

NATIONAL GRID LAND AND PROPERTIES LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2008



ENGLAND AND WALES REGISTRATION NUMBER: 2630510

NATIONAL GRID LAND AND PROPERTIES LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2008

The Directors present their report and the audited financial statements of the Company for the year ended 31 March 2008.

PRINCIPAL ACTIVITIES

The Company's principal activities are the ownership and management of part of the National Grid's UK portfolio of land and buildings (except National Grid plc operational land used within the gas and electricity transmission/distribution businesses), realising value from surplus land and property where appropriate.

BUSINESS REVIEW AND FUTURE DEVELOPMENTS

The property portfolio consists of land and buildings occupied by National Grid plc subsidiary companies or leased to third parties, and surplus properties and land.

During the year the Company disposed of a number of properties at an historic cost profit of £27,073,000 (2007: £2,066,000).

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 Operating and Financial Review included in National Grid plc's Annual Report and Accounts 2007/08, which does not form part of this report.

RESULTS AND DIVIDENDS

The Company's profit for the year after taxation was £36,777,000 (2007: £4,073,000).

An interim dividend of £30,000,000 (2007: £Nil) was paid during the year and the profit for the year of £6,777,000 (2007: £4,073,000) has been transferred to reserves. The Directors do not recommend the payment of a final dividend (2007: £Nil).

FINANCIAL POSITION

The financial position of the Company is presented in the balance sheet. Total shareholders' funds at 31 March 2008 were £45,551,000 (2007: £38,774,000) comprising fixed assets of £1,795,000 (2007: £26,037,000), current assets of £52,462,000 (2007: £55,388,000) less current liabilities of £6,633,000 (2007: £40,649,000) less provisions of £2,073,000 (2007: £2,002,000).

NATIONAL GRID LAND AND PROPERTIES LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2008

PRINCIPAL RISKS AND UNCERTAINTIES

The management of the Company and the execution of the Company's strategy are subject to a number of risks. The Directors have identified the need to manage the Company's material financial risks, including liquidity, interest rate 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 counter-party risk by conducting most of its banking and dealing activities with a limited number of major international banks, whose credit status is kept under regular review.

LIQUIDITY RISK

The Company finances its operations through a combination of retained profits, new share issues and inter company loans.

INTEREST RATE RISK

To the extent that the Company enters into inter company loan agreements, the Company's exposure to interest risk arises on such loans on which interest is based on UK sterling Libor. The Company does not participate in interest rate hedging.

CREDIT RISK

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

DIRECTORS

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

D S Carter	
N K Dark	(Appointed 5 January 2009)
P C Kirby	(Resigned 31 March 2008)
B J McKendry	(Resigned 31 March 2008)
A M C Prowse	(Appointed 31 March 2008, Resigned 31 October 2008)
C M Shoesmith	(Appointed 31 March 2008)

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.

NATIONAL GRID LAND AND PROPERTIES LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2008

DIRECTORS' INDEMNITIES AND INSURANCE

National Grid plc indemnifies officers of subsidiary companies against liabilities arising from the conduct of National Grid's business, to the extent permitted by law, by the placing of Directors' and Officers' insurance. The insurance indemnifies individual Directors' and officers' personal legal liability and cost for claims arising out of actions taken in connection with the business of National Grid plc and its subsidiaries.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the 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 elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 those financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the 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, in which case there should be supporting assumptions or qualifications as necessary.

The Directors confirm that they have complied with the above requirements in preparing the financial statements.

The Directors are responsible for keeping proper accounting records that 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 1985. 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.

FIXED ASSETS

Changes in fixed assets during the year are shown in note 8 to the financial statements.

NATIONAL GRID LAND AND PROPERTIES LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2008

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. The Company had 57 days purchases outstanding at 31 March 2008 based on the average daily amount invoiced by suppliers during the year.

AUDIT INFORMATION

Having made the requisite enquiries, so far as the Directors in office at the date of the signing 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.

INDEPENDENT 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.

ON BEHALF OF THE BOARD:



MD Noble
Company Secretary
30 January 2009

REGISTERED OFFICE:

1-3 Strand
London
WC2N 5EH

Company No: 2630510

NATIONAL GRID LAND AND PROPERTIES LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF NATIONAL GRID LAND AND PROPERTIES LIMITED

We have audited the financial statements of National Grid Land and Properties Limited for the year ended 31 March 2008 which comprise the Profit and Loss account, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of Directors and auditors

The Directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors Responsibilities section of the Directors' Report.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the 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 into 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 whether in our opinion the information given in the Directors' Report is consistent with the financial statements. In addition we report to you, if in our opinion, 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 other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 judgments 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Company's affairs as at 31 March 2008 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.



PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
London
30 January 2009

NATIONAL GRID LAND AND PROPERTIES LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEARS ENDED 31 MARCH

	Notes	2008 £'000	2007 £'000
Turnover	2	3,542	4,175
Administrative expenses		(2,249)	(910)
Operating profit	3	<u>1,293</u>	<u>3,265</u>
Profit on disposal of fixed assets	5	27,073	2,066
Profit on ordinary activities before interest and taxation		<u>28,366</u>	<u>5,331</u>
Interest receivable and similar income	6	1	-
Income from shares in subsidiary undertakings		9,400	-
Profit on ordinary activities before taxation		<u>37,767</u>	<u>5,331</u>
Taxation - ordinary	7	(1,025)	(1,258)
Taxation - exceptional	7	35	-
Profit on ordinary activities after taxation		<u>36,777</u>	<u>4,073</u>
Equity dividends paid £0.86 per £1 share (2007: Nil)		(30,000)	-
Profit for the year transferred to reserves	14	<u>6,777</u>	<u>4,073</u>

The results reported above relate to continuing activities.

There are no material differences between the profit on ordinary activities before taxation and the profit for the years stated above and their historical cost equivalents.

The Company has no recognised gains or losses other than the profit for the years stated above and therefore no separate statement of total recognised gains and losses has been presented.

The accompanying notes on pages 8 to 16 form parts of these financial statements.

NATIONAL GRID LAND AND PROPERTIES LIMITED

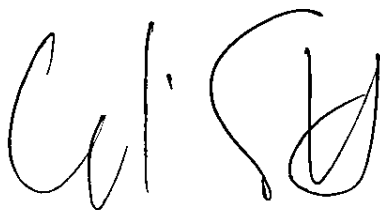
BALANCE SHEET

AS AT 31 MARCH

	Notes	2008 £'000	2007 £'000
FIXED ASSETS			
Tangible assets	8	1,474	25,716
Investments	9	321	321
		<u>1,795</u>	<u>26,037</u>
CURRENT ASSETS			
Debtors (amounts falling due within one year)	10	52,362	55,262
Cash at bank		100	126
		<u>52,462</u>	<u>55,388</u>
Creditors (amounts falling due within one year)	11	(6,633)	(40,649)
NET CURRENT ASSETS		<u>45,829</u>	<u>14,739</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		47,624	40,776
Provisions for liabilities and charges	12	(2,073)	(2,002)
NET ASSETS EMPLOYED		<u>45,551</u>	<u>38,774</u>
CAPITAL AND RESERVES			
Called up share capital	13	34,806	34,806
Profit and loss account	14	10,745	3,968
TOTAL SHAREHOLDERS' FUNDS	15	<u>45,551</u>	<u>38,774</u>

The financial statements on pages 6 to 16 were approved by the Board of Directors on 30 January 2009 and are signed on its behalf by:

CM Shoesmith
Director



NATIONAL GRID LAND AND PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2008

(1) ACCOUNTING POLICIES

Basis of preparation

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 1985. These financial statements have been prepared using the historical cost convention and in accordance with the accounting policies set out below.

These financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the Company operates.

In accordance with Section 228 of the Companies Act 1985, the Company is exempt from preparing consolidated financial statements, as it is a wholly owned subsidiary of National Grid Property Limited and is included within the consolidated accounts of National Grid Holdings One plc.

The Company has taken the exemption from preparing a cash flow statement under the terms of FRS 1 (revised 1996) 'Cash flow statements'.

Tangible fixed assets

Tangible assets are included in the balance sheet at their historic cost less accumulated depreciation.

Depreciation

Freehold land is not depreciated. Other tangible fixed assets are depreciated on a straight-line basis at rates sufficient to write off the historical cost of individual assets over their estimated useful lives, except where no depreciation would be charged because residual value of certain properties exceeds carrying value.

The depreciation periods for the principal categories of assets are as follows:

Freehold and leasehold buildings	up to 50 years
Office equipment	5 years

Impairment of tangible fixed assets

Impairment reviews are carried out if there is some indication that an impairment may have occurred, or where otherwise required, to ensure that fixed assets are not carried above their estimated recoverable amounts. Impairments are recognised in the profit and loss account and where material are disclosed as exceptional.

NATIONAL GRID LAND AND PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2008

(1) ACCOUNTING POLICIES (continued)

Fixed asset investments

Investments held as fixed assets are stated at cost less provision for impairment. Investments are reviewed for impairment if 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.

Turnover

Turnover consists of rent and associated property income from tenants, derived from property situated in the United Kingdom and is stated net of VAT.

Property onerous lease costs

Provision is made for costs, primarily rent, rates and maintenance, on surplus properties and for the disposal of surplus leasehold interests.

Taxation

Current tax for the current and prior periods is provided at the amount expected to be paid (or recovered) using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or the right to pay less tax, at a future date, at tax rates expected to apply when the timing differences reverse based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements.

Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no commitment to sell the asset. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

NATIONAL GRID LAND AND PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2008

(1) ACCOUNTING POLICIES (continued)

Leases

Income from operating leases is recognised on a straight-line basis over the life of the lease and rentals under operating leases are charged to the profit and loss account as incurred, except where a provision has been made in respect of rents payable on vacant leasehold properties in which case the income and costs are charged against the provision. Assets held by the Company for letting under operating leases are shown under fixed assets.

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.

Loans receivable are carried at amortised cost using the effective interest rate 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 are recognised in the profit and loss account.

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 rate method. Any difference between proceeds and the redemption value is recognised over the term of the borrowing in the profit and loss account using the effective interest method.

(2) TURNOVER

	2008	2007
	£'000	£'000
Rental income	3,136	3,612
Service charge income	384	543
Other income	22	20
	<u>3,542</u>	<u>4,175</u>

NATIONAL GRID LAND AND PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2008

(3) OPERATING PROFIT

	2008 £'000	2007 £'000
Operating profit is stated after charging:		
Depreciation of tangible fixed assets	266	216
Operating lease charges - buildings	1,162	1,139
Audit fees	<u>7</u>	<u>11</u>

Disclosure of non-audit fees is not required as these have been disclosed in the consolidated financial statements of National Grid plc.

(4) 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 no Directors (2007: one) who exercised share options in the ordinary shares of the ultimate parent company, National Grid plc.

There were no employees of the Company during the year (2007: Nil).

(5) PROFIT ON DISPOSAL OF FIXED ASSETS

The profit on disposal of fixed assets of £27,073,000 (2007: £2,066,000) is derived from the disposal of land and buildings. The after tax profit on disposal of fixed assets was £27,073,000 (2007: £2,066,000).

(6) INTEREST RECEIVABLE AND SIMILAR INCOME

	2008 £'000	2007 £'000
Other interest received	<u>1</u>	<u>-</u>

NATIONAL GRID LAND AND PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2008

(7) TAXATION

	2008 £'000	2007 £'000
Current tax		
UK corporation tax	228	1,187
Adjustments in respect of prior periods	691	(3)
Total current tax	<u>919</u>	<u>1,184</u>
Deferred tax:		
Origination and reversal of timing differences - ordinary	63	76
Origination and reversal of timing differences - exception:	(35)	-
Adjustment in respect of prior periods	43	(2)
Total deferred tax	<u>71</u>	<u>74</u>
Tax charge on profit on ordinary activities	<u>990</u>	<u>1,258</u>

The corporation tax charge includes a credit of £35,000 (2007: Nil) that relates to a deferred tax credit arising from the reduction in the UK corporation tax rate from 30% to 28% commencing 1 April 2008.

The tax assessed for the period is lower than the standard rate of corporation tax in the UK (30%). The differences are explained below:

	2008 £'000	2007 £'000
Profit on ordinary activities before tax	<u>37,767</u>	<u>5,331</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2007: 30%)	11,330	1,600
Effect of:		
Expenses not deductible for tax purposes	12	83
Non taxable income from shares in subsidiary	(2,820)	-
Non-taxable income	(7,962)	(648)
Taxation on transfer pricing adjustments	(269)	228
Capital allowances for period in excess of depreciation	(63)	-
Movement in other short term timing differences	-	(76)
Adjustments in respect of prior periods	691	(3)
Total current tax charge for the period	<u>919</u>	<u>1,184</u>

NATIONAL GRID LAND AND PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2008

(7) TAXATION (continued)

Factors that may affect future tax charges

The changes enacted in the Finance Act 2007 include a reduction in the corporation tax rate from 30% to 28% with effect from 1 April 2008.

A number of changes to the UK Corporation tax system were announced in the March 2008 Budget Statement and enacted in the 2008 Finance Act. The changes were not been substantively enacted at the balance sheet date and, therefore, are not included in these financial statements.

(8) TANGIBLE FIXED ASSETS

	Land and Buildings £'000	Office Equipment £'000	Total £'000
Historic cost:			
At 1 April 2007	28,231	66	28,297
Additions	32	-	32
Disposals	(26,421)	(66)	(26,487)
At 31 March 2008	1,842	-	1,842
Accumulated depreciation:			
At 1 April 2007	2,566	15	2,581
Provision for the year	257	9	266
Disposals	(2,455)	(24)	(2,479)
At 31 March 2008	368	-	368
Net book value at 31 March 2008	1,474	-	1,474
Net book value at 31 March 2007	25,665	51	25,716

In November 2007 as part of a group reorganisation, the Company transferred land and buildings with a total cost of £24,008,000 to a fellow subsidiary undertaking, Birch Sites Limited, for a total consideration of £50,472,000.

The net historical cost of the Company's land and buildings at 31 March 2008 comprises freehold £0.6 million (2007: £24.7 million), long leasehold £0.8 million (2007: £0.9 million) and short leasehold £0.1 million (2007: £0.1 million).

NATIONAL GRID LAND AND PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2008

(9) FIXED ASSET INVESTMENTS

Shares in subsidiary undertakings

Cost and net book value: **£'000**

At 1 April 2007 and 31 March 2008 **321**

The Company's fixed asset investments at 31 March 2008 represented 100% of the issued ordinary share capital of National Grid Property Developments Limited, a property development company registered in England and Wales, and National Grid Property (Northampton) Limited, a property investment company registered in England and Wales.

(10) DEBTORS

	2008	2007
	£'000	£'000
<u>Amounts falling due within one year</u>		
Trade debtors	-	146
Amounts owed by fellow subsidiary undertakings	51,978	54,709
VAT recoverable	65	55
Prepayments	319	352
	<u>52,362</u>	<u>55,262</u>

Amounts owed by fellow subsidiary undertakings are unsecured, interest free and repayable on demand.

(11) CREDITORS

	2008	2007
	£'000	£'000
<u>Amounts falling due within one year</u>		
Trade creditors	358	-
Amounts owed to fellow subsidiary undertakings	5,825	39,528
Other creditors	83	-
Accruals and deferred income	367	1,121
	<u>6,633</u>	<u>40,649</u>

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

NATIONAL GRID LAND AND PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2008

(12) PROVISIONS FOR LIABILITIES AND CHARGES

	Property Onerous Lease costs £'000	Deferred Tax £'000	Total £'000
As at 1 April 2007	1,584	418	2,002
Charge to profit and loss	-	71	71
As at 31 March 2008	1,584	489	2,073

A brief description of each provision together with estimates of the timing of expenditure is given below:

Property onerous lease costs

Consists primarily of provision for rent and rates payable on surplus properties and disposal of surplus leasehold interests. The amount and timing of payment is uncertain. It is expected that most expenditure will take place between 2008 and 2021.

Deferred Taxation

Deferred taxation arises on accelerated capital allowances.

(13) CALLED UP SHARE CAPITAL

	2008 £'000	2007 £'000
<u>Authorised:</u>		
100,000,000 ordinary shares of £1 each	100,000	100,000
<u>Issued, allotted and fully paid:</u>		
34,806,296 ordinary shares of £1 each	34,806	34,806

(14) PROFIT AND LOSS ACCOUNT

	£'000
At 1 April 2007	3,968
Profit for the year	6,777
At 31 March 2008	10,745

NATIONAL GRID LAND AND PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2008

(15) RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2008	2007
	£'000	£'000
Profit for the year after taxation	36,777	4,073
Dividends paid	(30,000)	-
Net increase in shareholders' funds	6,777	4,073
Opening shareholders' funds	38,774	34,701
Closing shareholders' funds	45,551	38,774

(16) COMMITMENTS

Operating lease commitments

At 31 March 2008, the Company's non-cancellable operating lease commitments on land and buildings for the financial year ending 31 March 2009 are analysed as follows:

	2008	2007
	£'000	£'000
Amounts due on leases expiring:		
Greater than five years	1,273	1,273
	1,273	1,273

(17) RELATED PARTY DISCLOSURES AND ULTIMATE PARENT COMPANY

The Company is exempt 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 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 Property 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. 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.