

5123227

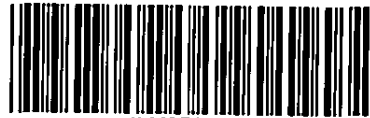
NATIONAL GRID (SOUTHALL) GENERAL PARTNER LIMITED

DIRECTORS' REPORT

AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2010

FRIDAY



LM2RDLJH

LD4

09/07/2010

81

COMPANIES HOUSE

NATIONAL GRID (SOUTHALL) GENERAL PARTNER LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2010

The Directors present their report and the audited financial statements of the Company for the year ended 31 March 2010

PRINCIPAL ACTIVITY

The Company's principal activities are the acquisition, development, management and disposal of land and property, however, the Company was not active during the year

DEVELOPMENT AND PERFORMANCE DURING THE YEAR

The Company sold its only property in a previous year and the Directors do not intend at present to acquire any new assets. Results, as detailed below, are affected only by a prior year tax charge

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 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 Operating and Financial Review included in National Grid plc's Annual Report and Accounts 2009/10, which does not form part of this report

RESULTS AND DIVIDENDS

The loss for the year after taxation was £2,000 (2009 £2,000).

The Directors do not recommend payment of a dividend (2009 £nil)

FINANCIAL POSITION

The financial position of the Company is presented in the balance sheet. Total shareholders' deficit at 31 March 2010 was £4,000 (2009 £2,000) comprising net current liabilities of £4,000 (2009 £2,000)

FINANCIAL RISK MANAGEMENT

The management of the Company and the execution of the Company's strategy are subject to a number of risks. The Directors have identified the need to manage the Company's material financial risks, including credit risks. These risks are monitored through a National Grid Treasury management function which invests surplus funds, mitigates foreign exchange exposure and manages borrowings for the National Grid plc and its subsidiaries.

Treasury also seeks to limit counter-party risk by conducting most of its banking and dealing activities with a limited number of major international banks, whose status is kept under review.

NATIONAL GRID (SOUTHALL) GENERAL PARTNER LIMITED

DIRECTORS' REPORT (continued)

FOR THE YEAR ENDED 31 MARCH 2010

FINANCIAL RISK MANAGEMENT (continued)

CREDIT RISK

No material exposure is considered to exist in respect of inter company loans

DIRECTORS

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

N K Dark
C M Shoesmith

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.

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). 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 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. 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 (SOUTHALL) GENERAL PARTNER LIMITED

DIRECTORS' REPORT (continued)

FOR THE YEAR ENDED 31 MARCH 2010

GOING CONCERN

The Company's business activities, together with the factors likely to affect its future development and position are set out within the Directors' Report. In addition there are details of the Company's financial position and the risks that the Directors have highlighted as significant to the business.

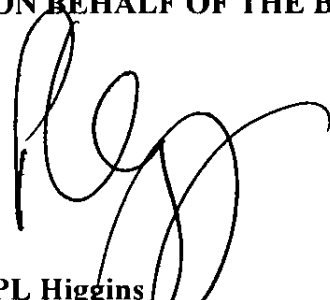
As the Company is part of a larger group it participates in the group's centralised treasury arrangements and so shares banking arrangements with its parent and fellow subsidiaries. The Company would expect to be in a position to obtain finance via inter company loans to recommence operations and operate for the foreseeable future should this situation arise. However, the company is not expected to be active as highlighted in the Director' Report.

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.

AUDIT INFORMATION

Having made the requisite enquiries, so far as the Directors in office at the date of the signing 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.

ON BEHALF OF THE BOARD



PL Higgins
Company Secretary
9 June 2010

REGISTERED OFFICE

1-3 STRAND
LONDON
WC2N 5EH

Registered in England and Wales
No 5123227

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF NATIONAL GRID (SOUTHALL) GENERAL PARTNER LIMITED

We have audited the financial statements of National Grid (Southall) General Partner Limited for the year ended 31 March 2010 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of Directors and auditors

As explained more fully in the Directors' Responsibilities Statement 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 the financial statements in accordance with applicable law and International Standards on Auditing (UK and 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.

Scope of the audit of the financial statements

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.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 31 March 2010 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.

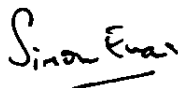
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you 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.



Simon Evans (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Birmingham
9 June 2010

NATIONAL GRID (SOUTHALL) GENERAL PARTNER LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEARS ENDED 31 MARCH

	Notes	2010 £'000	2009 £'000
Administrative expenses		-	(4)
Operating loss	3	<u>-</u>	<u>(4)</u>
Tax on loss on ordinary activities	4	(2)	2
Loss for the financial year transferred from reserves	7	<u>(2)</u>	<u>(2)</u>

The results reported above relate to continuing activities

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

There are no material differences between the loss on ordinary activities before and after taxation for the financial years stated above and their historical cost equivalents

NATIONAL GRID (SOUTHALL) GENERAL PARTNER LIMITED

BALANCE SHEET

AT 31 MARCH

	Notes	2010 £'000	2009 £'000
Current assets			
Amounts owed by fellow subsidiary undertakings		-	7
Creditors: amounts falling due within one year	5	(4)	(9)
Net current liabilities		<u>(4)</u>	<u>(2)</u>
Net liabilities		<u><u>(4)</u></u>	<u><u>(2)</u></u>
Capital and reserves			
Called up share capital	6	-	-
Profit and loss account	7	<u>(4)</u>	<u>(2)</u>
Shareholders' deficit	8	<u><u>(4)</u></u>	<u><u>(2)</u></u>

The financial statements on pages 5 to 10 were approved by the Board of Directors on 9 June 2010 and are signed on its behalf by



NK Dark
Director

NATIONAL GRID (SOUTHALL) GENERAL PARTNER LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2010

1 Accounting policies

(a) Basis of preparation

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. These financial statements have been prepared using the historical cost convention and in accordance with the consistently applied accounting policies set out below. There have been no changes to accounting policies during the year.

These financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the Company operates.

The Company has taken the exemption from preparing a cash flow statement under the terms of FRS 1 (revised 1996) 'Cash flow statements'. Further, in accordance with exemptions under FRS 29 'Financial Instruments: Disclosures', the Company has not presented the financial instruments disclosures required by the standard, as disclosures that comply with the standard are included in the consolidated financial statements of National Grid plc.

(b) Taxation

Current tax for the current and prior periods is provided at the amount expected to be paid (or recovered) using the tax rates and tax laws that have been enacted or substantially enacted by the balance sheet date.

(c) 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 and the balance recorded in the share premium account.

Loans receivable are carried at amortised cost using the effective interest rate 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 on an effective interest basis 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 rate 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.

NATIONAL GRID (SOUTHALL) GENERAL PARTNER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2010

2 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 (2009 none) 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 (2009 none)

3 Operating loss

	2010 £'000	2009 £'000
Operating loss is stated after charging		
Audit fees	<u>-</u>	<u>4</u>

The audit fee for the year has been borne by the parent company and has not been recharged. Disclosure of non-audit fees is not required as these have been disclosed in the consolidated financial statements of National Grid plc.

4 Tax on loss on ordinary activities

	2010 £'000	2009 £'000
Current tax:		
UK corporation tax	-	(1)
Adjustments in respect of prior periods	<u>2</u>	<u>(1)</u>
Total current tax	<u>2</u>	<u>(2)</u>

The tax assessed/credit for the year is higher than the standard rate of corporation tax in the UK of 28% (2009 28%). The differences are explained below.

	2010 £'000	2009 £'000
Loss on ordinary activities before tax	<u>-</u>	<u>(4)</u>
Loss on ordinary activities multiplied by the standard rate of tax in the UK of 28% (2009 28%)	-	(1)
Effect of		
Adjustments in respect of prior periods	<u>2</u>	<u>(1)</u>
Total current tax charge/(credit) for the year	<u>2</u>	<u>(2)</u>

NATIONAL GRID (SOUTHALL) GENERAL PARTNER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2010

4 Tax on loss on ordinary activities (continued)

Factors that may affect future tax charges

A number of changes to the UK corporation tax system were announced in the 2010 Budget Report which have been enacted in the 2010 Finance Act. The impact of these changes is not considered to be material to the future tax charge in the UK.

There is currently ongoing consultation on the reform of the controlled foreign company legislation. The outcome of the consultation process will not be known for some time and we will monitor the impact of the taxation on our holdings in our overseas operations.

The worldwide debt cap, which restricts the amount of finance expense available for UK tax purposes, will apply for accounting periods ended 31 March 2011 onwards but is not expected to have a material effect on our future tax charge.

5 Creditors: amount falling due within one year

	2010 £'000	2009 £'000
Amounts owed to fellow subsidiary undertakings	4	-
Accruals	-	9
	<u>4</u>	<u>9</u>

6 Called up share capital

	2010 £	2009 £
Allotted, called up and fully paid		
1 ordinary share of £1 each	<u>1</u>	<u>1</u>

7 Reserves

	Profit and loss account £'000
At 1 April 2009	(2)
Loss for the financial year	(2)
At 31 March 2010	<u>(4)</u>

NATIONAL GRID (SOUTHALL) GENERAL PARTNER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2010

8 Reconciliation of movements in shareholders' deficit

	2010	2009
	£'000	£'000
Loss for the financial year	<u>(2)</u>	<u>(2)</u>
Net increase in shareholders' deficit	(2)	(2)
Opening shareholders' deficit	<u>(2)</u>	<u>-</u>
Closing shareholders' deficit	<u>(4)</u>	<u>(2)</u>

9 Related party transactions, ultimate parent company and financial support

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

The Company's 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.

An intermediate holding company, National Grid Holdings One plc, has confirmed its intention to ensure that the Company will be in a position to meet its liabilities for a period of not less than one year from the date of these financial statements.

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