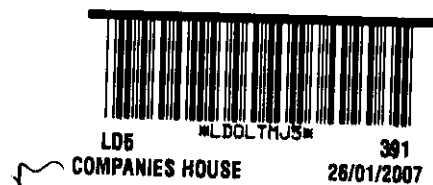


**NG NOMINEES LIMITED  
(FORMERLY NGT NOMINEES LIMITED)**

**REPORT OF THE DIRECTORS  
AND UNAUDITED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2006**



**Registered Number: 2489329**

**NG NOMINEES LIMITED (Formerly NGT Nominees Limited)**  
**REPORT OF THE DIRECTORS**  
**FOR THE YEAR ENDED 31 MARCH 2006**

The Directors present their report and the unaudited financial statements for the year ended 31 March 2006.

**ACTIVITIES**

The Company has been dormant within the meaning of Section 249A of the Companies Act 1985 throughout the year. The Directors anticipate that the Company will remain dormant for the foreseeable future.

**CHANGE OF NAME**

The Company changed its name from NGT Nominees Limited to NG Nominees Limited on 12 October 2005.

**PROFIT AND LOSS ACCOUNT**

No profit and loss account is presented with these financial statements because the Company has not received income, incurred expenditure or recognised any gains or losses during either the year under review or the preceding accounting period. There have been no movements in shareholders' funds during the year under review or the preceding accounting period.

**DIRECTORS**

The Directors of the Company during the year and subsequently were:

H A Baker (appointed 7 November 2005)  
A P Durrant  
R A Eves (Resigned 22 December 2006)  
D C Forward  
H M Mahy  
M Singleterry

**DIRECTORS' INTERESTS IN SHARES**

The Directors had no direct or indirect interests at 31 March 2006 in the shares of the Company or Group, other than the following interests in ordinary shares of National Grid plc, the ultimate parent company:

**Ordinary shares in National Grid plc ('NG')**

**Employee Share Save options**

	<b>1 April 2005</b>	<b>Granted</b>	<b>Exercised</b>	<b>31 March 2006</b>
R A Eves	2,473	-	-	2,473
D C Forward	5,000	-	-	5,000
H M Mahy	2,700	2,154	2,700	2,154
M Singleterry	2,910	-	-	2,910

**Executive Share options**

	<b>1 April 2005</b>	<b>Granted</b>	<b>Exercised</b>	<b>31 March 2006</b>
H M Mahy	12,895	-	-	12,895

**NG NOMINEES LIMITED (Formerly NGT Nominees Limited)**  
**REPORT OF THE DIRECTORS (continued)- FOR THE YEAR ENDED 31 MARCH 2006**

**DIRECTORS' INTERESTS IN SHARES (CONTINUED)**

**Performance Share Plan Awards**

	<b>1 April 2005</b>	<b>Granted</b>	<b>Exercised</b>	<b>31 March 2006</b>
H M Mahy	51,829	37,948	-	89,777

**Beneficial interests in shares\* and \*\***

	<b>1 April 2005</b>	<b>31 March 2006</b>
R A Eves	5,459	5,695
D C Forward	9,176	744
H M Mahy	2,632	9,554
M Singleterry	6,378	5,839

**\*Note:** Includes shares acquired under the Share Matching Plan. Subject to retention of the shares acquired in accordance with the rules of the plan, matching awards totalling 3,451 National Grid plc ordinary shares were exercisable by H M Mahy (2005: Nil shares) in addition to the above.

**\*\*Note:** On 1 August 2005 National Grid beneficially held ordinary shares were subject to a 43 for 49 capital consolidation in conjunction with alternative elections involving its 65p per share return of capital. Options to ordinary shareholders included a 'B share election', the rights of which are set out in the Circular to shareholders dated 6 June 2005. Following this, Directors holding B shares were: R A Eves-1,721; M Singleterry-1,565.

**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.

**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.

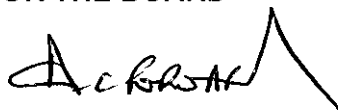
The Directors are responsible for ensuring that the Company keeps accounting records which disclose with reasonable accuracy the financial position of the company and which enable them to ensure that the financial statements comply with the Companies Act 1985. They also have general responsibility for 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.

**AUDITORS**

The Company currently qualifies as a dormant company under the provisions of the Companies Act 1985 and accordingly is not required to appoint auditors as otherwise required by that Act.

**FOR THE BOARD**



**D C Forward**  
Secretary. 25 January 2007

**REGISTERED OFFICE**

1-3 STRAND  
LONDON  
WC2N 5EH

**NG NOMINEES LIMITED (Formerly NGT Nominees Limited)**

**BALANCE SHEET**

**AT 31 MARCH 2006**

		<b>2006</b>	<b>2005</b>
	<b>Note</b>	<b>£</b>	<b>£</b>
Fixed asset investments		<u>205</u>	<u>205</u>
<b>Current asset</b>			
Amount owed by a Group undertaking		2	2
<b>Creditors: amounts falling due within one year</b>			
Amount owed to a Group undertaking		(205)	(205)
<b>Net current liabilities</b>		<u>(203)</u>	<u>(203)</u>
<b>Net assets employed</b>		<u>2</u>	<u>2</u>
<b>Capital and reserves</b>			
Called up share capital	4	<u>2</u>	<u>2</u>
<b>Equity shareholders' funds</b>		<u>2</u>	<u>2</u>

Throughout the year ending on the date to which this balance sheet has been prepared the Company was dormant; being entitled to exemption under section 249AA(1) of the Companies Act 1985 from the provisions of Part VII of that Act relating to the audit of accounts, and no member has required the Company to obtain an audit of its accounts for that year in accordance with sub-section 249B(2) of that Act.

The Directors acknowledge their responsibility for:

- a) Ensuring the Company keeps accounting records which comply with section 221;
- b) Preparing accounts which give a true and fair view of the state of affairs of the Company as at the end of its financial year, and of its profit and loss for the financial year in accordance with section 226, and which otherwise comply with the requirements of the Companies Act relating to accounts, so far as applicable to the Company.

The financial statements on pages 3 to 4 were approved by the Board of Directors on 25 January 2007 and signed on its behalf by:



**H A Baker**  
**Director**

**NG NOMINEES LIMITED (Formerly NGT Nominees Limited)**

**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2006**

**1 ACCOUNTING POLICIES**

**Basis of Accounting**

The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 1985 and applicable Accounting and Financial Reporting Standards in the United Kingdom.

**2 PROFIT AND LOSS ACCOUNT**

No profit and loss account is presented with these financial statements because the Company has not received income, incurred expenditure or recognised any gains or losses during either the year under review or the preceding accounting period. There have been no movements in shareholders' funds during the year under review or the preceding accounting period.

**3. DIRECTORS AND EMPLOYEES**

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

There were no employees of the Company during the year (2005: Nil)

**4. SHARE CAPITAL**

	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
<b>Authorised</b>		
100 ordinary shares of £1 each	<u>100</u>	<u>100</u>
<b>Allotted, called up and fully paid</b>		
2 ordinary shares of £1 each	<u>2</u>	<u>2</u>

**5. RELATED PARTIES AND ULTIMATE PARENT COMPANY**

The Company is exempt from disclosing transactions with those companies within the National Grid plc group of companies ('the Group') 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 Limited. The largest and smallest groups which include the Company and for which consolidated financial statements are prepared are headed by National Grid plc and National Grid Holdings One plc respectively. Each of these companies are registered in England and Wales.*

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