

LATTICE GROUP EMPLOYEE BENEFIT TRUST LIMITED

DIRECTORS' REPORT

AND UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2009

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ENGLAND AND WALES REGISTERED NUMBER: 4045072

LATTICE GROUP EMPLOYEE BENEFIT TRUST LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2009

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

PRINCIPAL ACTIVITY

During the period under review, and for the immediate future, the principal activity of the Company was the provision of trustee services to certain subsidiary companies of Lattice Group plc, in accordance with the terms of the Trust Deed dated 31 August 2001 of the Lattice Group Employee Benefit Trust.

The Company has been dormant within the meaning of Section 249AA of the Companies Act 1985 throughout the year and subsequently.

PROFIT AND LOSS ACCOUNT

No profit and loss account is presented with these financial statements because the Company has not received income, incurred expenditure or recognised any gains or losses during either the year under review or the preceding accounting period. There have been no movements in shareholders' funds during the year under review or the preceding accounting period.

DIRECTORS

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

Forward, D C	(Appointed 10 July 2009)
Noonan, S F	(Resigned 10 July 2009)
Singleterry, M	

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.

DIRECTORS' INDEMNITIES AND INSURANCE

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

LATTICE GROUP EMPLOYEE BENEFIT TRUST 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.

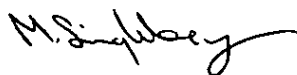
The Directors confirm that they have complied with the above requirements in preparing the financial statements.

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.

INDEPENDENT AUDITORS

Whilst the Company retains PricewaterhouseCoopers LLP as its auditors; the Company currently qualifies as a dormant company under the provisions of the Companies Act 1985 and they accordingly have not been instructed to provide an audit in respect of the reporting period.

ON BEHALF OF THE BOARD



M Singleterry
Company Secretary
22 September 2009

REGISTERED OFFICE

1-3 STRAND
LONDON
WC2N 5EH

LATTICE GROUP EMPLOYEE BENEFIT TRUST LIMITED

BALANCE SHEET

AT 31 MARCH

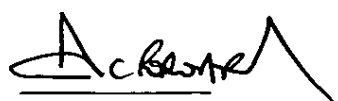
	Note	2009 £	2008 £
Current assets			
Amounts owed by a fellow subsidiary undertaking		2	2
Net assets employed		<u>2</u>	<u>2</u>
 Capital and reserves			
Called up share capital	4	<u>2</u>	<u>2</u>
Total shareholders' funds		<u>2</u>	<u>2</u>

Throughout the year ending on the date to which this Balance Sheet has been prepared the Company was dormant; being entitled to exemption under section 249AA(1) of the Companies Act 1985 from the provisions of Part VII of that Act relating to the audit of accounts, and no member has required the Company to obtain an audit of its accounts for that year in accordance with sub-section 249B(2) of that Act.

The Directors acknowledge their responsibility for:

- a) Ensuring the Company keeps accounting records which comply with section 221 of the Companies Act 1985;
- b) Preparing accounts which give a true and fair view of the state of affairs of the Company as at the end of its financial year, and of its profit and loss for the financial year in accordance with section 226 of the Companies Act 1985, and which otherwise comply with the requirements of that Act relating to accounts, so far as applicable to the Company.

The financial statements on pages 3 to 5 were approved by the Board of Directors on 22 September 2009 and signed on its behalf by:


D C Forward
Director

LATTICE GROUP EMPLOYEE BENEFIT TRUST LIMITED

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2009

1. Accounting policies

Basis of accounting

These financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 1985 and applicable accounting and Financial Reporting Standards in the United Kingdom.

2. Profit and loss account

No profit and loss account is presented with these financial statements because the Company has not received income, incurred expenditure or recognised any gains or losses during either the year under review or the preceding accounting period. There have been no movements in shareholders' funds during the year under review or the preceding accounting period.

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 no Directors (2008: two) who exercised share options in the ordinary shares of the ultimate parent company, National Grid plc.

There were no employees of the Company during the year (2008: Nil).

4. Called up share capital

	2009 £	2008 £
Authorised		
1000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Allotted, called up and fully paid		
2 ordinary shares of £1 each	<u>2</u>	<u>2</u>

5. 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.

LATTICE GROUP EMPLOYEE BENEFIT TRUST LIMITED

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2009

5. Related party transactions and ultimate parent company (continued)

The ultimate parent and controlling company is National Grid plc and the immediate parent company is National Grid Commercial Holdings 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 plc, 1-3 Strand, London, WC2N 5EH.