

NATIONAL GRID UK PENSION SERVICES LIMITED

**DIRECTORS' REPORT
AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2009**

WEDNESDAY



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23/12/2009
COMPANIES HOUSE

ENGLAND AND WALES REGISTERED NUMBER: 3615517

NATIONAL GRID UK PENSION SERVICES LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2009

The Directors present their report and audited financial statements for the Company for the year ended 31 March 2009.

PRINCIPAL ACTIVITY

The Company's principal activity is the provision of pension administration and accounting services to National Grid UK Pension Scheme Trustee Limited, the Trustee of the National Grid UK Pension Scheme.

DEVELOPMENT AND PERFORMANCE DURING THE YEAR

On 1 April 2008 the Company changed its name from Eastlands (Benefits) Administration Limited to National Grid UK Pension Services Limited, becoming part of the NG UK Shared Services directorate from an organisational perspective. There was no formal transfer of the business and no change of employer, consequently the staff remain employed by National Grid UK Pension Services Limited.

There has been significant change during the year affecting all employees of the Company from direct pensions administration staff to employees in support functions.

The outcome of a feasibility study of IS systems looking into whether to transfer the management of systems from the internal team to National Grid's outsourced provider, CSC was announced and the decision was to make no changes to the existing arrangements at present.

Project work on the Altair and Internet system developments continued throughout the year. The website for the National Grid UK Pension Scheme is running and work continues on delivering phased functionality. The Altair software is due to "go live" in November 2009.

The front desk arrangement at Basingstoke for the DC section of the National Grid UK Pension Scheme went live on 1 October 2008 as planned and is working well. Further project work took place during the year to implement new investment options for the DC section.

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 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 and uncertainties 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 2008/09, which does not form part of this report.

RESULTS AND DIVIDENDS

The profit for the year after taxation was £18,000 (2008: £65,000).

The Directors do not recommend the payment of a dividend (2008: £nil).

NATIONAL GRID UK PENSION SERVICES LIMITED

DIRECTORS' REPORT (continued)

FOR THE YEAR ENDED 31 MARCH 2009

FINANCIAL POSITION

The financial position of the Company is presented in the balance sheet. Total shareholders' funds at 31 March 2009 were £517,000 (2008: £489,000) comprising tangible fixed assets of £138,000 (2008: £161,000) and net current assets of £379,000 (2008: £328,000).

FINANCIAL RISK MANAGEMENT

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, credit and interest rate risks. These risks are monitored through a National Grid Treasury management function which invests surplus funds, mitigates foreign exchange exposure and manages borrowings for the 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 status is kept under review.

LIQUIDITY RISK

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

CREDIT RISK

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

INTEREST RATE RISK

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

DIRECTORS

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

M Burroughs	(Appointed 1 July 2009)
MD Noble	
D Wilson	(Resigned 15 April 2008)
MN Worrall	(Resigned 1 July 2009)

NATIONAL GRID UK PENSION SERVICES LIMITED

DIRECTORS' REPORT (continued)

FOR THE YEAR ENDED 31 MARCH 2009

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; 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.

DIRECTORS' INDEMNITIES AND INSURANCE

National Grid plc indemnifies officers of subsidiary companies against liabilities arising from the conduct of the 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.

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.

POLICY AND PRACTICE ON PAYMENT OF CREDITORS

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.

NATIONAL GRID UK PENSION SERVICES LIMITED

DIRECTORS' REPORT (continued)

FOR THE YEAR ENDED 31 MARCH 2009


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.

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



PL Higgins
Company Secretary
30 September 2009

REGISTERED OFFICE

1-3 STRAND
LONDON
WC2N 5EH

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF NATIONAL GRID UK PENSION SERVICES LIMITED

We have audited the financial statements of National Grid UK Pension Services Limited for the year ended 31 March 2009 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.

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

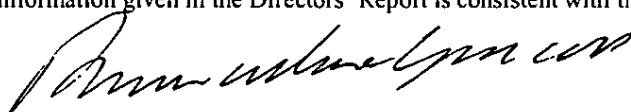
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the 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 2009 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 September 2009

NATIONAL GRID UK PENSION SERVICES LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEARS ENDED 31 MARCH

	Notes	2009 £'000	2008 £'000
Turnover		2,541	2,607
Operating costs		(2,541)	(2,607)
Profit on ordinary activities before taxation	3	-	-
Taxation	4	18	65
Profit for the year transferred to reserves	11	<u>18</u>	<u>65</u>

The results reported above relate to continuing activities.

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

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

NATIONAL GRID UK PENSION SERVICES LIMITED

BALANCE SHEET

AT 31 MARCH

	Notes	2009 £'000	2008 £'000
Fixed assets			
Tangible fixed assets	7	<u>138</u>	<u>161</u>
Current assets			
Debtors: amounts falling due within one year	8	880	989
Debtors: amounts falling due after more than one year	8	6	6
Cash at bank		-	3
		<u>886</u>	<u>998</u>
Creditors: amounts falling due within one year	9	<u>(507)</u>	<u>(670)</u>
Net current assets employed		<u>379</u>	<u>328</u>
Total assets less current liabilities		<u>517</u>	<u>489</u>
Net assets employed		<u>517</u>	<u>489</u>
Capital and reserves			
Called up share capital	10	766	766
Profit and loss account	11	(249)	(277)
Total shareholders' funds	12	<u>517</u>	<u>489</u>

The financial statements on pages 6 to 17 were approved by the Board of Directors on 30 September 2009 and signed on its behalf by:



MD Noble
Director

NATIONAL GRID UK PENSION SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2009

1 Accounting policies

(a) 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. There have been no changes to accounting policies during the year.

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

The Company has taken the exemption from preparing a cash flow statement under the terms of FRS 1 (revised 1996) 'Cash flow statements'. Further, in accordance with exemptions under FRS 29 'Financial Instruments: Disclosures', the Company has not presented the financial instruments disclosures required by the standard, as disclosures that comply with the standard are included in the consolidated financial statements of National Grid plc.

(b) Tangible fixed assets and depreciation

Tangible fixed assets are included in the balance sheet at their cost less accumulated depreciation. Cost includes purchase price, delivery and installation costs.

Tangible fixed assets are depreciated, principally on a straight line basis, at rates estimated to write off their book values over their estimated useful economic lives. In assessing estimated useful economic lives, which are reviewed on a regular basis, consideration is given to any contractual arrangements and operational requirements relating to particular assets. Unless otherwise determined by operational requirements, the depreciation periods for the principal categories of tangible fixed assets are as follows:

Office machinery	-	Up to 5 years
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Furniture and fittings	-	Up to 10 years
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(c) 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 substantially enacted by the balance sheet date.

Deferred tax is provided in full on all 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 substantially enacted by the balance sheet date.

NATIONAL GRID UK PENSION SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2009

1 Accounting policies (continued)

(c) Taxation (continued)

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.

(d) 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 is recognised on an effective interest basis 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.

(e) Pensions

Substantially all the Company's employees are members of the National Grid UK Pension Scheme. The Company's share of the underlying assets and liabilities of the defined benefit section of the Scheme cannot be identified separately. Consequently, the Company accounts for the Scheme as if it were a defined contribution scheme, recognising a charge equivalent to cash paid or payable to the scheme and to the Scheme's sponsoring company, Lattice Group plc, a fellow subsidiary undertaking of the Company.

NATIONAL GRID UK PENSION SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2009

1 Accounting policies (continued)

(f) Share based payments charges

The Company's ultimate parent company issues equity-settled share-based payments to certain employees of the Company. These equity-settled share-based payments are measured at fair value at the date of grant. The fair value determined at the grant date of equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on an estimate of the number of shares that will eventually vest, with a corresponding entry to profit and loss account reserves.

(g) Turnover

Turnover comprises the value of services provided excluding value added tax and other sales taxes.

(h) Leases

Rentals under operating leases are charged to the profit and loss account on a straight-line basis over the term of the lease.

2 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 was one Director (2008: none) who exercised share options in the ordinary shares of the ultimate parent company, National Grid plc.

The average number of employees during the year was 31 (2008: 31).

3 Profit on ordinary activities before taxation

	2009	2008
	£'000	£'000
Profit on ordinary activities before taxation is stated after charging:		
Wages and salaries	1,010	956
Social security costs	93	90
Other pension costs (see note 5)	232	220
Share based payments (see note 6)	10	16
Staff costs	1,345	1,282
Depreciation of tangible fixed assets	38	32
Audit fees	12	15
Other operating lease rentals	75	76

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

NATIONAL GRID UK PENSION SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2009

4 Taxation

	2009 £'000	2008 £'000
Current tax:		
UK corporation tax	1	(5)
Adjustments in respect of prior periods	(19)	(69)
Total current tax	<u>(18)</u>	<u>(74)</u>
Deferred tax:		
Origination and reversal of timing differences	-	9
Total deferred tax	<u>-</u>	<u>9</u>
Tax credit on profit on ordinary activities	<u>(18)</u>	<u>(65)</u>

The tax credit for the year is higher than the standard rate of corporation tax in the UK of 28% (2008: 30%). The differences are explained below:

	2009 £'000	2008 £'000
Profit on ordinary activities before taxation:	-	-
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% (2008: 30%)	-	-
Effect of :		
Expenses not deductible for tax purposes	1	2
Accelerated capital allowances and other timing differences	-	(9)
Movement in other short term timing difference	-	3
Adjustments in respect of prior periods	(19)	(70)
Total current tax credit for the year	<u>(18)</u>	<u>(74)</u>

Factors that may affect future tax charges

A number of changes to the UK corporation tax system were announced in the April 2009 Budget Statement which have been enacted in the Finance Act 2009.

The changes announced to the UK corporation tax system include temporary changes to the capital allowance regime and the introduction of a system for taxing foreign profits which is expected to bring in a dividend exemption and a worldwide debt cap.

The dividend exemption is likely to be available for both UK and foreign distributions, falling within an exempt classification, received on or after 1 July 2009. This is not expected to have a material effect on the future tax charge.

NATIONAL GRID UK PENSION SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2009

4 Taxation (continued)

Factors that may affect future tax charges (continued)

A worldwide debt cap is likely to restrict the amount of finance expense available for UK tax purposes, based on the consolidated finance expense, and is expected to apply for accounting periods ending 31 March 2011 onwards. We are in the process of evaluating the impact the worldwide debt cap will have on the future tax charge.

These changes have not been substantively enacted as at the balance sheet date and therefore have not been included in these financial statements.

5 Pensions

The National Grid UK Pension Scheme (the 'Scheme') provides final salary defined benefits (DB) for employees who joined prior to 1 April 2002 and defined contribution (DC) benefits for employees joining from 1 April 2002. At 31 March 2009 58% (2008: 60%) of contributing employees were members of the DB section of the Scheme which is funded with assets held in a separate trustee administered fund. It is subject to independent valuations at least every three years, on the basis of which the qualified actuary certifies the rate of employers' contribution, which, together with the specified contributions payable by the employees and proceeds from the Scheme's assets, are expected to be sufficient to fund the benefits payable under the Scheme.

The latest full actuarial valuation was carried out by Watson Wyatt LLP at 31 March 2007. The aggregate market value of the Scheme's assets was £12,923m and the value of the assets represented approximately 97% of the actuarial value of benefits due to members, calculated on the basis of pensionable earnings and service at 31 March 2007 on an ongoing basis and allowing for projected increases in pensionable earnings. There was a funding deficit of £442m (£318m net of tax) on the valuation date in light of which National Grid agreed a recovery plan with the trustees.

The actuarial valuation showed that, based on long-term financial assumptions, the contribution rate required to meet future benefit accrual was 32.4% of pensionable earnings (29.4% employers and 3% employees). In addition, the employers pay an allowance for administration expenses which was 3.2% of pensionable earnings for 2008/09, giving a total National Grid rate of 32.6% of pensionable earnings. These contribution rates will be reviewed at the next valuation on 31 March 2010.

In accordance with the recovery plan agreed with the trustees at the 2007 valuation, Lattice Group plc, the sponsoring company paid contributions of £295m (£212m net of tax) in the year to 31 March 2009 and a further payment of £59m (£42m net of tax) in April 2009 along with payments made in the previous year to ensure that the deficit reported at the 2007 valuation is paid in full. These contributions were recharged and the Company's share of these payments was £0.142m (£0.101m net of tax).

NATIONAL GRID UK PENSION SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2009

5 Pensions (continued)

The Company accounts for the Scheme as if it were a defined contribution scheme, as its share of the underlying assets and liabilities of the Scheme's defined benefit section cannot be identified separately. The total DB charge for the year ended 31 March 2009 was £205,000 (2008: £194,000) and the total DC charge for the year ended 31 March 2009 was £27,000 (2008: £26,000). Prepaid pension contributions at 31 March 2009 were £2,000 (2008: £2,000).

The fair value of liabilities and assets of the whole scheme are recognised in the consolidated financial statements of National Grid plc (the Company's ultimate parent company) in accordance with International Accounting Standard 19 'Employee Benefits'. The fair value of liabilities and assets of the whole scheme at 31 March 2009 and 2008, calculated in accordance with Financial Reporting Standard 17 'Retirement Benefits', are set out as follows:

Years ended 31 March	2009 £m	2008 £m
Present value of defined benefit obligations	(10,731)	(11,783)
Fair value of plan assets	11,040	12,660
Surplus in the plan	<u>309</u>	<u>877</u>
Irrecoverable surplus	-	258
Asset recognised in the consolidated financial statements of National Grid plc	309	619

6 Share-based payment charges

Under UK GAAP, a charge is made to the profit and loss account based on the fair value of grants in accordance with FRS 20 'Share-based Payment'. All share awards are equity settled.

The charge to the profit and loss account for the year ended 31 March 2009 was £10,000 (2008: £16,000). The charge relates to share awards made by the Company's ultimate parent company National Grid plc.

NATIONAL GRID UK PENSION SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2009

6 Share-based payment charges (continued)

Awards under share option plans

The average share prices at the date of options being granted, the average exercise prices of the options granted and the estimated average fair values of the options granted during each of the financial years ended 31 March were as follows:

	2009	2008
Average share price	684.0p	846.0p
Average exercise price	488.0p	655.0p
Average fair value	152.2p	187.0p

These amounts have been calculated in respect of options where the exercise price is less than the market price at the date of grant.

The fair values of the options granted were estimated using the following principal assumptions:

	2009	2008
Dividend yield (%)	5.0	4.5
Volatility (%)	22.4-26.1	15.6-18.9
Risk-free investment rate (%)	2.5	4.2
Average life (years)	4.2	4.1

The fair values of awards under the Sharesave scheme have been calculated using the Black-Scholes European model. This is considered appropriate given the short exercise window of sharesave options. The fair value of awards made in 2008 and 2007 onwards have been calculated by reference to the 2006 Black-Scholes European model calculation.

Volatility was derived based on the following and is assumed to revert from its current implied level to its long run mean, based on historical volatility under (ii) below:

- i) implied volatility in traded options over National Grid shares;
- ii) historical volatility of National Grid's shares over a term commensurate with the expected life of each option; and
- iii) implied volatility of comparator companies where options in their shares are traded.

NATIONAL GRID UK PENSION SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2009

7 Tangible fixed assets

	Office Machinery (Computers)	Furniture & Fittings	Total
	£'000	£'000	£'000
Cost:			
At 1 April 2008	230	88	318
Additions	16	-	16
At 31 March 2009	<u>246</u>	<u>88</u>	<u>334</u>
Depreciation:			
At 1 April 2008	(136)	(22)	(158)
Charge for the year	(29)	(9)	(38)
At 31 March 2009	<u>(165)</u>	<u>(31)</u>	<u>(196)</u>
Net book value:			
At 31 March 2009	<u>81</u>	<u>57</u>	<u>138</u>
At 31 March 2008	<u>95</u>	<u>66</u>	<u>161</u>

8 Debtors

	2009 £'000	2008 £'000
Amounts falling due within one year		
Trade debtors	121	-
Amounts owed by fellow subsidiary undertakings	636	911
VAT debtor	31	25
Other debtors	3	4
Prepayments and accrued income	<u>89</u>	<u>49</u>
	<u>880</u>	<u>989</u>

Amounts falling due after more than one year

	2009 £'000	2008 £'000
Accelerated capital allowances	6	6
Deferred tax asset	<u>6</u>	<u>6</u>
Deferred tax asset provided at 1 April	6	15
Charged to profit and loss account	-	(9)
Deferred tax asset provided at 31 March	<u>6</u>	<u>6</u>

NATIONAL GRID UK PENSION SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2009

9 Creditors: amounts falling due within one year

	2009	2008
	£'000	£'000
Bank overdraft	29	-
Amounts owed to fellow subsidiary undertakings	240	233
Taxation and social security	26	25
Trade creditors	49	-
Other creditors	8	227
Accruals and deferred income	155	185
	<u>507</u>	<u>670</u>

10 Called up share capital

	2009	2008
	£'000	£'000
Authorised		
800,000 ordinary shares of £1 each	<u>800</u>	<u>800</u>
Allotted, called up and fully paid		
765,526 ordinary shares of £1 each	<u>766</u>	<u>766</u>

11 Reserves

	Profit and loss Account £'000
At 1 April 2008	(277)
Profit for the year	18
Share based payment	10
At 31 March 2009	<u>(249)</u>

12 Reconciliation of movements in shareholders' funds

	2009	2008
	£'000	£'000
Profit for the year after taxation	18	65
Share based payment	10	16
Net increase in shareholders' funds	<u>28</u>	<u>81</u>
Opening shareholders' funds	489	408
Closing shareholders' funds	<u>517</u>	<u>489</u>

NATIONAL GRID UK PENSION SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2009

13 Financial commitments

The Company has an ongoing operating lease commitment covering a period greater than 5 years relating to its office premises. The future amount payable per annum under this commitment is £65,745 (2008: £65,745).

Financial commitments also exist in respect of operating lease agreements for company cars and photocopiers covering a period of less than 5 years. The amounts payable under existing commitments for the next financial year are £5,000 (2008: £3,000) for company cars and £1,000 (2008: £2,000) for photocopiers.

14 Related party transactions 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 Company provides administrative services to the National Grid UK Pension Scheme, a related party. Details of the related party transactions and balances are set out as follows:

	2009	2008
	£'000	£'000
Income receivable from the National Grid UK Pension Scheme	2,551	2,696
Charges payable to the National Grid UK Pension Scheme	(1)	(20)
Balance owed by the National Grid UK Pension Scheme	121	225

The ultimate parent and controlling company is National Grid plc and the immediate parent company is National Grid UK 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. All of these companies are registered in England and Wales.

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