

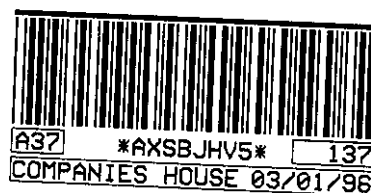
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NGC INTERNATIONAL LIMITED

REPORT OF THE DIRECTORS

AND FINANCIAL STATEMENTS FOR THE YEAR

ENDED 31 MARCH 1995



NGC INTERNATIONAL LIMITED

REPORT OF THE DIRECTORS

AND FINANCIAL STATEMENTS FOR THE YEAR

ENDED 31 MARCH 1995

The directors present their report and the audited financial statements of the company for the year ended 31 March 1995.

PRINCIPAL ACTIVITY

The company is an investment company. The company is a wholly owned subsidiary undertaking of NGC One Limited, which in turn is a wholly owned subsidiary of The National Grid Company plc a company incorporated in Great Britain and registered in England and Wales.

The company did not trade during the year and therefore no profit and loss account has been presented.

DIRECTORS

The directors of the company during the year were:

R E D Coldwell	(resigned 16 March 1995)
D C Forward	(resigned 16 March 1995)
J R Uttley	(appointed 16 March 1995)
D H Elsey	(appointed 16 March 1995)
C J L Spencer	(appointed 16 March 1995)
M D O'Donovan	(appointed 16 March 1995)

NGC INTERNATIONAL LIMITED

REPORT OF THE DIRECTORS (continued)

DIRECTORS' INTEREST IN SHARES

The interests of the directors as shown in the register maintained by the company in accordance with Section 325 of the Companies Act 1985, were as follows:-

Ordinary shares of 10p each in The National Grid Holding plc.

Employee ShareSave Options

On Appointment and at 31 March 1995

J R Uttley	7,214
D H Elsey	-
C J L Spencer	7,214
M D O'Donovan	7,214

Executive Share Options

On Appointment and at 31 March 1995

J R Uttley	51,500
D H Elsey	23,900
C J L Spencer	-
M D O'Donovan	-

Beneficial Interests in Shares

On Appointment and at 31 March 1995

J R Uttley	29,353
D H Elsey	9,313
C J L Spencer	-
M D O'Donovan	-

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 period.

NGC INTERNATIONAL LIMITED

REPORT OF THE DIRECTORS (continued)

TAXATION STATUS

The company is not a close company within the provisions of the Income and Corporation Taxes Act 1988.

DIRECTORS' RESPONSIBILITIES

The directors are required by the Companies Act 1985 to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss of the company for the financial year.

The directors are responsible for ensuring that the company keeps accounting records which disclose with reasonable accuracy the financial position of the Company and which enable them to ensure that the financial statements comply with the Companies Act 1985. They also have general responsibility for taking reasonable steps to safeguard the assets of the company and for taking reasonable steps to prevent and detect fraud and other irregularities.

The directors consider that in preparing the financial statements, suitable accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, have been used and that applicable accounting and financial reporting standards have been followed and that the statements have been prepared on the going concern basis.

AUDITORS

The directors appointed Coopers & Lybrand as auditors on 16 March 1995. A resolution for their re-appointment will be proposed at the Annual General Meeting.

BY ORDER OF THE BOARD



D C Forward
Secretary

26 June 1995

REGISTERED OFFICE

**185 PARK STREET
LONDON
SE1 9DY**

REGISTERED NUMBER: 2444202

NGC INTERNATIONAL LIMITED

REPORT OF THE AUDITORS TO

THE MEMBERS OF NGC INTERNATIONAL LIMITED

We have audited the financial statements on pages 5 to 10.

Respective responsibilities of directors and auditors

As described on page 3, the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those financial statements and to report our opinion to you.

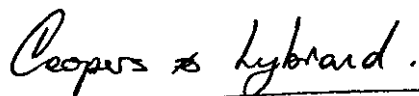
Basis of opinion

We have conducted our audit in accordance with Auditing Standards 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 judgements 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 mis-statement, 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 of the state of affairs of the company at 31 March 1995 and have been properly prepared in accordance with the Companies Act 1985.



Coopers & Lybrand
Chartered Accountants and
Registered Auditors
London

26 June 1995

NGC INTERNATIONAL LIMITED

BALANCE SHEET

AT 31 MARCH 1995

	Notes	1995 £'000	1994 £'000
Fixed asset investment	4	10,376.5	-
Amounts due from Parent undertaking		10,376.5	-
Creditors: amounts falling due within one year	5	(773.4)	-
Net current assets		9,603.1	-
Total assets less current liabilities		19,979.6	-
Creditors: amounts falling due after one year	6	(9,603.1)	-
		10,376.5	-
CAPITAL AND RESERVES			
Called up share capital	7	0.1	-
Share premium account	8	10,376.4	-
Equity shareholders' funds	9	10,376.5	-

Amounts due from Parent undertaking include amounts falling due after more than one year of £9,603,100 (1994 - £nil).

The financial statements on pages 5 to 10 were approved by the board of directors on 26 June 1995 and signed on its behalf by:

J R Uttley, OBE
Director

D H Elsey
Director

NGC INTERNATIONAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 1995

1 ACCOUNTING POLICIES

a) Accounting Convention

The financial statements have been prepared under the historical cost convention.

b) Basis of Preparation

The financial statements have been prepared in accordance with applicable accounting and financial reporting standards in the United Kingdom.

In accordance with s228 of the Companies Act 1985, the company is exempt from preparing consolidated financial statements, as it is a wholly owned subsidiary of The National Grid Company plc.

As permitted by FRS1, no cash flow statement has been presented as the cash flow of the company have been included in the cash flow statement of The National Grid Company plc.

c) Fixed Asset Investment

The investment is stated at cost less any provision for permanent diminution in value.

d) Foreign Currencies

The assets and liabilities in foreign currencies are translated into sterling at rates of exchange ruling at the end of the financial year. Exchange gains or losses arising from the retranslation of the investment and foreign currency borrowings are taken to reserves.

2 DIRECTORS' EMOLUMENTS

The emoluments of the directors are paid by the Parent undertaking and are deemed by them to be wholly attributable to their service to that undertaking. Accordingly, no details in respect of their emoluments have been included in these financial statements.

3 EMPLOYEES

There are no employees.

NGC INTERNATIONAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 1995

4 FIXED ASSET INVESTMENT

Shares at cost in subsidiary undertaking:

	£'000
At 1 April 1994	-
Investment during year	10,376.5
At 31 March 1995	<u>10,376.5</u>

The investment relates to ordinary shares in National Grid Finance BV, a wholly owned subsidiary undertaking incorporated in the Netherlands. The principal activity of this company is an investment company.

5 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	1995 £'000	1994 £'000
Amounts owed to Parent company	773.4	-

6 CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR

	1995 £'000	1994 £'000
Amounts owed to Parent company	10,376.5	-
Less: amounts falling due within one year (note 5)	(773.4)	-
	<u>9,603.1</u>	<u>-</u>

NGC INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 1995

6 CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR (continued)

	1995 £'000	1994 £'000
Amounts outstanding are repayable by instalments as follows :		
Less than one year	773.4	-
Between one and two years	773.4	-
Between two and five years	2,320.2	-
After five years	6,509.5	-
	<u>10,376.5</u>	<u>-</u>

7 SHARE CAPITAL

Authorised share capital 100 ordinary shares of £1 each.

Allotted, called up and fully paid	1995 £	1994 £
At 31 March	100	2
	<u> </u>	<u> </u>
	Number	Number
At 31 March	100	2
	<u> </u>	<u> </u>

98 ordinary shares were issued during the year to The National Grid Company plc, at a premium, in consideration for the entire share capital of National Grid Finance BV. Ownership of the company was then transferred to NGC One Limited, itself a wholly owned subsidiary of The National Grid Company plc.

NGC INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 1995

8 SHARE PREMIUM ACCOUNT

	£'000
At 1 April 1994	-
Movement during year	10,376.4
At 31 March 1995	<u>10,376.4</u>

9 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS FUNDS

	1995 £'000	1994 £'000
New share capital issued	0.1	-
Share premium on new share capital issue	10,376.4	-
Net addition to shareholders' funds	<u>10,376.5</u>	<u>-</u>
Opening shareholders' funds	-	-
Closing shareholders' funds	<u>10,376.5</u>	<u>-</u>

10 PARENT COMPANY

The immediate Parent company is NGC One Limited, a company incorporated in Great Britain and registered in England and Wales.

NGC INTERNATIONAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 1995

11 ULTIMATE PARENT COMPANY

The ultimate Parent company is The National Grid Holding plc, and the immediate Parent company for which consolidated financial statements are prepared is The National Grid Company plc. Both companies are incorporated in Great Britain and registered in England and Wales.

Copies of their consolidated financial statements can be obtained from the Group Company Secretariat, The National Grid Company plc, 185 Park Street, London SE1 9DY.