revenue expenditure net of grants.		
Primary Purpose	Informing future price determination		
Processing rule	Input (negative number)		
Responsibility	Regulatory Finance Team		

Line 30

30	Trading profit	£m	3dp
Definition	Trading profit for tax purposes		
Primary Purpose	Informing future price determination		
Processing rule	Calculated field: sum of lines 24 to 29 inclusive.		
Responsibility	Regulatory Finance Team		

D Deductions to trading profit
Line 31

31	Depreciation on capitalised revenue expenditure - Non-infrastructure	£m	3dp
Definition	The amount of depreciation on capital expenditure which is allowed as a deduction for tax purposes. This is the total depreciation allowed this year on assets of this type.		
Primary Purpose	Informing future price determination		
Processing rule	Input field (positive number)		
Responsibility	Regulatory Finance Team		

Line 32

32	Depreciation - capitalised revenue expenditure - Infrastructure	£m	3dp
Definition	The amount of depreciation on capital expenditure identified which is allowed as a deduction for tax purposes. This is the total depreciation allowed this year on assets of this type.		
Primary Purpose	Informing future price determination		
Processing rule	Input field (positive number)		
Responsibility	Regulatory Finance Team		

Line 33

33	Total interest paid	£m	3dp
Definition	<p>The net amount of interest payable by the company in the year. This should include interest on;</p> <ul style="list-style-type: none"> • overdrafts; • loans (from all sources); and • debenture stock, <p>less interest receivable in the year. This includes interest on</p> <ul style="list-style-type: none"> • cash balances; • loans to other group companies or third parties; • the interest element on finance leases; and • other investments. <p>It should exclude any amounts of interest charges calculated under FRS17.</p> <p>Note: Net interest charged should be entered as a positive number</p>		
Primary Purpose	Informing future price determination		
Processing rule	Input field		
Responsibility	Regulatory Finance Team		

Line 34

34	Capital allowances - asset life < 25 years	£m	3dp
Definition	Total Capital Allowances utilised in the year relating to the general (25%) pool.		
Primary Purpose	Informing future price determination		
Processing rule	Input field (positive number)		
Responsibility	Regulatory Finance Team		

Line 35

35	Capital allowances - asset life >= 25 years	£m	3dp
Definition	Total capital allowances utilised in the year relating to the long life (6%) pool.		
Primary Purpose	Informing future price determination		
Processing rule	Input field (positive number)		
Responsibility	Regulatory Finance Team		

Line 36

36	Industrial building allowance utilised	£m	3dp
Definition	Industrial building allowance utilised in the year.		
Primary Purpose	Informing future price determination		
Processing rule	Input field (positive number)		
Responsibility	Regulatory Finance Team		

Line 37

37	Other deductions	£m	3dp
Definition	Deductions allowed from trading profit for tax purposes not covered above.		
Primary Purpose	Informing future price determination		
Processing rule	Input field (positive number)		
Responsibility	Regulatory Finance Team		

Line 38

38	Total deductions	£m	3dp
Definition	Total deduction from trading profit allowed		
Primary Purpose	Informing future price determination		
Processing rule	Calculated field: sum of lines 31 to 37 inclusive.		
Responsibility	Regulatory Finance Team		

Line 39

39	Grants and contributions taxable on receipt	£m	3dp
Definition	Grants and contributions taxable on receipt (line 16)		
Primary Purpose	Informing future price determination		
Processing rule	Input		
Responsibility	Regulatory Finance Team		

Line 40

40	Other additions	£m	3dp
Definition	Other additions required to trading profits for tax purposes, not covered under line 39.		
Primary Purpose	Informing future price determination		
Processing rule	Input field (positive number)		
Responsibility	Regulatory Finance Team		

Line 41

41	Total additions	£m	3dp
Definition	Total additions required to trading profits for tax purposes.		
Primary Purpose	Informing future price determination		
Processing rule	Calculated field: sum of lines 39 and 40		
Responsibility	Regulatory Finance Team		

E Taxation
Line 42

42	Trading profit for tax	£m	3dp
Definition	Trading profit for tax taking into account all recognised deductions and additions required in the year.		
Primary Purpose	Informing future price determination		
Processing rule	Calculated as line 30 less line 38 plus line 41.		
Responsibility	Regulatory Finance Team		

Line 43

43	Adjusted trading profit for tax	£m	3dp
Definition	Adjusted trading profit for tax. This line should show the effect of any adjustments to trading profit for tax, e.g. losses brought forward or adjustments arising from the previous year.		
Primary Purpose	Informing future price determination		
Processing rule	Input field		
Responsibility	Regulatory Finance Team		

Line 44

44	Current tax charge	£m	3dp
Definition	The current tax charge on profits from ordinary activities in the report year taken from the submitted computation.		
Primary Purpose	Informing future price determination		
Processing rule	Input field		
Responsibility	Regulatory Finance Team		

Line 45

45	Prior year adjustments	£m	3dp
Definition	Any decrease or increase in the reporting year's current tax charge caused by prior year adjustments.		
Primary Purpose	Informing future price determination		
Processing rule	Input		
Responsibility	Regulatory Finance Team		

Line 46

46	Total current tax charge	£m	3dp
Definition	The total current tax charge for the year incorporating the current year's tax charge, prior year's adjustments and payments for group relief.		
Primary Purpose	Informing future price determination		
Processing rule	Calculated: the sum of lines 44 and 45		
Responsibility	Regulatory Finance Team		

TABLE B7-7

Table B7-7

A Government loans

Lines 1-12

1- 12	Government loans	£m	3dp
Definition	Closing balance for borrowing (Government loans only) undertaken for loans with an interest rate within the range of 3% to 14.99% in intervals of 1% as appropriate.		
Primary Purpose	Informing future price determination		
Processing rule	Input fields with the exception of the 'Total' which is the sum of all inputs in all the previous columns. Insert in the relevant percentage range the level of government loans held at the relevant year end.		
Responsibility	Regulatory Finance Team		

B Non - Government loans

Lines 13

13	Total Government loans	£m	3dp
Definition	Total of closing balances for borrowing (Government loans only) undertaken for loans with an interest rate of 3 to 14.99%.		
Primary Purpose	Informing future price determination		
Processing rule	Calculated as sum of lines 1 to 12 inclusive.		
Responsibility	Regulatory Finance Team		

Lines 14-.25

14- 25	Non-Government loans	£m	3dp
Definition	Closing balance for borrowing (Non-Government loans only) undertaken for loans with an interest rate within the range of 3% to 14.99% in intervals of 1% as appropriate.		
Primary Purpose	Informing future price determination		
Processing rule	Input fields with the exception of the 'Total' which is the sum of all inputs in all the previous columns. Insert in the relevant percentage range the level of non-government loans held at the relevant year end.		
Responsibility	Regulatory Finance Team		

Lines 26

26	Total Government loans	£m	3dp
Definition	Total of closing balances for borrowing (Non-Government loans only) undertaken for loans with an interest rate of 3 to 14.99%.		
Primary Purpose	Informing future price determination		
Processing rule	Calculated as sum of lines 14 to 25 inclusive.		
Responsibility	Regulatory Finance Team		

TABLE B7-8

Table B7-8

A Historic cost Fixed Assets

Line 1

1	Gross fixed assets- assets existing at 31 March 2008	£m	3dp
Definition	Gross Historic cost of fixed assets (existing as of 31 March 2008).		
Primary Purpose	Informing future price determination		
Processing rule	Input field		
Responsibility	Regulatory Finance Team		

Line 2

2	Accumulated depreciation assets existing at 31 March 2008	£m	3dp
Definition	Accumulated depreciation of historic cost fixed assets existing at 31 March 2008		
Primary Purpose	Informing future price determination		
Processing rule	Input as a negative number.		
Responsibility	Regulatory Finance Team		

Line 3

3	Net book value – assets existing at 31 March 2008	£m	3dp
Definition	Net book value of historic cost fixed assets (existing as of 31 Mar 2008)		
Primary Purpose	Informing future price determination		
Processing rule	Calculated field: Line 1 plus line 2.		
Responsibility	Regulatory Finance Team		

B Expected historic cost depreciation

Line 4

4	Expected historic cost depreciation on assets existing at 31 March 2008	£m	3dp
Definition	The expected depreciation charge on Historic cost fixed assets (as of 31 March 2008).		
Primary Purpose	Informing future price determination		
Processing rule	Input as a negative number		
Responsibility	Regulatory Finance Team		

Line 5

5	Amortisation of existing grants and contributions (31 March 2008)	£m	3dp
Definition	The expected amortisation charge on Grants and Contributions (existing as of 31 March 2008).		
Primary Purpose	Informing future price determination		
Processing rule	Input as a negative number.		
Responsibility	Regulatory Finance Team		

C Current cost fixed assets
Line 6

6	Gross Fixed Assets – assets existing at 31 March 2008	£m	3dp
Definition	Gross Current cost of fixed assets (existing as of 31 March 2008).		
Primary Purpose	Informing future price determination		
Processing rule	Input field		
Responsibility	Regulatory Finance Team		

Line 7

7	Accumulated depreciation - assets existing at 31 March 2008	£m	3dp
Definition	Accumulated depreciation of Current cost fixed assets (existing as of 31 Mar 2008)		
Primary Purpose	Informing future price determination		
Processing rule	Input as a negative number.		
Responsibility	Regulatory Finance Team		

D Expected current cost depreciation
Line 8

8	Net book value - assets existing at 31 March 2008.	£m	3dp
Definition	Net book value of Current cost fixed assets (existing as of 31 March 2008).		
Primary Purpose	Informing future price determination		
Processing rule	Calculated field: line 6 plus line 7.		
Responsibility	Regulatory Finance Team		

Line 9

9	Expected current cost depreciation on assets existing at 31 March 2008	£m	3dp
Definition	The expected depreciation charge on Current cost fixed assets (existing as of 31 March 2008).		
Primary Purpose	Informing future price determination		
Processing rule	Input as a negative number. Express in base year prices.		
Responsibility	Regulatory Finance Team		

Line 10

10	Current cost depreciation on WIP assets (commissioned after 31 March 2008)	£m	3dp
Definition	Expected depreciation on work in progress assets commissioned after 31 March 2008.		
Primary Purpose	Informing future price determination		
Processing rule	Input as a negative number. Express in base year prices.		
Responsibility	Regulatory Finance Team		

E Amortisation of existing current cost Third Party contributions
Line 11

11	Amortisation of existing current cost Third Party Contributions	£m	3dp
Definition	The expected amortisation charge on Third Party Contributions (existing as of 31 March 2008).		
Primary Purpose	Informing future price determination		
Processing rule	Input as a negative number. Express in base year prices.		
Responsibility	Regulatory Finance Team		

TABLE B7-9

Table B7-9

A Retail Price Index (RPI)

Line 1

1	Retail Price Index (RPI) Financial Year Average	Nr	2dp
Definition	All items RPI. Financial Year Average (index).		
Primary Purpose	Informing future price determination		
Processing rule	Input field for years 2003-04 to 2007-08. Previous year input multiplied by 1 plus line 2 for years 2008-09 onwards.		
Responsibility	Regulatory Finance Team		

Line 2

2	Retail Price Index (RPI) % increase	%	2dp
Definition	Percentage increase of the Financial Year Average RPI.		
Primary Purpose	Informing future price determination		
Processing rule	Input field for years 2008-09 onwards. Line 1 divided by the previous year's line 1 minus 1 for years 2004-05 to 2007-08.		
Responsibility	Regulatory Finance Team		

B Construction Output Price Index (COPI)

Line 3

3	Construction Output Price Index (COPI) Financial Year Average	Nr	2dp
Definition	COPI. Financial Year Average (index).		
Primary Purpose	Informing future price determination		
Processing rule	Input field for years 2003-04 to 2007-08. Previous year input multiplied by 1 plus line 2 for years 2008-09 onwards.		
Responsibility	Regulatory Finance Team		

Line 4

4	Construction Output Price Index (COPI) % increase	%	2dp
Definition	Percentage increase of the Financial Year Average COPI.		
Primary Purpose	Informing future price determination		
Processing rule	Input field for years 2008-09 onwards. Line 1 divided by the previous year's line 1 minus 1 for years 2004-05 to 2007-08.		
Responsibility	Regulatory Finance Team		

TABLE B7-10

Table B7-10

A Cost of capital

Line 1

1	Cost of Debt	%	2dp
Definition	Assumed 'real' cost of debt for cost of capital calculations.		
Primary Purpose	Informing future price determination		
Processing rule	Input one figure to account for the entire 2010 - 12 review period.		
Responsibility	Regulatory Finance Team		

Line 2

2	Cost of Equity	%	2dp
Definition	Assumed 'real' cost of equity for cost of capital calculations.		
Primary Purpose	Informing future price determination		
Processing rule	Input one figure to account for the entire 2010 - 12 review period.		
Responsibility	Regulatory Finance Team		

Line 3

3	Gearing	%	1dp
Definition	Assumed gearing for cost of capital calculations.		
Primary Purpose	Informing future price determination		
Processing rule	Input one figure to account for the entire 2010 - 12 review period.		
Responsibility	Regulatory Finance Team		

B Financing and borrowing

Line 4

4	Financing cost	%	2dp
Definition	Assumed 'real' cost of financing for new government loans.		
Primary Purpose	Informing future price determination		
Processing rule	Input field.		
Responsibility	Regulatory Finance Team		

Line 5

5	New Public borrowing available	£m	3dp
Definition	Borrowing limit allowed by the Minister/DRD. The 2008-09 figure includes any authorised carry-over of unused public borrowing.		
Primary Purpose	Informing future price determination		
Processing rule	Input field.		
Responsibility	Regulatory Finance Team		

Line 6

6	Interest on cash balances/short term investments	%	2dp
Definition	'Real' interest rate received on cash balances and short term investments.		
Primary Purpose	Informing future price determination		
Processing rule	Input field.		
Responsibility	Regulatory Finance Team		

Line 7

7	Interest on liquid Financial Reserves held	%	2dp
Definition	'Real' interest rate on liquid reserves buffer held resulting from outperformance of regulatory efficiency targets..		
Primary Purpose	Informing future price determination		
Processing rule	Input field.		
Responsibility	Regulatory Finance Team		

Line 8

8 i, 8ii	Interest paid on any other borrowing facilities held	%	2dp
Definition	'Real' interest rate paid on any borrowing facilities held- eg overdraft, A and B loan facilities and any other borrowing facilities held.		
Primary Purpose	Informing future price determination		
Processing rule	Input field. (Please continue sequence if other facilities held e.g. 8 iii etc.)		
Responsibility	Regulatory Finance Team		

C Customer Rebates and Gilts buffer

Line 9

9 i, 9 ii	Dividends foregone by the Government	% £m	2dp 3dp
Definition	Dividends foregone by the Minister/DRD. This is calculated as a percentage of the unleveraged portion of the RCV in line 9 i and in £m in line 9 ii.		
Primary Purpose	Informing future price determination		
Processing rule	Input field.		
Responsibility	Regulatory Finance Team		

Line 10

10	Increase in liquid financial reserves level	£m	3dp
Definition	Increase in the financial reserves buffer accounted for by outperformance of regulatory efficiency targets.		
Primary Purpose	Informing future price determination		
Processing rule	Input field.		
Responsibility	Regulatory Finance Team		

D Regulatory Capital Value

Line 11

11	Closing RCV (2009-10)	£m	3dp
Definition	Closing Regulatory Capital Value as of 31st March 2010		
Primary Purpose	Informing future price determination		
Processing rule	Input field.		
Responsibility	Regulatory Finance Team		

Line 12

12	Adjustments	£m	3dp
Definition	Adjustments to RCV (i.e. the logging up/down process).		
Primary Purpose	Informing future price determination		
Processing rule	Input field.		
Responsibility	Regulatory Finance Team		

TABLE B7-11

Table B7-11

A Total capital expenditure -post efficiency

Line 1

1	Capital Expenditure: Maintenance Non-Infrastructure (net of grants)	£m	3dp
Definition	Base maintenance capital expenditure in year (net of grants) on non-infrastructure assets. Express in base year prices.		
Primary Purpose	Informing future price determination		
Processing rule	Input		
Responsibility	Regulatory Finance Team		

Line 2

2	Capital Expenditure: Enhancement Non-Infrastructure (net of grants)	£m	3dp
Definition	Enhancement capital expenditure in year (net of grants) on non-infrastructure assets. Express in base year prices.		
Primary Purpose	Informing future price determination		
Processing rule	Input		
Responsibility	Regulatory Finance Team		

Line 3

3	Capital Expenditure: Maintenance Infrastructure (net of grants)	£m	3dp
Definition	Base maintenance capital expenditure in year (net of grants) on infrastructure assets. Express in base year prices.		
Primary Purpose	Informing future price determination		
Processing rule	Input		
Responsibility	Regulatory Finance Team		

Line 4

4	Capital Expenditure: Enhancement Infrastructure (net of grants)	£m	3dp
Definition	Enhancement capital expenditure in year (net of grants) on infrastructure assets. Express in base year prices.		
Primary Purpose	Informing future price determination		
Processing rule	Input		
Responsibility	Regulatory Finance Team		

Line 5

5	Capital Investment carried forward Non-Infrastructure (net of grants)	£m	3dp
Definition	Capital expenditure in year (net of grants) on non-infrastructure assets for which funding previously received. Express in base year prices.		
Primary Purpose	Informing future price determination		
Processing rule	Input		
Responsibility	Regulatory Finance Team		

Line 6

6	Capital Investment carried forward Infrastructure (net of grants)	£m	3dp
Definition	Capital expenditure in year (net of grants) on infrastructure assets for which funding previously received. Express in base year prices.		
Primary Purpose	Informing future price determination		
Processing rule	Input		
Responsibility	Regulatory Finance Team		

Line 7

7	Grants and Third Party Contributions	£m	3dp
Definition	Grants and Third Party Contributions received in year. Express in base year prices.		
Primary Purpose	Informing future price determination		
Processing rule	Input		
Responsibility	Regulatory Finance Team		

Line 8

8	Total Capital programme	£m	3dp
Definition	Total capital expenditure in the year. Expressed in base year prices.		
Primary Purpose	Informing future price determination		
Processing rule	Sum of lines 1 to 7		
Responsibility	Regulatory Finance Team		

B Allocation of Capital Maintenance Non-Infrastructure
Line 9

9	Allocation of Capital Maintenance Non-Infrastructure: very short life assets	%	2dp
Definition	Proportion of base maintenance capital expenditure on non-infrastructure assets (net of grants) allocated a very short life – 0 to 5 years.		
Primary Purpose	Informing future price determination		
Processing rule	Input		
Responsibility	Regulatory Finance Team		

Line 10

10	Allocation of Capital Maintenance Non-Infrastructure: short life assets	%	2dp
Definition	Proportion of base maintenance capital expenditure on non-infrastructure assets (net of grants) allocated a short life – 6 to 15 years.		
Primary Purpose	Informing future price determination		
Processing rule	Input		
Responsibility	Regulatory Finance Team		

Line 11

11	Allocation of Capital Maintenance Non-Infrastructure: medium life assets	%	2dp
Definition	Proportion of base maintenance capital expenditure on non-infrastructure assets (net of grants) allocated a medium life – 16 to 30 years.		
Primary Purpose	Informing future price determination		
Processing rule	Input		
Responsibility	Regulatory Finance Team		

Line 12

12	Allocation of Capital Maintenance Non-Infrastructure: medium long life assets	%	2dp
Definition	Proportion of base maintenance capital expenditure on non-infrastructure assets (net of grants) allocated a medium long life – 31 to 50 years.		
Primary Purpose	Informing future price determination		
Processing rule	Input		
Responsibility	Regulatory Finance Team		

Line 13

13	Allocation of Capital Maintenance Non-Infrastructure: long life assets	%	2dp
Definition	Proportion of base maintenance capital expenditure on non-infrastructure assets (net of grants) allocated a long life – over 50 years.		
Primary Purpose	Informing future price determination		
Processing rule	Input		
Responsibility	Regulatory Finance Team		

Line 14

14	Allocation of Capital Maintenance Non-Infrastructure: Infinite life assets (land)	%	2dp
Definition	Proportion of base maintenance capital expenditure on non-infrastructure assets (net of grants) allocated an infinite life (expenditure on land)		
Primary Purpose	Informing future price determination		
Processing rule	Input		
Responsibility	Regulatory Finance Team		

Line 15

15	Allocation of Capital Maintenance Non-Infrastructure: Total	%	2dp
Definition	Total of base maintenance capital expenditure on non-infrastructure assets (net of grants). Must equal 100%.		
Primary Purpose	Informing future price determination		
Processing rule	Sum of lines 9 to 14		
Responsibility	Regulatory Finance Team		

C Allocation of Capital Enhancement Non-Infrastructure
Line 16

16	Allocation of Capital Enhancement Non-Infrastructure: Very Short life assets	%	2dp
Definition	Proportion of enhancement capital expenditure on non-infrastructure assets (net of grants) allocated a very short life – 0 to 5 years.		
Primary Purpose	Informing future price determination		
Processing rule	Input		
Responsibility	Regulatory Finance Team		

Line 17

17	Allocation of Capital Enhancement Non-Infrastructure: Short life assets	%	2dp
Definition	Proportion of enhancement capital expenditure on non-infrastructure assets (net of grants) allocated a short life – 6 to 15 years.		
Primary Purpose	Informing future price determination		
Processing rule	Input		
Responsibility	Regulatory Finance Team		

Line 18

18	Allocation of Capital Enhancement Non-Infrastructure: Medium life assets	%	2dp
Definition	Proportion of enhancement capital expenditure on non-infrastructure assets (net of grants) allocated a medium life – 16 to 30 years.		
Primary Purpose	Informing future price determination		
Processing rule	Input		
Responsibility	Regulatory Finance Team		

Line 19

19	Allocation of Capital Enhancement Non-Infrastructure: Medium Long life assets	%	2dp
Definition	Proportion of enhancement capital expenditure on non-infrastructure assets (net of grants) allocated a medium long life – 31 to 50 years.		
Primary Purpose	Informing future price determination		
Processing rule	Input		
Responsibility	Regulatory Finance Team		

Line 20

20	Allocation of Capital Enhancement Non-Infrastructure: Long life assets	%	2dp
Definition	Proportion of enhancement capital expenditure on non-infrastructure assets (net of grants) allocated a long life – over 50 years.		
Primary Purpose	Informing future price determination		
Processing rule	Input		
Responsibility	Regulatory Finance Team		

Line 21

21	Allocation of Capital Enhancement Non-Infrastructure: Infinite life assets (land)	%	2dp
Definition	Proportion of enhancement capital expenditure on non-infrastructure assets (net of grants) allocated an infinite life (expenditure on land)		
Primary Purpose	Informing future price determination		
Processing rule	Input		
Responsibility	Regulatory Finance Team		

Line 22

22	Allocation of Capital Enhancement Non-Infrastructure: Total	%	2dp
Definition	Total of enhancement capital expenditure on non-infrastructure assets (net of grants). Must equal 100%.		
Primary Purpose	Informing future price determination		
Processing rule	Sum of lines 16 to 21		
Responsibility	Regulatory Finance Team		

D Capital Expenditure carried forward Non-Infrastructure Maintenance
Line 23

23	Capital Expenditure carried forward Non-Infrastructure Maintenance: Very Short life assets	%	2dp
Definition	Proportion of capital expenditure on non-infrastructure maintenance (net of grants) for which funding previously received allocated a very short life – 0 to 5 years.		
Primary Purpose	Informing future price determination		
Processing rule	Input		
Responsibility	Regulatory Finance Team		

Line 24

24	Capital Expenditure carried forward Non-Infrastructure Maintenance: Short life assets	%	2dp
Definition	Proportion of capital expenditure on non-infrastructure maintenance (net of grants) for which funding previously received allocated a short life – 6 to 15 years.		
Primary Purpose	Informing future price determination		
Processing rule	Input		
Responsibility	Regulatory Finance Team		

Line 25

25	Capital Expenditure carried forward Non-Infrastructure Maintenance: Medium life assets	%	2dp
Definition	Proportion of capital expenditure on non-infrastructure maintenance (net of grants) for which funding previously received allocated a medium life – 16 to 30 years.		
Primary Purpose	Informing future price determination		
Processing rule	Input		
Responsibility	Regulatory Finance Team		

Line 26

26	Capital Expenditure carried forward Non-Infrastructure Maintenance: Medium Long life assets	%	2dp
Definition	Proportion of capital expenditure on non-infrastructure maintenance (net of grants) for which funding previously received allocated a medium long life – 31 to 50 years.		
Primary Purpose	Informing future price determination		
Processing rule	Input		
Responsibility	Regulatory Finance Team		

Line 27

27	Capital Expenditure carried forward Non-Infrastructure Maintenance: Long life assets	%	2dp
Definition	Proportion of capital expenditure on non-infrastructure maintenance (net of grants) for which funding previously received allocated a long life – over 50 years.		
Primary Purpose	Informing future price determination		
Processing rule	Input		
Responsibility	Regulatory Finance Team		

Line 28

28	Capital Expenditure carried forward Non-Infrastructure Maintenance: Infinite life assets (land)	%	2dp
Definition	Proportion of capital expenditure on non-infrastructure maintenance (net of grants) for which funding previously received allocated an infinite life (expenditure on land)		
Primary Purpose	Informing future price determination		
Processing rule	Input		
Responsibility	Regulatory Finance Team		

Line 29

29	Capital Expenditure carried forward Non-Infrastructure Maintenance: Total	%	2dp
Definition	Total of capital expenditure on non-infrastructure maintenance (net of grants) for which funding previously received. Line 29 plus line 36 must equal 100%.		
Primary Purpose	Informing future price determination		
Processing rule	Sum of lines 23 to 28		
Responsibility	Regulatory Finance Team		

E Capital Expenditure carried forward Non-Infrastructure Enhancement
Line 30

30	Capital Expenditure carried forward Non-Infrastructure Enhancement: Very Short life assets	%	2dp
Definition	Proportion of capital expenditure on non-infrastructure enhancement (net of grants) for which funding previously received allocated a very short life – 0 to 5 years.		
Primary Purpose	Informing future price determination		
Processing rule	Input		
Responsibility	Regulatory Finance Team		

Line 31

31	Capital Expenditure carried forward Non-Infrastructure Enhancement: Short life assets	%	2dp
Definition	Proportion of capital expenditure on non-infrastructure Enhancement (net of grants) for which funding previously received allocated a short life – 6 to 15 years.		
Primary Purpose	Informing future price determination		
Processing rule	Input		
Responsibility	Regulatory Finance Team		

Line 32

32	Capital Expenditure carried forward Non-Infrastructure Enhancement: Medium life assets	%	2dp
Definition	Proportion of capital expenditure on non-infrastructure enhancement (net of grants) for which funding previously received allocated a medium life – 16 to 30 years.		
Primary Purpose	Informing future price determination		
Processing rule	Input		
Responsibility	Regulatory Finance Team		

Line 33

33	Capital Expenditure carried forward Non-Infrastructure Enhancement: Medium Long life assets	%	2dp
Definition	Proportion of capital expenditure on non-infrastructure enhancement (net of grants) for which funding previously received allocated a medium long life – 31 to 50 years.		
Primary Purpose	Informing future price determination		
Processing rule	Input		
Responsibility	Regulatory Finance Team		

Line 34

34	Capital Expenditure carried forward Non-Infrastructure Enhancement: Long life assets	%	2dp
Definition	Proportion of capital expenditure on non-infrastructure enhancement (net of grants) for which funding previously received allocated a long life – over 50 years.		
Primary Purpose	Informing future price determination		
Processing rule	Input		
Responsibility	Regulatory Finance Team		

Line 35

35	Capital Expenditure carried forward Non-Infrastructure Enhancement: Infinite life assets (land)	%	2dp
Definition	Proportion of capital expenditure on non-infrastructure enhancement (net of grants) for which funding previously received allocated an infinite life (expenditure on land)		
Primary Purpose	Informing future price determination		
Processing rule	Input		
Responsibility	Regulatory Finance Team		

Line 36

36	Capital Expenditure carried forward Non-Infrastructure Enhancement: Total	%	2dp
Definition	Total of capital expenditure on non-infrastructure enhancement (net of grants) for which funding previously received. Line 36 plus line 29 must equal 100%.		
Primary Purpose	Informing future price determination		
Processing rule	Sum of lines 30 to 35		
Responsibility	Regulatory Finance Team		

F Capital Expenditure carried forward Infrastructure

Line 37

37	Capital Expenditure carried forward Infrastructure Maintenance - Infinite	%	2dp
Definition	Proportion of capital expenditure (net of grants) on infrastructure for which funding previously received expended on maintenance		
Primary Purpose	Informing future price determination		
Processing rule	Input		
Responsibility	Regulatory Finance Team		

Line 38

38	Capital Expenditure carried forward Infrastructure Enhancement - Infinite	%	2dp
Definition	Proportion of capital expenditure (net of grants) on infrastructure for which funding previously received expended on enhancement		
Primary Purpose	Informing future price determination		
Processing rule	Input		
Responsibility	Regulatory Finance Team		

Line 39

39	Capital Expenditure carried forward Infrastructure Total	%	2dp
Definition	Total of capital expenditure (net of grants) on infrastructure for which funding previously received. Must equal 100%.		
Primary Purpose	Informing future price determination		
Processing rule	Sum of lines 37 and 38		
Responsibility	Regulatory Finance Team		

G Grants and Third Party Contributions - Maintenance

Line 40

40	Grants and Third Party Contributions Maintenance: Very Short life assets	%	2dp
Definition	Proportion of capital expenditure funded from grants and third party contributions (line 7) on maintenance allocated a very short life – 0 to 5 years.		
Primary Purpose	Informing future price determination		
Processing rule	Input		
Responsibility	Regulatory Finance Team		

Line 41

41	Grants and Third Party Contributions Maintenance: Short life assets	%	2dp
Definition	Proportion of capital expenditure funded from grants and third party contributions (line 7) on maintenance allocated a short life – 6 to 15 years.		
Primary Purpose	Informing future price determination		
Processing rule	Input		
Responsibility	Regulatory Finance Team		

Line 42

42	Grants and Third Party Contributions Maintenance: Medium life assets	%	2dp
Definition	Proportion of capital expenditure funded from grants and third party contributions (line 7) on maintenance allocated a medium life – 16 to 30 years.		
Primary Purpose	Informing future price determination		
Processing rule	Input		
Responsibility	Regulatory Finance Team		

Line 43

43	Grants and Third Party Contributions Maintenance: Medium Long life assets	%	2dp
Definition	Proportion of capital expenditure funded from grants and third party contributions (line 7) on maintenance allocated a medium long life – 31 to 50 years.		
Primary Purpose	Informing future price determination		
Processing rule	Input		
Responsibility	Regulatory Finance Team		

Line 44

44	Grants and Third Party Contributions Maintenance: Long life assets	%	2dp
Definition	Proportion of capital expenditure funded from grants and third party contributions (line 7) on maintenance allocated a long life – over 50 years.		
Primary Purpose	Informing future price determination		
Processing rule	Input		
Responsibility	Regulatory Finance Team		

Line 45

45	Grants and Third Party Contributions Maintenance: Infinite life assets (land)	%	2dp
Definition	Proportion of capital expenditure funded from grants and third party contributions (line 7) on maintenance allocated an infinite life (related to expenditure on land)		
Primary Purpose	Informing future price determination		
Processing rule	Input		
Responsibility	Regulatory Finance Team		

Line 46

46	Grants and Third Party Contributions: Infrastructure Maintenance	%	2dp
Definition	Proportion of capital expenditure funded from grants and third party contributions (line 7) on maintenance allocated to infrastructure assets		
Primary Purpose	Informing future price determination		
Processing rule	Input		
Responsibility	Regulatory Finance Team		

Line 47

47	Grants and Third Party Contributions Maintenance: Total	£m	3dp
Definition	Total of capital expenditure funded from grants and third party contributions (line 7) on maintenance. Lines 47 plus 55 must equal 100%.		
Primary Purpose	Informing future price determination		
Processing rule	Calculated: Sum of lines 40 to 46		
Responsibility	Regulatory Finance Team		

H Grants and Third Party Contributions - Enhancement
Line 48

48	Grants and Third Party Contributions Enhancement: Very Short life assets	%	2dp
Definition	Proportion of capital expenditure funded from grants and third party contributions (line 7) on enhancement allocated a very short life – 0 to 5 years.		
Primary Purpose	Informing future price determination		
Processing rule	Input		
Responsibility	Regulatory Finance Team		

Line 49

49	Grants and Third Party Contributions Enhancement: Short life assets	%	2dp
Definition	Proportion of capital expenditure funded from grants and third party contributions (line 7) on enhancement allocated a short life – 6 to 15 years.		
Primary Purpose	Informing future price determination		
Processing rule	Input		
Responsibility	Regulatory Finance Team		

Line 50

50	Grants and Third Party Contributions Enhancement: Medium life assets	%	2dp
Definition	Proportion of capital expenditure funded from grants and third party contributions (line 7) on enhancement allocated a medium life – 16 to 30 years.		
Primary Purpose	Informing future price determination		
Processing rule	Input		
Responsibility	Regulatory Finance Team		

Line 51

51	Grants and Third Party Contributions Enhancement: Medium Long life assets	%	2dp
Definition	Proportion of capital expenditure funded from grants and third party contributions (line 7) on enhancement allocated a medium long life – 31 to 50 years.		
Primary Purpose	Informing future price determination		
Processing rule	Input		
Responsibility	Regulatory Finance Team		

Line 52

52	Grants and Third Party Contributions Enhancement: Long life assets	%	2dp
Definition	Proportion of capital expenditure funded from grants and third party contributions (line 7) on enhancement allocated a long life – over 50 years.		
Primary Purpose	Informing future price determination		
Processing rule	Input		
Responsibility	Regulatory Finance Team		

Line 53

53	Grants and Third Party Contributions Enhancement: Infinite life assets (land)	%	2dp
Definition	Proportion of capital expenditure funded from grants and third party contributions (line 7) on enhancement allocated an infinite life (related to expenditure on land)		
Primary Purpose	Informing future price determination		
Processing rule	Input		
Responsibility	Regulatory Finance Team		

Line 54

54	Grants and Third Party Contributions: Infrastructure Enhancement	%	2dp
Definition	Proportion of capital expenditure funded from grants and third party contributions (line 7) on enhancement allocated to infrastructure assets		
Primary Purpose	Informing future price determination		
Processing rule	Input		
Responsibility	Regulatory Finance Team		

Line 55

55	Grants and Third Party Contributions Enhancement: Total	£m	3dp
Definition	Total of capital expenditure funded from grants and third party contributions (line 7) on enhancement. Lines 47 plus 55 must equal 100%.		
Primary Purpose	Informing future price determination		
Processing rule	Calculated: Sum of lines 48 to 54		
Responsibility	Regulatory Finance Team		

I Total Capital Expenditure
Line 56

56	Non-Infrastructure Maintenance	£m	3dp
Definition	Total capital expenditure on non-infrastructure maintenance		
Primary Purpose	Informing future price determination		
Processing rule	Line 1 plus the product of line 5 and line 29 plus the product of line 7 and sum of lines 40 to 45 [1+(5*29)+(7*(sum 40-45))]		
Responsibility	Regulatory Finance Team		

Line 57

57	Non-Infrastructure Enhancement	£m	3dp
Definition	Total capital expenditure on non-infrastructure enhancement		
Primary Purpose	Informing future price determination		
Processing rule	Line 2 plus the product of line 5 and line 36 plus the product of line 7 and sum of lines 48 to 53 [2+(5*36)+(7*(sum 48-53))]		
Responsibility	Regulatory Finance Team		

Line 58

58	Infrastructure Maintenance	£m	3dp
Definition	Total capital expenditure on infrastructure maintenance		
Primary Purpose	Informing future price determination		
Processing rule	Line 3 plus the product of line 6 and line 37 plus the product of line 7 and line 46 [3+(6*37)+(7*46)]		
Responsibility	Regulatory Finance Team		

Line 59

59	Infrastructure Enhancement	£m	3dp
Definition	Total capital expenditure on infrastructure enhancement		
Primary Purpose	Informing future price determination		
Processing rule	Line 4 plus the product of line 6 and line 38 plus the product of line 7 and line 54 [3+(6*38)+(7*54)]		
Responsibility	Regulatory Finance Team		

Line 60

60	Total	£m	3dp
Definition	Total of capital expenditure funded from grants and third party contributions (line 7) on enhancement. Must equal line 8.		
Primary Purpose	Informing future price determination		
Processing rule	Calculated: Sum of lines 56 to 59		
Responsibility	Regulatory Finance Team		

J Infrastructure Renewals

Line 61

61	Infrastructure Renewals Expenditure	£m	3dp
Definition	Total Infrastructure Renewals Expenditure in the year. Express in base year prices.		
Primary Purpose	Informing future price determination		
Processing rule	Input. Must equal line 3 plus the product of line 6 and line 37 plus the product of line 7 and 46. [3+(6*37)+(7*46)]		
Responsibility	Regulatory Finance Team		

Line 62

62	Infrastructure Renewals Charge	£m	3dp
Definition	Total Infrastructure Renewals Charge in the year. Express in base year prices.		
Primary Purpose	Informing future price determination		
Processing rule	Input		
Responsibility	Regulatory Finance Team		

TABLE B7-12

Table B7-12

A Asset disposals - HCA

Line 1

1	Gross cost of disposed assets	£m	3dp
Definition	Gross cost of disposed assets (Historic Cost).		
Primary Purpose	Informing future price determination		
Processing rule	Input.		
Responsibility	Regulatory Finance Team		

Line 2

2	Accumulated depreciation of disposed assets	£m	3dp
Definition	Accumulated depreciation of disposed assets (Historic Cost).		
Primary Purpose	Informing future price determination		
Processing rule	Input as a negative number.		
Responsibility	Regulatory Finance Team		

Line 3

3	Net cost of disposed assets	£m	3dp
Definition	Net cost of disposed assets (Historic Cost).		
Primary Purpose	Informing future price determination		
Processing rule	Calculated field: lines 1 plus line 2.		
Responsibility	Regulatory Finance Team		

Line 4

4	Annual Depreciation foregone by disposal of assets	£m	3dp
Definition	Expected annual depreciation if assets had not been disposed (Historic Cost).		
Primary Purpose	Informing future price determination		
Processing rule	Input as a negative number.		
Responsibility	Regulatory Finance Team		

Line 5

5	Cash income from asset disposals	£m	3dp
Definition	Cash income from asset disposals.		
Primary Purpose	Informing future price determination		
Processing rule	Input.		
Responsibility	Regulatory Finance Team		

B Asset disposals - CCA
Line 6

6	Gross cost of disposed assets	£m	3dp
Definition	Gross cost of disposed assets (Current cost).		
Primary Purpose	Informing future price determination		
Processing rule	Input field. Express in base year prices.		
Responsibility	Regulatory Finance Team		

Line 7

7	Accumulated depreciation of disposed assets	£m	3dp
Definition	Accumulated depreciation of disposed assets (Current cost).		
Primary Purpose	Informing future price determination		
Processing rule	Input as a negative number. Express in base year prices.		
Responsibility	Regulatory Finance Team		

Line 8

8	Net cost of disposed assets	£m	3dp
Definition	Net cost of disposed assets (Current cost).		
Primary Purpose	Informing future price determination		
Processing rule	Calculated field: line 6 plus line 7. Express in base year prices.		
Responsibility	Regulatory Finance Team		

Line 9

9	Annual depreciation foregone by disposal of assets	£m	3dp
Definition	Expected annual depreciation if assets had not been disposed (Current Cost).		
Primary Purpose	Informing future price determination		
Processing rule	Input as a negative number. Express in base year prices.		
Responsibility	Regulatory Finance Team		

TABLE B7-13

Table B7-13

A Profit and Loss assumptions

Line 1

1	Revenue (2008-09 and 2009-10)	£m	3dp
Definition	Forecast revenue.		
Primary Purpose	Informing future price determination		
Processing rule	Input field. Express in base year prices.		
Responsibility	Regulatory Finance Team		

Line 2

2	Operating Costs	£m	3dp
Definition	Forecast operating costs. This line should exclude PPP operating costs.		
Primary Purpose	Informing future price determination		
Processing rule	Input field. Express in base year prices.		
Responsibility	Regulatory Finance Team		

Line 3

3	PPP Operating costs	£m	3dp
Definition	Expected annual charge for PPP schemes in each year.		
Primary Purpose	Informing future price determination		
Processing rule	Input field. Express in base year prices.		
Responsibility	Regulatory Finance Team		

Line 4

4	Operating income (excluding sale of fixed assets)	£m	3dp
Definition	Expected operating income (as defined in Table B7-1 line 9).		
Primary Purpose	Informing future price determination		
Processing rule	Input field. Express in base year prices.		
Responsibility	Regulatory Finance Team		

Line 5

5	Other income	£m	3dp
Definition	Expected other income (as defined in Table B7-1 line 11).		
Primary Purpose	Informing future price determination		
Processing rule	Input field. Express in base year prices.		
Responsibility	Regulatory Finance Team		

Line 6

6	Extraordinary items	£m	3dp
Definition	Expected extraordinary items (as defined in Table B7-1 line 17).		
Primary Purpose	Informing future price determination		
Processing rule	Input field. Express in base year prices.		
Responsibility	Regulatory Finance Team		

Line 7

7	Dividends paid	£m	3dp
Definition	Expected declared dividends (as defined in Table B7-1 line 19).		
Primary Purpose	Informing future price determination		
Processing rule	Input field. Express in base year prices.		
Responsibility	Regulatory Finance Team		

Line 8

8	Amortisation of PPP assets	£m	3dp
Definition	Expected amortisation of PPP assets.		
Primary Purpose	Informing future price determination		
Processing rule	Input field. Express in base year prices.		
Responsibility	Regulatory Finance Team		

B Working capital

Line 9

9	Stocks	%	2dp
Definition	Expected stock balance expressed as a percentage of operating costs.		
Primary Purpose	Informing future price determination		
Processing rule	Input field.		
Responsibility	Regulatory Finance Team		

Line 10

10	Trade debtors	Days	1dp
Definition	Expected trade debtors balance expressed as 'debtor days'. Debtor days = Trade Debtors/Revenue multiplied by 365.		
Primary Purpose	Informing future price determination		
Processing rule	Input field.		
Responsibility	Regulatory Finance Team		

Line 11

11	Prepayments, accruals and other short term debtors	%	2dp
Definition	Expected prepayments and other short term debtors balance expressed as a percentage of revenue (previous year).		
Primary Purpose	Informing future price determination		
Processing rule	Input field.		
Responsibility	Regulatory Finance Team		

Line 12

12	Trade creditors	Days	1dp
Definition	Expected trade creditors balance expressed as 'creditors days'. Creditor days = Trade Creditors/Operating costs multiplied by 365		
Primary Purpose	Informing future price determination		
Processing rule	Input field.		
Responsibility	Regulatory Finance Team		

Line 13

13	Short-term capital creditors	%	2dp
Definition	Expected short term capital creditors balance expressed as a percentage of the capital expenditure in the period (net of grants).		
Primary Purpose	Informing future price determination		
Processing rule	Input field.		
Responsibility	Regulatory Finance Team		

Line 14

14	Accruals and other creditors	%	2dp
Definition	Expected balance in accruals and other creditors expressed as a percentage of operating costs (including PPP costs).		
Primary Purpose	Informing future price determination		
Processing rule	Input field.		
Responsibility	Regulatory Finance Team		

C Other Balance Sheet accounts
Line 15

15	Cash (net of overdrafts)	£m	3dp
Definition	Expected cash balance (net of overdrafts).		
Primary Purpose	Informing future price determination		
Processing rule	Input field. Express in outturn prices.		
Responsibility	Regulatory Finance Team		

Line 16

16	Short term deposits	£m	3dp
Definition	Expected Short term deposits.		
Primary Purpose	Informing future price determination		
Processing rule	Input field. Express in outturn prices.		
Responsibility	Regulatory Finance Team		

Line 17

17	Non-trade debtors	£m	3dp
Definition	Expected Non-trade debtors.		
Primary Purpose	Informing future price determination		
Processing rule	Input field. Express in outturn prices.		
Responsibility	Regulatory Finance Team		

Line 18

18	Non-trade creditors due within one year	£m	3dp
Definition	Expected Non-trade creditors due within one year.		
Primary Purpose	Informing future price determination		
Processing rule	Input field. Express in outturn prices.		
Responsibility	Regulatory Finance Team		

Line 19

19	Investment – loan to group company	£m	3dp
Definition	Expected balance in loans to group companies.		
Primary Purpose	Informing future price determination		
Processing rule	Input field. Express in outturn prices.		
Responsibility	Regulatory Finance Team		

Line 20

20	Investment - Other	£m	3dp
Definition	Expected balance in investment accounts.		
Primary Purpose	Informing future price determination		
Processing rule	Input field. Express in outturn prices.		
Responsibility	Regulatory Finance Team		

Line 21

21	Other Creditors – greater than one year.	£m	3dp
Definition	Expected balance in other creditors - greater than one year.		
Primary Purpose	Informing future price determination		
Processing rule	Input field. Express in outturn prices.		
Responsibility	Regulatory Finance Team		

D Provisions for liabilities & charges
Line 22

22	Change in post employment asset/(liabilities)	£m	3dp
Definition	Expected change in post employment account.		
Primary Purpose	Informing future price determination		
Processing rule	Input field. Express in outturn prices.		
Responsibility	Regulatory Finance Team		

Line 23

23	Change in other provisions.	£m	3dp
Definition	Expected changes in other provisions.		
Primary Purpose	Informing future price determination		
Processing rule	Input field. Express in outturn prices.		
Responsibility	Regulatory Finance Team		

TABLE B7-14

Table B7-14

A Tax rate

Line 1

14.1	Tax rate	%	Odp
Definition	Corporation tax rate.		
Primary Purpose	Informing future price determination		
Processing rule	Input field.		
Responsibility	Regulatory Finance Team		

B Capital Allowances Rates

Line 2

14.2	Plant and Machinery short life - less than 25 years –allowance rate (reducing balance)	%	Odp
Definition	Capital allowance rate for Plant and Machinery (Short life of less than 25 years on a reducing balance basis).		
Primary Purpose	Informing future price determination		
Processing rule	Input field.		
Responsibility	Regulatory Finance Team		

Line 3

3	Plant and Machinery short life - more than 25 years –allowance rate (reducing balance)	%	Odp
Definition	Capital allowance rate for Plant and Machinery (Long life of more than 25 years on a reducing balance basis).		
Primary Purpose	Informing future price determination		
Processing rule	Input field.		
Responsibility	Regulatory Finance Team		

Line 4

4	Industrial Buildings Allowance rate (straight line).	%	Odp
Definition	Depreciation rate for Industrial Buildings allowance (straight line).		
Primary Purpose	Informing future price determination		
Processing rule	Input field.		
Responsibility	Regulatory Finance Team		

C Allocation of capital expenditure for tax purposes

Line 5

5	Work in Progress - Opening amount	£m	3dp
Definition	Total amount of assets considered as Work in Progress at the beginning of the year.		
Primary Purpose	Informing future price determination		
Processing rule	Input field.		
Responsibility	Regulatory Finance Team		

Line 6

6	Work in Progress – (portion where capital allowances have not been claimed) - opening	£m	3dp
Definition	Portion of opening assets considered as Work in Progress that has not yet been added to the capital allowances pools.		
Primary Purpose	Informing future price determination		
Processing rule	Brought forward: copied from Table B7-6 line 5.		
Responsibility	Regulatory Finance Team		

Line 7

7	Total capitalised expenditure including IRE (outturn prices) excluding grants	£m	3dp
Definition	The total of all capitalised expenditure (water and sewerage service) for both base service and enhancement purposes. This expenditure should be reported net of grants and contributions, but excluding adopted assets at nil cost. It should also include infrastructure renewals expenditure.		
Primary Purpose	Informing future price determination		
Processing rule	Input field. Express in outturn prices.		
Responsibility	Regulatory Finance Team		

Line 8

8	Capitalised expenditure allocated for capital allowances (including work in progress)	%	2dp
Definition	Capital expenditure claimed for capital allowances in the year.		
Primary Purpose	Informing future price determination		
Processing rule	Input field.		
Responsibility	Regulatory Finance Team		

Line 9

9	Work in Progress – (portion where capital allowances have not been claimed) - closing	£m	3dp
Definition	Portion of assets considered as Work in Progress where capital allowances have not yet been claimed (closing amount)		
Primary Purpose	Informing future price determination		
Processing rule	Calculated field: line 6 plus line 7 multiplied by (1 minus line 8)		
Responsibility	Regulatory Finance Team		

Line 10

10	Assets qualifying for 100% first year allowances	%	2dp
Definition	Forecast percentage of assets indicated in line 8 that qualify for 100% first year allowances.		
Primary Purpose	Informing future price determination		
Processing rule	Input field.		
Responsibility	Regulatory Finance Team		

Line 11

11	Assets to be included in the general (25%) pool.	%	2dp
Definition	Forecast percentage of assets indicated in line 8 to be included in the general capital allowance pool which will receive capital allowances at 25% p.a. on a reducing balance basis.		
Primary Purpose	Informing future price determination		
Processing rule	Input field.		
Responsibility	Regulatory Finance Team		

Line 12

12	Assets qualifying for long life (6%) pool	%	2dp
Definition	Forecast percentage of assets indicated in line 8 to be included in the long life pool which will receive capital allowances at 6% p.a.		
Primary Purpose	Informing future price determination		
Processing rule	Input field.		
Responsibility	Regulatory Finance Team		

Line 13

13	Assets qualifying for Industrial Buildings Allowance	%	2dp
Definition	Forecast percentage of assets indicated in line 8 classified as industrial buildings for tax purposes.		
Primary Purpose	Informing future price determination		
Processing rule	Input field.		
Responsibility	Regulatory Finance Team		

Line 14

14	Assets purchased under finance leasing	%	2dp
Definition	Forecast percentage of assets indicated in line 8 purchased under finance leasing.		
Primary Purpose	Informing future price determination		
Processing rule	Input field.		
Responsibility	Regulatory Finance Team		

Line 15

15	Capitalised revenue expenditure deducted in year of spend	%	2dp
Definition	Forecast percentage of assets indicated in line 8 (a) which is of a revenue nature and hence treated as deferred revenue expenditure for tax purposes; and (b) for which a deduction is allowed for tax purposes in year of spend.		
Primary Purpose	Informing future price determination		
Processing rule	Input field.		
Responsibility	Regulatory Finance Team		

Line 16

16	Capitalised revenue expenditure depreciated – non-infrastructure	%	2dp
Definition	Forecast percentage of assets indicated in line 8 which: (a) is of a revenue nature and hence treated as deferred revenue expenditure for tax purposes; and (b) relates to non-infrastructure assets, and for which a deduction in depreciation is allowed.		
Primary Purpose	Informing future price determination		
Processing rule	Input field.		
Responsibility	Regulatory Finance Team		

Line 17

17	Capitalised revenue expenditure depreciated – infrastructure	%	2dp
Definition	Forecast percentage of assets indicated in line 8 which: (a) is of a revenue nature and hence treated as deferred revenue expenditure for tax purposes; and (b) relates to infrastructure assets, and a deduction in depreciation is allowed.		
Primary Purpose	Informing future price determination		
Processing rule	Input field.		
Responsibility	Regulatory Finance Team		

Line 18

18	Capitalised revenue expenditure not depreciated	%	2dp
Definition	Forecast percentage of assets indicated in line 8 which (a) is of a revenue nature and hence treated as deferred revenue expenditure for tax purposes; and (b) is not depreciated and therefore no deduction is allowed.		
Primary Purpose	Informing future price determination		
Processing rule	Input field.		
Responsibility	Regulatory Finance Team		

Line 19

19	Other assets not qualifying for capital allowances or revenue deductions	%	2dp
Definition	Forecast percentage of assets indicated in line 8 in addition to those reported in line 14 which are not of a revenue nature and do not qualify for capital allowances or any other deduction for tax purposes.		
Primary Purpose	Informing future price determination		
Processing rule	Input field.		
Responsibility	Regulatory Finance Team		

Line 20

20	Grants and contributions taxable on receipt	%	2dp
Definition	Forecast percentage of assets indicated in line 8 which relates to grants and contributions which are taxable on receipt.		
Primary Purpose	Informing future price determination		
Processing rule	Input field.		
Responsibility	Regulatory Finance Team		

D Opening position (£ Million)

Line 21

21	Opening pool of capital allowances – asset life < 25 years	£m	3dp
Definition	Opening general pool of capital allowances (for capital assets with useful economic life of less than twenty five years). As of 1 April 2008.		
Primary Purpose	Informing future price determination		
Processing rule	Input field.		
Responsibility	Regulatory Finance Team		

Line 22

22	Opening pool of capital allowances – asset life >= 25 years	£m	3dp
Definition	Opening pool of capital allowances for long life assets with useful economic life of greater than or equal to twenty five years. As of 1st April 2008.		
Primary Purpose	Informing future price determination		
Processing rule	Input field.		
Responsibility	Regulatory Finance Team		

Line 23

23	Residual IBAs	£m	3dp
Definition	Net balance carried forward of Industrial Buildings Allowance assets as at 1st April 2008.		
Primary Purpose	Informing future price determination		
Processing rule	Input field.		
Responsibility	Regulatory Finance Team		

Line 24

24	General Provisions – opening balance	£m	3dp
Definition	Opening balance of other general provisions, i.e. provisions as of 1st April 2008, which for tax purposes, are treated as “general”. This should include pensions provisions where the amounts charged to date exceed tax deductions allowed. Where a profit exists and accelerated deductions have been taken, the figure should be input as a negative number.		
Primary Purpose	Informing future price determination		
Processing rule	Input field.		
Responsibility	Regulatory Finance Team		

Line 25

25	Losses brought forward	£m	3dp
Definition	Cumulative revenue tax losses carried forward for the appointed business as at the balance sheet date.		
Primary Purpose	Informing future price determination		
Processing rule	Input field.		
Responsibility	Regulatory Finance Team		

E Deductions for capital expenditure (£ Million)
Line 26

26	Existing IBA claims (Outturn)	£m	3dp
Definition	The Industrial Buildings Allowance to be used to adjust profit in the current year, resulting from claims on buildings included in the base year balance sheet.		
Primary Purpose	Informing future price determination		
Processing rule	Input field. Express in outturn prices.		
Responsibility	Regulatory Finance Team		

Line 27

27	Depreciation on capitalised revenue expenditure - non infrastructure (outturn) - assets capitalised as of 31 March 2008.	£m	3dp
Definition	The amount of depreciation on capitalised revenue expenditure – non-infrastructure (assets capitalised as of 31 March 2008).		
Primary Purpose	Informing future price determination.		
Processing rule	Input field. Express in outturn prices.		
Responsibility	Regulatory Finance Team		

Line 28

28	Depreciation on capitalised revenue expenditure infrastructure (outturn).	£m	3dp
Definition	The amount of depreciation on capital expenditure (infrastructure) identified in line 17 in this and previous years, which is allowed as a deduction for tax purposes. This is the total depreciation allowed each year on assets of this type.		
Primary Purpose	Informing future price determination		
Processing rule	Input field.		
Responsibility	Regulatory Finance Team		

Line 29

29	Average asset life - non-infrastructure (new assets)	years	2dp
Definition	The average asset life for non-infrastructure assets identified in line 16.		
Primary Purpose	Informing future price determination		
Processing rule	Input field.		
Responsibility	Regulatory Finance Team		

Line 30

30	Average asset life - infrastructure (new assets)	years	2dp
Definition	The average asset life for infrastructure assets identified in line 17 and used in the calculation of the depreciation allowance reported in line 28.		
Primary Purpose	Informing future price determination		
Processing rule	Input field.		
Responsibility	Regulatory Finance Team		

F Other Deductions/Adjustments (£ Million)
Line 31

31	Revenue expenditure not allowable for tax purposes	£m	3dp
Definition	Operating revenue expenditure (other than depreciation and IRC) that is not allowable as a deduction from trading profits. It excludes infrastructure renewals expenditure and general provision movements. This must include permanently disallowed expenditure reported separately in line 32.		
Primary Purpose	Informing future price determination		
Processing rule	Input field.		
Responsibility	Regulatory Finance Team		

Line 32

32	Permanently disallowed expenditure	£m	3dp
Definition	Revenue expenditure that never attracts a tax deduction in the corporation tax computation (other than depreciation) and hence there is no timing difference for deferred tax purposes.		
Primary Purpose	Informing future price determination		
Processing rule	Input field.		
Responsibility	Regulatory Finance Team		

Line 33

33	Profit/income not subject to tax/not taxed as trading income	£m	3dp
Definition	Profits or income, which should not be included in the calculation of profit for tax purposes because they are not subject to taxation or are taxed elsewhere e.g., profits on disposal of fixed assets which are taxed as chargeable gains, UK dividends received etc.		
Primary Purpose	Informing future price determination		
Processing rule	Input field.		
Responsibility	Regulatory Finance Team		

Line 34

34	Increase/(decrease) in general provisions (outturn)	£m	3dp
Definition	Differences between opening and closing balances on any general provision i.e. provisions, which are treated for tax purposes as “general.”		
Primary Purpose	Informing future price determination		
Processing rule	Input field. Express in outturn prices.		
Responsibility	Regulatory Finance Team		

TABLE B7-15

Table B7-15

A Net cash flow from operating activities

Line 1

1	Revenue Group 1: domestic measured water	%	2dp
Definition	Proportion of revenue allocated to Revenue Group 1: domestic measured water.		
Primary Purpose	Informing future price determination		
Processing rule	Input field.		
Responsibility	Regulatory Finance Team		

Line 2

2	Revenue Group 2: domestic measured sewerage	%	2dp
Definition	Proportion of revenue allocated to Revenue Group 2: domestic measured sewerage.		
Primary Purpose	Informing future price determination		
Processing rule	Input field.		
Responsibility	Regulatory Finance Team		

Line 3

3	Revenue Group 3: domestic unmeasured water	%	2dp
Definition	Proportion of revenue allocated to Revenue Group 3: domestic unmeasured water.		
Primary Purpose	Informing future price determination		
Processing rule	Input field.		
Responsibility	Regulatory Finance Team		

Line 4

4	Revenue Group 4: domestic unmeasured sewerage	%	2dp
Definition	Proportion of revenue allocated to Revenue Group 4: domestic unmeasured sewerage.		
Primary Purpose	Informing future price determination		
Processing rule	Input field.		
Responsibility	Regulatory Finance Team		

Line 5

5	Revenue Group 5: non-domestic measured water	%	2dp
Definition	Proportion of revenue allocated to Revenue Group 5: non- domestic measured water.		
Primary Purpose	Informing future price determination		
Processing rule	Input field.		
Responsibility	Regulatory Finance Team		

Line 6

6	Revenue Group 6: non-domestic measured sewerage	%	2dp
Definition	Proportion of revenue allocated to Revenue Group 6: non-domestic measured sewerage.		
Primary Purpose	Informing future price determination		
Processing rule	Input field. Express in outturn prices.		
Responsibility	Regulatory Finance Team		

Line 7

7	Revenue Group 7: non-domestic unmeasured water	%	2dp
Definition	Proportion of revenue allocated to Revenue Group 7: non-domestic unmeasured water.		
Primary Purpose	Informing future price determination		
Processing rule	Input field.		
Responsibility	Regulatory Finance Team		

Line 8

8	Revenue Group 8: non-domestic unmeasured sewerage	%	2dp
Definition	Proportion of revenue allocated to Revenue Group 8: non-domestic unmeasured sewerage.		
Primary Purpose	Informing future price determination		
Processing rule	Input field.		
Responsibility	Regulatory Finance Team		

Line 9

9	Revenue Group 9: trade effluent	%	2dp
Definition	Proportion of revenue allocated to Revenue Group 9: trade effluent.		
Primary Purpose	Informing future price determination		
Processing rule	Input field.		
Responsibility	Regulatory Finance Team		

Line 10

10	Revenue Group 10: Non-tariff basket revenue - water	%	2dp
Definition	Proportion of revenue allocated to Revenue Group 10: Non-tariff basket revenue - water.		
Primary Purpose	Informing future price determination		
Processing rule	Input field.		
Responsibility	Regulatory Finance Team		

Line 11

11	Revenue Group 10: Non-tariff basket revenue - sewerage	%	2dp
Definition	Proportion of revenue allocated to Revenue Group 10 Non-tariff basket revenue - sewerage.		
Primary Purpose	Informing future price determination		
Processing rule	Input field.		
Responsibility	Regulatory Finance Team		

Line 12

12	Total revenue group income as % of Financial model revenue.	%	2dp
Definition	Total revenue group income (lines 1 to 11 above) as % of Financial model revenue.		
Primary Purpose	Informing future price determination		
Processing rule	Input field.		
Responsibility	Regulatory Finance Team		

TABLE B7-16

Table B7-16

A Charge caps (from revenue building blocks)

Line 1

1	Charge Caps (from revenue building blocks) Tariff Basket 1: Measured Water	%	2dp
Definition	The charge caps resulting from the revenue building blocks (unsmoothed) approach to charge cap setting in the financial model, applicable to Tariff Basket 1: Measured Water		
Primary Purpose	Informing future price determination		
Processing rule	Input field.		
Responsibility	Regulatory Finance Team		

Line 2

2	Charge Caps (from revenue building blocks) Tariff Basket 2: Measured Sewerage	%	2dp
Definition	The charge caps resulting from the revenue building blocks (unsmoothed) approach to charge cap setting in the financial model, applicable to Tariff Basket 2: Measured Sewerage		
Primary Purpose	Informing future price determination		
Processing rule	Input field.		
Responsibility	Regulatory Finance Team		

Line 3

3	Charge Caps (from revenue building blocks) Tariff Basket 3: Unmeasured Water	%	2dp
Definition	The charge caps resulting from the revenue building blocks (unsmoothed) approach to charge cap setting in the financial model, applicable to Tariff Basket 3: Unmeasured water.		
Primary Purpose	Informing future price determination		
Processing rule	Input field.		
Responsibility	Regulatory Finance Team		

Line 4

4	Charge Caps (from revenue building blocks) Tariff Basket 4: Unmeasured Sewerage	%	2dp
Definition	The charge caps resulting from the revenue building blocks (unsmoothed) approach to charge cap setting in the financial model, applicable to Tariff Basket 4: Unmeasured sewerage.		
Primary Purpose	Informing future price determination		
Processing rule	Input field.		
Responsibility	Regulatory Finance Team		

Line 5

5	Charge Caps (from revenue building blocks) Tariff Basket 5: Trade Effluent	%	2dp
Definition	The charge caps resulting from the revenue building blocks (unsmoothed) approach to charge cap setting in the financial model, applicable to Tariff Basket 5: Trade Effluent.		
Primary Purpose	Informing future price determination		
Processing rule	Input field.		
Responsibility	Regulatory Finance Team		

B Charge Caps (smoothed)
Line 6

6	Charge Caps (smoothed) Tariff Basket 1: Measured Water	%	2dp
Definition	The charge caps resulting from the revenue building blocks (smoothed) approach to charge cap setting in the financial model, applicable to Tariff Basket 1: Measured Water. This version contains any 'smoothing' applied by NI Water (outline the rationale underlying the method used for smoothing in the commentary).		
Primary Purpose	Informing future price determination		
Processing rule	Input field.		
Responsibility	Regulatory Finance Team		

Line 7

7	Charge Caps (smoothed) Tariff Basket 2: Measured Sewerage	%	2dp
Definition	The charge caps resulting from the revenue building blocks (smoothed) approach to charge cap setting in the financial model, applicable to Tariff Basket 2: Measured Sewerage. This version contains any 'smoothing' applied by NI Water (outline the rationale underlying the method used for smoothing in the commentary).		
Primary Purpose	Informing future price determination		
Processing rule	Input field.		
Responsibility	Regulatory Finance Team		

Line 8

8	Charge Caps (smoothed) Tariff Basket 3: Unmeasured Water	%	2dp
Definition	The charge caps resulting from the revenue building blocks (smoothed) approach to charge cap setting in the financial model, applicable to Tariff Basket 3: Unmeasured Water. This version contains any 'smoothing' applied by NI Water (outline the rationale underlying the method used for smoothing in the commentary).		
Primary Purpose	Informing future price determination		
Processing rule	Input field.		
Responsibility	Regulatory Finance Team		

Line 9

9	Charge Caps (smoothed) Tariff Basket 4: Unmeasured Sewerage	%	2dp
Definition	The charge caps resulting from the revenue building blocks (smoothed) approach to charge cap setting in the financial model, applicable to Tariff Basket 4: Unmeasured Sewerage. This version contains any 'smoothing' applied by NI Water (outline the rationale underlying the method used for smoothing in the commentary).		
Primary Purpose	Informing future price determination		
Processing rule	Input field.		
Responsibility	Regulatory Finance Team		

Line 10

10	Charge Caps (smoothed) Tariff Basket 5: Trade Effluent	%	2dp
Definition	The charge caps resulting from the revenue building blocks (smoothed) approach to charge cap setting in the financial model, applicable to Tariff Basket 5: Trade Effluent. This version contains any 'smoothing' applied by NI Water (outline the rationale underlying the method used for smoothing in the commentary).		
Primary Purpose	Informing future price determination		
Processing rule	Input field.		
Responsibility	Regulatory Finance Team		

B Price Limits
Line 11

11	Proposed Price Limit "K" (including U)	%	2dp
Definition	Adjustment factor, K, for each year. This should be consistent with the principle that the same rates of return on regulatory capital values are earned by each service, if appropriate.		
Primary Purpose	Informing future price determination		
Processing rule	Input field.		
Responsibility	Regulatory Finance Team		

Line 12

12	Water Service Indicative "K"	%	2dp
Definition	Adjustment factor, K, for water service for each year. This indicative K should be determined on the principle that the same rates of return on regulatory capital values are earned by each service, if appropriate.		
Primary Purpose	Informing future price determination		
Processing rule	Input field.		
Responsibility	Regulatory Finance Team		

Line 13

13	Sewerage Service Indicative "K"	%	2dp
Definition	Adjustment factor, K, for sewerage service for each year. This indicative K should be determined on the principle that the same rates of return on regulatory capital values are earned by each service, if appropriate.		
Primary Purpose	Informing future price determination		
Processing rule	Input field.		
Responsibility	Regulatory Finance Team		

D Infrastructure Charge Limits
Line 14

14	Proposed infrastructure charge limit – water service	£	2dp
Definition	The proposed standard infrastructure charge which will be applied to the number of new household connections to generate total revenues from infrastructure charges		
Primary Purpose	Informing future price determination		
Processing rule	Input		
Responsibility	Regulatory Finance Team		

Line 15

15	Proposed infrastructure charge limit – sewerage service	£	2dp
Definition	The proposed standard infrastructure charge which will be applied to the number of new household connections to generate total revenues from infrastructure charges.		
Primary Purpose	Informing future price determination		
Processing rule	Input		
Responsibility	Regulatory Finance Team		

TABLE B7-17

Table B7-17

A Financial Ratios

Line 1

1	Financial ratios: Cash interest cover	Nr	2dp
Definition	The number of times the gross interest payments are covered by funds from operations (operating cash flow). Funds from operations divided by gross interest expense. NI Water should show exact calculations and rationale in the commentary, showing how the numerator and denominator were arrived at in detail.		
Primary Purpose	Informing future price determination		
Processing rule	Input field.		
Responsibility	Regulatory Finance Team		

Line 2

2	Financial ratios: Adjusted cash interest cover I (maintenance charges)	Nr	2dp
Definition	The number of times the gross interest payments are covered by funds from operations (operating cash flow) net of CCD and IRC. Funds from operations less capital maintenance charges divided by gross interest. NI Water should show exact calculations and rationale in the commentary, showing how the numerator and denominator were arrived at in detail.		
Primary Purpose	Informing future price determination		
Processing rule	Input field.		
Responsibility	Regulatory Finance Team		

Line 3

3	Financial ratios: Adjusted cash interest cover II (maintenance expenditure)	Nr	2dp
Definition	The number of times the gross interest payments are covered by funds from operations (operating cash flow) net of MNI and IRE. Funds from operations less capital maintenance expenditure divided by gross interest expense. NI Water should show exact calculations and rationale in the commentary, showing how the numerator and denominator were arrived at in detail.		
Primary Purpose	Informing future price determination		
Processing rule	Input field.		
Responsibility	Regulatory Finance Team		

Line 4

4	Financial ratios: Funds from operations: debt	%	2dp
Definition	Funds from operations as a percentage of net debt. NI Water should show exact calculations and rationale in the commentary, showing how the numerator and denominator were arrived at in detail.		
Primary Purpose	Informing future price determination		
Processing rule	Input field.		
Responsibility	Regulatory Finance Team		

Line 5

5	Financial ratios: Retained cashflow to debt.	%	2dp
Definition	Retained cash flow as a percentage of net debt. NI Water should show exact calculations and rationale in the commentary, showing how the numerator and denominator were arrived at in detail.		
Primary Purpose	Informing future price determination		
Processing rule	Input field.		
Responsibility	Regulatory Finance Team		

Line 6

6	Financial ratios: Gearing	%	2dp
Definition	Net debt as a percentage of the total Regulatory Capital Value (RCV) as at the financial year end. Excludes financial reserves accounted for by outperformance of regulatory efficiency targets. NI Water should show exact calculations and rationale in the commentary, showing how the numerator and denominator were arrived at in detail.		
Primary Purpose	Informing future price determination		
Processing rule	Input field.		
Responsibility	Regulatory Finance Team		

B Net Debt
Line 7

7	Net debt (opening)	£m	3dp
Definition	Opening net debt balance as at the beginning of the financial year. NI Water should show exact calculations and rationale in commentary. Excludes financial reserves accounted for by outperformance of regulatory efficiency targets.		
Primary Purpose	Informing future price determination		
Processing rule	Input field.		
Responsibility	Regulatory Finance Team		

Line 8

8	Net debt (closing)	£m	3dp
Definition	Closing net debt balance as at the financial year end. NI Water should show exact calculations and rationale in commentary. Excludes financial reserves accounted for by outperformance of regulatory efficiency targets.		
Primary Purpose	Informing future price determination		
Processing rule	Input field.		
Responsibility	Regulatory Finance Team		

Line 9

9	Net debt	£m	3dp
Definition	Net debt increase (decrease) throughout the year		
Primary Purpose	Informing future price determination		
Processing rule	Calculated field: line 8 minus line 7.		
Responsibility	Regulatory Finance Team		

Line 10

10	Public borrowing available (closing)	£m	3dp
Definition	Borrowing available from the Government as at the financial year end. NI Water should explain in detail in the commentary how this figure was derived.		
Primary Purpose	Informing future price determination		
Processing rule	Input field.		
Responsibility	Regulatory Finance Team		