

Company Registration Number: 2392867

Port Greenwich Limited

Annual Report and Financial Statements

For the year ended 31 March 2018

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Port Greenwich Limited

Strategic Report

For the year ended 31 March 2018

The Directors present their Strategic Report on Port Greenwich Limited (the 'Company') for the year ended 31 March 2018.

Review of the business

The Company's principal activities are the acquisition, development, management and disposal of land and property.

Executive summary

There have been no significant changes in the Company's trading activities during the year as reported in the profit and loss account. The Company sold three sites including land in Granton, Edinburgh resulting in a gross profit on sale of £6,604,000.

On 26 March 2018, the Directors agreed to enter into an intercompany loan offset agreement with a fellow subsidiary undertaking, National Grid Property Holdings Limited. As a result, an aggregate sum of £7,639,000 payable was offset against a receivable from that company. There were no other significant changes in the Company's assets and liabilities.

Results, as detailed below, largely depend on profit on sale and rental income offset by administrative charges and the unwinding of the discount on provisions.

Results

The Company's profit for the financial year was £5,285,000 (2017: £10,000 loss).

Financial position

The financial position of the Company is presented in the balance sheet. Total shareholders' equity at 31 March 2018 was £8,671,000 (2017: £3,386,000) comprising net current assets of £11,079,000 (2017: £9,635,000) less creditors falling more than one year of £1,321,000 (2017: £1,253,000) less provisions for liabilities of £1,087,000 (2017: £4,996,000).

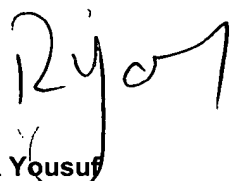
Key performance indicators and principal risks and uncertainties

As the Company is part of a larger group, the management of the Company does not involve the use of key performance indicators, other than the profit or loss for the year; in measuring the development, performance or the position of the Company and the principal risks and uncertainties are integrated with the principal risks of National Grid plc. For information on the development, performance, risks, uncertainties and position of National Grid plc and its subsidiaries ('National Grid'), and of the key performance indicators used, refer to the Strategic Report included in National Grid plc's Annual Report and Accounts 2017/18, which does not form part of this report.

Future developments

The Directors believe the current level of trading activity as reported in the profit and loss account will continue in the foreseeable future with no anticipated significant balance sheet movements.

The Strategic Report was approved by the Board of Directors and was signed by order of the Board on its behalf by:



R Yousuf
Company Secretary
20 December 2018

Port Greenwich Limited

Directors' Report

For the year ended 31 March 2018

The Directors present their Report and the audited financial statements of the Company for the year ended 31 March 2018.

Future developments

Details of future developments have been included within the Strategic Report on page 1.

Dividends

The Company has paid no interim ordinary dividends during the year (2017: £nil) and the Directors do not recommend payment of a final dividend (2017: £nil).

Financial risk management

The management of the Company and the execution of the Company's strategy are subject to a number of financial risks. The Directors have identified the need to manage the Company's material financial risks, including liquidity and credit risks. These risks are monitored through a National Grid Treasury ('Treasury') management function which invests surplus funds, mitigates foreign exchange exposure and interest rate exposure manages borrowings for National Grid plc and its subsidiaries.

Treasury also seeks to limit third party counterparty risk which arises from the investment of surplus funds and the use of derivative financial instruments. Treasury monitors the exposure that National Grid has with any one counterparty against agreed limits and these limits are monitored regularly and updated for changes in credit ratings.

Liquidity risk

The Company finances its operations through a combination of retained profits and intercompany balances to ensure that the Company has sufficient long-term and short-term funds available for current operations and future activities.

Credit risk

The Company aims to reduce the risk of loss arising from default by parties to financial transactions. To this end the Company has implemented policies that require appropriate credit checks on potential customers before sales are made. The Company holds an approved list of counterparties of good credit quality and these counterparties and their credit ratings are routinely monitored. No exposure is considered to exist in respect of intercompany loans as these are fully recoverable from within the National Grid group.

Directors

The Directors of the Company during the year and up to the date of signing of the financial statements were:

R Alden
P D Edwards (Appointed 1 May 2017)
P K Gabbi

Directors' indemnity

National Grid has arranged, in accordance with the Companies Act 2006 and the Articles, qualifying third-party indemnities against financial exposure that Directors may incur in the course of their professional duties. Equivalent qualifying third-party indemnities were, and remain, in force for the benefit of those Directors who stood down from the Board in prior financial years for matters arising when they were Directors of the Company. Alongside these indemnities, National Grid places Directors' and Officers' liability insurance cover for each Director.

Port Greenwich Limited

Directors' Report (continued)

For the year ended 31 March 2018

Going concern

The Directors are not aware of any material uncertainties related to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Disclosure of information to auditors

Having made the requisite enquiries, so far as the Directors in office at the date of the approval of this report are aware, there is no relevant audit information of which the auditors are unaware and each Director has taken all reasonable steps to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information. This confirmation is given in accordance with the provisions of section 418 of the Companies Act 2006.

Auditors

At the 2017 Annual General meeting of National Grid plc, the Company's ultimate parent company, Deloitte LLP were appointed as external auditor to the group. Accordingly, Deloitte LLP were appointed auditor of the Company replacing PricewaterhouseCoopers LLP for the year ended 31 March 2018.

Statement of Directors' responsibilities

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 101 "Reduced Disclosure Framework". Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

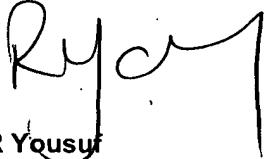
The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Port Greenwich Limited

Directors' Report (continued)

For the year ended 31 March 2018

The Directors' Report was approved by the Board of Directors and was signed by order of the Board on its behalf by:



R Yousuf
Company Secretary
20 December 2018

Registered office:
1-3 Strand
London
WC2N 5EH

Registered in England and Wales
Company registration number: 2392867

Independent auditor's report to the members of

Port Greenwich Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Port Greenwich Limited which comprise:

- the profit and loss account;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 14, which includes a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

- the Directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information we are required to report that fact.

We have nothing to report in respect of these matters.

Independent auditor's report to the members of

Port Greenwich Limited (continued)

Responsibilities of Directors

As explained more fully in the statement of Directors' responsibilities, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, 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.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Strategic Report or the Directors' Report.

Independent auditor's report to the members of


Port Greenwich Limited (continued)

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.



Jane Whitlock (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Birmingham, UK
20 December 2018

Port Greenwich Limited

Profit and loss account

For the year ended 31 March 2018

	Notes	2018 £'000	2017 £'000
Turnover	2	11,441	203
Cost of sales		(4,439)	-
Gross profit		<u>7,002</u>	<u>203</u>
Administrative expenses		(496)	106
Operating profit	3	<u>6,506</u>	<u>309</u>
Unwinding of discount on provisions	10	(78)	(252)
Profit before tax		<u>6,428</u>	<u>57</u>
Tax	5	(1,143)	(67)
Profit/(loss) for the financial year		<u><u>5,285</u></u>	<u><u>(10)</u></u>

The results reported above relate to continuing activities.

There have been no other comprehensive income/losses during either the current or prior year other than as disclosed in the profit and loss account and therefore no separate statement of comprehensive income has been presented.

Port Greenwich Limited

Balance sheet

As at 31 March 2018

	Notes	2018 £'000	2017 £'000
Current assets			
Stocks	6	6,724	14,642
Debtors (amounts falling due within one year)	7	8,892	5,451
Debtors (amounts falling due after more than one year)	7	5	-
Cash at bank and in hand		48	138
Total current assets		15,669	20,231
Creditors (amounts falling due within one year)	8	(4,590)	(10,596)
Net current assets		11,079	9,635
Total assets less current liabilities		11,079	9,635
Creditors (amounts falling due after more than one year)	9	(1,321)	(1,253)
Provisions for liabilities	10	(1,087)	(4,996)
Net assets		8,671	3,386
Equity			
Share capital	11	-	-
Profit and loss account		8,671	3,386
Total shareholders' equity		8,671	3,386

The financial statements on pages 8 to 18 were approved by the Board of Directors on 20 December 2018 and were signed on its behalf by:



P K Gabbi
Director

Port Greenwich Limited
Company registration number: 2392867

Port Greenwich Limited
Statement of changes in equity
For the year ended 31 March 2018

	Share capital £'000	Profit and loss account £'000	Total shareholders' equity £'000
At 1 April 2016	-	3,396	3,396
Loss for the financial year	-	(10)	(10)
At 31 March 2017	-	3,386	3,386
Profit for the financial year	-	5,285	5,285
At 31 March 2018	-	8,671	8,671

Port Greenwich Limited
Notes to the financial statements
For the year ended 31 March 2018

1 Summary of significant accounting policies

Port Greenwich Limited is a private company, limited by shares. The nature of the Company's principal activities is set out in the Strategic Report on page 1. The Company is incorporated and domiciled in England with its registered office at 1-3 Strand, London, WC2N 5EH.

(a) Basis of preparation

The Company meets the definition of a qualifying entity under Financial Reporting Standard 100 (FRS100) issued by the Financial Reporting Council. Accordingly, these financial statements have been prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS101). In preparing these financial statements, the Company applies the recognition and measurement requirements of International Financial Reporting Standards (IFRS) as adopted by the EU, but makes amendments where necessary in order to comply with the Companies Act 2006 and sets out below where advantage of the FRS101 disclosure exemptions has been taken.

These financial statements have been prepared in accordance with applicable UK accounting and financial reporting standards and the Companies Act 2006. They have been prepared on an historical cost basis and are presented in pounds sterling which is the currency of the primary economic environment in which the Company operates. The 2017 comparative financial information has also been prepared on this basis.

These financial statements have been prepared on a going concern basis, which presumes that the Company has adequate resources to remain in operation, and that the Directors intend for it to do so, for at least one year from the date the financial statements are signed. The Directors are not aware of any material uncertainties related to events or conditions that may cast doubt upon the Company's ability to continue as a going concern. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

These financial statements are presented in the format as set out in the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (SI 2008/410).

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements of the Company in accordance with FRS 101:

- a cash flow statement and related notes;
- disclosure in respect of transactions with National Grid plc and its subsidiaries;
- disclosure in respect of capital management; and
- the effects of new but not yet effective IFRSs.

As the consolidated financial statements of National Grid plc which are available from the registered office, include the equivalent disclosures, the Company has taken the exemptions under FRS101 in respect of certain disclosures required by IFRS 13 'Fair value measurement' and the disclosures required by IFRS 7 'Financial instruments disclosures'. The Company intends to apply the above exemptions in the financial statements for the year ending 31 March 2018.

The preparation of financial statements may require management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures of contingent assets and liabilities and the reported amounts of income and expenses during the reporting period. Actual results could differ from these estimates.

There are no critical areas of judgement that are considered to have a significant effect on the amounts recognised in the financial statements.

Port Greenwich Limited

Notes to the financial statements (continued)

For the year ended 31 March 2018

1 Summary of significant accounting policies (continued)

(a) Basis of preparation (continued)

Key sources of estimation uncertainty that have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows :

Environmental provisions, note 10.

The balance sheet has been prepared in accordance with the Company's accounting policies approved by the Board and described below:

(b) Tax

The tax charge for the period is recognised in the profit and loss account or directly in equity according to the accounting treatment of the related transaction. The tax charge comprises both current and deferred tax.

Current tax assets and liabilities are measured at the amounts expected to be recovered from or paid to the tax authorities. The tax rates and tax laws used to compute the amounts are those that have been enacted or substantively enacted by the reporting date.

The calculation of the total tax charge involves a degree of estimation and judgement, and management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is provided using the balance sheet liability method and is recognised on temporary differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases.

Deferred tax liabilities are generally recognised on 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. However, to the extent that the temporary differences arise from the initial recognition of goodwill or from the initial recognition of other assets and liabilities in a transaction (other than a business assets combination) that affects neither the accounting nor the taxable profit or loss, deferred tax assets and liabilities are not recognised.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, based on the tax rates and tax laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets is reviewed at each reporting 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. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited in other comprehensive income, in which case the deferred tax is also reflected in other comprehensive income.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same tax authorities and the Company intends to settle their current tax assets and liabilities on a net basis.

Port Greenwich Limited

Notes to the financial statements (continued)

For the year ended 31 March 2018

1 Summary of significant accounting policies (continued)

(c) Stocks

Stocks comprise land and property held for development and subsequent sale. It is valued at the lower of cost and net realisable value. Cost comprises land costs, construction costs and other development expenses. Net realisable value has been assessed on the basis of the amount recoverable from property in its present condition.

(d) Financial instruments

Financial assets, liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into, and recognised on trade date. An equity instrument is any contract that includes a residual interest in the assets of the Company after deducting all of its liabilities and is recorded at the proceeds received, net of direct issue costs, with an amount equal to the nominal amount of the shares issued included in the share capital account.

Loans receivable and other receivables are initially recognised at fair value plus transaction costs and subsequently held at amortised cost using the effective interest method. A provision is established for impairments when there is objective evidence that the Company will not be able to collect all amounts due under the original terms of the loan. Interest income, together with gains and losses when the loans and receivables are derecognised or impaired, are recognised in the profit and loss account.

Borrowings, which include interest-bearing loans and overdrafts, are recorded at their initial fair value which normally reflects the proceeds received, net of direct issue costs less any repayments. Subsequently these are stated at amortised cost, using the effective interest method. Any difference between proceeds and the redemption value is recognised over the term of the borrowing in the profit and loss account using the effective interest method.

(e) Environmental costs

Environmental costs, based on discounted future estimated expenditures expected to be incurred, are provided for in full. The unwinding of the discount is included within the profit and loss account as an interest expense.

Liabilities for environmental remediation resulting from past operations or events are recognised to the extent to which required under UK decontamination requirements and to the extent to which the amount can reasonably be estimated. Measurement of liabilities is based on current legal requirements and existing technology. The carrying amount of liabilities is regularly reviewed and adjusted for new facts or changes in law or technology. No provision is made for non-statutory decontamination costs.

The unwinding of the discount is included within the profit and loss account as an interest expense.

(f) Demolition costs

Demolition costs relating to the demolition of gas holders, based on discounted future estimated expenditures expected to be incurred, are provided for in full.

(g) Turnover

Turnover consists of proceeds from sale of properties, rent and associated property income from tenants, derived from property situated in the United Kingdom and is stated net of value added tax. Rental income is recognised on a monthly basis.

Port Greenwich Limited

Notes to the financial statements (continued)

For the year ended 31 March 2018

2 Turnover

	2018 £'000	2017 £'000
Rental income	48	50
Service charge income	350	153
Property sale income	11,043	-
	<u>11,441</u>	<u>203</u>

Geographical analysis of turnover is not provided as the Company's operations are all undertaken in the UK for customers based in the UK.

3 Operating profit

	2018 £'000	2017 £'000
Operating profit is stated after charging:		
Services provided by the Company's auditor		
Audit fees	<u>10</u>	<u>8</u>

Operating profit includes a credit from an environmental provision release of £68,000 (2017: £628,000)

Disclosure of non-audit fees is not required as these have been disclosed in the consolidated financial statements of National Grid plc.

4 Directors and employees

The emoluments of the Directors are not paid to them in their capacity as Directors of the Company and are payable for services wholly attributable to other National Grid subsidiary undertakings. Accordingly, no details in respect of their emoluments have been included in these financial statements. During the year there were 2 Directors (2017: 4) who exercised share options in or received ordinary shares as part of long term incentive plans of the ultimate parent company, National Grid plc.

There were no employees of the Company during the year (2017: none).

5 Tax

Tax charged to the profit and loss account

	2018 £'000	2017 £'000
Current tax:		
UK corporation tax	1,405	(33)
Adjustments in respect of prior years	(56)	(11)
Total current tax	<u>1,349</u>	<u>(44)</u>
Deferred tax:		
Origination and reversal of timing differences	(230)	137
Impact of change in tax rate	24	(26)
Total deferred tax	<u>(206)</u>	<u>111</u>
Tax charge on profit/(loss)	<u>1,143</u>	<u>67</u>

Port Greenwich Limited

Notes to the financial statements (continued)

For the year ended 31 March 2018

5 Tax (continued)

The tax charge for the year (2017: higher) is higher than the standard rate of corporation tax in the UK of 19% (2017: 20%). The differences are explained below:

	2018 £'000	2017 £'000
Profit before tax	6,428	57
Profit multiplied by standard rate of corporation tax in the UK of 19% (2017: 20%)	1,221	11
Effect of:		
Other	-	136
Taxation on transfer pricing adjustments	(46)	(43)
Impact of change in UK tax rate	24	(26)
Adjustments in respect of prior years	(56)	(11)
Total tax charge for the year	1,143	67

Factors that may affect future tax charges

The Finance Act 2016 which was enacted on 15 September 2016 reduced the main rate of UK corporation tax to 17% with effect from 1 April 2020. Deferred tax balances have been calculated at this rate.

6 Stocks

	2018 £'000	2017 £'000
Cost	6,724	19,442
Provision for obsolescence	-	(4,800)
Net realisable value	6,724	14,642

During the year, the Company sold three sites including the land in Granton, Edinburgh resulting in a profit of sale of £6,604,000.

Stocks are stated after provisions for obsolescence of £nil (2017: £4,800,000)

7 Debtors

	2018 £'000	2017 £'000
Amounts falling due within one year:		
Trade debtors	295	84
Amounts owed by fellow subsidiary undertakings	8,597	5,320
Other tax and social security	-	47
	8,892	5,451

Amounts owed by fellow subsidiary undertakings are unsecured, have no fixed date of repayment and are repayable on demand.

Port Greenwich Limited

Notes to the financial statements (continued)

For the year ended 31 March 2018

7 Debtors (continued)

	2018 £'000	2017 £'000
Amounts falling due after more than one year:		
Deferred tax	5	-

8 Creditors (amounts falling due within one year)

	2018 £'000	2017 £'000
Trade creditors	31	259
Amounts owed to fellow subsidiary undertakings	1,717	9,211
Other tax and social security	1,835	-
Other creditors	11	79
Accruals and deferred income	996	1,047
	4,590	10,596

Amounts owed to fellow subsidiary undertakings are unsecured, have no fixed date of repayment and are repayable on demand.

On 26 March 2018, the Directors agreed to enter into an intercompany loan offset agreement with a fellow subsidiary undertaking, National Grid Property Holdings Limited. As a result, an aggregate sum of £7,639,000 payable was offset against a receivable from that company. There were no other significant changes in the Company's assets and liabilities.

9 Creditors (amounts falling due after more than one year)

	2018 £'000	2017 £'000
Deferred income	1,321	1,253

An amount of £800,000 (2017: £932,000) was included in accruals and deferred income, representing the obligation to demolish gas holders on the transferred sites funded by National Grid Gas plc. As at 31 March 2018 the total obligation amounted to £2,121,000 (2017: £2,185,000).

10 Provisions for liabilities

	Environmental £'000	Demolition £'000	Deferred taxation £'000	Total £'000
At 1 April 2017	3,021	1,774	201	4,996
Unused amounts reversed	(2,012)	(1,774)	(206)	(3,992)
Transferred to debtors	-	-	5	5
Unwinding of discount	78	-	-	78
At 31 March 2018	1,087	-	-	1,087

Port Greenwich Limited

Notes to the financial statements (continued)

For the year ended 31 March 2018

10 Provisions for liabilities (continued)

Environmental provision

The environmental provision represents the net present value of the estimated statutory decontamination costs of old gas manufacturing sites. The Company does not provide for non-statutory decontamination costs.

The expected decontamination costs have been discounted at a real rate of 1% (2017: 1%) to arrive at these provisions. The anticipated timing of the cash flows for statutory contamination cannot be predicted with certainty, but they are expected to be incurred over the next 4 years.

There are a number of uncertainties that affect the calculation of the provision for gas site decontamination, including the impact of regulation, the accuracy of the site surveys, unexpected contaminants, transportation costs, the impact of alternative technologies and changes in the discount rate. We have made our best estimate of the financial effect of these uncertainties in the calculation of the provision, but future material changes in any of the assumptions could materially impact on the calculation of the provision and hence the profit and loss account.

The impact of the changes in these uncertainties in the current year have been released to operating costs rather than exceptional items as they are not in relation to changes in regulation.

The undiscounted amount of the provision at 31 March 2018 relating to gas site decontamination was £1,131,000 (2017: £3,161,000) being the best undiscounted estimate of the liability having regard to the uncertainties referred to above.

Demolition provision

The demolition provision represents the costs relating to the demolition of a gas holder at the Granton site expected to be incurred until 2019. The undiscounted amount of the provision at 31 March 2018 was £nil (2017: £1,774,000) being the best undiscounted estimate of the liability.

Deferred tax

	2018 £'000	2017 £'000
Accelerated capital allowances	(5)	(6)
Other short-term timing differences	-	207
Deferred tax (asset)/liability	<u>(5)</u>	<u>201</u>
	2018 £'000	2017 £'000
Deferred tax liability at 1 April	201	90
(Credited)/charged to profit and loss account	<u>(206)</u>	<u>111</u>
Deferred tax (asset)/liability at 31 March	<u>(5)</u>	<u>201</u>

Port Greenwich Limited

Notes to the financial statements (continued)

For the year ended 31 March 2018

11 Share capital

	2018 £	2017 £
Allotted, called up and fully paid		
100 (2017: 100) ordinary shares of £1 each	<u>100</u>	<u>100</u>

In line with the provisions of the Companies Act 2006, the Company has amended its Articles of Association and ceased to have authorised share capital.

12 Contingent liabilities

(a) Environmental claims

The environmental provision (see note 10) has been set up to deal with the costs of statutory decontamination of the National Grid group's UK old gas-manufacturing sites. Other claims have arisen from time to time, but none of these have been significant. It is not possible to determine the level of such future claims. However, based upon experience, the directors do not consider a provision necessary.

(b) Litigation

Through the ordinary course of operations, the Company is party to various litigation, claims and investigations. The Directors do not expect the ultimate resolution of any of these proceedings to have a material adverse effect on the Company's results of operations, cash flows or financial position.

13 Related party transactions

The Company is exempt under FRS 101.8(k) from disclosing transactions with National Grid plc and its subsidiary undertakings where all of the voting rights are held within the group. There were no related party transactions with other companies.

14 Ultimate parent company

The ultimate parent and controlling company is National Grid plc and the immediate parent company is Birch Sites Limited. The largest and smallest group which includes the Company and for which consolidated financial statements are prepared is headed by National Grid plc. National Grid plc is registered in England and Wales.

Copies of these consolidated financial statements can be obtained from the Company Secretary, National Grid plc, 1-3 Strand, London WC2N 5EH.