



**Northern Ireland Electricity Networks Limited
(The NIE Networks Transmission, Distribution and Landbank
Businesses)**

For the year ended 31 March 2021

Summary Regulatory Accounts

NORTHERN IRELAND ELECTRICITY NETWORKS LIMITED
Summary Regulatory Accounts
31 March 2021

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STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors of Northern Ireland Electricity Networks Limited (NIE Networks or the "Company") present these summary regulatory accounts in accordance with Condition 2 of the Company's Participate in Transmission Licence and Electricity Distribution Licence (together the "Licences").

The Company is required under the Licences to prepare summary 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 Licences and of the revenues, costs and cash flows of, or reasonably attributable to, those businesses for that period. In preparing those accounts, the Company is required:

- to conform to the best commercial accounting practices including International Accounting Standards in conformity with the requirements of the Companies Act 2006 (IFRSs);
- to state the accounting policies adopted; and
- not to change the bases of charge, apportionment or allocation from those applied in respect of the previous financial year unless previously directed by the Northern Ireland Authority for Utility Regulator ("UR").

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of NIE Networks and which enable them to ensure that the summary regulatory accounts comply with the Licences. They are also responsible for safeguarding the assets of NIE Networks, 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.

INDEPENDENT AUDITORS' REPORT

To the directors of Northern Ireland Electricity Networks Limited ("the Company") and the Northern Ireland Authority for Utility Regulation ("the Regulator")

Report on the audit of the Summary Regulatory Accounts

Opinion

In our opinion, Northern Ireland Electricity Networks Limited's Accounting Statements (the 'Summary Regulatory Accounts') for the year ended 31 March 2021 have been properly prepared, in all material respects, in accordance with Condition 2 of the Company's Regulatory Licences and the basis of preparation in notes 1 and 2 to the Summary Regulatory Accounts.

We have audited the Summary Regulatory Accounts which comprise the net asset statement as at 31 March 2021; income statement and cash flow statement for the year then ended; and the notes to the Summary Regulatory Accounts, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)"), including ISA (UK) 800, and applicable law, and having regard to the guidance contained in ICAEW Technical Release Tech 02/16 AAF 'Reporting to Regulators on Summary Regulatory Accounts' issued by the Institute of Chartered Accountants in England & Wales. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the Summary Regulatory Accounts section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Company in accordance with the ethical requirements that are relevant to our audit of the Summary Regulatory Accounts in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Emphasis of matter - Basis of preparation

In forming our opinion on the Summary Regulatory Accounts, which is not modified, we draw attention to notes 1 and 2 to the Summary Regulatory Accounts which describes the basis of preparation, and in particular, the fact that the accounting policies used and disclosures made are not intended to, and do not, comply with all the requirements of International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board and the Companies Act 2006. The Summary Regulatory Accounts are prepared in accordance with a special purpose framework for the directors of the Company (the "directors") for the specific purpose as described in the Use of this report paragraph below. As a result, the Summary Regulatory Accounts may not be suitable for another purpose.

In addition, we draw attention to the fact that these Summary Regulatory Accounts have not been prepared under section 394 of the Companies Act 2006 and are not the Company's statutory financial statements.

Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the Summary Regulatory Accounts are authorised for issue.

In auditing the Summary Regulatory Accounts, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the Summary Regulatory Accounts is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the Company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

INDEPENDENT AUDITORS' REPORT

To the directors of Northern Ireland Electricity Networks Limited (“the Company”) and the Northern Ireland Authority for Utility Regulation (“the Regulator”)

Responsibilities for the Summary Regulatory Accounts and the audit

Responsibilities of the directors for the Summary Regulatory Accounts

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the Summary Regulatory Accounts in accordance with the Condition 2 of the Company's Regulatory Licence and the basis of preparation and accounting policies in notes 1 and 2 to the Summary Regulatory Accounts and for determining that the basis of preparation and accounting policies are acceptable in the circumstances. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of Summary Regulatory Accounts that are free from material misstatement, whether due to fraud or error.

In preparing the Summary Regulatory Accounts, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the Summary Regulatory Accounts

Our objectives are to obtain reasonable assurance about whether the Summary Regulatory Accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Summary Regulatory Accounts.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the Company and industry, we identified that the principal risks of non-compliance with laws and regulations related to UK tax legislation, the Company's Participate in Transmission Licence and Electricity Distribution Licence, environmental regulations, adherence to data protection requirements, applicable Generally Accepted Accounting Practices, and we considered the extent to which non-compliance might have a material effect on the Summary Regulatory Accounts. We also considered those laws and regulations that have a direct impact on the Summary Regulatory Accounts such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the Summary Regulatory Accounts (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries and management bias through judgements and assumptions in significant accounting estimates. Audit procedures performed by the engagement team included:

- Discussions with management and the group's legal advisors, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- We have discussed and understood the nature of open matters between the company and the Northern Ireland Authority for Utility Regulation;
- Review of minutes from board meetings;
- Challenging assumptions and judgements made by management in their significant accounting estimates; and
- Identifying and testing journal entries, in particular any journal entries posted with an unusual description, unusual nominal account combination to revenue and unbilled debt or entries made by unexpected users.

INDEPENDENT AUDITORS' REPORT

To the directors of Northern Ireland Electricity Networks Limited ("the Company") and the Northern Ireland Authority for Utility Regulation ("the Regulator")

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the Summary Regulatory Accounts. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the Summary Regulatory Accounts is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinion, has been prepared for and only for the Company's directors as a body in order to meet the requirements of Condition 2 of the Company's Regulatory Licences and for the benefit of the Regulator in connection with their regulatory function, in accordance with our engagement letter dated 3 June 2021. Our audit work has been undertaken so that we might state to the Company and the Regulator those matters that we have agreed to state to them in our report, in order (a) to assist the Company to meet its obligation under the Regulatory Licences to procure such a report and (b) to facilitate the carrying out by the Regulator of its regulatory functions, and for no other purpose. In giving this opinion, we only accept or assume responsibility to the directors of the Company as a body, and not for any other purpose or to any other person to whom this report is shown or into whose hands it may come, including without limitation under any contractual and regulatory obligations of the Company, or for any other purpose, save where expressly agreed by our prior consent in writing.

Other matters

The nature, form and content of Summary Regulatory Accounts are determined by the Regulator. It is not appropriate for us to assess whether the nature of the information being reported upon is suitable or appropriate for the Regulator's purposes. Accordingly, we make no such assessment.

Our opinion on the Summary Regulatory Accounts is separate from our opinion on the statutory financial statements of the Company for the year ended 31 December 2020 on which we reported on 12 March 2021, which are prepared for a different purpose. Our audit report in relation to the statutory financial statements of the Company (our "Statutory audit") was made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our Statutory audit work was undertaken so that we might state to the Company's members those matters we are required to state to them in a statutory audit report and for no other purpose. In these circumstances, to the fullest extent permitted by law, we do not accept or assume responsibility for any other purpose or to any other person to whom our Statutory audit report is shown or into whose hands it may come, save where terms are expressly agreed in writing.



PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors,
Belfast
14 June 2021

NORTHERN IRELAND ELECTRICITY NETWORKS LIMITED
Summary Regulatory Accounts
31 March 2021

INCOME STATEMENT
for the year ended 31 March 2021

	Notes	Transmission		Distribution		Landbank		Total	
		2021	2020	2021	2020	2021	2020	2021	2020
		£m	£m	£m	£m	£m	£m	£m	£m
Revenue									
Sales to Power NI		-	-	86.2	78.9	-	-	86.2	78.9
Sales to Power NI PPB		-	-	-	20.2	-	-	-	20.2
Other external sales		45.3	45.6	92.5	100.0	0.1	0.1	137.9	145.7
Sales to NIE Networks businesses		-	-	0.1	(0.1)	0.5	0.1	0.6	-
Sales to ESB group undertakings		-	-	42.2	31.6	-	-	42.2	31.6
Amortisation of customer contributions		4.2	3.8	15.1	13.2	-	-	19.3	17.0
Total Revenue		49.5	49.4	236.1	243.8	0.6	0.2	286.2	293.4
Operating costs	3	(27.6)	(26.8)	(144.4)	(139.9)	(0.6)	(0.2)	(172.6)	(166.9)
OPERATING PROFIT		21.9	22.6	91.7	103.9	-	-	113.6	126.5
Finance revenue		-	0.1	0.1	0.2	-	-	0.1	0.3
Finance costs		(7.7)	(7.8)	(27.6)	(27.5)	-	-	(35.3)	(35.3)
Net pension scheme interest		(0.1)	(0.1)	(1.7)	(1.8)	-	-	(1.8)	(1.9)
Net finance costs		(7.8)	(7.8)	(29.2)	(29.1)	-	-	(37.0)	(36.9)
PROFIT BEFORE TAX		14.1	14.8	62.5	74.8	-	-	76.6	89.6
Tax charge		(1.2)	(2.0)	(13.4)	(26.8)	-	-	(14.6)	(28.8)
PROFIT AFTER TAX		12.9	12.8	49.1	48.0	-	-	62.0	60.8

NORTHERN IRELAND ELECTRICITY NETWORKS LIMITED
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NET ASSET STATEMENT
As at 31 March 2021

	Note	Transmission		Distribution		Landbank		Total	
		2021	2020	2021	2020	2021	2020	2021	2020
		£m	£m	£m	£m	£m	£m	£m	£m
Non-current assets									
Property, plant and equipment	4	417.5	414.4	1,486.0	1,451.1	-	-	1,903.5	1,865.5
Right of use assets	5	0.9	0.9	10.1	11.6	-	-	11.0	12.5
Intangible assets	6	3.8	4.1	13.3	14.4	-	-	17.1	18.5
Deferred tax asset	7	-	-	-	-	1.2	1.2	1.2	1.2
Derivative financial assets		107.6	113.9	382.9	399.0	-	-	490.5	512.9
		<u>529.8</u>	<u>533.3</u>	<u>1,892.3</u>	<u>1,876.1</u>	<u>1.2</u>	<u>1.2</u>	<u>2,423.3</u>	<u>2,410.6</u>
Current assets									
Inventories	8	3.9	3.2	13.8	11.4	-	-	17.7	14.6
Trade and other receivables	9	11.8	16.3	42.2	57.1	-	-	54.0	73.4
Derivative financial assets		4.0	3.3	14.3	11.7	-	-	18.3	15.0
Other financial assets	10	0.6	0.6	2.2	2.2	-	-	2.8	2.8
Cash and cash equivalents	11	(9.2)	(13.1)	38.7	49.4	-	-	29.5	36.3
		<u>11.1</u>	<u>10.3</u>	<u>111.2</u>	<u>131.8</u>	<u>-</u>	<u>-</u>	<u>122.3</u>	<u>142.1</u>
TOTAL ASSETS		540.9	543.6	2,003.5	2,007.9	1.2	1.2	2,545.6	2,552.7
Current liabilities									
Trade and other payables	12	13.8	17.9	49.5	62.6	-	-	63.3	80.5
Lease liability	5	0.2	0.2	2.1	2.7	-	-	2.3	2.9
Current tax payable		0.5	1.6	2.0	5.5	-	-	2.5	7.1
Deferred income	13	4.8	4.3	16.9	15.1	-	-	21.7	19.4
Derivative financial liabilities		4.0	3.3	14.3	11.7	-	-	18.3	15.0
Other financial liabilities	14	5.5	5.5	19.4	19.3	2.8	2.8	27.7	27.6
Short-term provisions	15	0.6	0.7	2.0	2.6	0.3	-	2.9	3.3
		<u>29.4</u>	<u>33.5</u>	<u>106.2</u>	<u>119.5</u>	<u>3.1</u>	<u>2.8</u>	<u>138.7</u>	<u>155.8</u>
Non-current liabilities									
Deferred income	13	114.6	115.3	407.9	403.8	-	-	522.5	519.1
Lease liability	5	0.7	0.7	8.3	9.1	-	-	9.0	9.8
Derivative financial liabilities		107.6	113.9	382.9	399.0	-	-	490.5	512.9
Other financial liabilities	14	164.0	166.0	583.7	581.3	-	-	747.7	747.3
Deferred tax liability	7	21.0	18.7	74.6	65.5	-	-	95.6	84.2
Long-term provisions	15	0.7	0.8	2.7	2.8	-	0.1	3.4	3.7
Pension liability		4.3	18.9	15.5	66.1	-	-	19.8	85.0
		<u>412.9</u>	<u>434.3</u>	<u>1,475.6</u>	<u>1,527.6</u>	<u>-</u>	<u>0.1</u>	<u>1,888.5</u>	<u>1,962.0</u>
TOTAL LIABILITIES		442.3	467.8	1,581.8	1,647.1	3.1	2.9	2,027.2	2,117.8

NORTHERN IRELAND ELECTRICITY NETWORKS LIMITED
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NET ASSET STATEMENT (continued)
As at 31 March 2021

	Transmission 2021 £m	2020 £m	Distribution 2021 £m	2020 £m	Landbank 2021 £m	2020 £m	Total 2021 £m	2020 £m
NET ASSETS / (LIABILITIES)	98.6	75.8	421.7	360.8	(1.9)	(1.7)	518.4	434.9

The accounts on pages 7-33 were approved by the Company's Board of directors and signed on its behalf by:



Director:

Date: 11 June 2021

NORTHERN IRELAND ELECTRICITY NETWORKS LIMITED
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CASH FLOW STATEMENT (continued)
for the year ended 31 March 2021

	Transmission		Distribution		Landbank		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
	£m	£m	£m	£m	£m	£m	£m	£m
Cash flows (used in) / from financing activities								
Dividend paid to shareholder	(3.9)	(5.3)	(14.1)	(18.4)	-	-	(18.0)	(23.7)
Loans from fellow NIE Networks undertakings	-	-	(0.1)	-	0.1	-	-	-
Repayment of external borrowings	-	-	-	-	-	-	-	-
Receipt of borrowings from ESB	-	2.9	-	10.1	-	-	-	13.0
Repayment of borrowings from ESB	-	(2.9)	-	(10.1)	-	-	-	(13.0)
Payment of lease liabilities	(0.2)	(0.2)	(2.8)	(2.8)	-	-	(3.0)	(3.0)
Net cash flows (used in) / from financing activities	(4.1)	(5.5)	(17.0)	(21.2)	0.1	-	(21.0)	(26.7)
Net increase/(decrease) in cash and cash equivalents	3.9	7.9	(10.7)	(21.4)	-	-	(6.8)	(13.5)
Cash and cash equivalents at the beginning of year	(13.1)	(21.0)	49.4	70.8	-	-	36.3	49.8
Cash and cash equivalents at the end of the year	(9.2)	(13.1)	38.7	49.4	-	-	29.5	36.3

NORTHERN IRELAND ELECTRICITY NETWORKS LIMITED
Notes to the Summary Regulatory Accounts
31 March 2021

1. GENERAL INFORMATION

Northern Ireland Electricity Networks Limited (NIE Networks or the Company) is a limited company incorporated and domiciled in Northern Ireland. These summary regulatory accounts report on NIE Networks' Transmission Owner, Distribution and Landbank businesses and are separate from NIE Networks' statutory accounts which are prepared on a consolidated basis including the Company's subsidiary businesses. The accounts have been prepared in accordance with the measurement and recognition criteria of International Accounting Standards in conformity with the requirements of the Companies Act 2006 (IFRS) as applicable to companies reporting under IFRS and in accordance with Condition 2 of the Company's Licences. The accounting disclosures are compliant with the Company's Licence requirements and are not required to be prepared under IFRS. The accounts are presented in sterling (£) with all values rounded to the nearest £100,000 except where otherwise indicated.

2. ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these accounts are set out below. These policies have been applied consistently to all years presented, unless otherwise stated.

New and revised accounting standards, amendments and interpretations

No new standards, amendments or interpretations, effective for the first time for the financial year beginning on or after 1 April 2020, have had a material impact on the summary regulatory accounts of the Company.

New and revised accounting standards, amendments and interpretations not yet adopted

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 1 April 2021, and have not been applied in preparing these summary regulatory accounts. None of these are expected to have a significant effect on the summary regulatory accounts of the Company.

Basis of preparation

In preparing the summary regulatory accounts for the year ended 31 March 2021 the directors of the Company (after consultation with the Utility Regulator) have allocated revenue and operating costs to each of the Transmission Owner and Distribution Businesses on the basis of actual revenue and operating costs incurred by each separate business where clearly identifiable with any residual amounts being apportioned to the respective businesses based on the agreed activity levels in the Regulatory Instructions and Guidance ("RIGs"). Net assets have been allocated 22%:78% in proportion to the respective businesses' Regulatory Asset Bases (RABs) at the closing year end dates (2020 - 22%:78%). Where clearly identifiable, capital expenditure incurred in the current year is allocated to each separate business, with any residual amounts apportioned in line with RIGs.

Going concern

On the basis of their assessment of the Company's financial position, which included a review of the Company's projected funding requirements for a period of 12 months from the date of approval of the summary regulatory accounts along with potential downside sensitivities, the directors have a reasonable expectation that the Company will have adequate financial resources for the 12 month period. While the Covid-19 pandemic continues to impact on both the Company and the wider economy, the directors have considered the possible financial impact on the Company's financial position and are of the opinion that the Company has adequate financial resources for the 12-month period. Accordingly, the directors continue to adopt the going concern basis in preparing the summary regulatory accounts.

Foreign currency translation

The functional and presentation currency of the Company 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.

2. ACCOUNTING POLICIES (continued)

Property, plant and equipment

Property, plant and equipment is 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 provided it meets the recognition criteria in IAS 23 and is 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 60 years

Fixtures and equipment - up to 10 years

Vehicles and mobile plant – up to 5 years

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

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.

Right of Use Assets and Lease liabilities

On entering a new lease contract, the Company recognises a right of use asset and a liability to pay future rentals. The liability is measured at the present value of future lease payments discounted at the applicable incremental borrowing rate. The right of use asset is depreciated over the shorter of the term of the lease and the useful economic life, subject to review for impairment.

The low value and short-term lease exemptions have been applied. The associated lease payments are expensed to the income statement as they are incurred.

2. ACCOUNTING POLICIES (continued)

Intangible assets - 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 portion of directly attributable overheads. Interest on funding attributable to significant capital projects is capitalised during the period of construction provided it meets the recognition criteria in IAS 23 and is written off as part of the total cost of the asset.

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 de-recognition 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 cost and net realisable value. Cost is calculated as the weighted average purchase price. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Financial instruments

The accounting policies for the financial instruments of the Company are set out below.

The Company classifies its financial instruments into one of the categories discussed below, depending on the purpose for which the instrument was acquired. The Company's accounting policy for each category is as follows:

Fair value through profit or loss

This category comprises derivative assets and liabilities. Derivatives are carried in the balance sheet at fair value with changes in fair value recognised in the income statement within net finance costs.

Financial assets measured at amortised cost

Assets measured at amortised cost principally arise from the provision of services to customers (trade receivables) but also incorporate other types of financial assets where the objective is to hold assets in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

The Company's financial assets are initially recorded at fair value. After initial recognition, financial assets are measured at amortised cost comprise trade and other receivables, cash and cash equivalents.

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.

Trade and other receivables

Trade receivables do not carry any interest. The Company assesses, on a forward-looking basis, the expected credit losses associated with trade receivables. The Company applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Other financial liabilities

Other financial liabilities include bank borrowings and trade payables. The Company's other financial liabilities are initially recorded at fair value and are subsequently carried at amortised cost.

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.

NORTHERN IRELAND ELECTRICITY NETWORKS LIMITED
Notes to the Summary Regulatory Accounts
31 March 2021

2. ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Trade and other payables

Trade and other payables are not interest bearing. The Company's trade and other payables are initially recorded at fair value and subsequently carried at their amortised cost.

Borrowing costs

Borrowing costs attributable to significant capital projects are capitalised as part of the cost of the respective qualifying assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Revenue

Revenue is principally derived through charges for use of the distribution system (DUoS) levied on electricity suppliers and transmission service charges (TSC) mainly for use of the transmission system levied on System Operator for Northern Ireland (SONI). NIE Networks is a regulated business, earning revenue primarily from an allowed return on its Regulated Asset Base (RAB).

Revenue is recognised when the Company has satisfied its performance obligations in respect of the contract with the customer. Revenue is measured based on the consideration specified in a contract with a customer. The following specific recognition criteria must also be met before revenue is recognised:

Distribution Use of System (DUoS) revenue

DUoS revenue is recognised over time in line with the use of the system by suppliers under the schedule of entitlement set by the Utility Regulator for each tariff period. Any outstanding billed and unbilled usage for DUoS is included within Use of System receivable at the balance sheet date. Revenue includes an assessment of the volume of electricity distributed, estimated using historical consumption patterns.

Transmission service charge revenue

Revenue is earned by maintaining the transmission assets to facilitate the effective operation by SONI. For this fixed price contract, revenue is recognised over time on a straight-line basis in line with the schedule of entitlement set by the Utility Regulator for each tariff period and a Use of System receivable is recognised on the balance sheet.

Public Service Obligation revenue

Included within the Company's operating profit are revenues and costs associated with the Public Service Obligation (PSO) charges which are fully recoverable (including amounts paid under the Northern Ireland Sustainable Energy Programme), albeit there are timing differences between the receipt of revenue / payment of costs and the recovery of those amounts through the PSO charges.

PSO revenue is earned over time in line with the use of system by suppliers under the schedule of entitlement set by the Utility Regulator for each tariff period. In addition to PSO tariff revenues, the Company recognises income received from the Power Procurement Business (PPB) at a point in time as the Company does not have control over the amount or timing of receipt of PPB revenues.

Customers' contributions

Customers' contributions received in respect of property, plant and equipment are deferred and released to revenue in the income statement by instalments over the estimated useful economic lives of the related assets.

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.

NORTHERN IRELAND ELECTRICITY NETWORKS LIMITED
Notes to the Summary Regulatory Accounts
31 March 2021

2. ACCOUNTING POLICIES (continued)

Government grants

Government grants received in respect of property, plant and equipment are deferred and released to operating costs in 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 tax is also dealt with in equity.

Tax currently payable is based on taxable profit for the period. 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 Company'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, except where the Company 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.

Provisions

Provisions are recognised when (i) the Company 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 Company 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 cash flows 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.

2. ACCOUNTING POLICIES (continued)

Pensions and other post-retirement benefits

Employees of the Company are offered membership of the Northern Ireland Electricity Pension Scheme (NIEPS) 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 credit 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. Re-measurements comprising of actuarial gains and losses and return on plan assets are recognised immediately in the period in which they occur and are presented in the statement of comprehensive income. Re-measurements are not reclassified to profit or loss in subsequent periods.

The cost of providing benefits under the defined benefit scheme is charged to the income statement over the periods benefiting from employees' service. These costs comprise current service costs, past service costs, gains or losses on curtailments and non-routine settlements, all of which are recognised in operating costs. Past service costs are recognised immediately to the extent that the benefits are already vested. Curtailment losses are recognised in the income statement in the period they occur.

Net pension interest on net pension scheme liabilities is included within net finance costs. Net interest is calculated by applying the discount rate to the net pension asset or liability.

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

The Company has adopted the exemption allowed in IFRS 1 to recognise all cumulative actuarial gains and losses at the transition date in reserves.

Critical accounting judgements and key sources of estimation uncertainty

Pensions and other post-employment benefits

The estimation of and accounting for retirement benefit obligations involves judgements made in conjunction with independent actuaries. This involves estimates about uncertain future events including the life expectancy of scheme members, future salary and pension increases and inflation as well as discount rates.

Unbilled debt

Revenue includes an assessment of the volume of electricity distributed but not yet invoiced, estimated using historical consumption patterns. A corresponding receivable in respect of unbilled consumption is recognised within trade receivables.

Fair value measurement

The measurement of the Company's derivative financial instruments is based on a number of judgmental factors and assumptions which by necessity are not based on observable inputs. These have been classified as Level 2 financial instruments in accordance with IFRS 13.

NORTHERN IRELAND ELECTRICITY NETWORKS LIMITED
Notes to the Summary Regulatory Accounts
31 March 2021

3. OPERATING COSTS

	Transmission		Distribution		Landbank		Total	
	2021 £m	2020 £m	2021 £m	2020 £m	2021 £m	2020 £m	2021 £m	2020 £m
Staff costs	2.3	1.6	26.9	21.2	-	-	29.2	22.8
Depreciation and amortisation	19.2	18.4	70.0	64.4	-	-	89.2	82.8
Power NI charges	-	-	0.2	0.6	-	-	0.2	0.6
Other operating costs	6.1	6.8	47.3	53.7	0.6	0.2	54.0	60.7
	<u>27.6</u>	<u>26.8</u>	<u>144.4</u>	<u>139.9</u>	<u>0.6</u>	<u>0.2</u>	<u>172.6</u>	<u>166.9</u>

4. PROPERTY, PLANT AND EQUIPMENT

	Transmission	Distribution	Landbank	Total
	£m	£m	£m	£m
Cost:				
At 1 April 2020	675.6	2,366.2	-	3,041.8
Additions	18.4	100.9	-	119.3
Re-apportionment on RAB values	(0.8)	0.8	-	-
At 31 March 2021	<u>693.2</u>	<u>2,467.9</u>	<u>-</u>	<u>3,161.1</u>
Depreciation:				
At 1 April 2020	261.2	915.1	-	1,176.3
Charge for year	17.8	63.5	-	81.3
Re-apportionment on RAB values	(3.3)	3.3	-	-
At 31 March 2021	<u>275.7</u>	<u>981.9</u>	<u>-</u>	<u>1,257.6</u>
Net Book Value:				
At 1 April 2020	<u>414.4</u>	<u>1,451.1</u>	<u>-</u>	<u>1,865.5</u>
At 31 March 2021	<u>417.5</u>	<u>1,486.0</u>	<u>-</u>	<u>1,903.5</u>

NORTHERN IRELAND ELECTRICITY NETWORKS LIMITED
Notes to the Summary Regulatory Accounts
31 March 2021

5. RIGHT OF USE ASSETS AND LEASE LIABILITIES

	Transmission £m	Distribution £m	Landbank £m	Total £m
Cost:				
At 1 April 2020	1.1	14.4	-	15.5
Additions	0.1	1.6	-	1.7
Re-apportionment	0.2	(0.2)	-	-
At 31 March 2021	1.4	15.8	-	17.2
Depreciation:				
At 1 April 2020	0.2	2.8	-	3.0
Charge for year	0.3	2.9	-	3.2
Re-apportionment	-	-	-	-
At 31 March 2021	0.5	5.7	-	6.2
Net Book Value:				
At 1 April 2020	0.9	11.6	-	12.5
At 31 March 2021	0.9	10.1	-	11.0
Lease liabilities				
Current	0.2	2.1	-	2.3
Non-current	0.7	8.3	-	9.0
	0.9	10.4	-	11.3

NORTHERN IRELAND ELECTRICITY NETWORKS LIMITED
Notes to the Summary Regulatory Accounts
31 March 2021

6. INTANGIBLE ASSETS

	Transmission £m	Distribution £m	Landbank £m	Total £m
Cost:				
At 1 April 2020	25.1	88.1	-	113.2
Additions	0.2	3.5	-	3.7
Re-apportionment on RAB values	0.3	(0.3)	-	-
At 31 March 2021	25.6	91.3	-	116.9
Amortisation:				
At 1 April 2020	21.0	73.7	-	94.7
Amortisation charge for year	1.1	4.0	-	5.1
Re-apportionment on RAB values	(0.3)	0.3	-	-
At 31 March 2021	21.8	78.0	-	99.8
Net Book Value:				
At 1 April 2020	4.1	14.4	-	18.5
At 31 March 2021	3.8	13.3	-	17.1

NORTHERN IRELAND ELECTRICITY NETWORKS LIMITED
Notes to the Summary Regulatory Accounts
31 March 2021

7. DEFERRED TAX

	Transmission		Distribution		Landbank		Total	
	2021 £m	2020 £m	2021 £m	2020 £m	2021 £m	2020 £m	2021 £m	2020 £m
Deferred tax assets								
At 1 April	-	-	-	-	1.2	1.8	1.2	1.8
Decrease in provision	-	-	-	-	-	(0.6)	-	(0.6)
At 31 March	-	-	-	-	1.2	1.2	1.2	1.2
Deferred tax liabilities								
At 1 April	18.7	16.9	65.5	58.0	-	-	84.2	74.9
Increase in provision	2.5	2.1	8.9	7.2	-	-	11.4	9.3
Re-apportionment on RAB values	(0.2)	(0.3)	0.2	0.3	-	-	-	-
At 31 March	21.0	18.7	74.6	65.5	-	-	95.6	84.2

8. INVENTORIES

	Transmission		Distribution		Landbank		Total	
	2021 £m	2020 £m	2021 £m	2020 £m	2021 £m	2020 £m	2021 £m	2020 £m
Materials and consumables								
	3.9	3.2	13.8	11.4	-	-	17.7	14.6
	3.9	3.2	13.8	11.4	-	-	17.7	14.6

NORTHERN IRELAND ELECTRICITY NETWORKS LIMITED
Notes to the Summary Regulatory Accounts
31 March 2021

9. TRADE AND OTHER RECEIVABLES

	Transmission		Distribution		Landbank		Total	
	2021 £m	2020 £m	2021 £m	2020 £m	2021 £m	2020 £m	2021 £m	2020 £m
Trade receivables (incl. unbilled consumption)	10.4	14.7	37.1	51.7	-	-	47.5	66.4
Other receivables	-	0.5	-	1.6	-	-	-	2.1
Amounts owed by ESB group undertakings	0.8	0.5	3.0	1.7	-	-	3.8	2.2
Prepayments and accrued income	0.6	0.6	2.1	2.1	-	-	2.7	2.7
	<u>11.8</u>	<u>16.3</u>	<u>42.2</u>	<u>57.1</u>	<u>-</u>	<u>-</u>	<u>54.0</u>	<u>73.4</u>

10. OTHER FINANCIAL ASSETS

	Transmission		Distribution		Landbank		Total	
	2021 £m	2020 £m	2021 £m	2020 £m	2021 £m	2020 £m	2021 £m	2020 £m
Current								
Intra-group loans	<u>0.6</u>	<u>0.6</u>	<u>2.2</u>	<u>2.2</u>	<u>-</u>	<u>-</u>	<u>2.8</u>	<u>2.8</u>

NORTHERN IRELAND ELECTRICITY NETWORKS LIMITED
Notes to the Summary Regulatory Accounts
31 March 2021

11. CASH AND CASH EQUIVALENTS

	Transmission 2021 £m	2020 £m	Distribution 2021 £m	2020 £m	Landbank 2021 £m	2020 £m	Total 2021 £m	2020 £m
Cash at bank and in hand	-	-	5.5	9.3	-	-	5.5	9.3
Deposit account	(9.2)	(13.1)	33.2	40.1	-	-	24.0	27.0
	<u>(9.2)</u>	<u>(13.1)</u>	<u>38.7</u>	<u>49.4</u>	<u>-</u>	<u>-</u>	<u>29.5</u>	<u>36.3</u>

12. TRADE AND OTHER PAYABLES

	Transmission 2021 £m	2020 £m	Distribution 2021 £m	2020 £m	Landbank 2021 £m	2020 £m	Total 2021 £m	2020 £m
Trade payables	3.3	3.3	11.7	11.7	-	-	15.0	15.0
Payments received on account	3.9	4.6	14.0	16.0	-	-	17.9	20.6
Taxation and social security	1.5	4.3	5.2	15.0	-	-	6.7	19.3
Accruals	3.8	3.6	13.6	12.5	-	-	17.4	16.1
Amounts owed to ESB group undertakings	0.2	0.8	0.9	2.9	-	-	1.1	3.7
Other payables	1.1	1.3	4.1	4.5	-	-	5.2	5.8
	<u>13.8</u>	<u>17.9</u>	<u>49.5</u>	<u>62.6</u>	<u>-</u>	<u>-</u>	<u>63.3</u>	<u>80.5</u>

NORTHERN IRELAND ELECTRICITY NETWORKS LIMITED
Notes to the Summary Regulatory Accounts
31 March 2021

13. DEFERRED INCOME

	Transmission £m	Distribution £m	Landbank £m	Total £m
Current	4.3	15.1	-	19.4
Non-current	115.3	403.8	-	519.1
Total at 1 April 2020	119.6	418.9	-	538.5
Receivable	5.9	20.7	-	26.6
Released to income statement	(4.6)	(16.3)	-	(20.9)
Re-apportionment on RAB values	(1.5)	1.5	-	-
Current	4.8	16.9	-	21.7
Non-current	114.6	407.9	-	522.5
Total at 31 March 2021	119.4	424.8	-	544.2
Deferred income at 31 March 2021 comprises:				
Grants	0.9	3.1	-	4.0
Customer contributions	118.5	421.7	-	540.2
	119.4	424.8	-	544.2

NORTHERN IRELAND ELECTRICITY NETWORKS LIMITED
Notes to the Summary Regulatory Accounts
31 March 2021

14. FINANCIAL LIABILITIES

	Transmission		Distribution		Landbank		Total	
	2021 £m	2020 £m	2021 £m	2020 £m	2021 £m	2020 £m	2021 £m	2020 £m
Current								
Intra-group loans	-	-	-	-	2.8	2.8	2.8	2.8
Interest payable to NIE Networks undertaking	5.5	5.5	19.4	19.3	-	-	24.9	24.8
	<u>5.5</u>	<u>5.5</u>	<u>19.4</u>	<u>19.3</u>	<u>2.8</u>	<u>2.8</u>	<u>27.7</u>	<u>27.6</u>
Non-current								
Amounts owed to NIE Networks undertaking	164.0	166.0	583.7	581.3	-	-	747.7	747.3
	<u>164.0</u>	<u>166.0</u>	<u>583.7</u>	<u>581.3</u>	<u>-</u>	<u>-</u>	<u>747.7</u>	<u>747.3</u>

NORTHERN IRELAND ELECTRICITY NETWORKS LIMITED
Notes to the Summary Regulatory Accounts
31 March 2021

15. PROVISIONS

	Transmission £m	Distribution £m	Landbank £m	Total £m
Current	0.7	2.6	-	3.3
Non-current	0.8	2.8	0.1	3.7
Total at 1 April 2020	1.5	5.4	0.1	7.0
Applied in the year	(0.1)	(0.5)	-	(0.6)
Increase/(decrease) in provision	(0.1)	(0.2)	0.2	(0.1)
Current	0.6	2.0	0.3	2.9
Non-current	0.7	2.7	-	3.4
Total at 31 March 2021	1.3	4.7	0.3	6.3
Provisions at 31 March 2021 comprise:				
Environmental	0.3	1.0	0.3	1.6
Liability and damage claims	0.6	2.3	-	2.9
Litigation	0.4	1.4	-	1.8
	1.3	4.7	0.3	6.3

NORTHERN IRELAND ELECTRICITY NETWORKS LIMITED
Supplementary Information
31 March 2021

SUPPLEMENTARY INFORMATION

This document includes supplementary information as required by the Licences.

Appendix 1 Historical data used in calculation of maximum regulated revenue for RP6 (unaudited)

NORTHERN IRELAND ELECTRICITY NETWORKS
Supplementary Information

Appendix 1

HISTORICAL DATA USED IN THE CALCULATION OF MAXIMUM REGULATED DISTRIBUTION REVENUE FOR RP6 (UNAUDITED)

Required by Paragraph 12.23 of Annex 2 of Northern Ireland Electricity Ltd: Electricity Distribution Licence

Information for 'Actuals Inp' and 'Licence Inp' tabs of the RP6 Financial Model. Figures are in Nominal Prices (unless otherwise stated).

	31/03/2018 £m	31/03/2019 £m	31/03/2020 £m	31/03/2021 £m
RP6 DISTRIBUTION LICENCE – ANNEX 2				
4.17 Qualifying Capex Expenditure amount - QCE_X_t				
Qualifying Capex Expenditure amount - QCE_DN _t	32.426	75.952	77.398	63.966
Qualifying Capex Expenditure amount - QCE_MTRN _t	4.534	5.557	5.629	5.569
Qualifying Capex Expenditure amount - QCE_D5Y _t	4.489	13.215	9.450	11.342
4.21 Pass Through Capex Expenditure amount - PTCE_X_t				
Capex Connections amount - CC_DN _t	0.193	2.996	3.241	2.020
4.28 Capex Disposal amount - CD_X_t				
Historic timeline				
Outturn Capex Disposal Amount - OCCD_DN _t	31/03/2013 0.032	31/03/2014 0.000	31/03/2015 0.049	31/03/2016 0.000
Current timeline				
Outturn Capex Disposal Amount - OCCD_DN _t	31/03/2018 0.000	31/03/2019 0.000	31/03/2020 0.000	31/03/2021 0.004
4.35 Volume of properties with undereaves service - UV_t				
Volume of properties with undereaves service - UV _t	1,464	3,530	2,110	261
4.37 Additional allowed capex – ACDR_X_t				
Additional allowed capex - ACDR_D5Y _t	0.000	2.611	2.666	1.809
4.46 Metering Volume units - MV_C_t				
Meter installs/changes				
Credit	14,059	26,533	26,019	17,976
Keypad	10,293	18,575	18,203	13,296
Commercial	1,183	2,491	2,036	1,556

NORTHERN IRELAND ELECTRICITY NETWORKS
Supplementary Information

Appendix 1 (continued)

HISTORICAL DATA USED IN THE CALCULATION OF MAXIMUM REGULATED DISTRIBUTION REVENUE FOR RP6 (UNAUDITED) (continued)

	31/03/2018 £m	31/03/2019 £m	31/03/2020 £m	31/03/2021 £m
RP6 DISTRIBUTION LICENCE – ANNEX 2 (continued)				
4.46 Metering Volume units - MV_C_t (continued)				
<u>Meter Recertification</u>				
Credit	21,596	4,693	15,186	12,946
Keypad	10,972	12,725	12,336	8,321
Commercial	1,269	3,013	3,144	6,786
Commercial: 110/33kv Bulk Supply Point and S/Station metering	2	22	39	3
Commercial: Power Stations >100MW Metering	0	0	3	0
Commercial: Generator metering <100MW and >1MW	3	9	2	4
Commercial: HV Demand customer Metering >1MW	22	42	2	9
Commercial: HV Demand customer Metering <1MW	4	19	0	15
Commercial: Teleswitch/Telemeter replacement programme	0	0	0	773
Commercial: Northern Ireland Customer Load Profiles	0	0	0	0
<u>Meter Replacement for theft</u>				
Meter Replacement for theft	2,283	4,474	2,388	569
4.53 Allowed capex amount - ACCOL_X_t				
Allowed capex for change of law - ACCOL_D5Y _t (15/16 Price Base)	0.000	0.310	0.004	0.018
6.3 Qualifying Opex Expenditure amount - QOE_t				
Qualifying Opex Expenditure amount - QOE _t	34.067	59.649	59.203	59.898
6.7 Pass Through Opex Expenditure amount - PTOE_t				
Opex Licence Fee amount - OLF _t	0.767	1.554	1.425	1.296
Opex Connections amount - OC _t	0.533	(0.029)	(0.007)	0.617
6.15 Allowed Opex Other amount - AOO_t				
Allowed Opex Other amount - Injurious Affection - IA _t	0.028	0.000	0.000	0.000
Allowed Opex Other amount - Changes of Law - COL _t	0.106	0.175	0.179	0.000
9.1 Tax Amount - TAX_t †				
Capital allowances - CA _t	26.037	55.911	48.868	50.412

NORTHERN IRELAND ELECTRICITY NETWORKS
Supplementary Information

Appendix 1 (continued)

HISTORICAL DATA USED IN THE CALCULATION OF MAXIMUM REGULATED DISTRIBUTION REVENUE FOR RP6 (UNAUDITED) (continued)

RP6 DISTRIBUTION LICENCE – ANNEX 2 (continued)

10.1 Revenue Protection Services Incentive amount - RPSIt
 Revenue Protection Services Revenue - RPSRt

11 Correction Factor amount - Kt
 Actual Regulated Distribution Revenue Recovered – ARP6t
 Average Specified Rate - It

	31/03/2018 £m	31/03/2019 £m	31/03/2020 £m	31/03/2021 £m
	0.304	0.471	0.168	0.245
	115.257 0.67%	195.273 0.70%	206.637 0.10%	220.310 0.10% †

Values for other Licence Terms as per Annex 2 of Northern Ireland Electricity Ltd: Electricity Distribution Licence.
 Values for all remaining Licence Terms deemed zero.

† :- Provisional figures, subject to change

NORTHERN IRELAND ELECTRICITY NETWORKS
Supplementary Information

Appendix 1 (continued)

HISTORICAL DATA USED IN THE CALCULATION OF MAXIMUM REGULATED TRANSMISSION REVENUE FOR RP6 (UNAUDITED)

Required by Paragraph 12.23 of Annex 2 of Northern Ireland Electricity Ltd. Participate in Transmission Licence

Information for 'Actuals Inp' and 'Licence Inp' tabs of the RP6 Financial Model. Figures are in Nominal Prices (unless otherwise stated).

	31/03/2018 £m	31/03/2019 £m	31/03/2020 £m	31/03/2021 £m
RP6 TRANSMISSION LICENCE – ANNEX 2				
4.17 Qualifying Capex Expenditure amount - QCE_Xt				
Qualifying Capex Expenditure amount - QCE_TNt	9.142	11.383	10.045	10.197
Qualifying Capex Expenditure amount - QCE_RNt	0.333	0.692	3.215	2.009
Qualifying Capex Expenditure amount - QCE_T5Yt	0.122	0.489	0.574	0.732
4.21 Pass Through Capex Expenditure amount - PTCE_Xt				
Capex Connections amount - CC_RNt	2.390	(0.509)	2.005	0.222
4.33 Additional allowed capex - ACTR_Xt				
Additional allowed capex - ACTR_TNt (15/16 Price Base)	0.433	1.443	2.802	4.261
6.3 Qualifying Opex Expenditure amount - QOEt				
Qualifying Opex Expenditure amount - QOEt	4.229	7.271	8.121	7.494
6.7 Pass Through Opex Expenditure amount - PTOEt				
Opex Licence Fee amount - OLFt	0.192	0.389	0.356	0.324
Opex Connections amount - OCt	0.017	0.000	(0.000)	0.000
6.15 Allowed Opex Other amount - AOOt				
Allowed Opex Other amount - Injurious Affection - IAt	0.000	0.101	0.316	0.000
Allowed Opex Other amount - Changes of Law - COLt	0.013	0.016	0.016	0.000
9.1 Tax Amount - TAXt †				
Capital allowances - CAt	6.674	13.589	10.700	10.910

HISTORICAL DATA USED IN THE CALCULATION OF MAXIMUM REGULATED TRANSMISSION REVENUE FOR RP6 (UNAUDITED) (continued)

RP6 TRANSMISSION LICENCE – ANNEX 2 (continued)

	31/03/2018 £m	31/03/2019 £m	31/03/2020 £m	31/03/2021 £m
11 Correction Factor amount - K _t				
Actual Regulated Transmission Revenue Recovered – ARP6 _t	18.451	40.441	44.641	44.460
Average Specified Rate - I _t	0.67%	0.70%	0.10%	0.10%†

Values for other Licence Terms as per Annex 2 of Northern Ireland Electricity Ltd: Participate in Transmission Licence.
Values for all remaining Licence Terms deemed zero.

† :- Provisional figures, subject to change

HISTORICAL DATA USED IN THE CALCULATION OF MAXIMUM REGULATED PSO AMOUNT FOR RP6 (UNAUDITED)

Required by Paragraph 6.17 of Annex 1 of Northern Ireland Electricity Ltd: Electricity Distribution Licence

Figures are in Nominal Prices (unless otherwise stated).

	31/03/2018 £m	31/03/2019 £m	31/03/2020 £m	31/03/2021 £m
RP6 DISTRIBUTION LICENCE – ANNEX 1				
3.5 Maximum Regulated PSO Amount - MPSOR_t				
PPB Amount - PPB _t	(10.610)	(6.800)	(20.200)	0.000
NIE Energy Supply Amount - Supply _t	0.000	0.000	0.000	0.000
Land Bank Amount - LB _t	(0.415)	0.051	0.106	0.559
Excluded PSO Amount - D _t	3.596	6.254	8.701	5.874
5 Correction Factor amount - K_t				
Actual Regulated PSO Amount Recovered - APSOR _t	2.931	2.997	(5.014)	(7.171)
Average Specified Rate - I _t	0.67%	0.70%	0.10%	0.10%†

† :- Provisional figures, subject to change