



**Northern Ireland Electricity  
(The NIE Transmission, Distribution  
and Landbank Businesses)  
31 March 2008**

**Summary Regulatory Accounts**

**NORTHERN IRELAND ELECTRICITY**  
**Summary Regulatory Accounts**  
**31 March 2008**

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**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The summary regulatory accounts have been extracted from the full regulatory account for the year ended 31 March 2008, prepared by Northern Ireland Electricity plc (the Company) for submission to the Northern Ireland Authority for Utility Regulation (NIAUR) in accordance with Condition 2 of the Company's licence to participate in the transmission of electricity (the Licence). All references in the accounts to "NIE" denote the Company's Transmission Owner, Distribution and Landbank businesses. All references in the accounts to 'Group' denote the Company and its subsidiaries. All income, expenditure, assets and liabilities of NIE's Transmission Owner Business and Distribution Business taken together have been split between the Transmission Owner Business and the Distribution Business in the ratio 18% to 82%, which is in line with the allocation used in use of system tariff setting.

The directors are required under the Licence to prepare regulatory accounts for each financial year which present fairly the assets, liabilities, reserves and provisions of, or reasonably attributable to, the separate businesses as defined for that purpose in the Licence and of the revenues, costs and cash flows of, or reasonably attributable to, those businesses for that period. In preparing those accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- state that (except for any such departure) the accounts have been prepared in accordance with the conditions of the Licence, subject to any material departures disclosed and explained in the regulatory accounts; and
- prepare regulatory accounts using suitable bases of charges, apportionment, allocation, and apply them consistently.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of NIE and which enable them to ensure that the regulatory accounts comply with the Licence. They are also responsible for safeguarding the assets of NIE, which may for regulatory accounting purposes be allocated or apportioned to the separate businesses, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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**INDEPENDENT AUDITORS' STATEMENT TO THE DIRECTORS OF NORTHERN IRELAND ELECTRICITY PLC (THE COMPANY)**

We have audited the summary regulatory accounts of NIE for the year ended 31 March 2008 which comprise the Income Statement, Net Asset Statement, Cash Flow Statement and the related notes 1 to 14. These summary regulatory accounts have been prepared on the basis of the accounting policies as set out therein. The summary regulatory accounts have been extracted from the full regulatory accounts for the year ended 31 March 2008 prepared by the Company for submission to NIAUR as required by the Licence.

**RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS**

As described in the Statement of Directors' Responsibilities the Company's directors are responsible for the preparation and submission of the full regulatory accounts to NIAUR as required by the Licence.

The directors are also responsible for preparing the summary regulatory accounts, and ensuring they are consistent with the full regulatory accounts.

Our responsibility is to report to you our opinion on the consistency of the summary regulatory accounts with the full regulatory accounts.

**BASIS OF AUDIT OPINION**

We conducted our examination in accordance with Bulletin 1999/6 "The auditors' statement on the summary financial statements" issued by the Auditing Practices Board for use in the United Kingdom.

**OPINION**

In our opinion the summary regulatory accounts are consistent with the full regulatory accounts for the year ended 31 March 2008.

**Ernst & Young LLP  
Registered Auditors  
Belfast**

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**INCOME STATEMENT**  
*for the year ended 31 March 2008*

	Note	Transmission		Distribution		Landbank	
		2008 £m	2007 £m	2008 £m	2007 £m	2008 £m	2007 £m
<b>Revenue</b>							
<b>External</b>							
Sales outside Viridian Group		6.7	5.6	30.6	25.3	-	1.0
Sales to NIE Energy Supply		22.4	18.9	102.1	86.0	-	-
Sales to NIE Energy PPB		1.3	1.6	6.0	7.1	0.1	0.8
Sales to SONI		2.4	-	10.8	0.1	-	-
Sales within other Viridian Group Cos		4.9	3.7	22.2	16.8	-	-
<b>Internal</b>							
Sales to NIE businesses		-	-	0.1	0.1	-	-
'K' correction PSO		1.1	-	4.8	0.0	-	-
'K' correction UoS		0.3	0.2	0.3	0.8	-	-
<b>Total Revenue</b>		<b>39.1</b>	<b>30.0</b>	<b>176.9</b>	<b>136.2</b>	<b>0.1</b>	<b>1.8</b>
Operating costs	3	(20.4)	(13.9)	(93.0)	(63.5)	(0.1)	(1.8)
<b>OPERATING PROFIT</b>		<b>18.7</b>	<b>16.1</b>	<b>83.9</b>	<b>72.7</b>	<b>-</b>	<b>-</b>
Share payments		-	(0.1)	-	(0.4)	-	-
Interest receivable		0.2	-	1.0	-	-	-
Finance costs		0.1	0.3	0.6	1.2	-	-
Net finance costs		0.3	0.2	1.6	0.8	-	-
<b>PROFIT FROM OPERATING ACTIVITIES BEFORE TAX CHARGE</b>		<b>19.0</b>	<b>16.3</b>	<b>85.5</b>	<b>73.5</b>	<b>-</b>	<b>-</b>

**NORTHERN IRELAND ELECTRICITY**  
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**NET ASSET STATEMENT AS AT 31 MARCH 2008**

	Note	Transmission		Distribution		Landbank	
		2008	2007	2008	2007	2008	2007
		£m	£m	£m	£m	£m	£m
<b>Non-current assets</b>							
Property, plant and equipment	4	169.8	156.6	773.4	713.1	-	-
Intangible assets	5	8.8	5.4	40.1	24.6	-	-
Financial assets	9	0.1	0.1	0.3	0.4	-	-
Deferred tax asset	6	5.8	5.2	26.4	23.8	-	-
<b>Total non-current assets</b>		<b>184.5</b>	<b>167.3</b>	<b>840.2</b>	<b>761.9</b>	<b>-</b>	<b>-</b>
<b>Current assets</b>							
Inventories	7	1.2	1.1	5.7	4.9	-	-
Trade and other receivables	8	6.6	4.5	30.1	20.9	0.5	0.9
Financial assets	9	10.5	4.6	47.9	20.9	6.5	11.3
Cash and cash equivalents	10	-	0.0	(0.2)	0.1	-	-
		<b>18.3</b>	<b>10.2</b>	<b>83.5</b>	<b>46.8</b>	<b>7.0</b>	<b>12.2</b>
<b>TOTAL ASSETS</b>		<b>202.8</b>	<b>177.5</b>	<b>923.7</b>	<b>808.7</b>	<b>7.0</b>	<b>12.2</b>
<b>Current liabilities</b>							
Trade and other payables	11	10.2	10.3	46.3	47.3	2.8	1.2
Current tax payable		-	0.0	0.0	0.0	-	-
Deferred income	12	1.3	1.1	5.7	4.9	-	-
Financial liabilities	13	3.1	0.6	14.1	2.6	-	-
Short-term provisions	14	0.2	0.2	1.1	1.1	2.5	7.8
		<b>14.8</b>	<b>12.2</b>	<b>67.2</b>	<b>55.9</b>	<b>5.3</b>	<b>9.0</b>
<b>Non-current liabilities</b>							
Deferred income	12	35.8	32.4	163.3	147.4	-	-
Long-term provisions	14	0.3	0.3	1.3	1.2	4.5	6.1
Pension liability		8.2	8.8	37.3	39.9	-	-
<b>Total non-current liabilities</b>		<b>44.3</b>	<b>41.5</b>	<b>201.9</b>	<b>188.5</b>	<b>4.5</b>	<b>6.1</b>
<b>TOTAL LIABILITIES</b>		<b>59.1</b>	<b>53.7</b>	<b>269.1</b>	<b>244.4</b>	<b>9.8</b>	<b>15.1</b>
<b>NET ASSETS</b>		<b>143.7</b>	<b>123.8</b>	<b>654.6</b>	<b>564.3</b>	<b>(2.8)</b>	<b>(2.9)</b>

The accounts on page 4 – 20 were approved by the Company's Board of directors and signed on its behalf by:  
Chairman: Mike Toms

Director: Laurence MacKenzie

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**CASH FLOW STATEMENT**  
**for the year ended 31 March 2008**

	Transmission		Distribution		Landbank	
	2008	2007	2008	2007	2008	2007
	£m	£m	£m	£m	£m	£m
<b>Cashflows from operating activities</b>						
Operating profit	18.7	16.1	83.9	72.7	-	-
Adjustments for:						
Depreciation of property, plant and equipment	6.4	5.9	29.3	27.0	-	-
Amortisation of customer contributions	(1.2)	(1.1)	(5.6)	(4.9)	-	-
Amortisation of intangible assets	0.6	0.3	2.8	1.4	-	-
Profit on disposal of property, plant and equipment	-	(0.8)	-	(3.9)	-	-
Exceptional costs incurred as a result of acquisition of parent company	-	(0.1)	-	(0.2)	-	-
Defined benefit pension charge less contributions paid	(1.4)	(1.2)	(6.4)	(5.6)	-	-
Net movement in provisions	-	(0.4)	-	(1.7)	(6.9)	(6.2)
<b>Operating cash flows before movement in working capital</b>	<b>23.1</b>	<b>18.7</b>	<b>104.0</b>	<b>84.8</b>	<b>(6.9)</b>	<b>(6.2)</b>
Decrease/ increase in working capital	-	2.5	(0.2)	11.2	2.1	(0.6)
<b>Cash generated from operations</b>	<b>23.1</b>	<b>21.2</b>	<b>103.8</b>	<b>96.0</b>	<b>(4.8)</b>	<b>(6.8)</b>
Interest received	0.2	-	1.0	-	-	-
Interest paid	(0.1)	-	(0.4)	0.2	-	-
<b>Net cash flows from operating activities</b>	<b>23.2</b>	<b>21.2</b>	<b>104.4</b>	<b>96.2</b>	<b>(4.8)</b>	<b>(6.8)</b>
<b>Cash flows from investing activities</b>						
Purchase of property, plant and equipment	(19.3)	(14.4)	(88.0)	(65.6)	-	-
Purchase of intangible assets	(4.0)	(3.8)	(18.3)	(17.1)	-	-
Proceeds from disposal of property, plant and equipment	-	0.9	-	4.2	-	-
Contributions in respect of property, plant and equipment	4.9	4.0	22.2	18.1	-	-
<b>Net cash flows used in investing activities</b>	<b>(18.4)</b>	<b>(13.3)</b>	<b>(84.1)</b>	<b>(60.4)</b>	<b>-</b>	<b>-</b>

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**CASH FLOW STATEMENT**  
*for the year ended 31 March 2008 (continued)*

**Cash flows from financing activities**

Repayment of borrowings

**Net cash flows (used in)/ from financing activities**

Net increase in cash and cash equivalents

Cash and cash equivalents at the beginning of year

**Cash and cash equivalents at the end of year**

Transmission		Distribution		Landbank	
2008	2007	2008	2007	2008	2007
£m	£m	£m	£m	£m	£m
(4.6)	(7.8)	(21.0)	(35.5)	4.8	6.8
(4.6)	(7.8)	(21.0)	(35.5)	4.8	6.8
0.2	0.1	(0.7)	0.3	-	-
0.1	-	0.1	(0.2)	-	-
0.3	0.1	(0.6)	0.1	-	-



**NORTHERN IRELAND ELECTRICITY**  
**Notes to the Summary Regulatory Accounts**  
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**1. GENERAL INFORMATION**

The accounts of NIE are presented in Sterling (£) with all values rounded to the nearest £0.1m except where otherwise indicated. At the date of authorisation of these accounts, the following standards, which have not been applied in these accounts, were in issue but not yet effective:

IFRS 8	Operating Segments (effective for accounting periods beginning on or after 1 January 2009).
IAS 23	Borrowing Costs (effective for accounting periods beginning on or after 1 January 2009)
IFRIC 14	The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction (effective for accounting periods beginning on or after 1 January 2008)
IAS 1	Amendment - Revised Presentation of Financial Statements (effective for accounting periods beginning on or after 1 January 2009)

The directors do not anticipate that the adoption of these standards will have a material impact on the Group's accounts in the period of initial application.

**2. ACCOUNTING POLICIES**

The principal accounting policies are set out below:

**Basis of Preparation**

The accounts are prepared on the basis of the accounting policies set out below which are consistent with the policies adopted in the Company's statutory accounts.

**Foreign currency translation**

The functional and presentation currency of NIE is Sterling (£). Foreign currency transactions are translated into the functional currency at the rates of exchange prevailing on the dates of the transactions. Foreign exchange gains and losses resulting from settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the exchange rates prevailing at the balance sheet date are recognised in the income statement.

**Property, plant and equipment**

Property, plant and equipment are included in the balance sheet at cost, less accumulated depreciation and any recognised impairment loss. The cost of self-constructed assets includes the cost of materials, direct labour and an appropriate portion of overheads. Interest on funding attributable to significant capital projects is capitalised during the period of construction and written off as part of the total cost of the asset. Freehold land is not depreciated. Other property, plant and equipment are depreciated on a straight-line basis so as to write off the cost, less estimated residual values, over their estimated useful economic lives as follows:

Infrastructure assets - up to 40 years  
Non-operational buildings - freehold and long leasehold - up to 50 years  
Fixtures and equipment - up to 25 years

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying values may not be recoverable. Where the carrying value exceeds the estimated recoverable amount, the asset is written down to its recoverable amount.

**2. ACCOUNTING POLICIES** (continued)

The recoverable amount of property, plant and equipment is the greater of net selling price and value in use. In assessing value in use, estimated future cash flows are discounted to their present value using a pre tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash flows, the recoverable amount is determined for the cash generating unit to which the asset belongs. Impairment losses are recognised in the income statement.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from its continued use. The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the net selling price and the carrying amount of the asset.

**Computer Software**

The cost of acquiring computer software is capitalised and amortised on a straight-line basis over its estimated useful economic life which is between three and ten years. Costs include direct labour relating to software development and an appropriate proportion of directly attributable overheads.

The carrying value of computer software is reviewed for impairment annually when the asset is not yet in use and subsequently when events or changes in circumstances indicate that the carrying value may not be recoverable. Gains or losses arising from derecognition of computer software are measured as the difference between the net selling price and the carrying amount of the asset.

**Inventories**

Inventories are stated at the lower of average purchase price and net realisable value.

**Financial instruments**

*Cash and cash equivalents*

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits with maturities of three months or less.

*Loans and receivables*

Loans and receivables are initially recorded at fair value. After initial recognition, loans and receivables are measured at amortised cost using the effective interest method.

*Interest bearing loans and overdrafts*

Interest bearing loans and overdrafts are initially recorded at fair value, being the proceeds received net of direct issue costs. After initial recognition, interest bearing loans are subsequently measured at amortised cost using the effective interest method. Except for interest capitalised in relation to significant capital projects, all other interest payable is reflected in the income statement as it arises.

*Trade and other receivables*

Trade receivables do not carry any interest and are recognised and carried at the lower of their original invoiced value and recoverable amount. Provision is made when there is objective evidence that the asset is impaired. Balances are written off when the probability of recovery is assessed as being remote.

*Trade payables*

Trade payables are not interest bearing and are stated at their nominal value.

**Operating lease contracts**

Leases are classified as operating lease contracts whenever the terms of the lease do not transfer substantially all the risks and benefits of ownership to the lessee.

Rentals payable under operating leases are charged to the income statement on a straight-line basis over the lease term.

**2. ACCOUNTING POLICIES** (continued)

**Revenue**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, exclusive of value added tax and other sales related taxes.

The following specific recognition criteria must also be met before revenue is recognised:

*Energy supply*

Revenue is recognised on the basis of energy supplied during the period. Revenue for energy supply includes an assessment of energy supplied to customers between the date of the last meter reading and the balance sheet date, estimated using historical consumption patterns.

*Interest receivable*

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

**Government grants and customer contributions**

Government grants and customer contributions received in respect of property, plant and equipment are deferred and released to the income statement by instalments over the estimated useful economic lives of the related assets. Grants received in respect of expenditure charged to the income statement during the year are included in the income statement.

**Tax**

The tax charge represents the sum of tax currently payable and deferred tax. Tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes both items of income or expense that are taxable or deductible in other years as well as items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates (and tax laws) that have been enacted or substantially enacted by the balance sheet date.

Deferred tax is the tax payable or recoverable on differences between the carrying amount of assets and liabilities in the accounts and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax is not recognised on temporary differences where they arise from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination that at the time of the transaction affects neither accounting nor taxable profit nor loss.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantially enacted by the balance sheet date.

**2. ACCOUNTING POLICIES** (continued)

**Provisions**

Provisions are recognised when (i) the Group has a present obligation (legal or constructive) as a result of a past event, (ii) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and (iii) a reliable estimate can be made of the amount of the obligation. Where the Group expects a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. If the effect of the time value of money is material, provisions are determined by discounting the expected future cashflows at a pre tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is included within finance costs.

**Pensions and other post-retirement benefits**

Employees of the Group are entitled to membership of the Viridian Group Pension Scheme (VGPS), which has both defined benefit and defined contribution pension arrangements. The amount recognised in the balance sheet in respect of liabilities represents the present value of the obligations offset by the fair value of assets.

Pension scheme assets are measured at fair value and liabilities are measured using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent currency and term to the liabilities. Full actuarial valuations are obtained at least triennially and updated at each balance sheet date. Actuarial gains and losses are recognised in full in the period in which they occur and are recognised outside the income statement.

The cost of providing benefits under the defined benefit scheme is charged to the income statement over the periods benefiting from employees' service. Past service cost is recognised immediately to the extent that the benefits are already vested. Curtailment losses are recognised in the income statement in the period they occur. The expected return on pension scheme assets and the interest on pension scheme liabilities are included within finance costs.

Pension costs in respect of defined contribution arrangements are charged to the income statement as they become payable.

The Group has adopted the exemption allowed in IFRS 1 to recognise all cumulative actuarial gains and losses at the transition date in reserves. The Group has also adopted IAS 19 Amendment - Actuarial Gains and Losses, Group Plans and Disclosures.

**Exceptional items**

The Group presents as exceptional items on the face of the income statement those material items of income and expense which, because of the nature and expected infrequency of the events giving rise to them, merit separate presentation to allow shareholders to understand better the elements of financial performance in the year, so as to facilitate comparison with prior periods and to assess better trends in financial performance.

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**3. OPERATING COSTS**

	Transmission		Distribution		Landbank	
	2008 £m	2007 £m	2008 £m	2007 £m	2008 £m	2007 £m
Staff costs	1.3	1.4	6.0	6.6	-	-
Depreciation	5.8	5.1	26.6	23.5	-	-
NIE Energy Supply Costs	0.7	0.3	3.1	1.1	-	-
NIE Energy PPB Costs	3.7	-	16.9	0.0	0.1	0.1
Other operating costs	8.9	7.1	40.4	32.3	-	1.7
	<b>20.4</b>	13.9	<b>93.0</b>	63.5	<b>0.1</b>	1.8

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**4. PROPERTY, PLANT AND EQUIPMENT**

	<b>Transmission</b>	<b>Distribution</b>	<b>Landbank</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
<b>Cost:</b>			
At 1 April 2007	243.8	1,110.6	-
Additions	17.6	80.1	-
Transfers from other Viridian Group Cos	2.6	12.1	-
Disposals	-	-	-
At 31 March 2008	<u>264.0</u>	<u>1,202.8</u>	<u>-</u>
<b>Depreciation:</b>			
At 1 April 2007	87.2	397.5	-
Charge for year	6.4	29.2	-
Transfers from other Viridian Group Cos	0.6	2.7	-
Disposals	-	-	-
At 31 March 2008	<u>94.2</u>	<u>429.4</u>	<u>-</u>
<b>Net Book Value:</b>			
At 1 April 2007	156.6	713.1	-
At 31 March 2008	<u><b>169.8</b></u>	<u><b>773.4</b></u>	<u>-</u>

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**5. INTANGIBLE ASSETS**

<b>Intangible assets</b>	<b>Transmission</b>	<b>Distribution</b>	<b>Landbank</b>
<b>Software systems</b>			
	<b>£m</b>	<b>£m</b>	<b>£m</b>
<b>Cost:</b>			
At 1 April 2007	7.1	32.1	-
Additions	4.0	18.3	-
Disposals	-	-	-
At 31 March 2008	11.1	50.4	-
<b>Amortisation:</b>			
At 1 April 2007	1.7	7.5	-
Amortisation charge for year	0.6	2.8	-
Disposals	-	-	-
At 31 March 2008	2.3	10.3	-
<b>Net Book Value:</b>			
At 1 April 2007	5.4	24.6	-
At 31 March 2008	<b>8.8</b>	<b>40.1</b>	-

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**6. DEFERRED TAX**

	Transmission		Distribution		Landbank	
	2008	2007	2008	2007	2008	2007
	£m	£m	£m	£m	£m	
<i>Deferred tax assets</i>						
At 1 April 2007	5.2	5.2	23.8	23.8	-	-
Increase in provision	0.6	-	2.6	-	-	-
Release to income statement	-	-	-	-	-	-
At 31 March 2008	5.8	5.2	26.4	23.8	-	-
Net deferred tax asset	5.8	5.2	26.4	23.8	-	-

**7. INVENTORIES**

	Transmission		Distribution		Landbank	
	2008	2007	2008	2007	2008	2007
	£m	£m	£m	£m	£m	£m
Materials and consumables	0.6	0.6	2.9	2.5	-	-
Work in progress	0.6	0.5	2.8	2.4	-	-
	1.2	1.1	5.7	4.9	-	-



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**8. TRADE AND OTHER RECEIVABLES**

	Transmission		Distribution		Landbank	
	2008 £m	2007 £m	2008 £m	2007 £m	2008 £m	2007 £m
Trade receivables(incl unbilled consumption)	1.3	1.0	6.0	4.6	0.1	-
Other receivables	0.1	0.2	0.3	1.1	0.4	0.1
Amounts owed by fellow Viridian undertakings	4.2	3.3	19.2	15.0	-	0.8
Prepayments and accrued income	-	-	0.2	0.2	-	-
K correction under-recovery	1.0	-	4.4	-	-	-
	<b>6.6</b>	<b>4.5</b>	<b>30.1</b>	<b>20.9</b>	<b>0.5</b>	<b>0.9</b>

**9. FINANCIAL ASSETS**

	Transmission		Distribution		Landbank	
	2008 £m	2007 £m	2008 £m	2007 £m	2008 £m	2007 £m
<b>Non-current</b>						
Loan receivables	0.1	0.1	0.3	0.4	-	-
<b>Current</b>						
Intra-group loans	10.5	4.6	47.8	20.7	6.5	11.3
Loan receivables	-	-	0.1	0.2	-	-
	<b>10.5</b>	<b>4.6</b>	<b>47.9</b>	<b>20.9</b>	<b>6.5</b>	<b>11.3</b>

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**10. CASH AND CASH EQUIVALENTS**

	Transmission		Distribution		Landbank	
	2008 £m	2007 £m	2008 £m	2007 £m	2008 £m	2007 £m
Cash at bank and in hand	-	-	(0.2)	0.1	-	-
Short term bank deposits	-	-	-	-	-	-
	-	-	(0.2)	0.1	-	-

**11. TRADE AND OTHER PAYABLES**

	Transmission		Distribution		Landbank	
	2008 £m	2007 £m	2008 £m	2007 £m	2008 £m	2007 £m
Trade payables	1.7	3.6	7.5	16.5	1.2	0.4
Other payables	-	-	-	-	-	-
Payments received on account	2.8	2.3	12.8	10.3	-	-
Amounts owed to fellow Viridian undertakings	3.0	1.7	13.5	8.0	-	-
Taxation and social security	-	-	0.2	0.2	-	-
Accruals	2.7	2.5	12.3	11.4	1.6	0.8
K correction over-recovery	-	0.2	-	0.9	-	-
	10.2	10.3	46.3	47.3	2.8	1.2

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**12. DEFERRED INCOME**

	Transmission	Distribution	Landbank
	2008 £m	2008 £m	2008 £m
Current	1.0	4.6	-
Non-current	29.5	134.6	-
At 1 April 2006	<u>30.5</u>	<u>139.2</u>	<u>-</u>
Receivable	4.0	18.1	-
Released to income statement	(1.1)	(4.9)	-
Current	1.1	4.9	-
Non-current	32.4	147.4	-
Total at 31 March 2007	<u>33.5</u>	<u>152.3</u>	<u>-</u>
Receivable	<b>4.9</b>	<b>22.2</b>	-
Released to income statement	<b>(1.2)</b>	<b>(5.6)</b>	-
Current	<b>1.3</b>	<b>5.7</b>	-
Non-current	<b>35.8</b>	<b>163.3</b>	-
Total at 31 March 2008	<u><b>37.1</b></u>	<u><b>169.0</b></u>	<u>-</u>
Deferred income at 31 March 2008 comprises:			
Grants	<b>10.2</b>		
Customer contributions	<b>195.9</b>		

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**13. FINANCIAL LIABILITIES**

	Transmission		Distribution		Landbank	
	2008 £m	2007 £m	2008 £m	2007 £m	2008 £m	2007 £m
<b>Current</b>						
Amounts owed to fellow Viridian undertakings	3.1	0.6	14.1	2.6	0.0	0.0
	<b>3.1</b>	<b>0.6</b>	<b>14.1</b>	<b>2.6</b>	<b>0.0</b>	<b>0.0</b>

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**14. PROVISIONS**

	<b>Transmission</b>	<b>Distribution</b>	<b>Landbank</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
Current	0.2	1.1	7.8
Non-current	0.3	1.2	6.1
Total at 1 April 2007	<u>0.5</u>	<u>2.3</u>	<u>13.9</u>
Applied in the year	(0.1)	(0.5)	(7.5)
Increase in provision	0.1	0.6	0.6
Current	<b>0.2</b>	<b>1.1</b>	<b>2.5</b>
Non-current	<b>0.3</b>	<b>1.3</b>	<b>4.5</b>
Total at 31 March 2008	<u><b>0.5</b></u>	<u><b>2.4</b></u>	<u><b>7.0</b></u>
Provisions at 31 March 2008 comprise:			
Reorganisation and restructuring	-	0.2	-
Environmental	0.2	0.7	7.0
Liability and damage claims	0.3	1.5	-
	<u>0.5</u>	<u>2.4</u>	<u>7.0</u>