

**NATGRID ONE LIMITED**  
**DIRECTORS' REPORT**  
**AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2008**

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**ENGLAND AND WALES REGISTERED NUMBER: 5521240**

# **NATGRID ONE LIMITED**

## **DIRECTORS' REPORT**

### **FOR THE YEAR ENDED 31 MARCH 2008**

The Directors present their report and the audited financial statements of the Company for the year ended 31 March 2008

#### **PRINCIPAL ACTIVITY**

The Company is an investment holding company

#### **DEVELOPMENT AND PERFORMANCE DURING THE YEAR**

The Company holds investments in other National Grid plc subsidiary companies and obtains and provides finance to fellow subsidiary companies via inter company balances. Results, as detailed below, largely depend on investment income received offset by interest costs incurred. The Directors believe the current level of activity will continue in the foreseeable future.

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 Operating and Financial Review included in National Grid plc's Annual Report and Accounts 2007/08, which does not form part of this report.

#### **RESULTS AND DIVIDENDS**

The loss for the year after taxation was US\$180,832,000 (2007: US\$156,161,000).

The Directors do not recommend the payment of a dividend. (2007: US\$Nil)

#### **FINANCIAL POSITION**

The financial position of the Company is presented in the balance sheet. Total shareholders' deficit at 31 March 2008 was US\$161,346,000 (2007: US\$101,556,000) comprising fixed asset investments of US\$2,438,663,000 (2007: US\$2,438,663,000) less net current liabilities of US\$2,578,680,000 (2007: US\$34,161,000, net current assets) less long term creditors and provisions for liabilities and charges of US\$ 21,329,000 (2007: US\$2,506,068,000).

#### **FINANCIAL RISK MANAGEMENT**

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

# **NATGRID ONE LIMITED**

## **DIRECTORS' REPORT (continued)**

### **FOR THE YEAR ENDED 31 MARCH 2008**

#### **FINANCIAL RISK MANAGEMENT (continued)**

Treasury also seeks to limit counter-party risk by conducting most of its banking and dealing activities with a limited number of major international banks, whose status is kept under review

#### **LIQUIDITY RISK**

The Company finances its operations through a combination of new share issues and inter company loans

#### **CREDIT RISK**

No material exposure is considered to exist in respect of inter company loans.

#### **INTEREST RATE RISK**

To the extent that the Company enters into inter company loan agreements, the Company's exposure to interest risk arises on such loans on which interest is based upon Barclays Bank base rate and US Dollar Libor. The Company does not participate in interest rate hedging.

#### **FOREIGN EXCHANGE RISK**

To the extent that the Company enters into inter company loan agreements in currencies different to that of the Company's functional currency, there is an exposure to movements in exchange rates. The Company does not participate in cross-currency hedging

#### **DIRECTORS**

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

|             |  |
|-------------|--|
| JG Cochrane | (Resigned 31 May 2007)                               |
| MAD Flawn   | (Appointed 31 May 2007)                              |
| G Holroyd   | (Appointed alternate to AM Lewis - 28 November 2007) |
| CA Lafleur  | (Resigned 31 May 2007)                               |
| AM Lewis    | (Appointed 31 May 2007)                              |
| SF Noonan   | (Appointed 31 May 2007)                              |
| RF Pettifer | (Appointed 31 May 2007)                              |
| LJ Reilly   | (Resigned 31 May 2007)                               |

# **NATGRID ONE LIMITED**

## **DIRECTORS' REPORT (continued)**

**FOR THE YEAR ENDED 31 MARCH 2008**

### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The Directors are responsible for preparing the Directors' 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). The financial statements are required by law to 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 those financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently,
- make judgements and 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, in which case there should be supporting assumptions or qualifications as necessary.

The Directors confirm that they have complied with the above requirements in preparing the financial statements

The Directors are responsible for keeping proper accounting records that 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 1985. 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.

### **DIRECTORS' INDEMNITIES AND INSURANCE**

National Grid plc indemnifies officers of subsidiary companies against liabilities arising from the conduct of National Grid's business, to the extent permitted by law, by the placing of Directors' and Officers' insurance. The insurance indemnifies individual Directors' and officers' personal legal liability and cost for claims arising out of actions taken in connection with the business of National Grid plc and its subsidiaries.

### **TRANSACTIONS WITH DIRECTORS**

None of the Directors had a material interest in any contract of significance to which the Company was a party or made any transaction, arrangement or agreement within the provisions of Schedule 6 to the Companies Act 1985, during the year.

**NATGRID ONE LIMITED**

**DIRECTORS' REPORT (continued)**

**FOR THE YEAR ENDED 31 MARCH 2008**

**AUDIT INFORMATION**

Having made the requisite enquiries, so far as the Directors in office at the date of the signing 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

**INDEPENDENT AUDITORS**

The Company has previously taken advantage of the provisions of Section 379A of the Companies Act 1985 that enable a private company to dispense with the requirement to appoint auditors annually. Accordingly, PricewaterhouseCoopers LLP will be deemed to remain in office until further notice.

**ON BEHALF OF THE BOARD**



**DC Forward**  
Company Secretary  
28 July 2008

**REGISTERED OFFICE**

1-3 STRAND  
LONDON  
WC2N 5EH

# NATGRID ONE LIMITED

## INDEPENDENT AUDITORS' REPORT

### TO THE MEMBERS OF NATGRID ONE LIMITED

We have audited the financial statements of NatGrid One Limited for the year ended 31 March 2008 which comprise the Profit and Loss account, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

#### Respective responsibilities of Directors and auditors

The Directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the statement of Directors' responsibilities section of the Directors' Report.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements. In addition we report to you, if in our opinion, the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

#### Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

#### Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Company's affairs as at 31 March 2008 and of its loss for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements.



PricewaterhouseCoopers LLP  
Chartered Accountants and Registered Auditors  
London  
28 July 2008

**NATGRID ONE LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**FOR THE YEARS ENDED 31 MARCH**

|  | Notes | 2008<br>US\$'000        | 2007<br>US\$'000        |
|--|-------|-------------------------|-------------------------|
| Operating charges                                  | 3     | <u>(270)</u>            | <u>(11)</u>             |
| <b>Operating loss</b>                              |       | <b>(270)</b>            | <b>(11)</b>             |
| Interest receivable and similar income             | 4     | -                       | 7,796                   |
| Interest payable to fellow subsidiary undertakings |       | (121,316)               | (120,836)               |
| <b>Loss on ordinary activities before taxation</b> |       | <b>(121,586)</b>        | <b>(113,051)</b>        |
| Taxation   | 5     | (59,246)                | (43,110)                |
| <b>Loss for the year transferred from reserves</b> | 10    | <b><u>(180,832)</u></b> | <b><u>(156,161)</u></b> |

The results reported above relate to continuing activities

There are no material differences between the loss on ordinary activities before and after taxation for the years stated above and their historical cost equivalents.

The Company has no recognised gains and losses other than the loss for the years stated above and therefore no separate statement of total recognised gains and losses has been presented

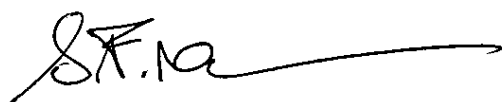
# NATGRID ONE LIMITED

## BALANCE SHEET

AT 31 MARCH

|  | Notes | 2008<br>US\$'000   | 2007<br>US\$'000   |
|--|-------|--------------------|--------------------|
| <b>Fixed asset investments</b>                                 | 6     | <u>2,438,663</u>   | <u>2,438,663</u>   |
| <b>Creditors: amounts falling due within one year</b>          | 7     | (2,578,680)        | (34,161)           |
| <b>Net current liabilities</b>                                 |       | <u>(2,578,680)</u> | <u>(34,161)</u>    |
| <b>Total assets less current liabilities</b>                   |       | <u>(140,017)</u>   | <u>2,404,502</u>   |
| <b>Creditors: amounts falling due after more than one year</b> |       |                    |                    |
| Amounts owed to a fellow subsidiary undertaking                |       | -                  | (2,487,089)        |
| <b>Provisions for liabilities and charges</b>                  | 8     | (21,329)           | (18,979)           |
|  |       | <u>(21,329)</u>    | <u>(2,506,068)</u> |
| <b>Net liabilities</b>   |       | <u>(161,346)</u>   | <u>(101,566)</u>   |
| <b>Capital and reserves</b>                                    |       |                    |                    |
| Called up share capital  | 9     | 249,618            | 128,566            |
| Other reserve  | 10    | 667                | 667                |
| Profit and loss account  | 10    | (411,631)          | (230,799)          |
| <b>Total shareholders' deficit</b>                             | 11    | <u>(161,346)</u>   | <u>(101,566)</u>   |

The financial statements on pages 6 to 14 were approved by the Board of Directors on 28 July 2008 and signed on its behalf by:



**SF Noonan**  
Director



**NATGRID ONE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2008**

**1 Accounting policies**

**(a) Basis of preparation**

These financial statements have been prepared on the going concern basis in accordance with applicable UK accounting and financial reporting standards and the Companies Act 1985. These financial statements have been prepared using the historical cost convention and in accordance with the accounting policies set out below.

These financial statements are presented in US dollars because that is the currency of the primary economic environment in which the Company operates.

In accordance with Section 228 of the Companies Act 1985, the Company is exempt from preparing consolidated financial statements, as it is a wholly owned subsidiary of National Grid Holdings Inc and is included within the consolidated accounts of National Grid plc.

The Company has taken the exemption from preparing a cash flow statement under the terms of FRS 1 (revised 1996) 'Cash flow statements'. Further, in accordance with exemptions under FRS 29 'Financial Instruments Disclosures', the Company has not presented the financial instruments disclosures required by the standard, as disclosures that comply with the standard are included in the consolidated financial statements of National Grid plc.

**(b) Fixed asset investments**

Investments held as fixed assets are stated at cost less any provisions for impairment. Investments are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable. Impairments are calculated such that the carrying value of the fixed asset investment is the lower of its cost or recoverable amount. Recoverable amount is the higher of its net realisable value and its value in use.

**(c) Taxation**

Current tax for the current and prior periods is provided at the amount expected to be paid (or recovered) using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is provided in full on all timing differences which result in an obligation at the balance sheet date to pay more tax, or the right to pay less tax, at a future date, at tax rates expected to apply when the timing differences reverse based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements.

# **NATGRID ONE LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (continued)**

### **FOR THE YEAR ENDED 31 MARCH 2008**

#### **1 Accounting policies (continued)**

##### **(c) Taxation (continued)**

Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no commitment to sell the asset. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

##### **(d) Financial instruments**

Financial assets, liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences 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.

Loans receivable are carried at amortised cost using the effective interest rate method less any allowance for estimated impairments. 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 losses when the loans are 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 rate 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) Foreign currencies**

Transactions in currencies other than the functional currency of the Company are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign exchange currencies are retranslated at closing exchange rates. Gains and losses arising on retranslation of monetary assets and liabilities are included in the profit and loss account.

#### **2 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 three Directors (2007: Nil) who exercised share options in the ordinary shares of the ultimate parent company, National Grid plc.

There were no employees of the Company during the year (2007: Nil).

# NATGRID ONE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### FOR THE YEAR ENDED 31 MARCH 2008

#### 3 Operating charges

|                                 | 2008<br>US\$'000 | 2007<br>US\$'000 |
|---------------------------------|------------------|------------------|
| Operating charges includes.     |                  |                  |
| Audit fees                      | 9                | 10               |
| Foreign exchange losses/(gains) | <u>255</u>       | <u>(5)</u>       |

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

#### 4 Interest receivable and similar income

|   | 2008<br>US\$'000 | 2007<br>US\$'000 |
|---|------------------|------------------|
| Interest receivable from a fellow subsidiary undertaking  | -                | 2,162            |
| Exchange gains on revaluation of foreign currency denominated loans from fellow subsidiary undertakings | <u>-</u>         | <u>5,634</u>     |
|   | <u>-</u>         | <u>7,796</u>     |

#### 5 Taxation

|  | 2008<br>US\$'000 | 2007<br>US\$'000 |
|--|------------------|------------------|
| <b>Current tax:</b>                            |                  |                  |
| UK corporation tax                             | 47,103           | 24,078           |
| Adjustments in respect of prior periods        | <u>9,793</u>     | <u>53</u>        |
| Total current tax                              | <u>56,896</u>    | <u>24,131</u>    |
| <b>Deferred tax:</b>                           |                  |                  |
| Origination and reversal of timing differences | 2,350            | 19,745           |
| Adjustments in respect of prior periods        | <u>-</u>         | <u>(766)</u>     |
| Total deferred tax                             | <u>2,350</u>     | <u>18,979</u>    |
| <b>Tax on loss on ordinary activities</b>      | <u>59,246</u>    | <u>43,110</u>    |

# NATGRID ONE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### FOR THE YEAR ENDED 31 MARCH 2008

#### 5 Taxation (continued)

The tax assessed for the period is higher than the standard rate of corporation tax in the UK (30%) The differences are explained below:

|  | 2008<br>US\$'000     | 2007<br>US\$'000     |
|--|----------------------|----------------------|
| Loss on ordinary activities before tax   | <u>(121,586)</u>     | <u>(113,051)</u>     |
| Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2007 30%) | (36,476)             | (33,915)             |
| Effect of:   |                      |                      |
| Expenses not deductible for tax purposes   | 36,374               | 36,251               |
| Non-taxable income   | 75                   | (2)                  |
| Taxation on transfer pricing adjustment  | -                    | (648)                |
| Utilisation of tax losses  | -                    | (11,131)             |
| Tax losses carried forward   | -                    | -                    |
| Other  | 47,130               | 33,523               |
| Adjustments in respect of prior periods  | <u>9,793</u>         | <u>53</u>            |
| <b>Total current tax charge for the period</b>   | <b><u>56,896</u></b> | <b><u>24,131</u></b> |

#### Factors that may affect future tax charges

The changes enacted in Finance Act 2007 included a reduction in the corporation tax rate from 30% to 28% with effect from 1 April 2008

The deferred tax expected to reverse has been measured using the 28% rate

A number of changes to the UK corporation tax system were announced in the March 2008 Budget Statement and are expected to be enacted in the 2008 Finance Act. The changes have not been substantively enacted at the balance sheet date and, therefore, are not included in these financial statements.

# NATGRID ONE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### FOR THE YEAR ENDED 31 MARCH 2008

#### 6 Fixed asset investments

|                                   | Shares in<br>Subsidiary<br>Undertakings<br>US\$'000 |
|-----------------------------------|---|
| <b>Cost:</b>                      |   |
| At 1 April 2007 and 31 March 2008 | <u>2,439,330</u>                                    |
| <b>Provision:</b>                 |   |
| At 1 April 2007 and 31 March 2008 | <u>(667)</u>  |
| <b>Net book value:</b>            |   |
| At 1 April 2007 and 31 March 2008 | <u>2,438,663</u>                                    |

The fixed asset investments at 31 March 2008 represent 100% of the ordinary share capital of National Grid US6 LLC and 71.5% of the ordinary share capital of NGT Two Limited

National Grid US6 LLC is a company formed under Delaware law in the United States of America and NGT Two Limited is registered in England and Wales. Both of these entities are investment companies.

#### 7 Creditors: amounts falling due within one year

|  | 2008<br>US\$'000 | 2007<br>US\$'000 |
|--|------------------|------------------|
| Amounts owed to fellow subsidiary undertakings | 2,578,661        | 34,144           |
| Accruals and deferred income                   | <u>19</u>        | <u>17</u>        |
|  | <u>2,578,680</u> | <u>34,161</u>    |

#### 8 Provisions for liabilities and charges

|  | Deferred taxation<br>2008<br>US\$'000 | 2007<br>US\$'000 |
|--|---------------------------------------|------------------|
| Other short term timing differences                | <u>21,329</u>                         | <u>18,979</u>    |
| <b>Deferred tax liability</b>                      | <u>21,329</u>                         | <u>18,979</u>    |
| Deferred tax liability provided at 1 April         | 18,979                                | -                |
| Charged to the profit and loss account             | <u>2,350</u>                          | <u>18,979</u>    |
| <b>Deferred tax liability provided at 31 March</b> | <u>21,329</u>                         | <u>18,979</u>    |

# NATGRID ONE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### FOR THE YEAR ENDED 31 MARCH 2008

#### 9 Called up share capital

|   | 2008<br>US\$'000 | 2007<br>US\$'000 |
|---|------------------|------------------|
| <b>Authorised</b>   |                  |                  |
| 7,000,000,000 ordinary shares of US\$1 each                   | <u>7,000,000</u> | <u>7,000,000</u> |
| <b>Allotted, called up and fully paid</b>                     |                  |                  |
| 249,617,889 (2007: 128,565,819) ordinary shares of US\$1 each | <u>249,618</u>   | <u>128,566</u>   |

On 31 August 2007 the Company issued 60,526,035 ordinary shares of US\$1 each at par for the purpose of repaying part of an amount due to a fellow subsidiary undertaking

Similarly, on 29 February 2008 the Company issued a further 60,526,035 ordinary shares of US\$1 at par for the purpose of repaying part of an amount due to a fellow subsidiary undertaking

#### 10 Reserves

|                         | Other<br>Reserve<br>US\$'000 | Profit<br>and loss<br>Account<br>US\$'000 |
|-------------------------|------------------------------|---|
| At 1 April 2007         | 667                          | (230,799)                                 |
| Loss for the year       | -                            | (180,832)                                 |
| <b>At 31 March 2008</b> | <u>667</u>                   | <u>(411,631)</u>                          |

The other reserve is a consequence of a non-cash capital contribution made to the Company by its immediate parent company

#### 11 Reconciliation of movements in shareholders' deficit

|   | 2008<br>US\$'000 | 2007<br>US\$'000 |
|---|------------------|------------------|
| Loss for the year after taxation              | (180,832)        | (156,161)        |
| Proceeds from issue of ordinary share capital | 121,052          | 68,040           |
| Net increase in shareholders' deficit         | (59,780)         | (88,121)         |
| Opening shareholders' deficit                 | (101,566)        | (13,445)         |
| <b>Closing shareholders' deficit</b>          | <u>(161,346)</u> | <u>(101,566)</u> |

## **NATGRID ONE LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (continued)**

#### **FOR THE YEAR ENDED 31 MARCH 2008**

##### **12 Related party transactions, ultimate parent company and financial support**

The Company is exempt 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 companies where not all of the voting rights are held within the National Grid plc group of companies.

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

The ultimate parent company, National Grid plc, has confirmed its intention to ensure that the Company will be in a position to meet its liabilities for a period of not less than one year from the date of these financial statements.

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