

Company Registration Number: 2489329

NG Nominees Limited

Annual Report and Financial Statements

For the year ended 31 March 2016

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NG Nominees Limited

Strategic Report

For the year ended 31 March 2016

The Directors present their Strategic Report of the Company for the year ended 31 March 2016.

Review of the business

The Company holds both nominee and beneficial interests in other National Grid plc subsidiary companies. Where the Company holds beneficial interests these companies are recognised as fixed asset investments in these financial statements. These subsidiary companies have not traded and when they are to become active they will be transferred to another National Grid plc subsidiary company.

Executive summary

This is the first time that the Company has prepared financial statements in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101). 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. There were no material measurement or recognition adjustments on the adoption of FRS 101. The results outlined below are in accordance with FRS 101.

On 16 November 2015, the Company became the 100% shareholder of the newly created company, National Grid Thirty Four Limited. On 19 January 2016, National Grid Thirty Four Limited was transferred to a fellow National Grid subsidiary undertaking at book value, the consideration left outstanding on intercompany account, resulting in no profit or loss on sale.

Results and dividends

No income statement, statement of comprehensive income or statement of changes in equity are presented with these financial statements because the Company has not received income, incurred expenditure or recognised any gains or losses during the year under review or the prior year.

Financial position

The financial position of the Company is presented in the statement of financial position. Total shareholders' equity at 31 March 2016 was £3 (2015: £3) comprising fixed asset investments of £13 (2015: £13) less net current liabilities of £10 (2015: £10).

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 2015/16, which does not form part of this report.

Future developments

The Directors believe there will continue to be no trading activity as reported in the income statement with no anticipated significant movements in the statement of financial position.

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



A Morgan
Company Secretary
15 July 2016

NG Nominees Limited
Directors' Report
For the year ended 31 March 2016

The Directors present their report and the audited financial statements of the Company for the year ended 31 March 2016.

Future developments

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

Dividends

The Directors do not recommend the payment of a dividend (2015: £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 management function which invests surplus funds, mitigates foreign exchange exposure and 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, new share issues and intercompany loans to ensure that the Company has sufficient long-term and short-term funds available for current operations and future activities.

Credit risk

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

Directors

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

C Burns
A B Kay
A Morgan
M D Noble
H M Rayner (Resigned 1 March 2016)
D J Waller

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.

NG Nominees Limited

Directors' Report (continued)

For the year ended 31 March 2016

Going concern

The Company's business activities, together with the factors likely to affect its future developments and financial position are set out within the Strategic Report. In addition within the Directors' Report there are details of the Company's financial risks that the Directors have highlighted as 'significant to the business'.

As the Company is part of a larger group it participates in the group's centralised treasury arrangements and so shares banking arrangements with its parent and fellow subsidiaries. The Company is expected to continue to be in a position to obtain finance via intercompany loans to continue to operate for the foreseeable future.

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.

Statement of Directors' responsibilities

The Directors are responsible for preparing the Strategic Report, 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 prepared the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101).

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 judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards, including FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- notify the Company's shareholders in writing about the use of disclosure exemptions, if any, of FRS 101 used in the preparation of 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.

NG Nominees Limited

Directors' Report (continued)

For the year ended 31 March 2016

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



A Morgan
Company Secretary
15 July 2016

Registered office:
1-3 Strand
London
WC2N 5EH

Registered in England and Wales
Company registration number: 2489329

Independent auditors' report to the members of NG Nominees Limited

Report on the financial statements

Our opinion

In our opinion, NG Nominees Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the Company's affairs as at 31 March 2016;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

What we have audited

The financial statements, included within the Annual Report and Financial Statements (the 'Annual Report'), comprise:

- the statement of financial position as at 31 March 2016; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 101 'Reduced Disclosure Framework', and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the Directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion 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.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of Directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Independent auditors' report to the members of

NG Nominees Limited (continued)

Responsibilities for the financial statements and the audit

Our responsibilities and those of the Directors

As explained more fully in the Statement of Directors' responsibilities set out on page 3, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, 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.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the Directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the Directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



Richard French (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
15 July 2016

NG Nominees Limited
Statement of financial position
As at 31 March 2016

	Notes	2016 £	2015 £
Fixed asset investments	4	<u>13</u>	<u>13</u>
Current assets			
Debtors: amounts falling due within one year	5	16	15
Creditors: amounts falling due within one year			
Amounts owed to fellow subsidiary undertakings		(26)	(25)
Net current liabilities		<u>(10)</u>	<u>(10)</u>
Total assets less current liabilities		<u>3</u>	<u>3</u>
Net assets		<u>3</u>	<u>3</u>
Equity			
Share capital	6	2	2
Profit and loss account		1	1
Total shareholders' equity		<u>3</u>	<u>3</u>

The financial statements on pages 7 to 11 were approved by the Board of Directors on 15 July 2016 and signed on its behalf by:



C Burns
Director

NG Nominees Limited
Company registration number: 2489329

NG Nominees Limited
Notes to the financial statements
For the year ended 31 March 2016

1 Summary of significant accounting policies

NG Nominees Limited is a private company and is incorporated and domiciled in England with its registered office at 1-3 Strand, London, WC2N 5EH.

The principal accounting policies applied in the preparation of these financial statements are set out as below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation

The Company meets the definition of a qualifying entity under Financial Reporting Standard 100 (FRS 100) issued by the Financial Reporting Council. Accordingly, these financial statements have been prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101). 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 FRS 101 disclosure exemptions has been taken.

These financial statements for the year ended 31 March 2016 are the first prepared in accordance with FRS 101. Accordingly the date of transition is 1 April 2014. The 2015 comparative financial information has also been prepared on this basis.

There were no material measurement or recognition adjustments on the adoption of FRS 101.

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 2006. They have been prepared on an historical cost basis and items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates (the 'functional currency'). The financial statements are presented in pounds sterling which is also the Company's functional currency.

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).

In accordance with Section 400 of the Companies Act 2006, the Company is exempt from preparing consolidated financial statements, as it is included within the consolidated financial statements of National Grid plc.

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;
- the presentation of a third statement of financial position (being the opening statement of financial position of the Company at the date of application of FRS 101); 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 FRS 101 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 2017.

NG Nominees Limited

Notes to the financial statements (continued)

For the year ended 31 March 2016

1 Summary of significant accounting policies (continued)

(a) Basis of preparation (continued)

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 were no significant estimates or critical areas of judgements required in pulling together these financial statements.

(b) Fixed asset investments

Investments in subsidiary undertakings are held at cost less any provisions for impairment.

The Company assesses at the end of each reporting period whether 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) 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, with an amount equal to the nominal amount of the shares issued included in the share capital account.

Loans receivable are carried at amortised cost using the effective interest 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 is recognised using the effective interest method in the income statement.

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 income statement using the effective interest method.

2 Audit fees

Audit fees for the year of £2,000 (2015: £1,000) have been borne by a fellow subsidiary undertaking and not recharged.

3 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 5 Directors (2015: 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 (2015: none).

NG Nominees Limited
Notes to the financial statements (continued)
For the year ended 31 March 2016

4 Fixed asset investments

	Shares in subsidiary undertakings £
Cost and net book value:	
At 1 April 2015	13
Additions	1
Disposals	(1)
At 31 March 2016	<u>13</u>

On 16 November 2015, the Company became the 100% shareholder of the newly created company, National Grid Thirty Four Limited. On 19 January 2016, National Grid Thirty Four Limited was transferred to a fellow National Grid subsidiary undertaking at book value, the consideration left outstanding on intercompany account, resulting in no profit or loss on sale.

As previously reported in the prior year, the Company transferred National Grid Land Developments Limited and National Twenty Six limited to fellow National Grid subsidiary undertakings at a combined book value of £3, the consideration left outstanding on intercompany account, resulting in no profit or loss on sale..

The fixed asset investments at 31 March 2016 represent 100% of the ordinary share capital of:

Gridcom Limited
Icelink Interconnector Limited
Natgrid Limited
National Grid Australia Pty Limited
National Grid Thirty Limited
Supergrid Electricity Limited
Supergrid Energy Transmission Limited
Supergrid Limited
Transco Limited

Each of these companies is dormant and is registered in England and Wales with the exception of National Grid Australia Pty Limited which is incorporated in Australia.

The Directors believe that the carrying value of the investments is supported by the fair value of their underlying net assets.

5 Debtors: amounts falling due within one year

	2016 £	2015 £
Amounts owed by fellow subsidiary undertakings	13	12
Amounts owed by immediate parent company	3	3
	<u>16</u>	<u>15</u>

NG Nominees Limited

Notes to the financial statements (continued)

For the year ended 31 March 2016

6 Share capital

	2016 £	2015 £
Allotted, called up and fully paid		
2 ordinary shares of £1 each	<u>2</u>	<u>2</u>

7 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.

8 Ultimate parent company

The ultimate parent and controlling company is National Grid plc and the immediate parent company is National Grid Holdings Limited. The largest and smallest group which includes the Company and for which consolidated financial statements are prepared is headed by National Grid plc. Both of these companies are 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.