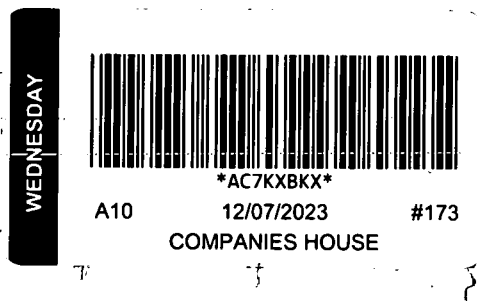


Company Registration Number: 03741098

National Grid Plus Limited

Annual Report and Financial Statements

For the year ended 31 March 2023



National Grid Plus Limited

Strategic Report

For the year ended 31 March 2023

The Directors present their Strategic Report on National Grid Plus Limited ('the Company') for the year ended 31 March 2023.

Review of the business

The Company holds an investment in a joint venture with Places for People Homes Limited. The Company obtains finance from fellow National Grid subsidiary companies via intercompany balances.

Executive summary

There have been no significant changes in the Company's trading activities during the year as reported in the profit and loss account. The Company expects to receive its 50% share of the National Places LLP development profits as sites are developed and sold out of the joint venture. The Company does bear a UK tax adjustment each year in respect of the share of the profits/losses of the joint venture.

Results, as detailed below, largely depend on interest received from a fellow subsidiary undertaking.

Results

The Company's profit for the year was £258,000 (2022: £6,000 profit).

Financial position

The financial position of the Company is presented in the balance sheet. Total shareholders' equity at 31 March 2023 was £15,256,000 (2022: £14,998,000) comprising a fixed asset investment of £1,360,000 (2022: £1,010,000); current assets of £13,977,000 (2022: £14,000,000) less current liabilities of £81,000 (2022: £12,000).

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 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 2022/23, which does not form part of this report.

Financial risk management

The management of the Company and the execution of the Company's strategy are subject to several 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 and interest rate 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.

National Grid Plus Limited

Strategic Report (continued)

For the year ended 31 March 2023

Financial risk management (continued)

Credit risk

The Company aims to reduce the risk of loss arising from default by parties to financial transactions. To this end the Company has implemented policies that require appropriate credit checks on potential customers before sales are made. The Company holds an approved list of counterparties of good credit quality and these counterparties and their credit ratings are routinely monitored. No exposure is considered to exist in respect of intercompany loans as the subsidiaries are solvent and are covered by the National Grid group's liquidity arrangements.

Interest rate cash flow risk

The Company has one intercompany loan which can fluctuate between an asset and liability which exposes it to interest rate cash flow risk. To the extent that the Company enters intercompany loan agreements, the Company's exposure to interest rate cash flow risk arises on such loans on which interest is currently charged based upon Sterling Overnight Index Average (SONIA).

Future developments

The Directors do not foresee a change in activities of the Company.

Section 172 (1) statement

The Board believes that, individually and together, they have acted in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members, as a whole, having regard to the stakeholders and matters set out in section 172(a)-(f) of the Companies Act 2006 in the decisions taken during the year ended 31 March 2023. It follows the National Grid Group's ('the Group's') business standards and compliance with local corporate governance requirements, and is committed to acting if our business should fail to act in the manner we expect of them. For the Group's section 172 statement please see the National Grid plc Annual Report and Accounts.

The Board is responsible for monitoring and upholding the culture, values, standards, ethics and reputation of the Company to ensure that our obligations to our shareholder and to our stakeholders are met. For each matter, which comes before the Board, stakeholders who may be affected are identified and their interests are carefully considered as part of the Board's decision-making.

The Board is also mindful of the wider social context within which our businesses operate, including those issues related to climate change which are of fundamental importance to the planet's well-being.

Our culture and decision making

Our culture is shaped by our clearly defined values to help ensure we achieve our vision. It determines how we behave, how we make decisions and our attitude towards risk aligned with the Group's purpose, vision and values. Decisions affecting a subsidiary are required to be taken in line with the National Grid Statement of Delegations of Leadership, Responsibility and Financial Authority. In making such decisions the Directors have regard to a variety of matters including the interests of various stakeholders, the consequences of their decisions in the long term and the long-term reputation of the Company and its businesses.

Employee engagement

The Company has no employees. All UK employees engaged in the activities of the Company are employed by subsidiary undertakings of National Grid plc. The employees are kept informed about what is happening across the Group through the Group's intranet and through email, newsletters, and leadership blogs and briefings.

National Grid Plus Limited
Strategic Report (continued)
For the year ended 31 March 2023

Section 172 (1) statement (continue)

Employee engagement (continue)

Disclosures relating to employees may be found in the Annual Report and Accounts of these companies. You can read more about the Group's engagement with employees on pages 36 to 37 and 77 to 78 of the National Grid plc Annual Report and Accounts (available at: www.nationalgrid.com/investors).

Fostering business relationships with our customers and suppliers

The Company is a holding company and thus has no suppliers and customers itself. The Directors recognise that fostering business relationships with key stakeholders, such as customers and suppliers, is essential to the success of the Group and are satisfied that the Group has close relationships with its customers and suppliers to meet our strategic priorities. The Board receives regular updates on the interactions between the Directors and senior management and key stakeholders, including Government, Ofgem, the HSE, customers and suppliers.

The community and the environment

The Directors recognise that the Group delivers sustainable energy safely, reliably and affordably for the communities we serve. Giving back to the communities in which we operate, and to charities that have meaning to our business, is vitally important to the Group and its employees, allowing them to make a positive difference and have an impact where it counts.

The Directors recognise the critical role the Group plays in tackling climate change in the markets that we operate. Ambitious carbon reduction targets and further legislative actions are anticipated in all our markets which will be challenging and as a Group we embrace the opportunity to support the delivery of these goals. The Group continues to focus on and advance its work in relation to its environmental sustainability strategy.

You can read more about the Group's responsible business on pages 33 to 35 in the National Grid plc Annual Report and Accounts and in the National Grid plc Responsible Business Report.

Shareholders

The Board considers the long-term impact of corporate actions and decisions on our shareholders.

Our ultimate shareholder is National Grid plc and there is ongoing communication and engagement with the National Grid Board. Any matters requiring escalation are escalated by the Board through the Chairman to its ultimate parent.

National Grid Plus Limited
Strategic Report (continued)
For the year ended 31 March 2023

Section 172 (1) statement (continue)

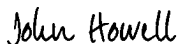
Maintaining a reputation for high standards of business conduct

The Group's Code of Ethical Business Conduct sets out the standards and behaviours expected from all employees to meet the Group's values.

Detailed information on the Group-wide business conduct processes and policies are described in the National Grid plc Annual Report and Accounts on page 68 (available at: www.nationalgrid.com/investors).

The Strategic Report was approved by the Board of Directors and was signed by order of the Board on its behalf by:

DocuSigned by:



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J Howell

Company Secretary

7 July 2023

National Grid Plus Limited

Directors' Report

For the year ended 31 March 2023

The Directors present their Report and the audited financial statements of the Company for the year ended 31 March 2023.

Future developments

Details of future developments have been included within the Strategic Report on page 2.

Financial risk management

Details of financial risk management have been included within the Strategic Report on page 1.

Dividends

During the year, the Company has paid no interim ordinary dividends (2022: £nil). The Directors do not recommend the payment of a final dividend (2022: £nil).

Directors

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

P D Edwards

P K Gabbi

B J Gaunt (Resigned 3 May 2022)

S W Grant (Resigned 12 July 2022)

B Stacey (Appointed 12 July 2022)

Directors' indemnity

National Grid has arranged, in accordance with the Companies Act 2006 and the Articles of Association, qualifying third-party indemnities against financial exposure that Directors may incur during 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.

Going concern

These financial statements have been prepared on a going concern basis, which presumes that the Company has adequate resources to remain in operation, and that the Directors intend it to do so, for at least one year from the date the financial statements are signed. As the Company is part of a larger group it participates in the Group's centralised treasury arrangements and so shares banking arrangements with its subsidiaries. The Company is expected to generate positive cash flows in the next twelve months. In addition, the Directors expect to be in a position to draw on intercompany loans, should this liquidity be required for the Company to meet its future obligations as they fall due.

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. This confirmation is given in accordance with the provisions of section 418 of the Companies Act 2006.

National Grid Plus Limited
Directors' Report (continued)
For the year ended 31 March 2023

Auditors

Subject to approval by National Grid plc shareholders at its 2023 Annual General Meeting, Deloitte LLP, will be reappointed as its external auditor for the next financial year. Pursuant to section 487 of the Companies Act 2006, Deloitte LLP will subsequently be deemed to be reappointed as the Company's auditor and will continue in office.

Statement of Directors' responsibilities

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

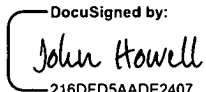
UK company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 101 'Reduced Disclosure Framework'. 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 these financial statements, the Directors are required to:

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

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 to enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

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

DocuSigned by:


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J Howell

Company Secretary

7 July 2023

Registered office:

1-3 Strand

London

WC2N 5EH

Registered in England and Wales

Company registration number: 03741098

Independent auditor's report to the members of National Grid Plus Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of National Grid Plus Limited ('the Company'):

- give a true and fair view of the state of the Company's affairs as at 31 March 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the profit and loss account;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 11.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Independent auditor's report to the members of National Grid Plus Limited (continued)

Other information

The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Directors

As explained more fully in the statement of Directors' responsibilities, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the Company's industry and its control environment, and reviewed the Company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

Independent auditor's report to the members of National Grid Plus Limited (continued)

Extent to which the audit was considered capable of detecting irregularities, including fraud (continued)

We obtained an understanding of the legal and regulatory framework that the Company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act, FRS 101, tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the Company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team including IT internal specialists regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management, internal audit and in-house legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance, internal audit reports and reviewing correspondence with relevant regulatory authorities.

Report on other legal and regulatory requirements

Opinions on other matters 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 the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Strategic Report or the Directors' Report.

Independent auditor's report to the members of National Grid Plus Limited (continued)

Matters on which we are required to report by exception

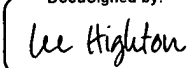
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- 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; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

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Lee Highton FCA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom
7 July 2023

National Grid Plus Limited
Profit and loss account
For the year ended 31 March 2023

	Notes	2023 £'000	2022 £'000
Administrative expenses		(14)	(12)
Operating loss	2	<u>(14)</u>	<u>(12)</u>
Interest receivable from a fellow subsidiary undertaking	4	339	17
Profit before tax		<u>325</u>	<u>5</u>
Tax	5	(67)	1
Profit for the year		<u><u>258</u></u>	<u><u>6</u></u>

The results for both years reported above relate to continuing activities.

There have been no other comprehensive gains/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 Plus Limited
Balance sheet
As at 31 March 2023

	Notes	2023 £'000	2022 £'000
Fixed assets			
Investments	6	<u>1,360</u>	<u>1,010</u>
Current assets			
Debtors (amounts falling due within one year)	7	13,976	14,000
Cash at bank and in hand		<u>1</u>	<u>—</u>
Total current assets		<u>13,977</u>	<u>14,000</u>
Creditors (amounts falling due within one year)	8	(81)	(12)
Net current assets		<u>13,896</u>	<u>13,988</u>
Total assets less current liabilities		<u>15,256</u>	<u>14,998</u>
Net assets		<u>15,256</u>	<u>14,998</u>
Equity			
Share capital	9	15,000	15,000
Profit and loss account		<u>256</u>	<u>(2)</u>
Total shareholders' equity		<u>15,256</u>	<u>14,998</u>

The financial statements set out on pages 11 to 18 were approved by the Board of Directors on 7 July 2023 and were signed on its behalf by:

DocuSigned by:

Ben Stacey

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B Stacey
 Director

National Grid Plus Limited
 Company registration number: 03741098

National Grid Plus Limited
Statement of changes in equity
For the year ended 31 March 2023

	Share capital	Profit and loss account	Total shareholders' equity
	£'000	£'000	£'000
At 1 April 2021	5,000	(8)	4,992
Profit for the year	—	6	6
Issue of share capital (note 9)	10,000	—	10,000
At 31 March 2022	15,000	(2)	14,998
Profit for the year	—	258	258
At 31 March 2023	15,000	256	15,256

National Grid Plus Limited
Notes to the financial statements
For the year ended 31 March 2023

1 Summary of significant accounting policies

National Grid Plus Limited is a private company, limited by shares. The nature of the Company's principal activities is set out in the Strategic Report on page 1. The Company is incorporated and registered in England, with its registered office at 1-3 Strand, London, WC2N 5EH.

(a) Basis of preparation

The financial statements of National Grid Plus Limited for the year ended 31 March 2023 were approved by the Board of Directors on 7 July 2023. 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 UK, 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 an historical cost basis and are presented in pounds sterling which is the currency of the primary economic environment in which the Company operates. The 2022 comparative financial information has also been prepared on this basis.

These financial statements have been prepared on a going concern basis, which presumes that the Company has adequate resources to remain in operation, and that the Directors intend it to do so, for at least one year from the date the financial statements are signed. As the Company is part of a larger group it participates in the Group's centralised treasury arrangements and so shares banking arrangements with its subsidiaries.

In accordance with Section 400 of the Companies Act 2006, the Company is exempt from preparing consolidated financial statements, as it is included within the consolidated financial statements of National Grid plc, which are publicly available.

As a qualifying entity, the Company has taken the following exemptions in the preparation of these financial statements in accordance with FRS 101:

- a cash flow statement and related notes;
- disclosures in respect of transactions with National Grid plc and its wholly owned subsidiaries;
- disclosures in respect of capital management; and
- disclosures in respect of fixed asset investments; and
- the effects of new but not yet effective IFRS standards.

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'.

There are no amendments to accounting standards, or IFRIC interpretations that are effective for the year ended 31 March 2023 that have a material impact on the Company's financial statements.

There are no areas of judgement or key sources of estimation uncertainty that are considered to have a significant effect on the amounts recognised in these financial statements.

These financial statements have been prepared in accordance with the Company's accounting policies approved by the Board of Directors and described below:

National Grid Plus Limited
Notes to the financial statements (continued)
For the year ended 31 March 2023

1 Summary of significant accounting policies (continued)

(b) Fixed asset investments

Investments in joint venture held as fixed assets are stated at cost less any provisions 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.

(c) Tax

The tax credit for the period is recognised in the profit and loss account, the statement of comprehensive income or directly in equity, according to the accounting treatment of the related transaction. The tax credit comprises current 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.

(d) Financial instruments

Under IFRS 9 the Company has reported the following financial assets and liabilities, and the classification for each is dependent upon its contractual cash flows and for financial assets the business model it is held under. All financial instruments are initially recognised on trade date.

Financial assets that have contractual cash flows that are solely payments of principal and interest, and which are held within a business model whose objective is to collect contractual cash flows, are held at amortised cost. These instruments include loans to subsidiary undertakings, joint ventures and associates, and other loans to subsidiaries within the National Grid group. For impairment assessment purposes loans to subsidiary and fellow subsidiary undertakings are individually assessed based on a review of solvency and liquidity arrangements and as such the expected credit loss for the year is £nil.

Borrowings, which include interest-bearing loans and overdrafts, are initially recorded at fair value. This normally reflects the proceeds received (net of direct issue costs for liabilities measured at amortised cost). Subsequently, borrowings are stated at amortised cost. Any difference between the proceeds after direct issue costs and the redemption value is recognised over the term of the borrowing in the profit and loss account using the effective interest method.

2 Operating loss

	2023	2022
	£'000	£'000
Operating loss is stated after charging:		
Services provided by the Company's auditor		
Audit fees of the Company	<u>14</u>	<u>12</u>

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

National Grid Plus Limited
Notes to the financial statements (continued)
For the year ended 31 March 2023

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 2 Directors (2022: 3) who exercised share options in or received ordinary shares as part of long term incentive plans of the ultimate parent company, National Grid plc.

There were no employees of the Company during the year (2022: none).

4 Interest receivable and similar income

	2023	2022
	£'000	£'000
Interest receivable from a fellow subsidiary undertaking	<u>339</u>	<u>17</u>

5 Tax

	2023	2022
	£'000	£'000
Current tax:		
UK corporation tax	<u>67</u>	<u>(1)</u>

The tax charge (2022: credit) for the year is higher (2022: higher) than the standard rate of corporation tax in the UK of 19% (2022: 19%). The differences are explained below:

	2023	2022
	£'000	£'000
Profit before tax	325	5
Profit before tax multiplied by standard rate of corporation tax in the UK of 19% (2022: 19%)	62	1
Effect of:		
Other	5	(2)
Total tax charged/(credited) in the profit and loss account	<u>67</u>	<u>(1)</u>

Factors that may affect future tax charges

In the Spring Budget 2021, the UK Government announced an increase in the main corporation tax rate from 19% to 25% with effect from 1 April 2023. This was substantively enacted on 24 May 2021.

National Grid Plus Limited
Notes to the financial statements (continued)
For the year ended 31 March 2023

6 Fixed asset investments

	Interest in a joint venture £'000
Cost	
At 1 April 2022	1,010
Additions	350
At 31 March 2023	<u>1,360</u>

The Company is in a joint venture arrangement with Places for People Homes Limited through the establishment of a limited liability partnership known as "National Places LLP" with a view to the acquisition and development of land from National Grid plc Group companies and the subsequent development of such land for substantially residential purposes.

During the year, the Company made a further investment of £350,000 in its joint venture, National Grid Places LLP to provide additional working capital.

The Company's joint venture as at 31 March 2023 was as follows:

Name of joint venture	Incorporated in	Registered office
National Places LLP (50%)	England and Wales	80 Cheapside, London, United Kingdom, EC2V 6EE

The Directors believe that the carrying value of the investments is supported by a discounted cash flow calculation.

7 Debtors

	2023 £'000	2022 £'000
Amounts falling due within one year:		
Amounts owed by a fellow subsidiary undertaking	<u>13,976</u>	<u>14,000</u>

Amounts owed by group undertakings are unsecured, have no fixed date of repayment and are repayable on demand. Where intercompany loans are interest-bearing interest is charged at rates determined by Treasury. For impairment assessment purposes, such loans to group undertakings are considered low risk as the subsidiaries are solvent and are covered by the National Grid group's liquidity arrangements and as such the expected credit loss for the year is £nil.

8 Creditors (amounts falling due within one year)

	2023 £'000	2022 £'000
Amounts owed to fellow subsidiary undertakings	<u>81</u>	<u>12</u>

9 Share capital

	2023 £'000	2022 £'000
Allotted, called up and fully paid		
15,000,000 (2022: 15,000,000) ordinary shares of £1 each	<u>15,000</u>	<u>15,000</u>

National Grid Plus Limited
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9 Share capital (continued)

As previously reported in the prior year, the Company issued a further 10,000,000 ordinary shares of £1 each to its parent National Grid Property Holdings to provide additional working capital. The consideration received was advanced to a fellow subsidiary undertaking under an existing intercompany loan agreement until such time as required for further investment in National Places LLP.

In line with the provisions of the Companies Act 2006, the Company has amended its Articles of Association and ceased to have authorised share capital.

10 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. There were no related party transactions with other companies.

As noted in note 6, the Company holds an investment in a joint venture, which is deemed to be a related party. During 2022/23 the Directors agreed to a further investment in its joint venture, National Places LLP, of £350,000 (2022: £510,000) to provide as working capital.

11 Ultimate parent company

The ultimate parent and controlling company is National Grid plc and the immediate parent company is National Grid Property Holdings 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 at the registered office below.

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