

**XOSERVE LIMITED**

**DIRECTORS' REPORT AND ACCOUNTS**

**PERIOD ENDED 31 MARCH 2005**



**Company Registered Number: 5046877**

**XOSERVE LIMITED**

**REPORT AND ACCOUNTS FOR THE PERIOD ENDED 31 MARCH 2005**

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## **XOSERVE LIMITED**

### **REPORT OF THE DIRECTORS**

The Directors submit their report and the financial statements of the Company for the period from the date of incorporation until 31 March 2005.

#### **Principal Activities**

The Company did not trade during the period. The Company commenced trading on 1 June 2005.

#### **Dividend**

The Directors do not propose to declare a dividend for the period ended 31 March 2005.

#### **Directors and their interests**

The directors who held office during the period are given below:

Ms D Wilson	(appointed 7 February 2005)
Mr C J Murray	(appointed 7 February 2005)
Mr A P Durrant	(resigned 7 February 2005)
Mr R A Eves	(resigned 7 February 2005)

Additionally, since the end of the period under review, Mr C J Murray resigned as a director on 1 July 2005 and was replaced by Mr S Cocks. On 1 June 2005 Mr H C Higgins, Mr G G Juggins, Mr R Stobbe (and his alternate Mr A S Wiseman) and Mr SS Toor were appointed directors of the Company.

#### **Directors' Interests**

No director had an interest in any contract to which the Company was a party. No director had any beneficial interest in the shares of the Company or any other company within the National Grid Group except for their beneficial interests in the shares of the ultimate parent Company, National Grid plc (previously named National Grid Transco plc), as follows:-

#### **Beneficial Holdings**

##### **Beneficial interest in ordinary shares**

	<b>On appointment</b>	<b>31 March 2005</b>
Ms D Wilson	5,778	5,778
Mr C J Murray	9,675	9,675

Holdings of interests in ordinary shares include shares acquired pursuant to the Lattice All Employee Share Ownership Plan and the National Grid Transco Share Incentive Plan.

### **Share Options**

	Options held on appointment	Options exercised during the period	Options lapsed during the period	Options granted during the period	Options as at 31 March 2005
Ms D Wilson	12,920	-	-	-	12,920
Mr C J Murray	14,573	-	-	-	14,573

All options were given under the ultimate parent company's Savings Related Share Option Schemes and Executive Share Option Schemes, details of which are given in that company's annual report and accounts.

Additionally the Directors named above held interests in the National Grid Share Matching Scheme as follows:-

	Allocation date	No of Shares purchased	Purchase Price	Matching option*
Ms D Wilson	May 2004	1,185	£4.3125	2,321
Mr C J Murray	May 2004	935	£4.3125	1,831

\* The Matching option is exercisable, between 3 and 10 years from the date of grant.

### **Performance Share Plan Interests**

	Beneficial Holding on appointment	Awarded in year	Beneficial holding at 31 March 2005	Release date
Ms D Wilson	39,723	-	39,723	June 2007 to June 2008
Mr C J Murray	28,252	-	28,252	June 2007 to June 2008

All interests held in accordance with the National Grid Transco Performance Share Plan details of which are given in the annual report and accounts of that company

### **Payment of Creditors Policy**

It is the Company's policy to agree the terms of payment at the start of business with each supplier, ensure that suppliers are aware of the terms of payment, and to pay in accordance with contractual and other legal obligations.

### **Directors' Insurance**

The ultimate parent company has purchased insurance to cover the directors against liabilities in relation to the Company.

### **Statement of directors' responsibilities**

The Directors are required by the UK Companies Act 1985 to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the Company as at the end of the financial period and of its income or loss for the financial period.

The Directors consider that in preparing the financial statements on pages 4 to 6 the Company has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates and that all accounting standards which they consider to be applicable have been followed.

The Directors have responsibility for ensuring that the Company keeps accounting records which disclose with reasonable accuracy the financial position of the Company and which enable them to ensure that the financial statements comply with the Companies Act 1985.

The Directors have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

### **Ultimate parent company**

Throughout the period under review, the ultimate parent company of the Company was National Grid plc (previously named National Grid Transco plc), which is registered in England and consolidates the accounts of the Company. Copies of the consolidated accounts of National Grid may be obtained from 1-3 Strand, London WC2N 5EH.



By order of the Board

Company Secretary

xoserve Limited

12<sup>th</sup> December 2005

**Registered office**

1-3 Strand  
London WC2N 5EH

**Company No: 5046877**

**XOSERVE LIMITED**

**PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 31 MARCH 2005**

The Company has not traded during the period ended 31 March 2005 and has received no income and incurred no expenditure. Consequently, during the period the Company has made neither a profit nor a loss nor were there any recognised gains and losses during the period.

The notes on page 6 form part of these accounts.

**XOSERVE LIMITED**

**BALANCE SHEET AS AT 31 MARCH 2005**

	<u>Notes</u>	<u>31 March 2005</u> £
<b>CURRENT ASSETS</b>		
Debtors (amount falling due within one year)	4	1
<b>CAPITAL AND RESERVES</b>		
Called up share capital	5	1

The company was dormant throughout the accounting period ending on the date of this balance sheet and is entitled to exemption from audit of its accounts pursuant to Section S249AA(1) of the Companies Act 1985.

No members have required the Company to obtain an audit of its accounts for the period in question in accordance with section 249B (2).

The directors acknowledge their responsibility for:-

- (i) ensuring the Company keeps accounting records which comply with section 221; and
- (ii) preparing accounts which give a true and fair view of the state of affairs of the Company as at the end of the period under review and of its profit and loss for the financial period in accordance with section 226 and which otherwise comply with the requirements of the Companies Act relating to accounts so far as applicable to the Company.

Approved by the Board by Written Resolution

Director



Dated: 12 DEC 2005

The notes on page 6 form part of these accounts.

## XOSERVE LIMITED

### NOTES TO THE ACCOUNTS – 31 MARCH 2005

#### 1. OWNERSHIP

During the period under review xoserve Limited was an indirect wholly owned subsidiary undertaking of National Grid plc (previously named National Grid Transco plc) which is registered in England. National Grid plc is the only company to consolidate the accounts of this Company. Copies of the parent company's report and accounts can be obtained from National Grid plc, 1 – 3 Strand London WC2N 5EH.

#### 2. BASIS OF ACCOUNTING

The accounts have been prepared under the historical cost accounting convention and in accordance with applicable accounting standards.

#### 3. DIRECTORS' EMOLUMENTS AND EMPLOYEES

No director received emoluments in respect of his services to the Company during the period. The Company had no employees during the period.

#### 4. DEBTORS (amounts falling due within one year).

	<u>31 March 2005</u>
	£
Amounts owed by group undertakings	1

#### 5. SHARE CAPITAL

	<u>31 March 2005</u>	
	£	£
Authorised:		
ordinary shares of £1 each	100	
Allotted, issued and fully paid		1
ordinary shares of £1 each		