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**National Grid Eleven**  
**Directors' Report**  
**and Unaudited Financial Statements**  
**For the year ended 31 March 2013**

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## **National Grid Eleven**

### **Directors' Report**

#### **For the year ended 31 March 2013**

The Directors present their report and the unaudited financial statements of the Company for the year ended 31 March 2013

#### **Principal activity**

The Company has been dormant within the meaning of the Companies Act 2006 throughout the year. The Company is also an unlimited company.

#### **Directors**

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

A J Agg	(Resigned 31 May 2013)
F L Beaney	(Appointed 22 March 2013) (Resigned 9 September 2013)
D C Bonar	(Resigned 9 September 2013)
M A D Flawn	(Resigned 22 March 2013)
D C Forward	(Appointed 9 September 2013)
E D Fraser	(Appointed 14 February 2013) (Resigned 9 September 2013)
A M Lewis	(Resigned 9 September 2013)
D A Preston	(Appointed 22 March 2013) (Resigned 9 September 2013)
H M Rayner	(Appointed 9 September 2013)
M J Sellars	(Resigned 17 September 2012)
C J Waters	(Resigned 9 September 2013)

#### **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 prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards 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 those 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.

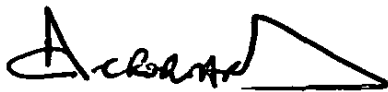
The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies 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.

**National Grid Eleven**  
**Directors' Report (continued)**  
**For the year ended 31 March 2013**

**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 in the course of their professional duties. Alongside these indemnities, National Grid places Directors' and Officers' liability insurance for each Director

Approved by the Board and signed on its behalf by



**D C Forward**  
Secretary  
19 September 2013

**Registered office:**  
1-3 Strand  
London  
WC2N 5EH

**Registered in England and Wales**  
**Company registration number: 4350916**

**National Grid Eleven**  
**Profit and loss account**  
**For the years ended 31 March**

	Notes	2013 US\$'000	2012 US\$'000
Operating income		-	39
<b>Operating profit</b>		<u>-</u>	<u>39</u>
Interest receivable and similar income	4	-	6,438
Interest payable to a fellow subsidiary undertaking		-	(174)
<b>Profit on ordinary activities before taxation</b>		<u>-</u>	<u>6,303</u>
Tax on profit on ordinary activities	5	-	(1,629)
<b>Profit for the financial year</b>		<u>-</u>	<u>4,674</u>

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

## National Grid Eleven

### Balance sheet

As at 31 March

	Notes	2013 US\$'000	2012 US\$'000
<b>Current assets</b>			
Amounts owed by immediate parent company		100	100
<b>Net assets</b>		<u>100</u>	<u>100</u>
<b>Capital and reserves</b>			
Called up share capital	7	-	-
Profit and loss account		100	100
<b>Total shareholders' funds</b>	8	<u>100</u>	<u>100</u>

For the year ending 31 March 2013 the Company was entitled to exemption from audit under section 480 of the Companies Act 2006 relating to dormant companies

The Directors acknowledge their responsibility for

- a) Ensuring the members have not required the Company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006, and
- b) Ensuring that the Company has complied with the Companies Act 2006 with respect to accounting records and the preparation of accounts

The financial statements on pages 3 to 8 were approved by the Board of Directors on 19 September 2013 and signed on its behalf by



**H M Rayner**  
Director

## **National Grid Eleven**

### **Notes to the unaudited financial statements**

**For the year ended 31 March 2013**

#### **1 Accounting policies**

##### **(a) Basis of preparation**

These financial statements have been prepared under the historical cost convention and in accordance with applicable UK accounting and financial reporting standards (FRSs) and the Companies Act 2006

##### **(b) Taxation**

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

##### **(c) Foreign currencies**

Transactions in currencies other than the functional currency of the Company are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at closing exchange rates. Gains and losses arising on retranslation of monetary assets and liabilities are included in the profit and loss account.

##### **(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 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 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) Dividends**

Interim dividends are recognised when they become payable to the Company's shareholders. Final dividends are recognised in the financial year in which they are approved.

## National Grid Eleven

### Notes to the unaudited financial statements (continued)

For the year ended 31 March 2013

#### 2 Operating profit

	2013 US\$'000	2012 US\$'000
Operating profit is stated after crediting:		
Foreign exchange gains	-	(39)

#### 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 5 Directors (2012: 4) 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 (2012: none).

#### 4 Interest receivable and similar income

	2013 US\$'000	2012 US\$'000
Interest receivable from ultimate parent company	-	6,215
Interest receivable from immediate parent company	-	222
Exchange gains on revaluation of foreign currency denominated loans with a fellow subsidiary undertaking	-	1
	-	6,438

#### 5 Tax on profit on ordinary activities

	2013 US\$'000	2012 US\$'000
Current tax:		
UK corporation tax	-	1,629

The tax for the year is equivalent to (2012: lower than) the standard rate of corporation tax in the UK of 24% (2012: 26%). The differences are explained below.

	2013 US\$'000	2012 US\$'000
Profit on ordinary activities before taxation	-	6,303
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 24% (2012: 26%)	-	1,639
Effect of:		
Non-taxable income	-	(10)
Total current tax charge for the year	-	1,629

## 6 Dividends

	2013 US\$'000	2012 US\$'000
<b>Equity – ordinary dividends</b>		
First interim paid US\$22.38 per US\$208 share	-	111,912
Second interim paid US\$10,399 per US\$1 share	-	1,039,900
	<u>-</u>	<u>1,151,812</u>

## 7 Called up share capital

	2013 US\$	2012 US\$
<b>Allotted, called up and fully paid</b>		
101 ordinary shares of US\$1 each	<u>101</u>	<u>101</u>

During the year ended 31 March 2012, following shareholders' approval, the Directors agreed to consolidate the 5,000,000 issued ordinary shares of US\$208 each into 100 ordinary shares of US\$10,400,000 each. Following this consolidation, the share capital of the Company was reduced under s641(1)(a) of the Companies Act 2006. The nominal value of the issued ordinary shares was reduced to US\$1 and the resulting credit was transferred to the distributable reserves of the Company.

On the same date the Company's 1 non-voting organisation share of US\$1 each was converted into 1 ordinary share of US\$1 each. The holder of this share had no rights to attend, speak or vote at general meeting. In addition, the holder had no entitlement to receive dividends or any other distribution. On winding up the shareholder was entitled to repayment of any amounts paid up but only after the repayment of capital to the ordinary shareholders.

The Company is an unlimited company.

## 8 Reconciliation of movements in total shareholders' funds

	2013 US\$'000	2012 US\$'000
Profit for the financial year	-	4,674
Dividends paid (see note 6)	-	(1,151,812)
Net decrease in shareholders' funds	-	(1,147,138)
Opening shareholders' funds	<u>100</u>	<u>1,147,238</u>
<b>Closing shareholders' funds</b>	<u>100</u>	<u>100</u>

## 9 Related party transactions and ultimate parent company

The Company is exempt under FRS 8 'Related Party Disclosures' 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.

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