

## **5.5 ACCOUNTING SEPARATION**

## **1 INTRODUCTION**

- 1.1 The Broadband Strategy for Ireland report recommends (at section 8.7.4) that the Minister uses a combination of measures designed to address the risk of potential discrimination, one of which is accounting separation (ensuring transparency of revenues and costs):
- 1.1.1 between retail and wholesale operations; and
  - 1.1.2 between operations under the Agreement and other operations.
- 1.2 Accounting separation means appropriate separation of Accounts for, or in relation to, the Agreement and Assets, to provide both separation and transparency in relation to the cost and revenues directly attributable (in whole or part) to the Intervention Area and the Excluded Area (i.e. accounting separation of Project operations and NBPco's overall operations).
- 1.3 The purpose of imposing an obligation regarding accounting separation is to, in respect of NBPco, provide a higher level of detail of information than that derived from the Statutory Financial Statements of NBPco, to reflect as closely as possible the performance of parts of NBPco's business and associated Wholesale Products and other products as if they had operated as separate businesses and, where NBPco is engaging with an Associated WSP or RSP, to prevent discrimination in favour of that WSP or RSP and to prevent unfair cross-subsidy.

The purpose of imposing obligations in respect of cost accounting is to ensure that fair, objective transparent and consistent criteria are followed by NBPco in allocating its costs to products.

## 2 STRUCTURE AND CONTENT OF SCHEDULE

- 2.1 This schedule sets out the accounting separation and cost accounting obligations that will apply to NBPco.
- 2.2 The revenue and cost categories required by NBPco for reporting purposes under this Agreement shall be submitted by NBPco for the Minister's approval (not to be unreasonably withheld or delayed) within three (3) months of the Effective Date. The Parties shall use all reasonable endeavours with a view to ensuring that the said revenue and cost categories are agreed by no later than five (5) months from the Effective Date, failing which the revenue and cost categories will be referred to the CLB for agreement.

## 3 FUNDAMENTAL REQUIREMENTS

- 3.1 NBPco shall ensure that its financial records and accounting systems are sufficiently detailed and supported by sufficient data, information and documentation to ensure that:
- 3.1.1 NBPco is in a position to and does comply with its transparency, non-discrimination, accounting separation, price control, and cost accounting obligations under the Agreement; and
- 3.1.2 NBPco is in a position to and, with effect from the date required by this Schedule 5.5 (Accounting Separation), does prepare Separated Accounts which shall be maintained for the Contract Period, for each of the Wholesale Product Categories on offer.

For the avoidance of doubt, this includes a requirement that NBPco have the appropriate financial records and accounting systems in place within a reasonable period following the Commencement Date such that NBPco is in a position to comply with the requirements of this Schedule 5.5 (Accounting Separation) including the cost accounting obligations and the NBPco Accounting Separation Threshold (as applicable) from the date that it applies or as the case may be for the Tier 2 Report Request, from the date a request is made.

- 3.2 The Accounts shall be maintained by NBPco in accordance with the provisions of this Schedule 5.5 (Accounting Separation).
- 3.3 The financial records and accounting information shall be maintained by NBPco in sufficient detail on a Wholesale Product basis, by Network Element and by Functional Cost Categories, including the identification of Subsidy Payments received towards the Network and also allocated to Wholesale Products, to facilitate the monitoring by both NBPco and the Minister of NBPco's compliance with its obligations under the Agreement.

## 4 REPORTING AND TRANSPARENCY

### Accounts

- 4.1 Without prejudice to the generality of Paragraph 4 (Reporting and Transparency), NBPco shall prepare the following (which, together, comprise the "**Accounts**") in the manner provided for in this Schedule and ensure that they are reconciled to the annual Statutory Accounts:
- 4.1.1 Separated Accounts (Paragraph 4.3 (Reporting and Transparency));
- 4.1.2 Additional Financial Statements (Paragraph 4.4 (Reporting and Transparency));

- 4.1.3 Additional Financial Information (Paragraph 4.5 (Reporting and Transparency)); and
- 4.1.4 Accounting Documentation (Paragraph 6 (Accounting Documentation)).

4.2 The principle statements of Statutory Accounts include:

- (A) statement of directors' responsibilities;
- (B) independent auditors' report;
- (C) statement of accounting policies;
- (D) statement of comprehensive income;
- (E) statement of financial position;
- (F) statement of changes in equity;
- (G) statement of cash flows; and
- (H) notes to the financial statements.

4.3 Separated Accounts

4.3.1 NBPco will, to the extent applicable, be required to prepare Separated Accounts:

- (A) where, at any time during the Contract Period, it has an Associated Company which is subject to accounting separation and cost accounting obligations imposed under Regulation 11 of the Access Regulations and/or Regulation 13 of the Universal Service Regulations (and any successor provisions to them); or
- (B) in respect of every Financial Period during the Contract Period, following a Financial Period in which Project Revenues meet or exceed the Accounting Separation Threshold; or
- (C) in respect of every Financial Period following the sixth Financial Year after the Effective Date.

(the "**NBPco Accounting Separation Threshold**");

4.3.2 NBPco shall prepare and submit for the Minister's approval (not to be unreasonably withheld or delayed) draft Separated Accounts schedules within six (6) months of the Effective Date. The Parties shall use all reasonable endeavours with a view to ensuring that the said draft Separated Accounts schedules are agreed by no later than eight (8) months from the Effective Date, failing which the draft Separated Accounts schedules will be referred to the CLB for agreement.

4.3.3 NBPco shall ensure that its Separated Accounts are disaggregated to the level of Wholesale Products on offer and contain:

(A) A statement or reference to the Accounting Principles followed when preparing the Separated Accounts which shall include the following principles (which NBPco shall ensure are complied with):

(1) **Cost causality:** revenue (including transfer charges), costs (including transfer charges), assets and liabilities shall be attributed to Wholesale Products and other products in accordance with the activities which cause the revenues to be earned or costs to be incurred or the assets to be acquired or liabilities to be incurred. This ensures that only those costs associated, either directly or indirectly, with providing a Wholesale Product or other product are allocated to it. This reduces the potential for cross-subsidisation.

Where it is not possible to attribute revenues, costs, assets and liabilities in accordance with the preceding Paragraph, NBPco shall use an attribution method which presents fairly the revenues, costs, assets and liabilities accounted for in the Separated Accounts for each Wholesale Product or other products where NBPco has a reporting obligation to the Minister under this Agreement. The purpose of this is for NBPco to present fairly a comparison between the Wholesale Products as disaggregated;

(2) **Objectivity:** attribution must not benefit any specific access provider, any specific access seeker, service or business. It will be based on verifiable information, with the use of management estimates to calculate costs. As an example, the allocation of costs and revenues to Wholesale Products and other products, will be clearly justified based on actual data that can be reviewed by external Auditors;

(3) **Transparency:** the Attribution Methods used shall be transparent. Attributed items shall be traceable back to their source and the elements that contribute to the cost of the products visible; and

(4) **Consistency of treatment:** there shall be consistency of treatment from period to period. Where there are changes to the Accounting Principles, the Attribution Methods, or the Accounting Policies that have a material effect on the information reported in the product offerings within the Separated Accounts, the parts of the previous year's Accounts affected by the changes shall be restated, to the extent that it is reasonable to do so.

(B) Income Statements, Statements of Mean Capital Employed and statements of average cost and revenue for Wholesale Products. Examples of such statements are set out in Appendix 1 (Consolidated Income Statement).

(C) Notes to the Separated Accounts (as applicable).

- 4.3.4 NBPco shall ensure that its Separated Accounts are accompanied by:
- (A) a signed statement from the Board of NBPco acknowledging their responsibilities (Directors Compliance Statement), for the preparation of the Separated Accounts and confirming NBPco's compliance with its obligations under this Schedule 5.5 (Accounting Separation);
  - (B) a report and "*Fairly presents in accordance with*" opinion by an Auditor on the Separated Accounts and NBPco's compliance with its obligations under this Paragraph 4.3 (Reporting and Transparency);
  - (C) an explanatory report (containing notes or longer form narrative as may be necessary) setting out and clarifying:
    - (1) trends relating to each of the Wholesale Product Categories provided, including any significant future impact on NBPco's business;
    - (2) trends relating to costs and revenue, by Wholesale Product, including the allocation of Subsidy Payments;
    - (3) trends relating to volumes, by Wholesale Product;
    - (4) significant period-on-period movements in the reported performance and balances;
    - (5) one-off or exceptional events in the period; and
    - (6) the impact of material changes in Accounting Policies, methodologies and estimation techniques (if any) and the extent to which this explains NBPco's Separated Accounts. Prior year restatement of accounts shall be required for material changes in Accounting Policies, methodologies and estimation techniques to the extent that it is reasonable to do so.
- 4.3.5 NBPco shall ensure that its Separated Accounts are prepared in accordance with generally accepted Accounting Principles and Accounting Policies. NBPco shall ensure that these Separated Accounts show data for NBPco's last complete Financial Period as well as the previous Financial Period and where these figures are not comparable, as a result of (for example) a material change in Accounting Policy, Attribution Method or material error, NBPco shall ensure that the figure for the preceding Financial Period is adjusted, to the extent that it is reasonable to do so.
- 4.3.6 NBPco shall ensure that its Separated Accounts shall, where relevant, include reconciliation with the Statutory Accounts and contain (where relevant) a description of adjustments made between the Statutory Accounts and the Separated Accounts.
- 4.3.7 NBPco shall ensure that its Separated Accounts shall, where relevant, include reconciliation with the Project Accounts and contain (where relevant) a description of adjustments made between the Project Accounts and the Separated Accounts.

- 4.3.8 NBPco shall ensure that its Income Statements shall distinguish between External and Inter/Intra revenues and costs where relevant.
- 4.3.9 NBPco shall ensure that its Income Statements for each Wholesale Product Category shall, where applicable, separately disclose the expenditure by Functional Cost Category, including Subsidy Payment allocated, as detailed under Paragraph 5.4.2 (Reporting and Transparency).
- 4.3.10 NBPco shall ensure that its Statement of Mean Capital Employed for each Wholesale Product shall be prepared on a Mean Capital Employed basis.
- 4.3.11 NBPco shall ensure that costs and revenues are captured and presented in accordance with Appendix 4 (Costs, Permitted Expenditure and Revenues) of Schedule 5.1 (Subsidy Payments).
- 4.3.12 NBPco shall provide its Separated Accounts and explanatory report to the Minister no later than six (6) months after the end of each Financial Period. NBPco shall publish key statistics on its website, as directed by the Minister, no later than six (6) months after the end of each Financial Period. NBPco will not be required to publish key statistics which it reasonably considers to be commercially sensitive provided that it is able to demonstrate to the Minister's reasonable satisfaction that this is the case.

#### 4.4 Additional Financial Statements

- 4.4.1 NBPco will, to the extent applicable, be required to prepare Additional Financial Statements:
  - (A) in respect of the relevant Financial Period during the Contract Period, where NBPco receives a Tier 2 Report Request from the Minister. Any such request shall be made by the Minister no later than three (3) months prior to the commencement of the relevant Financial Period; or
  - (B) in respect of every Financial Period following the sixth Financial Year after the Effective Date.
- 4.4.2 Where Paragraph 4.4.1 (A) (Reporting and Transparency) applies, NBPco shall submit the proposed format of the Additional Financial Statements to the Minister for approval (not to be unreasonably withheld or delayed) within 45 Working Days from the date of receipt by NBPco of the Tier 2 Report Request, which format shall be consistent with the examples set out in Appendix 1 (Consolidated Income Statement). The Parties shall use all reasonable endeavours with a view to ensuring that the draft format of the Additional Financial Statements is agreed by no later than 75 Working Days from the date of receipt by NBPco of the Tier 2 Report Request, failing which the draft format of the Additional Financial Statements will be referred to the CLB for agreement.
- 4.4.3 Where Paragraph 4.4.1 (B) (Reporting and Transparency) applies, NBPco shall submit on an annual basis the proposed format of the Additional Financial Statements to the Minister for approval (not to be unreasonably withheld or delayed) within 45 Working Days of Day 1 of the relevant Financial Period which format shall be consistent with the examples set out in Appendix 1 (Consolidated Income Statement). The Parties shall use all reasonable endeavours with a view to ensuring that the draft format of the Additional Financial Statements is agreed

by no later than 75 Working Days of Day 1 of the relevant Financial Period, failing which the draft format of the Additional Financial Statements will be referred to the CLB for agreement.

4.4.4 The Additional Financial Statements shall include the following:

- (A) a signed statement from the Board of NBPco acknowledging their responsibilities (Directors Compliance Statement), for the preparation of the Additional Financial Statements and confirming NBPco's compliance with its obligations under this Schedule 5.5 (Accounting Separation);
- (B) a report and "*Properly prepared in accordance with*" opinion by an Auditor on the Additional Financial Statements and NBPco's compliance with its obligations under this Paragraph 4.4 (Reporting and Transparency);
- (C) HCA Income Statements for each material Wholesale Product Category as required by the Minister. NBPco shall also provide comparative prior period data, to the extent it is reasonable to do so.
- (D) HCA Income Statements for Wholesale Product Categories not included in Paragraph 4.4.4(C) (Reporting and Transparency), as required by the Minister on an ad hoc basis from time to time. NBPco shall provide comparative prior period data where possible and reasonable to do so. The required Wholesale Products for which HCA Income Statements are required shall be determined annually by the Minister and notified in writing to NBPco prior to the end of the Financial Period.
- (E) NBPco's Additional Financial Statements shall be accompanied, where material, by an explanatory report setting out and clarifying:
  - (1) significant trends relating to markets in which the Wholesale Products are provided, including any significant future impact on NBPco's business;
  - (2) significant trends relating to costs and revenue, by Wholesale Product, including allocations of Subsidy Payments;
  - (3) significant trends relating to volumes, by Wholesale Product;
  - (4) significant period on period movements in the reported performance and balances;
  - (5) one-off or exceptional events in the period; and
  - (6) the impact of material changes in Accounting Policies, methodologies and estimation techniques (if any) and the extent to which this explains NBPco's Additional Financial Statements. Prior year restatement of accounts shall be required at the request of the Minister for material changes in Accounting Policies, methodologies and estimation techniques, to the extent it is reasonable to do so.



(F) Income Statements and Statements of Mean Capital Employed by Wholesale Products. Statement of average costs and revenue by individual Wholesale Product, including allocation of Subsidy Payments.

4.4.5 NBPco shall ensure that its Income Statements shall distinguish between External, Inter/ Intra revenues and costs, including allocation of Subsidy Payments.

4.4.6 NBPco shall ensure that its Additional Financial Statements shall follow the same Accounting Principles as applied in the preparation of the Separated Accounts.

4.4.7 NBPco shall submit its Additional Financial Statements, if required for the relevant Financial Period pursuant to Paragraph 4.4.1 (Reporting and Transparency), to the Minister including the related opinion(s) of the Auditor no later than seven (7) months after the end of each relevant Financial Period.

4.4.8 NBPco shall ensure that its Additional Financial Statements shall, include reconciliation with the Statutory Accounts and contain (where relevant) a description of adjustments made between the Statutory Accounts and the Additional Financial Statements.

#### 4.5 Additional Financial Information

4.5.1 NBPco will, to the extent applicable, be required to prepare Additional Financial Information:

(A) in respect of the relevant Financial Period during the Contract Period, where NBPco receives a Tier 2 Report Request from the Minister. Any such request shall be made by the Minister no later than six (6) months prior to the commencement of the relevant Financial Period; or

(B) in respect of every Financial Period following the sixth Financial Year after the Commencement Date.

4.5.2 Where Paragraph 4.5.1(A) (Reporting and Transparency) applies, NBPco shall submit the proposed format of the Additional Financial Information to the Minister for approval (not to be unreasonably withheld or delayed) within 45 Working Days of receipt of the Tier 2 Report Request, which format shall be consistent with the examples set out in Appendix 1 (Consolidated Income Statement) and may include the following information: statement of revenue and volumes by individual Wholesale Products, and statement of Network cost by Wholesale Product Category. The Parties shall use all reasonable endeavours with a view to ensuring that the draft format of the Additional Financial Information is agreed by no later than 75 Working Days from the date of receipt by NBPco of the Tier 2 Report Request, failing which the draft format of the Additional Financial Information will be referred to the CLB for agreement.

4.5.3 Where Paragraph 4.5.1(B) (Reporting and Transparency) applies, NBPco shall submit on an annual basis the proposed format of the Additional Financial Information to the Minister for approval (not to be unreasonably withheld or delayed) within 45 Working Days of Day 1 of the relevant Financial Period, which format shall be consistent with the examples set out in Appendix 1 (Consolidated

Income Statement) and may include the following information: statement of revenue and volumes by individual Wholesale Products, and statement of Network cost by Wholesale Product Category. The Parties shall use all reasonable endeavours with a view to ensuring that the draft format of the Additional Financial Information is agreed by no later than 75 Working Days of Day 1 of the relevant Financial Period, failing which the draft format of the Additional Financial Information will be referred to the CLB for agreement.

4.5.4 The Additional Financial Information shall include the following:

- (A) a signed statement from the Board of NBPco acknowledging their responsibilities (Directors Compliance Statement), for the preparation of the Additional Financial Information and confirming NBPco's compliance with its obligations under this Schedule 5.5 (Accounting Separation);
- (B) as may be specified at the Minister's discretion from time to time in the Tier 2 Report Request or upon the Minister's review of the proposed format of Additional Financial Information, a report and "*Properly prepared in accordance with*" opinion by an Auditor on specified services and products of the Additional Financial Information and NBPco's compliance with its obligations under this Paragraph 4.5 (Reporting and Transparency).

4.5.5 Pursuant to Paragraphs 4.5.1 to 4.5.3 (Reporting and Transparency), if the Minister so requests from time to time, NBPco shall include in its Additional Financial Information (where available and reasonable to do so) the following:

- (A) Volume information (where appropriate) that shows weighted average volumes / total units by market and Wholesale Product.
- (B) Comparison (where appropriate) of NBPco's quarterly key data report volumes to the Regulator with volumes disclosed in the Separated Accounts and/or Additional Financial Statements together with detailed explanations of any material differences.
- (C) Details of bundled wholesale discounts allocated/apportioned by Wholesale Product.
- (D) Any material profit/loss on disposal of Fixed Assets and its impact on the relevant Income Statement during the Financial Period.
- (E) Other financial information as may be reasonably required by the Minister.

4.5.6 NBPco shall submit its Additional Financial Information, if required for the relevant Financial Period pursuant to Paragraph 4.5.1 (Reporting and Transparency), to the Minister and, if required, the related opinion(s) of the Auditor, no later than seven (7) months after the end of each relevant Financial Period.

## **5 ACCOUNTING PRINCIPLES**

5.1 NBPco shall collect data and allocate and apportion it between Wholesale Products under the following headings:

- 5.1.1 Volume and revenue (including Subsidy Payments) identification (Paragraph 5.2 (Accounting Principles));
  - 5.1.2 Cost allocation and apportionment (including Subsidy Payments) principles (Paragraph 5.3 (Accounting Principles));
  - 5.1.3 Cost allocation and apportionment rules (Paragraph 5.4 (Accounting Principles));
  - 5.1.4 Inter/Intra segment transactions (Paragraph 5.5 (Accounting Principles)); and
  - 5.1.5 Sampling and survey techniques (Paragraph 5.6 (Accounting Principles)).
- 5.2 Volume and revenue identification
- 5.2.1 NBPco shall allocate volumes and revenue (including revenues linked to Subsidy Payments) to each of the Wholesale Products, as follows:
    - (A) Volumes and revenues which can be directly assigned to a particular Wholesale Product shall be so assigned; and
    - (B) Volumes and revenues that cannot be directly assigned to their use for specific Wholesale Products shall be apportioned on an appropriate basis which may include the use of sampling and survey techniques. Where sampling and survey techniques are applied the principles in Paragraph 5.6 (Accounting Principles) shall be followed.
- 5.3 Cost allocation (including costs linked to Subsidy Payments) and apportionment principles
- 5.3.1 NBPco shall allocate all related expenditure to each Wholesale Product on a fully allocated cost basis, in the following manner:
    - (A) Where possible, costs which can be directly assigned to a particular Wholesale Product shall be so assigned.
    - (B) Indirect costs, which are costs that cannot be directly assigned to a particular Wholesale Product, shall be allocated as follows:
      - (1) whenever possible, indirect costs shall be allocated on the basis of direct analysis of the origin of the costs themselves;
      - (2) when direct analysis is not possible, indirect cost categories shall be allocated on the basis of an indirect linkage to another cost category or group of cost categories for which a direct assignment or allocation is possible, the indirect linkage shall be based on comparable cost structures; and
    - (C) In relation to common costs when neither direct nor indirect measures of cost allocation can be found, the cost category shall be allocated on the basis of an Equi-Proportional Mark-Up.
- 5.4 Cost allocation and apportionment rules
- 5.4.1 NBPco shall ensure that costs (including costs linked to Subsidy Payments) are apportioned between the various cost components on the basis of factors/drivers

which reflect the different impact of each item on the Network Elements and Functional Cost Categories. Where sampling and survey techniques are applied for the apportionment of costs the principles outlined in Paragraph 5.6 (Accounting Principles) shall be followed.

5.4.2 At a minimum and where relevant, NBPco shall ensure that the hierarchy of costs to be applied shall enable the cost of the following Functional Cost Categories to be calculated:

- (A) cost of sales;
- (B) product development and management;
- (C) marketing and sales;
- (D) repair/maintenance;
- (E) finance and billing;
- (F) installation / provisioning;
- (G) Network support;
- (H) general support;
- (I) general management;
- (J) accommodation;
- (K) information technology;
- (L) transport;
- (M) personnel and administration;
- (N) other operating expenses;
- (O) depreciation and amortisation;
- (P) Subsidy Payments received;
- (Q) billing and credit management;
- (R) transfer charges; and
- (S) other adjustments shall also be separately identified by NBPco

The Minister reserves the right to amend this list acting reasonably (having regard to the objectives of this Schedule set out in Paragraph 1 (Introduction) above) and by sixty (60) days' notice in writing from time to time during the Contract Period and NBPco shall comply with the amended list (at no extra cost to the Minister).

5.4.3 NBPco shall ensure that there is consistency (to the extent possible) in definitions of Functional Cost Categories between the Separated Accounts, the Additional Financial Statements and Additional Financial Information. Where an

Associated Company of NBPco has a cost accounting model, NBPco may use the functional cost categories in this cost accounting model to produce its Separated Accounts in order to maintain consistency with its Associated Company's cost accounting model.

## 5.5 Inter/Intra segment transactions

5.5.1 NBPco shall comply with the following transfer charging principles where applicable:

- (A) Transfer charges (revenues and costs) shall be attributed to cost components for Wholesale Products in accordance with the activities which cause the revenues to be earned or costs to be incurred.
- (B) The attribution shall be objective and not intended to benefit any product or product grouping.
- (C) The transfer charges for Inter/Intra usage shall be determined as the product of usage and unit charges.
- (D) The charge for Inter/Intra usage shall be equivalent to the charge that is levied if the principal Wholesale Product were an External sale rather than an Inter/Intra transaction. Where no equivalent charge exists the Nearest Equivalent Charge shall be charged and fully explained. Where no Nearest Equivalent Charge exists, a cost based transfer charge shall be used and fully explained.
- (E) There shall be consistency of treatment of transfer charges from period to period.
- (F) The transfer charging methods used shall be transparent. There shall be a clear rationale for the transfer charges used and each charge shall be justifiable (with supporting calculations available).

## 5.6 Sampling and survey techniques

5.6.1 NBPco shall ensure that sample data is based on either generally accepted statistical techniques or other appropriate methods. NBPco shall ensure that this results in a fair and objective allocation of revenue (including transfer charges), costs (including transfer charges), assets and liabilities. NBPco shall ensure, in this regard, that any sampling or survey techniques used to apportion volumes and revenues take account of the following:

- (A) the sample data is unbiased and objective;
- (B) where appropriate, the sample size has been assessed in a statistical manner and is statistically significant;
- (C) the sample data is representative of the entire population;
- (D) the sample data is not obscured by seasonal or other factors; and
- (E) the sample data is updated annually.

- 5.6.2 NBPco shall ensure that where sampling and survey techniques are employed the material samples used shall be updated on a regular basis.

## **6 ACCOUNTING DOCUMENTATION**

- 6.1 NBPco shall ensure that its Accounting Documentation are accompanied by a signed statement from the Board of NBPco acknowledging their responsibilities (Directors Compliance Statement), for the preparation of the Accounting Documentation and confirming NBPco's compliance with its obligations under this Schedule 5.5 (Accounting Separation).
- 6.2 NBPco shall ensure that the Accounting Documentation with respect to the relevant Financial Period is subject to review by an Auditor annually.
- 6.3 NBPco shall ensure that its Accounting Documentation is sufficiently transparent and explains, inter alia, the regulatory principles used and the methodologies applied, for the purpose of preparing:
- 6.3.1 the Separated Accounts;
  - 6.3.2 the Additional Financial Statements; and
  - 6.3.3 the Additional Financial Information.
- 6.4 NBPco shall ensure that its Primary Accounting Documentation sets out the following:
- 6.4.1 Accounting Principles;
  - 6.4.2 Accounting Policies;
  - 6.4.3 an overview of Attribution Methods; and
  - 6.4.4 the transfer charge methodologies.
- 6.5 NBPco shall ensure that its Secondary Accounting Documentation sets out details of the systems, processes and procedures, material methodologies (i.e. those having a material impact on any of the financial statements of the Wholesale Products) specifically those methodologies used for deriving or calculating the costs, revenues, transfer charges, assets and liabilities (including details of Attribution Method, valuation methodology and other relevant methodologies) used to prepare the Separated Accounts, the Additional Financial Statements, and the Additional Financial Information.
- 6.6 NBPco shall:
- 6.6.1 review and update the Accounting Documentation annually;
  - 6.6.2 submit its Accounting Documentation to the Minister as follows:
    - (A) for the Financial Period commencing on or after 1 January 2025, a draft copy of the Accounting Documentation shall be submitted by 31 July 2026;
    - (B) for the Financial Period commencing on or after 1 January 2026, a draft copy of the Accounting Documentation (detailing any

amendments to the prior period version) shall be submitted by 31 July 2027; and

(C) for Financial Periods commencing on or after 1 January 2027, the Accounting Documentation will be submitted (detailing any amendments to the prior year version) as follows:

(1) no later than five (5) months after the end of the Financial Period in the case of the Primary Accounting Documentation; and

(2) no later than seven (7) months after the end of the Financial Period in the case of the Secondary Accounting Documentation.

6.7 NBPco shall ensure that the Primary Accounting Documentation contains at least the elements listed below:

6.7.1 An explanation of the basis of preparation of the Separated Accounts, including an explanation of the key Accounting Policies adopted by NBPco. This shall include, inter alia, details of NBPco's income recognition policy, depreciation policy, capitalisation policy, and its approach to dealing with issues such as cost allocation (including allocations of Subsidy Payments received), prior period adjustments and changes in Accounting Policies.

6.7.2 A description of NBPco's business, explaining the main activities and functions performed by each of NBPco's key business units, indicating into which Wholesale Product they fit.

6.7.3 Definitions in relation to Functional Cost Categories.

6.7.4 Definitions in relation to Network Elements. Network Elements comprise cost entries that can be attributed to end products based on a common cost driver. They include relevant direct, indirect and common costs and represent the most significant destination for network related costs in the cost allocation process before their final attribution to services based on usage factors or defined allocation bases.

6.7.5 Overview of the accounting systems, in terms of the underlying principles and the conceptual flow of costs and revenues from source financial systems to the Wholesale Products.

6.7.6 Overview of the basis of calculation of any Inter/Intra segment transactions.

6.7.7 Where relevant, a description of how the Separated Accounts differ from the Statutory Accounts. The reconciling documents required include an Intra/Inter business turnover reconciliation, income statement reconciliation and a Statement of Mean Capital Employed reconciliation.

6.7.8 Where relevant a description of how the Separated Accounts differ from the Project Accounts.

6.7.9 An overview of the key cost allocation methodologies employed.

- 6.7.10 An overview of the process of deriving ‘total unit’ and ‘weighted average volumes’ including the basis of derivation of the usage factors applied.
- 6.7.11 Details of material period on period changes to the form and content of the Separated Accounts and changes to cost allocations methodologies having a material impact.
- 6.8 NBPco shall ensure that its Secondary Accounting Documentation contains at least the elements listed below:
  - 6.8.1 An explanation of how the underlying financial records supporting NBPco’s business activities and functions are grouped to provide the costs, revenues, transfer charges, assets and liabilities used within the internal system to apportion costs, revenues, assets and liabilities to Network Elements, Functional Cost Categories and Wholesale Products.
  - 6.8.2 A description of the process of allocation/apportionment of each cost category at the Wholesale Product level. This shall also include an analysis of all material activities associated with each cost category together with its treatment as direct, indirect or common cost. Details and explanation of choice of cost driver shall also be disclosed.
  - 6.8.3 The means by which NBPco identifies how costs (including allocations of Subsidy Payments) are found to be directly or indirectly attributable or common including:
    - (A) how costs are directly allocated to Wholesale Products;
    - (B) how indirect costs have been apportioned on the basis of the associated cost driver; and
    - (C) how common costs have been allocated on the basis of an Equi-Proportional Mark-Up.
  - 6.8.4 Details regarding the following when used in the preparation of the Separated Accounts:
    - (A) cost driver definitions (i.e. basis of allocation) and calculations; and
    - (B) the source of volume information.
  - 6.8.5 Details of the internal safeguards that are implemented to ensure that the cost allocation system is free from material error.
  - 6.8.6 The means by which NBPco reviews, updates and verifies cost allocation drivers together with a description of changes in basis of allocation/apportionment from period to period, which have a material impact on the Separated Accounts.
  - 6.8.7 The accounting treatment of bundled Wholesale Products, including how costs and discounts are allocated between Wholesale Products.
  - 6.8.8 Details of the sampling and survey techniques employed, including the design, scope, objectives, methodology, and why these are considered appropriate.



- 6.8.9 Details of when samples were last updated, frequency of updating, reasons for updating.
- 6.8.10 A list of the Wholesale Products within each logical Wholesale Product Category on offer as per the Wholesale Price List at the end of the Financial Period.
- 6.8.11 Details of the principles and basis of calculation of any Inter/Intra segment transactions.
- 6.8.12 The process of deriving and updating usage factors for Wholesale Products and the basis for the usage factors applied to the Wholesale Products included in the Separated Accounts, Additional Financial Statements and/or the Additional Financial Information.

6.9 NBPco shall:

- 6.9.1 Submit to the Minister (in confidence and by email), for approval, an annual edition of the Primary Accounting Documentation and Secondary Accounting Documentation, detailing any amendments to the prior period version.
- 6.9.2 Where it considers that one off or exceptional adjustments are required for the preparation of the Separated Accounts, submit its proposals in this regard in advance to the Minister for consideration and approval. The Minister shall not unreasonably withhold or delay such approval and if no response is received from the Minister within thirty (30) Working Days of the date of receipt of NBPco's written proposals then the Minister shall be deemed to have approved the exceptional adjustments. NBPco's submission shall detail any amendments to the relevant paragraph of the Accounting Documentation, together with supporting files and/or workings where necessary. NBPco shall use best endeavours to inform the Minister of these proposed adjustments at the earliest possible opportunity once the requirement for an adjustment is identified to allow for them to be reviewed. These one off or exceptional adjustments shall include (for example):
  - (A) changes to study methodologies resulting in prior period adjustments;
  - (B) changes to study methodologies resulting in significant changes to cost allocations; and
  - (C) changes in Accounting Policies, methodologies and estimation techniques.

## 7 REVIEW AND CONFIRMATION OF COMPLIANCE

7.1 NBPco shall:

- 7.1.1 engage an Auditor to perform an audit of the Separated Accounts, including considering compliance of the Separated Accounts with this Schedule 5.5 (Accounting Separation), in accordance with International Standards on Auditing (UK and Ireland) and the principles and guidance set out by bodies representative of the Irish accountancy professions from time to time. NBPco shall ensure that such an audit opinion is on a "*Fairly presents in accordance with Accounting Documentation and in agreement with the contracts signed between NBPco and the Minister*" basis in respect of the Separated Accounts as a whole;

- 7.1.2 consult with the Minister before the appointment/reappointment of the Auditor and provide assurance that NBPco's preferred Auditor has the necessary expertise; and
- 7.1.3 ensure that all opinions or reports provided by Auditors pursuant to this Schedule 5.5 (Accounting Separation) are addressed to and for the benefit of the Minister and provide the same reliance and other rights to the Minister as have been (or would in the ordinary course be) afforded to NBPco in respect of such opinions and reports.

## **8 TIMETABLE**

The requirements of this Schedule 5.5 (Accounting Separation) are applicable to Financial Periods beginning on or after 1 January 2025. NBPco shall, however, achieve compliance in all material respects for the Financial Period ending on or after 31 December 2025 with full compliance for the following Financial Period.

## **APPENDIX 1 (CONSOLIDATED INCOME STATEMENT)**

### **1 SEPARATED ACCOUNTS FOR EACH OF THE WHOLESALE PRODUCT CATEGORIES ON OFFER**

- 1.1 Consolidated Income Statement – Example Provided
- 1.2 Example Separated Accounts - Consolidated Statement of Mean Capital Employed – Example Provided
- 1.3 Income Statement by Wholesale Product Category – Example Provided
- 1.4 Statement of average cost and revenue - Example Provided
- 1.5 Statement of Network costs
- 1.6 Network cost market summary by Wholesale Product Category
- 1.7 Notes to the Separated Accounts should include Intra / Inter business turnover reconciliation, Income Statement reconciliation and a Statement of Mean Capital Employed reconciliation

### **2 ADDITIONAL FINANCIAL STATEMENTS-FOR WHOLESALE PRODUCTS**

- 2.1 Income Statement by Wholesale Product – Example Provided
- 2.2 Statement of Mean Capital Employed by Wholesale Product – Example Provided
- 2.3 Statement of average cost and revenue by Wholesale Product
- 2.4 Statement of Network costs
- 2.5 Network cost market summary by Wholesale Product

### **3 ADDITIONAL FINANCIAL INFORMATION**

- 3.1 Statement of average cost and revenue by Wholesale Products; – Example Provided
- 3.2 Statement of Network costs – Example Provided
- 3.3 Network cost market summary by Wholesale Product Category – Example Provided.

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## 4 SEPARATED ACCOUNTS

### 4.1 Example: Separated Accounts- Income Statement

#### Consolidated

Income Statement, *(Current year and prior year)*  
 For the year ended / period end 31 December 20XX

	31-Dec XX	31-Dec XX	31-Dec XX	31-Dec XX	31-Dec XX	31-Dec XX	31-Dec XX	31-Dec XX	31-Dec XX	31-Dec XX
	Total	MRWP	ARWP	OPWP	NREAP	Total	MRWP	ARWP	OPWP	NREAP
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Revenue	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX
Operating Costs										
Return	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX
Mean capital employed	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX
Return on capital employed	XX%	XX%	XX%	XX%	XX	XX%	XX%	XX%	XX%	XX

1. **MRWP** (Minimum Required Wholesale Products)
2. **ARWP** (Additional Required Wholesale Products)

3. **OPWP** (Other Permitted Wholesale Products),
4. **NREAP** (Non Relevant Excluded Area Products).

4.2 Example: Separated Accounts- Statement of Mean Capital Employed

**Consolidated**

Statement of Mean Capital Employed, *(Current year and prior year)*  
 As at 31 December 20XX

	31-Dec XX	31-Dec XX	31-Dec XX	31-Dec XX	31-Dec XX	31-Dec XX	31-Dec XX	31-Dec XX	31-Dec XX	31-Dec XX
	Total	MRWP	ARWP	OPWP	NREAP	Total	MRWP	ARWP	OPWP	NREAP
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
<b>Non-Current Assets</b>										
Property, Plant and Equipment	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX
Intangible Assets	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX
Other	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX
<b>Total Non-Current Assets</b>	<b>XX</b>	<b>XX</b>	<b>XX</b>	<b>XX</b>	<b>XX</b>	<b>XX</b>	<b>XX</b>	<b>XX</b>	<b>XX</b>	<b>XX</b>
<b>Current Asset</b>										
Inventories	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX
Trade and other receivables	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX
Cash and cash equivalents	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX
<b>Total Current Assets</b>	<b>XX</b>	<b>XX</b>	<b>XX</b>	<b>XX</b>	<b>XX</b>	<b>XX</b>	<b>XX</b>	<b>XX</b>	<b>XX</b>	<b>XX</b>
<b>Total Assets</b>	<b>XX</b>	<b>XX</b>	<b>XX</b>	<b>XX</b>	<b>XX</b>	<b>XX</b>	<b>XX</b>	<b>XX</b>	<b>XX</b>	<b>XX</b>
<b>Liabilities</b>										
Trade and other payables	(XX)	(XX)	(XX)	(XX)	(XX)	(XX)	(XX)	(XX)	(XX)	(XX)
Provision for liabilities and charges	(XX)	(XX)	(XX)	(XX)	(XX)	(XX)	(XX)	(XX)	(XX)	(XX)
<b>Total Liabilities</b>	<b>(XX)</b>	<b>(XX)</b>	<b>(XX)</b>	<b>(XX)</b>	<b>(XX)</b>	<b>(XX)</b>	<b>(XX)</b>	<b>(XX)</b>	<b>(XX)</b>	<b>(XX)</b>
<b>Mean Capital Employed</b>	<b>XX</b>	<b>XX</b>	<b>XX</b>	<b>XX</b>	<b>XX</b>	<b>XX</b>	<b>XX</b>	<b>XX</b>	<b>XX</b>	<b>XX</b>

1. **MRWP** (Minimum Required Wholesale Products)
2. **ARWP** (Additional Required Wholesale Products)

3. **OPWP** (Other Permitted Wholesale Products),
4. **NREAP** (Non Relevant Excluded Area Products).

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4.3 Example: Separated Accounts – Income Statement:

**By Wholesale Product Category (e.g. MRWP)**

Income Statement per Wholesale Product Category, *(Current year and prior year)*  
 For the year ended / period end 31 December 20XX

€'000	31-Dec XX Total	31-Dec XX MRWP	31-Dec XX ARWP	31-Dec XX OPWP	31-Dec XX NREAP	31-Dec XX Total	31-Dec XX MRWP	31-Dec XX ARWP	31-Dec XX OPWP	31-Dec XX NREAP
<b>Revenue</b>										
External	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX
Subvention	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX
Internal revenue – Inter	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX
Internal revenue – Intra	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX
Other	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX
<b>Total Revenue</b>	<b>XX</b>	<b>XX</b>	<b>XX</b>	<b>XX</b>	<b>XX</b>	<b>XX</b>	<b>XX</b>	<b>XX</b>	<b>XX</b>	<b>XX</b>
<b>Costs</b>										
Cost of sales	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX
Product development costs	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX
Marketing and sales	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX
Repairs and maintenance	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX
Finance	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX
Installation/Provisioning	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX
Network support	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX
General management	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX
Accommodation	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX
Information technology	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX
Transport	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX
Personnel and administration	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX
Other operating expenses	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX
Credit management & billing	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX
Depreciation	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX
<b>Total HCA wholesale operating costs</b>	<b>XX</b>	<b>XX</b>	<b>XX</b>	<b>XX</b>	<b>XX</b>	<b>XX</b>	<b>XX</b>	<b>XX</b>	<b>XX</b>	<b>XX</b>
Transfer charges from Wholesalers	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX
Exceptional (Gain) / Loss	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX
<b>Total Operating costs</b>	<b>XX</b>	<b>XX</b>	<b>XX</b>	<b>XX</b>	<b>XX</b>	<b>XX</b>	<b>XX</b>	<b>XX</b>	<b>XX</b>	<b>XX</b>
Subvention	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX
<b>Return</b>	<b>XX</b>	<b>XX</b>	<b>XX</b>	<b>XX</b>	<b>XX</b>	<b>XX</b>	<b>XX</b>	<b>XX</b>	<b>XX</b>	<b>XX</b>
Mean Capital Employed	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX

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Return on Capital Employed	XX%	XX%	XX%	XX%	XX%	XX%	XX%	XX%	XX%	XX%
----------------------------	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----

4.4 Example: Separated Accounts statement of average costs and revenues by service

**Per Wholesale Product Category (i.e. 1. MRWP, 2. ARWP, 3. OPWP)**

Statement of average cost and revenue by Wholesale Product group, (Current year and prior year)  
 For the year ended / period end 31 December 20XX

Dec xx €'000	External Revenue Xxx	Internal Revenue xxx	Total Revenue xxx	Total Operating Costs xxx	Return Xxx	Return on Turnover xx%	Mean Capital Employed xx	ROCE xx%
Product	External Revenue €'000	Internal Revenue €'000	Total Revenue €'000	Volume '000	Unit of Measurement	Average Revenue €	FAC Average Cost €	Average Revenue Cost
	1.Connection fee Existing Premises	XX	XX	XX	XX	x.XX	x.XX	X%
	2.Connection fee New Premises	XX	XX	XX	XX	x.XX	x.XX	X%
	3.Re-occurring charges	XX	XX	XX	XX	x.XX	x.XX	X%
	4.Disconnection fee	XX	XX	XX	XX	x.XX	x.XX	X%
	5.Porting (Service provider)	XX	XX	XX	XX	x.XX	x.XX	X%
	6.Migration (Products)	XX	XX	XX	XX	x.XX	x.XX	X%
	7.Subsidy Payment	XX	XX	XX	XX	x.XX	x.XX	X%
Dec xx €'000	External Revenue Xxx	Internal Revenue xxx	Total Revenue xxx	Total Operating Costs xxx	Return Xxx	Return on Turnover xx%	Mean Capital Employed xx	ROCE xx%
Product	External Revenue €'000	Internal Revenue €'000	Total Revenue €'000	Volume '000	Unit of Measurement	Average Revenue €	FAC Average Cost €	Average Revenue / Cost
	1.Connection fee Existing Premises	XX	XX	XX	XX	x.XX	x.XX	X%
	2.Connection fee New Premises	XX	XX	XX	XX	x.XX	x.XX	X%
	3.Re-occurring charges	XX	XX	XX	XX	x.XX	x.XX	X%
	4.Disconnection fee	XX	XX	XX	XX	x.XX	x.XX	X%
	5.Porting (Service provider)	XX	XX	XX	XX	x.XX	x.XX	X%
	6.Migration (Products)	XX	XX	XX	XX	x.XX	x.XX	X%
	7.Subsidy Payment	XX	XX	XX	XX	x.XX	x.XX	X%



## **5 ADDITIONAL FINANCIAL STATEMENTS**

5.1 Income Statements and;

5.2 Statement of Mean Capital Employed by Products;

***Subject to materiality logical Wholesale Product Category to be performed.***

5.3 Minimum Required Wholesale Products to be identified by sub products and as outlined in Schedule 2.1 (Technical Solution Specification), Paragraph 3.2 (Minimum Required Wholesale Products);

5.3.1 Minimum Bitstream Wholesale Product,

5.3.2 Minimum Virtual Unbundled Access (VUA) Wholesale Product,

5.3.3 Duct Access Product,

5.3.4 Pole Access Product,

5.3.5 Dark Fibre Product,

5.3.6 Unbundled Fibre Access Product,

5.3.7 Radio Tower and Mast Access Product,

5.3.8 Building and Cabin Co-Location,

5.3.9 InterConnect Product,

5.3.10 Transmission Product.

5.4 Additional Required Wholesale Products to be identified by sub products and as outlined in Schedule 2.1 (Technical Solution Specification), Paragraph 3.3 (Additional Required Wholesale Products);

5.4.1 SME Additional Required Wholesale Product,

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- 5.4.2 Medium Business Additional Required Wholesale Product,
- 5.5 Other Permitted Wholesale Products and as outlined in Schedule 2.1 (Technical Solution Specification), Paragraph 3.4 (Other Permitted Wholesale Products);
  - 5.5.1 Non Relevant Excluded Area Products;

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5.6 Example: Additional Financial Statements

**By Products / within Wholesale Product Category (i.e. 1. MRWP, 2. ARWP, 3. OPWP 4. NREAP); Subject to materiality**

Income Statement per Wholesale Product Category, (Current year and prior year)  
 For the year ended / period end 31 December 20XX

€'000	31-Dec XX Total	31-Dec XX Product 1	31-Dec XX Product 2	31-Dec XX Product 3	31-Dec XX Product 4	31-Dec XX Total	31-Dec XX Product 1	31-Dec XX Product 2	31-Dec XX Product 3	31-Dec XX Product 4
<b>Revenue</b>										
External	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX
Subvention	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX
Internal revenue – Inter	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX
Internal revenue – Intra	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX
Other	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX
<b>Total Revenue</b>	<b>XX</b>	<b>XX</b>	<b>XX</b>	<b>XX</b>	<b>XX</b>	<b>XX</b>	<b>XX</b>	<b>XX</b>	<b>XX</b>	<b>XX</b>
<b>Costs</b>										
Cost of sales	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX
Product development costs	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX
Marketing and sales	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX
Repairs and maintenance	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX
Finance	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX
Installation/Provisioning	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX
Network support	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX
General management	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX
Accommodation	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX
Information technology	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX
Transport	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX
Personnel and administration	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX
Other operating expenses	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX
Credit management & billing	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX
Depreciation	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX
<b>Total HCA wholesale operating costs</b>	<b>XX</b>	<b>XX</b>	<b>XX</b>	<b>XX</b>	<b>XX</b>	<b>XX</b>	<b>XX</b>	<b>XX</b>	<b>XX</b>	<b>XX</b>
Transfer charges from Wholesalers	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX
Exceptional (Gain) / Loss	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX
<b>Total Operating costs</b>	<b>XX</b>	<b>XX</b>	<b>XX</b>	<b>XX</b>	<b>XX</b>	<b>XX</b>	<b>XX</b>	<b>XX</b>	<b>XX</b>	<b>XX</b>
Subvention	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX
Return	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX
Mean Capital Employed	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX
Return on Capital Employed	XX%	XX%	XX%	XX%	XX%	XX%	XX%	XX%	XX%	XX%

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5.7 Example: Additional Financial Statements

**By Products / Wholesale Product Category (i.e. 1. MRWP, 2. ARWP, 3. OPWP 4. NREAP); Subject to materiality**

Statement of Mean Capital Employed per sub product, *(Current year and prior year)*

As at 31 December 20XX

€'000	31-Dec XX Total	31-Dec XX Product 1	31-Dec XX Product 2	31-Dec XX Product 3	31-Dec XX Product 4	31-Dec XX Total	31-Dec XX Product 1	31-Dec XX Product 2	31-Dec XX Product 3	31-Dec XX Product 4
<b>Non-Current Assets</b>										
Property, Plant and Equipment	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX
Intangible Assets	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX
Other	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX
<b>Total Non-Current Assets</b>	<b>XX</b>	<b>XX</b>	<b>XX</b>	<b>XX</b>	<b>XX</b>	<b>XX</b>	<b>XX</b>	<b>XX</b>	<b>XX</b>	<b>XX</b>
<b>Current Assets</b>										
Inventories	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX
Trade and other receivables	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX
Cash and cash equivalents	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX
<b>Total Current Assets</b>	<b>XX</b>	<b>XX</b>	<b>XX</b>	<b>XX</b>	<b>XX</b>	<b>XX</b>	<b>XX</b>	<b>XX</b>	<b>XX</b>	<b>XX</b>
<b>Total Assets</b>	<b>XX</b>	<b>XX</b>	<b>XX</b>	<b>XX</b>	<b>XX</b>	<b>XX</b>	<b>XX</b>	<b>XX</b>	<b>XX</b>	<b>XX</b>
<b>Liabilities</b>										
Trade and other payables	(XX)	(XX)	(XX)	(XX)	(XX)	(XX)	(XX)	(XX)	(XX)	(XX)
Provision for liabilities and charges	(XX)	(XX)	(XX)	(XX)	(XX)	(XX)	(XX)	(XX)	(XX)	(XX)
<b>Total Liabilities</b>	<b>(XX)</b>	<b>(XX)</b>	<b>(XX)</b>	<b>(XX)</b>	<b>(XX)</b>	<b>(XX)</b>	<b>(XX)</b>	<b>(XX)</b>	<b>(XX)</b>	<b>(XX)</b>
<b>Mean Capital Employed for the year/(period)</b>	<b>XX</b>	<b>XX</b>	<b>XX</b>	<b>XX</b>	<b>XX</b>	<b>XX</b>	<b>XX</b>	<b>XX</b>	<b>XX</b>	<b>XX</b>

**6 ADDITIONAL FINANCIAL INFORMATION:**

6.1 Example: Additional Financial Information

**Products within overall Wholesale Product Category;** Sub Divisions of Products may be required depending on materiality

Statement of average cost and revenue by Wholesale Product, (Current year and prior year)  
 Product Summary; for the year ended / period end 31 December 20XX

Dec xx €'000	External Revenue Xxx	Internal Revenue xxx	Total Revenue xxx	Total Operating Costs xxx	Return xxx	Return on Turnover xx%	Mean Capital Employed xx	ROCE xx%
<b>Service</b>	External Revenue €'000	Internal Revenue €'000	Total Revenue €'000	Volume '000	Unit of Measurement	Average Revenue €	FAC Average Cost €	Average Revenue / Cost
	1.Connection fee Existing Premises	XX	XX	XX	XX	x.XX	x.XX	X%
	2.Connection fee New Premises	XX	XX	XX	XX	x.XX	x.XX	X%
	3.Re-occurring charges	XX	XX	XX	XX	x.XX	x.XX	X%
	4.Disconnection fee	XX	XX	XX	XX	x.XX	x.XX	X%
	5.Porting (Service provider)	XX	XX	XX	XX	x.XX	x.XX	X%
	6.Migration (Products)	XX	XX	XX	XX	x.XX	x.XX	X%
	7.Subsidy Payment	XX	XX	XX	XX	x.XX	x.XX	X%
Dec xx €'000	External Revenue Xxx	Internal Revenue xxx	Total Revenue xxx	Total Operating Costs xxx	Return xxx	Return on Turnover xx%	Mean Capital Employed xx	ROCE xx%
<b>Service</b>	External Revenue €'000	Internal Revenue €'000	Total Revenue €'000	Volume '000	Unit of Measurement	Average Revenue €	FAC Average Cost €	Average Revenue / Cost
	1.Connection fee Existing Premises	XX	XX	XX	XX	x.XX	x.XX	X%
	2.Connection fee New Premises	XX	XX	XX	XX	x.XX	x.XX	X%
	3.Re-occurring charges	XX	XX	XX	XX	x.XX	x.XX	X%
	4.Disconnection fee	XX	XX	XX	XX	x.XX	x.XX	X%
	5.Porting (Service provider)	XX	XX	XX	XX	x.XX	x.XX	X%

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6.Migration (Products)	XX	XX	XX	XX	x.XX	x.XX	X%
7.Subsidy Payment	XX	XX	XX	XX	x.XX	x.XX	X%

*Unit of Measurement includes; (No. Connections, Capacity, No. Lines, No. Disconnections, No. Ports, No. Migrations).*

6.2 Example: Additional Financial Information-Statement of costs, (*Current year and prior year*)

**Statement of Network costs**

For the year ended / period end 31 December 20XX

Fully allocated costs	Operating costs €'000	Exceptional operating costs €'000	Mean capital employed €'000	Applicable rate of return on capital %	Capital costs €'000	Total of operating costs and capital costs relating to current year €'000	Volume (Unit of measurement)	Average costs per unit relating to current year €'000
Fibre/high speed access network	XX	XX	XX	X%	XX	XX	XX	XX
DSL equipment	XX	XX	XX	X%	XX	XX	XX	XX
Other accessing equipment	XX	XX	XX	X%	XX	XX	XX	XX
Provisioning	XX	XX	XX	X%	XX	XX	XX	XX
Repair	XX	XX	XX	X%	XX	XX	XX	XX
Interconnect equipment	XX	XX	XX	X%	XX	XX	XX	XX
Intelligence network	XX	XX	XX	X%	XX	XX	XX	XX
Switching elements	XX	XX	XX	X%	XX	XX	XX	XX
Transmission network								
XX	XX	XX	XX	X%	XX	XX	XX	XX
XX	XX	XX	XX	X%	XX	XX	XX	XX
XX	XX	XX	XX	X%	XX	XX	XX	XX
Transmission : Length dependant								
XX	XX	XX	XX	X%	XX	XX	XX	XX
XX	XX	XX	XX	X%	XX	XX	XX	XX
XX	XX	XX	XX	X%	XX	XX	XX	XX
Data platforms								
XX	XX	XX	XX	X%	XX	XX	XX	XX
XX	XX	XX	XX	X%	XX	XX	XX	XX
XX	XX	XX	XX	X%	XX	XX	XX	XX
<b>Total</b>	XX	XX	XX	X%	XX	XX	XX	XX

Up to date as at 30 June 2021  
 Schedule 5.5 – Accounting Separation

6.3 Example: Additional Financial Information-Network cost by Product Category, (Current year and prior year)

**By Products / Wholesale Product Category;** Subject to materiality

Network cost by Wholesale Product Category  
 For the year ended / period end 31 December 20XX

Fully allocated costs €'000	31-Dec XX Total	31-Dec XX MRWP	31-Dec XX ARWP	31-Dec XX OPWP	31-Dec XX NREAP
Fibre/high speed access network	XX	XX	XX	XX	XX
DSL equipment	XX	XX	XX	XX	XX
Other accessing equipment	XX	XX	XX	XX	XX
Provisioning	XX	XX	XX	XX	XX
Repair	XX	XX	XX	XX	XX
Interconnect equipment	XX	XX	XX	XX	XX
Intelligence network	XX	XX	XX	XX	XX
Switching elements	XX	XX	XX	XX	XX
Transmission network					
XX	XX	XX	XX	XX	XX
XX	XX	XX	XX	XX	XX
XX	XX	XX	XX	XX	XX
Transmission : Length dependant					
XX	XX	XX	XX	XX	XX
XX	XX	XX	XX	XX	XX
Data platforms					
XX	XX	XX	XX	XX	XX
XX	XX	XX	XX	XX	XX
Total					
Total operating costs	XX	XX	XX	XX	XX
Return	XX	XX	XX	XX	XX
Mean Capital Employment	XX	XX	XX	XX	XX
Return on Capital Employed	XX%	XX%	XX%	XX%	XX%

1. **MRWP** (Minimum Required Wholesale Products)  
 2. **ARWP** (Additional Required Wholesale Products)

3. **OPWP** (Other Permitted Wholesale Products),  
 4. **NREAP** (Non Relevant Excluded Area Products).