

2579065

**THE NATIONAL GRID INVESTMENTS COMPANY**  
**(FORMERLY THE NATIONAL GRID INVESTMENTS (IRELAND) COMPANY)**

**REPORT OF THE DIRECTORS**  
**AND FINANCIAL STATEMENTS FOR THE YEAR**  
**ENDED 15 MARCH 1996**



# **THE NATIONAL GRID INVESTMENTS COMPANY**

## **REPORT OF THE DIRECTORS**

### **FOR THE YEAR ENDED 15 MARCH 1996**

The directors present their report and the audited financial statements of the company for the year ended 15 March 1996.

#### **PRINCIPAL ACTIVITY**

During the year the company has ceased its operations as an investment company. The name of the company was changed from The National Grid Investments (Ireland) Company to The National Grid Investments Company. The company's cash and investments have been transferred to the parent company.

The company is a wholly owned subsidiary undertaking of NGC Two Limited and the ultimate holding company is The National Grid Group plc, a company incorporated in Great Britain.

#### **RESULTS AND DIVIDENDS**

The loss for the year after taxation was £744,400 (1995 profit - £6,871,792). The retained loss has been transferred from reserves.

The directors do not recommend payment of a dividend (1995-£nil).

#### **DIRECTORS**

The directors of the company throughout the year were J R Uttley, D H Elsey, A E Marks and M O'Donovan.

The directors who held office during the year under review were:-

Dr Margaret Downes	(Resigned 16 March 1995)
Michael G Drew	(Resigned 16 March 1995)
Donal P Flinn	(Resigned 16 March 1995)
Aengus Murphy	(Resigned 16 March 1995)
Walter T Robinson	(Resigned 1 April 1995)
David C Forward	(Appointed 16 March 1995 and resigned 1 April 1995)
Fiona J MacGregor	(Appointed 16 March 1995 and resigned 1 April 1995)
Paul N Phillips	(Appointed 16 March 1995 and resigned 1 April 1995)
John R Uttley	(Appointed 16 March 1995)
Dennis Elsey	(Appointed 16 March 1995)
Alan E Marks	(Appointed 16 March 1995)
Martin O'Donovan	Held office throughout the year

# **THE NATIONAL GRID INVESTMENTS COMPANY**

## **REPORT OF THE DIRECTORS**

**FOR THE YEAR ENDED 15 MARCH 1996 (continued)**

### **DIRECTORS' INTERESTS IN SHARES**

The interests of the directors as shown in the register are maintained by the company in accordance with section 325 of the Companies Act 1985. The interests of Mr J R Uttley in group companies are disclosed in the accounts of the ultimate parent company, The National Grid Group plc. The interests of the other directors are as follows:-

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

#### **Employee ShareSave Options**

	<b>16 March 1995</b>	<b>Granted in Year</b>	<b>Exercised in year</b>	<b>15 March 1996</b>
D H Elsey	-	-	-	-
A E Marks	27,203	2,129	9,903	19,429
M O'Donovan	44,211	4,259	29,717	18,753

#### **Executive Share Options**

	<b>16 March 1995</b>	<b>Granted in Year</b>	<b>Exercised in year</b>	<b>15 March 1996</b>
D H Elsey	146,471	-	-	146,471
A E Marks	-	-	-	-
M O'Donovan	-	-	-	-

#### **Shares Beneficially Owned**

	<b>At 16 March 1995</b>	<b>At 15 March 1996</b>
D H Elsey	37,252	37,652
A E Marks	-	4,496
M O'Donovan	-	29,683

### **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.

# **THE NATIONAL GRID INVESTMENTS COMPANY**

## **REPORT OF THE DIRECTORS**

**FOR THE YEAR ENDED 15 MARCH 1996 (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.

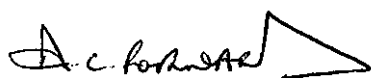
The directors are responsible for ensuring that the company keeps accounting records which disclose with reasonable accuracy the financial position of the company and which enable them to ensure that the financial statements comply with the Companies Act 1985. They also have general responsibility for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

A resolution to re-appoint the auditors, Coopers & Lybrand, will be proposed at the Annual General Meeting.

### **BY ORDER OF THE BOARD**



**D C Forward**  
Secretary

**4 June 1996**

### **REGISTERED OFFICE**

185 PARK STREET  
LONDON  
SE1 9DY

**REGISTERED NUMBER: 2579065**

**THE NATIONAL GRID INVESTMENTS COMPANY**  
**REPORT OF THE AUDITORS TO**  
**THE MEMBERS OF THE NATIONAL GRID INVESTMENTS COMPANY**

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.

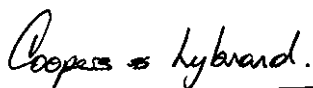
**Basis of opinion**

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 as at 15 March 1996 and of the loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**Coopers & Lybrand**  
Chartered Accountants and  
Registered Auditors  
London

4 June 1996

**THE NATIONAL GRID INVESTMENTS COMPANY**

**PROFIT AND LOSS ACCOUNT**

**FOR THE YEAR ENDED 15 MARCH 1996**

	Notes	1996 £'000	1995 £'000
Turnover - discontinuing operations	2	119.2	9,601.1
Operating costs - discontinuing operations	3	(666.0)	(287.7)
		<hr/>	<hr/>
(Loss) / profit on ordinary activities before taxation		(546.8)	9,313.4
Taxation	5	(197.6)	(2,441.6)
		<hr/>	<hr/>
(Loss) / profit on ordinary activities after taxation		(744.4)	6,871.8
		<hr/>	<hr/>

The company has no recognised gains and losses other than the loss for the year above and therefore no separate statement of total recognised gains and losses has been presented.

# THE NATIONAL GRID INVESTMENTS COMPANY

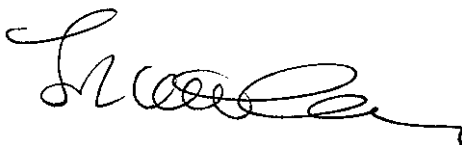
## BALANCE SHEET

AT 15 MARCH 1996

	Notes	1996 £'000	1995 £'000
<b>CURRENT ASSETS</b>			
Investments	6	-	170,905.0
Debtors	7	168,368.4	486.2
		<hr/>	<hr/>
		168,368.4	171,391.2
Creditors: amounts falling due within one year	8	(214.4)	(2,492.8)
		<hr/>	<hr/>
		168,154.0	168,898.4
		<hr/>	<hr/>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	9	160,000.0	160,000.0
Profit and loss account	10	8,154.0	8,898.4
		<hr/>	<hr/>
Equity shareholders' funds	11	168,154.0	168,898.4
		<hr/>	<hr/>

The financial statements on pages 5 to 10 were approved by the board of directors on 4 June 1996 and signed on its behalf by:

**J R Uttley, OBE**  
Director



**M D O'Donovan**  
Director



# THE NATIONAL GRID INVESTMENTS COMPANY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 15 MARCH 1996

### 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.

As permitted by Financial Reporting Standard 1, no cash flow statement has been presented as the cash flows of the company have been included in the group cash flow statement of The National Grid Group plc.

#### c) Foreign Currencies

Transactions during the year have been translated at the rate of exchange ruling at the date of the transaction. Assets and liabilities denominated in foreign currencies are translated to sterling pounds at the rates of exchange ruling at the balance sheet date. The resulting profits / losses are dealt with in the profit and loss account.

### 2 TURNOVER

The turnover relates to income received from investments.

### 3 OPERATING COSTS

	1996 £'000
Write down of market value on investment	696.5
Adjustment on prior year's management fees	(48.4)
Other charges	17.9
	<hr/> 666.0 <hr/>

### 4 DIRECTORS' EMOLUMENTS

The emoluments of the directors are paid by the Parent 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.



**THE NATIONAL GRID INVESTMENTS COMPANY**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 15 MARCH 1996**

**5 TAXATION**

	<b>1996</b> <b>£'000</b>	<b>1995</b> <b>£'000</b>
Corporation tax at 33 % (1995: 40%)	199.8	3,725.3
Relief under S.39 FA 1980	-	(1,283.8)
	<hr/>	<hr/>
	199.8	2,441.5
Adjustment relating to prior period	(2.2)	0.1
	<hr/>	<hr/>
Charge for the year	197.6	2,441.6
	<hr/> <hr/>	<hr/> <hr/>

**6 INVESTMENTS**

	<b>1996</b> <b>£'000</b>	<b>1995</b> <b>£'000</b>
Listed on the London Stock Exchange	-	30,000.0
Other	-	140,905.0
	<hr/>	<hr/>
	-	170,905.0
	<hr/> <hr/>	<hr/> <hr/>

**7 DEBTORS**

	<b>1996</b> <b>£'000</b>	<b>1995</b> <b>£'000</b>
Prepayments and accrued income	-	486.2
Amount due from group undertaking	168,368.4	-
	<hr/>	<hr/>
	168,368.4	486.2
	<hr/> <hr/>	<hr/> <hr/>

**THE NATIONAL GRID INVESTMENTS COMPANY**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 15 MARCH 1996**

**8 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR:**

	<b>1996</b> <b>£'000</b>	<b>1995</b> <b>£'000</b>
Corporation tax	199.8	2,441.5
Accruals	14.6	51.3
	<u>214.4</u>	<u>2,492.8</u>
	<u><u>214.4</u></u>	<u><u>2,492.8</u></u>

**9 SHARE CAPITAL**

Authorised share capital 160,000,000 (1995:160,000,000) ordinary shares of £1 each.

	<b>1996</b> <b>£'000</b>	<b>1995</b> <b>£'000</b>
Allotted, called up and fully paid		
At 15 March	160,000	160,000
	<u>160,000</u>	<u>160,000</u>
	<b>Number</b>	<b>Number</b>
At 15 March	160,000,000	160,000,000
	<u>160,000,000</u>	<u>160,000,000</u>

**10 PROFIT AND LOSS ACCOUNT RESERVE**

	<b>£'000</b>
At 16 March 1995	8,898.4
Retained loss for the year	(744.4)
At 15 March 1996	<u>8,154.0</u>
	<u><u>8,154.0</u></u>

**THE NATIONAL GRID INVESTMENTS COMPANY**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 15 MARCH 1996**

**11 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS**

	<b>1996</b> <b>£'000</b>	<b>1995</b> <b>£'000</b>
Opening shareholders' funds	168,898.4	162,026.6
(Loss) / profit for the year	(744.4)	6,871.8
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Closing shareholders' funds	168,154.0	168,898.4
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**12 ULTIMATE HOLDING COMPANY**

The ultimate holding company is The National Grid Group plc, and the immediate holding company for which consolidated financial statements are prepared is The National Grid Company plc. Both companies are incorporated in Great Britain.

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