

Company Registration Number: 3615517

National Grid UK Pension Services Limited

Annual Report and Financial Statements

For the year ended 31 March 2017

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National Grid UK Pension Services Limited

Strategic Report

For the year ended 31 March 2017

The Directors present their Strategic Report on the Company for the year ended 31 March 2017.

Review of the business

The Company's principal activity during the year was the provision of pensions administration, payroll, accounting, communications and data services to the National Grid UK Pension Scheme. Services are also provided to the Group Trustee of the National Grid Electricity Group of the Electricity Supply Pension Scheme, The National Grid YouPlan Trustee Limited and to the National Grid Corporate Pensions Team.

Executive summary

During the year, the Company implemented a number of client specific changes to ensure all client obligations were met. This included work associated with the sale of the Gas Distribution business by National Grid plc.

The organisation structure has been adapted to meet new client requirements and support the increased high level of work volumes. The Company continues to operate on a client-focussed basis providing a quality and cost-effective service. Improvements have continued with the introduction of new software and processes to enhance the member experience for all clients.

The business continuity, cyber security, data and software integrity processes have been further enhanced throughout the year to underpin the security, resilience and services provided to the client base.

Results

The Company's loss for the financial year was £4,000 (2016: £nil).

Financial position

The financial position of the Company is presented in the Statement of Financial Position. Total shareholders' equity at 31 March 2017 was £644,000 (2016: £629,000) comprising tangible assets of £nil (2016: £1,000) and net current assets of £644,000 (2016: £628,000).

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 2016/17, which does not form part of this report.

Future developments

The Directors believe the current level of trading activity as reported in the Income Statement will continue in the foreseeable future with no anticipated significant Statement of Financial Position movements.

Approved by the Board and signed on its behalf by:


A Morgan
Company Secretary
21 November 2017

National Grid UK Pension Services Limited

Directors' Report

For the year ended 31 March 2017

The Directors present their Report and the audited financial statements of the Company for the year ended 31 March 2017.

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 (2016: £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, credit and interest rate cash flow risks. These risks are monitored through a National Grid Treasury ('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 new share issues and intercompany balances to ensure that the Company has sufficient long-term and short-term funds available for current operations and future activities.

Credit risk

The Company has implemented policies that require appropriate credit checks on potential customers before sales are made. No exposure is considered to exist in respect of intercompany loans as fully recoverable from within the National Grid group.

Interest rate cash flow risk

The Company has interest bearing intercompany assets. To the extent that the Company enters into intercompany loan agreements, the Company's exposure to interest rate cash flow risk arises on such loans on which interest is charged based upon sterling LIBOR.

Directors

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

A J Agg	
E H Davies	
H Hill	(appointed 1 July 2017)
M D Noble	(resigned 1 July 2017)

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.

National Grid UK Pension Services Limited

Directors' Report (continued)

For the year ended 31 March 2017

Going concern

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.

Auditors

At the 2017 Annual General meeting of National Grid plc, the Company's ultimate parent company, Deloitte LLP were appointed as external auditor to the group. Accordingly, PricewaterhouseCoopers LLP will not be seeking re-appointment as auditor of the Company at the conclusion of their current term of office. There were no circumstances connected with the resignation of PricewaterhouseCoopers LLP as external auditor which should be brought to the attention of members or creditors of the Company.

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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101), and applicable law). 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 the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- 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;
- make judgements and accounting 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.

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.

The Directors 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.

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

A Morgan
Company Secretary
21 November 2017



Registered office:
1-3 Strand
London
WC2N 5EH

Registered in England and Wales
Company registration number: 3615517

Independent auditors' report to the members of

National Grid UK Pension Services Limited

Report on the financial statements

Our opinion

In our opinion, National Grid UK Pension Services 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 2017 and of its loss for the year then ended;
- 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 2017;
- the Income Statement and Statement of Comprehensive Income for the year then ended;
- the Statement of Changes in Equity for the year then ended; 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, based on the work undertaken in the course of the audit:

- 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; and
- the Strategic report and the Directors' Report have been prepared in accordance with applicable legal requirements.

In addition, in light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Strategic Report and the Directors' Report. We have nothing to report in this respect.

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
National Grid UK Pension Services 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. With respect to the Strategic Report and Directors' Report, we consider whether these reports include the disclosures required by applicable legal requirements.



Richard Kay (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Birmingham
21 November 2017

National Grid UK Pension Services Limited

Income Statement

For the year ended 31 March 2017

	Notes	2017 £'000	2016 £'000
Turnover		3,337	3,224
Operating costs		(3,339)	(3,227)
Operating loss		<u>(2)</u>	<u>(3)</u>
Interest receivable and similar income from a fellow subsidiary undertaking		2	3
Result before tax	2	<u>-</u>	<u>-</u>
Tax	4	(4)	-
Loss for the financial year		<u>(4)</u>	<u>-</u>

The results reported above relate to continuing activities.

There have been no other comprehensive income/losses during either the current or prior year other than as disclosed in the profit and loss account and therefore no separate Statement of Comprehensive Income has been presented.

National Grid UK Pension Services Limited

Statement of Financial Position

As at 31 March 2017

	Notes	2017 £'000	2016 £'000
Fixed assets			
Tangible assets	5	-	1
Current assets			
Debtors (amounts falling due within one year)	6	1,799	1,195
Debtors (amounts falling due after more than one year)	6	17	27
Cash at bank and in hand		3	-
		<u>1,819</u>	<u>1,222</u>
Creditors (amounts falling due within one year)	7	(1,175)	(594)
Net current assets		<u>644</u>	<u>628</u>
Total assets less current liabilities		644	629
Net assets		<u>644</u>	<u>629</u>
Equity			
Share capital	8	766	766
Profit and loss account		<u>(122)</u>	<u>(137)</u>
Total shareholders' equity		<u>644</u>	<u>629</u>

The financial statements on pages 6 to 17 were approved by the Board of Directors and authorised for issue on 21 November 2017 and signed on its behalf by:



A J Agg
Director

National Grid UK Pension Services Limited
Company registration number: 3615517

National Grid UK Pension Services Limited

Statement of Changes in Equity

For the year ended 31 March 2017

	Share capital £'000	Profit and loss account £'000	Total shareholders' equity £'000
At 1 April 2015	766	(149)	617
Loss for the financial year	-	-	-
Share based payment	-	8	8
Tax on share based payment	-	4	4
At 31 March 2016	766	(137)	629
Loss for the financial year	-	(4)	(4)
Share based payment	-	25	25
Tax on share based payment	-	(6)	(6)
At 31 March 2017	766	(122)	644

National Grid UK Pension Services Limited

Notes to the financial statements

For the year ended 31 March 2017

1 Summary of significant accounting policies

National Grid UK Pension Services Limited is a private company, limited by shares. The Company 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 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 [except for the revaluation of derivative financial instruments] and are presented in pounds sterling which is the currency of the primary economic environment in which the Company operates. The 2016 comparative financial information has also been prepared on this basis..

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).

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; 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 2018.

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 are no significant estimates or critical areas of judgement that are considered to have a significant effect on the amounts recognised in the financial statements

National Grid UK Pension Services Limited
Notes to the financial statements (continued)
For the year ended 31 March 2017

1 Summary of significant accounting policies (continued)

(b) Tangible assets and depreciation

Tangible assets are included in the Statement of Financial Position at historical cost less accumulated depreciation. Historical cost includes purchase price, delivery and installation costs. Subsequent additions represent the purchase or construction of new assets, and extensions to, or significant increases in the capacity of, tangible fixed assets.

Tangible assets are depreciated, principally on a straight line basis, at rates determined 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, in general, as shown in the table below:

Depreciation periods	Years
Furniture and fittings	Up to 10
Office machinery (computers)	Up to 5

(c) Tax

The tax charge for the period is recognised in the income statement, the Statement of Comprehensive Income or directly in equity according to the accounting treatment of the related transaction. The tax charge comprises both current and deferred tax.

Current tax assets and liabilities are measured at the amounts expected to be recovered from or paid to the tax authorities. The tax rates and tax laws used to compute the amounts are those that have been enacted or substantively enacted by the reporting date.

The calculation of the total tax charge involves a degree of estimation and judgement, and management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is provided using the balance sheet liability method and is recognised on temporary differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognised on all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. However, to the extent that the temporary differences arise from the initial recognition of goodwill or from the initial recognition of other assets and liabilities in a transaction (other than a business combination) that affects neither the accounting nor the taxable profit or loss, deferred tax assets and liabilities are not recognised.

Deferred tax liabilities are recognised on taxable temporary differences arising on investments in subsidiaries and jointly controlled entities except where the Company is able to control the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, based on the tax rates and tax laws that have been enacted or substantively enacted by the reporting date.

National Grid UK Pension Services Limited

Notes to the financial statements (continued)

For the year ended 31 March 2017

1 Summary of significant accounting policies (continued)

(c) Tax (continued)

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be recovered. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited in other comprehensive income, in which case the deferred tax is also reflected in other comprehensive income.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same tax authorities and the Company intends to settle their current tax assets and liabilities on a net basis.

(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, 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.

(e) Turnover

Turnover comprises the value of services provided excluding value added tax. Revenue primarily relates to services provided to the National Grid UK Pension Scheme which is billed monthly with an accrual adjustment to reflect actual costs incurred.

National Grid UK Pension Services Limited
Notes to the financial statements (continued)
For the year ended 31 March 2017

1 Summary of significant accounting policies (continued)

(f) Pensions

The Company operates various post-employment schemes, including both defined benefit and defined contribution pension plans.

A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. The Company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. A defined benefit plan is a pension plan that is not a defined contribution plan.

For defined contribution plans, the Company pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Company has no further payment obligations once the contributions have been paid. The contributions are recognised as staff costs when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Pension costs are charged to the Company for certain members of one of the two National Grid group defined benefit pension schemes. The Company is not a participating member of either scheme. The Company recognises a cost equal to the contribution payable for the period.

(g) Leases

Leases in which substantially all of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Operating lease payments are charged to the Income Statement on a straight-line basis over the term of the lease.

National Grid UK Pension Services Limited
Notes to the financial statements (continued)
For the year ended 31 March 2017

2 Result before taxation

	2017	2016
	£'000	£'000
Result before taxation is stated after charging:		
Depreciation of tangible fixed assets	1	1
Other operating lease charges	<u>36</u>	<u>35</u>
Services provided by the Company's auditor		
Audit fees	<u>13</u>	<u>13</u>

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

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 3 Directors (2016: 2) who exercised share options in or received ordinary shares as part of long term incentive plans of the ultimate parent company, National Grid plc.

	2017	2016
	£'000	£'000
Staff costs		
Wages and salaries	1,346	1,217
Social security costs	153	122
Other pension costs	296	257
Share-based payments	25	8
	<u>1,811</u>	<u>1,604</u>

The aggregate amount of Company contributions paid in respect of the defined contribution scheme amounted to £116,978 (2016: £102,119).

The average monthly number of employees (including Directors) employed by the Company during the year involved in administration were 34 (2016: 33).

National Grid UK Pension Services Limited
Notes to the financial statements (continued)
For the year ended 31 March 2017

4 Tax

	2017 £'000	2016 £'000
Current tax:		
UK corporation tax	(2)	(3)
Adjustments in respect of prior years	2	-
Total current tax	<u>-</u>	<u>(3)</u>
Deferred tax:		
Origination and reversal of timing differences	4	1
Impact of change in UK tax rate	-	2
Total deferred tax	<u>4</u>	<u>3</u>
Tax charge	<u>4</u>	<u>-</u>

The tax charge for the year is higher (2016: same as) than the standard rate of corporation tax in the UK of 20% (2016: 20%). The differences are explained below:

	2017 £'000	2016 £'000
Profit before taxation	<u>-</u>	<u>-</u>
Profit multiplied by standard rate of corporation tax in the UK of 20% (2016: 20%)	-	-
Effect of:		
Non-taxable income		-
Impact of share based payments	4	(2)
Impact of change in UK tax rate	-	2
Total tax charge for the year	<u>4</u>	<u>-</u>

Factors that may affect future tax charges

The Finance Act 2016 which was enacted on 15 September 2016 reduced the main rate of UK corporation tax to 17% with effect from 1 April 2020. Deferred tax balances have been calculated at this rate.

Continuing focus on tax reform during 2016/17, specifically the Organisation for Economic Co-Operation and Development's Base Erosion and Profit Shifting ('BEPS') project to address mismatches in international rules resulted in new legislation on areas such as interest deductibility. The Directors will continue to monitor developments and assess the potential impact for the Company of any further initiatives.

Whilst the UK remains part of the EU, the evolution of the application of EU tax competition regulations continues to create uncertainty over tax legislation and at this stage it is not possible to quantify any potential impact on the financial statements.

National Grid UK Pension Services Limited
Notes to the financial statements (continued)
For the year ended 31 March 2017

5 Tangible assets

	Office machinery (computers) £'000	Total £'000
Cost:		
At 1 April 2016 and 31 March 2017	28	28
Accumulated depreciation:		
At 1 April 2016	27	27
Depreciation charge for the year	1	1
At 31 March 2017	28	28
Net book value:		
At 31 March 2017	-	-
At 31 March 2016	1	1

6 Debtors

	2017 £'000	2016 £'000
Amounts falling due within one year:		
Trade debtors	180	235
Amounts owed by fellow subsidiary undertakings	901	865
Other tax and social security	163	50
Other debtors	53	1
Prepayments and accrued income	502	44
	<u>1,799</u>	<u>1,195</u>
Amounts falling due after more than one year:		
Deferred tax	<u>17</u>	<u>27</u>
Deferred tax		
	2017 £'000	2016 £'000
Accelerated capital allowances	17	11
Other short-term timing differences	-	16
Deferred tax asset	<u>17</u>	<u>27</u>
	2017 £'000	2016 £'000
Deferred tax asset at 1 April	27	30
Charged to income statement	(4)	(3)
Charged to other comprehensive income	(6)	-
Deferred tax asset at 31 March	<u>17</u>	<u>27</u>

There are no other significant unrecognised deferred tax assets or liabilities (2016: nil).

National Grid UK Pension Services Limited
Notes to the financial statements (continued)
For the year ended 31 March 2017

7 Creditors: amounts falling due within one year

	2017	2016
	£'000	£'000
Trade creditors	668	71
Amounts owed to fellow subsidiary undertakings	377	387
Other tax and social security	12	8
Other creditors	-	11
Accruals and deferred income	118	117
	<u>1,175</u>	<u>594</u>

8 Share capital

	2017	2016
	£'000	£'000
Allotted, called up and fully paid		
765,526 ordinary shares of £1 each	<u>766</u>	<u>766</u>

9 Capital and other commitments

	2017	2016
	£'000	£'000
Contracts for future expenditure not provided in the financial Statements	<u>32</u>	<u>32</u>

The company had the following future minimum lease payments under non-cancellable operating leases for the following periods:

	2017	2016
	£'000	£'000
Less than 1 year	3	3
In 2-5 years	<u>6</u>	<u>-</u>
	<u>9</u>	<u>3</u>

10 Contingent liabilities

Litigation

Through the ordinary course of operations, the Company is party to various litigation, claims and investigations. The Directors do not expect the ultimate resolution of any of these proceedings to have a material adverse effect on the Company's results of operations, cash flows or financial position.

National Grid UK Pension Services Limited
Notes to the financial statements (continued)
For the year ended 31 March 2017

11 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.

The Company provides administrative services to the National Grid UK Pension Scheme which is deemed to be a related party. Details of the related party transactions and balances are set out as follows:

	2017	2016
	£'000	£'000
Income receivable from the National Grid UK Pension Scheme	2,750	2,842
Balance owed by the National Grid UK Pension Scheme at 31 March	139	256
	<hr/>	<hr/>

12 Ultimate parent company

The ultimate parent and controlling company is National Grid plc and the immediate parent company is National Grid UK 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.