

**SECONDSITE PROPERTY PORTFOLIO LIMITED**

**DIRECTORS' REPORT AND ACCOUNTS**

**FOR THE YEAR ENDED 31 MARCH 2004**

**REGISTRATION NUMBER:2531489**



## **SECONDSITE PROPERTY PORTFOLIO LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2004**

#### **PRINCIPAL ACTIVITIES**

The principal activities of the Company are that of a holding company.

#### **BUSINESS REVIEW**

The Company owns 100% of the equity share capital of SecondSite Property Holdings Limited, SecondSite Land Developments Limited, SecondSite Land Investments Limited and 99% of the equity share capital of Port Greenwich Limited.

#### **RESULTS AND DIVIDEND**

The Company did not trade during the year and there have been no movements in reserves. No dividend has been proposed (2003: Nil).

#### **DIRECTORS**

The following served as Directors throughout the year:

R M Dantzic  
P C Kirby  
B J McKendry

Additionally, on 15 June 2004, R M Dantzic resigned as a Director of the Company.

#### **DIRECTORS' INTERESTS**

No Director had an interest in any contract to which the Company was a party. No Director had any beneficial interest in the shares of the Company or any other company within the National Grid Transco Group except for their beneficial interests in the shares of the ultimate parent Company, National Grid Transco plc, as follows:

<b>Beneficial Holdings</b>	<b>Ordinary Shares in National Grid Transco plc as at 1 April 2003</b>	<b>Ordinary Shares in National Grid Transco plc as at 31 March 2004</b>
R M Dantzic	83,997	2,728
P C Kirby	7,989	17,180
B J McKendry	23,169	28,224

Holdings of interests in ordinary shares include shares acquired pursuant to the Lattice All Employee Share Ownership Plan and the National Grid Transco Share Incentive Plan.

## **SECONDSITE PROPERTY PORTFOLIO LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2004**

#### **DIRECTORS' INTERESTS (Continued)**

Share Options	Options as at 1 April 2003 or on appointment	Options exercised during the year	Options lapsed during the year	Options granted during the year	Options as at 31 March 2004
R M Dantzic	3,078	2,728	350	-	-
P C Kirby	16,894	3,078	-	2,910	16,726
B J McKendry	12,565	3,078	-	5,000	14,487

All options were given under the ultimate parent company's Savings Related Share Option Schemes and Executive Share Option Schemes, details of which are given in that company's annual report and accounts.

Performance Share Plan Interests	Beneficial Holding as at 1 April 2003 or on appointment	Awarded during the year	Beneficial Holding as at 31 March 2004	Release date
P C Kirby	-	20,974	20,974	June 2007
B J McKendry	-	7,624	7,624	June 2007

All interests held in accordance with the National Grid Transco Performance Share Plan details of which are given in the annual report and accounts of that company.

Long Term Incentive Scheme	Ordinary Shares as at 1 April 2003	Allocated during the year	Lapsed during the year	Transferred to the participant	Ordinary Shares as at 31 March 2004
P C Kirby	19,709	245	4,031	5,779	10,144
B J McKendry	17,469	226	3,724	5,339	8,632

Under the terms of the merger of National Grid Group plc and Lattice Group plc, allocations made under the Lattice Long Term Incentive Scheme were transferred to participants net of tax at the time of merger.

#### **DIRECTORS' INSURANCE**

The ultimate parent company has purchased insurance to cover the directors against liabilities in relation to the Company.

#### **PAYMENT OF SUPPLIERS**

It is the Company's policy to agree the terms of payment at the start of business with each supplier, ensure that suppliers are aware of the terms of payment, and to pay in accordance with contractual and other legal obligations.

## **SECONDSITE PROPERTY PORTFOLIO LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2004**

#### **FIXED ASSETS**

Changes in fixed assets during the year are shown in note 4 to the accounts.

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

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 for the financial year.

The Directors consider that in preparing the financial statements on pages 5 to 8, the Company has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates and that all accounting standards which they consider to be applicable have been followed.

The Directors have responsibility 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.

The Directors have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

The Directors, having prepared the financial statements, have requested the auditors to take whatever steps and undertake whatever inspections they consider to be appropriate for the purpose of enabling them to give their audit report.

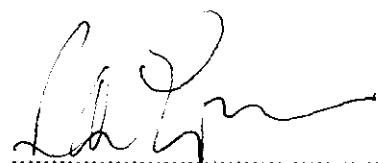
#### **AUDITORS**

PricewaterhouseCoopers LLP have indicated their willingness to continue as auditors of the Company and to remain in office until the next annual general meeting of the Company at which accounts are laid.

By order of the Board:

**Registered Office:**

1-3 The Strand  
London  
WC2N 5EH



16 NOVEMBER 2004

**Company No: 2531489**

R A EVES

Company Secretary

## **SECONDSITE PROPERTY PORTFOLIO LIMITED**

### **Independent Auditors' report to the members of SecondSite Property Portfolio Limited**

We have audited the financial statements which comprise the balance sheet and the related notes.

#### **Respective responsibilities of directors and auditors**

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom auditing standards issued by the Auditing Practices Board. This report, including this 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 in to 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 if, in our opinion, the directors' report is not consistent with the financial statements, if 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 transactions is not disclosed.

#### **Basis of audit opinion**

We 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 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 of the state of the company's affairs as at 31 March 2004 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*PricewaterhouseCoopers LLP*

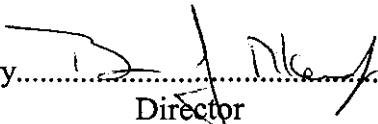
**PricewaterhouseCoopers LLP**  
Chartered Accountants and Registered Auditors  
London  
16 November 2004

**SECONDSITE PROPERTY PORTFOLIO LIMITED**

**BALANCE SHEET AS AT 31 MARCH 2004**

	Notes	31 March 2004	31 March 2003
		£000	£000
<b>FIXED ASSETS</b>			
Investments	4	31,000	31,000
		<b>31,000</b>	<b>31,000</b>
<b>CURRENT ASSETS</b>			
Debtors (amounts falling due within one year)	5	163,787	163,787
<b>TOTAL CURRENT ASSETS</b>		<b>163,787</b>	<b>163,787</b>
Creditors (amounts falling due within one year)	6	(163,787)	(163,787)
<b>NET CURRENT ASSETS</b>		<b>-</b>	<b>-</b>
<b>NET ASSETS</b>		<b>31,000</b>	<b>31,000</b>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	7	31,000	31,000
Profit and loss account	3	-	-
<b>TOTAL SHAREHOLDERS' FUNDS</b>		<b>31,000</b>	<b>31,000</b>

The Board of Directors approved the accounts on pages 5 to 8 on  
**16 NOVEMBER 2004**, and signed on its behalf by:

B J McKendry.....  
Director

The accompanying notes on pages 6 to 8 form part of these accounts.

## **SECONDSITE PROPERTY PORTFOLIO LIMITED**

### **NOTES TO THE ACCOUNTS**

#### **(1) PRINCIPAL ACCOUNTING POLICIES**

The accounts are prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 1985 and applicable UK accounting and financial reporting standards.

##### **Investments**

Investments in subsidiary undertakings are stated at carrying cost after any provision for diminution.

#### **(2) GROUP ACCOUNTS**

As the Company is a wholly owned subsidiary of National Grid Transco plc, the subsidiaries of the Company (see note 4) have not been consolidated with these accounts.

#### **(3) PROFIT AND LOSS ACCOUNT**

There is no Profit and Loss Account accompanying the Balance Sheet because the Company had no transactions of a revenue or expense nature during the current or prior financial year.

The audit fee is borne by the parent company.

The Company has no employees. All of the Directors are employed by other companies within the Group, with all emoluments paid to the Directors being borne by their respective employer for their qualifying services.

#### **(4) INVESTMENTS**

<u>Shares in subsidiary undertakings</u>	£000
Cost at 1 April 2003 and 31 March 2004	31,000
Provision against diminution in value at 1 April 2003 and 31 March 2004	-
Valuation at 1 April 2003 and 31 March 2004	<u>31,000</u>

The Company owns 100% of the issued share capital of SecondSite Property Holdings Limited, SecondSite Land Investments Limited, SecondSite Land Developments Limited and 99% of Port Greenwich Limited. SecondSite Land Investments Limited owns 100% of the issued share capital of Mainstream Forty-Seven Limited and 99.99% of Assethall Limited. All undertakings are registered in England and Wales. The principal activities of these undertakings are ownership and management of the Group's property portfolio.

## SECONDSITE PROPERTY PORTFOLIO LIMITED

### NOTES TO THE ACCOUNTS

#### (5) DEBTORS

	31 March 2004	31 March 2003
<u>Amounts falling due within one year</u>	£000	£000
Amounts owed by group undertakings	<u>163,787</u>	<u>163,787</u>

Amounts owed by group undertakings are unsecured, interest free and repayable on demand

#### (6) CREDITORS

	31 March 2004	31 March 2003
<u>Amounts falling due within one year</u>	£000	£000
Amounts owed to subsidiary undertakings	<u>163,787</u>	<u>163,787</u>

Amounts owed to subsidiary undertakings are unsecured, interest free and repayable on demand

#### (7) SHARE CAPITAL

	31 March 2004	31 March 2003
	£000	£000
<u>Authorised:</u>		
50,000,000 ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>
<u>Issued, allotted and fully paid:</u>		
31,000,200 ordinary shares of £1 each	<u>31,000</u>	<u>31,000</u>

#### (8) COMMITMENTS AND CONTINGENCIES

The Company had no contractual commitments or contingencies as at 31 March 2004 (31 March 2003: Nil).



## SECONDSITE PROPERTY PORTFOLIO LIMITED

### NOTES TO THE ACCOUNTS

#### **(9) ULTIMATE PARENT COMPANY AND RELATED PARTIES**

The immediate parent company is Lattice Group Holdings Limited.

The ultimate holding company is National Grid Transco plc, which is registered in England and Wales. Copies of the consolidated accounts of National Grid Transco plc may be obtained from 1-3 The Strand, London, WC2N 5EH.

The parent company of the largest group in which SecondSite Property Portfolio Limited is included is National Grid Transco plc, and the parent company of the smallest group in which SecondSite Property Portfolio Limited is included is Lattice Group plc.

The Company has taken advantage of the exemption from preparing a cash flow statement under the terms of Financial Reporting Standard 1 (revised 1996).

The Company has taken advantage of the exemptions contained within Financial Reporting Standard No. 8 ("Related Party Transactions") and accordingly has not disclosed transactions with fellow National Grid Transco plc companies.