Company Registration Number: 4220381

NGG Finance plc

Annual Report and Financial Statements

For the year ended 31 March 2020

NGG Finance plc

Strategic Report

For the year ended 31 March 2020

The Directors present their Strategic Report on NGG Finance plc ('the Company') for the year ended 31 March 2020.

Review of the business

The Company obtains and provides finance to its parent company, National Grid plc, via external borrowings and intercompany balances.

Executive summary

At 31 March 2019, the Company had in issue two fixed rate bonds listed on the London Stock Exchange with notional values of £1,000 million and €1,250 million. During the year on 5 September 2019, the Company bought back the €1,250 million bond and issued two further fixed rate bonds for €750 million and €500 million. The consideration received from these bonds was advanced to its immediate parent company, National Grid plc, on the same terms to that of the securities. The Company continues to receive interest on intercompany loan assets with its immediate parent on activities prior to the issue of these current bonds.

Results, as detailed below, largely depend on interest received offset by interest payable both of which include foreign exchange movements on the revaluation of the euro security and the euro intercompany loans.

COVID-19

Since the outbreak of the COVID-19 coronavirus pandemic in early 2020, the Directors have reviewed the risks to the Company. The Company provides finance to fellow National Grid subsidiary companies and has no external transactions to the National Grid group. As a result, COVID-19 has not impacted the Company or caused any adjustments to these financial statements.

Results

The Company's profit for the year was £6,545,000 (2019: £7,027,000 profit).

Financial position

The financial position of the Company is presented in the balance sheet. Total shareholders' equity at 31 March 2020 was £669,116,000 (2019: £662,571,000) comprising current assets of £2,827,341,000 (2019: £2,877,766,000) less current liabilities of £55,934,000 (2019: £141,820,000) less creditors falling due after more than one year of £2,102,291,000 (2019: £2,073,375,000).

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, other than the 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 Strategic Report included in National Grid plc's Annual Report and Accounts 2019/20, which does not form part of this report. Further details of Company financial risk management have been included in the Directors' Report.

Future developments

The Directors do not foresee a change in the 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 2020. 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.

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 page 73 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 obtains and provides finance to its 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, suppliers to meet our strategic priorities.

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 48 to 56 in the National Grid plc Annual Report and Accounts.

Section 172 (1) statement (continued)

Shareholders

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

The 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.

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 pages 55 and 56 (available on the website 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:

megan barnes

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M Barnes
Company Secretary
6 August 2020

NGG Finance plc

Directors' Report

For the year ended 31 March 2020

The Directors present their report and the audited financial statements of the Company for the year ended 31 March 2020.

Future developments

Details of future developments have been included within the Strategic Report on page 1.

Dividends

The Company has paid no interim ordinary dividends during the year (2019: £nil) and the Directors do not recommend the payment of a final dividend (2019: £nil).

Financial risk management

The management of the Company and the execution of the Company's strategy are subject to a number of financial risks. The Directors have identified the need to manage the Company's material financial risks, including credit, liquidity, interest rate cash flow and foreign currency risks. The financial risk management of the Company is carried out by a central Treasury department operating under policies and guidelines approved by the Directors of National Grid plc. The National Grid Finance Committee, a committee of the National Grid plc Board, is responsible for regular review and monitoring of treasury activity and for approval of specific transactions.

Each year the National Grid reviews the effectiveness of the internal control systems and risk management processes covering all material systems, including financial and compliance controls, to make sure they remain robust. National Grid has specific internal mechanisms to govern the financial reporting process and the preparation of the Annual Report and Financial Statements. National Grid's financial controls guidance sets out the fundamentals of internal control over financial reporting, which are applied across the National Grid group, including NGG Finance plc. National Grid's financial processes include a range of system, transactional and management oversight controls.

As NGG Finance plc is a subsidiary undertaking of a parent undertaking subject to Disclosure Guidelines and Transparency Rule 7.1 and 7.2, it has used its immediate parent's audit committee as a suitable alternative body and it is not required to comply with the Financial Conduct Authority's requirements to report on compliance with, and application of, the UK Corporate Governance Code.

Treasury Policy

All funding is approved by the National Grid Finance Committee and the use of derivative financial instruments is controlled by policy guidelines set by the National Grid plc Board. The Treasury function will raise all the funding for the Company and its subsidiary, and manages interest rate and foreign exchange risk.

The Treasury function is not operated as a profit centre. Debt and treasury positions are managed in a non-speculative manner, such that all transactions in financial instruments or products are matched to an underlying current or anticipated business requirement of National Grid. As part of its business operations, National Grid is exposed to risks arising from fluctuations in interest rates and exchange rates. National Grid uses derivative financial instruments to manage exposures of this type and as such they are a useful tool in reducing risk. The policy is not to use derivatives for trading purposes.

Credit risk

The Treasury function seeks to limit counterparty risk by conducting all of its banking and dealing activities with a limited number of major international banks, whose status is kept under review. 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.

Financial risk management (continued)

Liquidity risk

The Company finances its operations through a combination of retained profits, external bonds and intercompany loans. This is to ensure that the Company has sufficient long-term and short-term funds available for current operations and future activities.

Interest rate cash flow risk

The Company has both intercompany financial assets and external financial liabilities which exposes it to interest cash flow risk. Where the Company has borrowed at fixed rates it has on-lent those amounts to its immediate parent company on the same terms. To the extent that the intercompany loan agreements are entered into they carry fixed and floating rates, the exposure to interest rate cash flow risk arises on floating rate loans on which interest is charged based upon sterling LIBOR.

The UK's Financial Conduct Authority, working with regulators around the world, announced that LIBOR in certain currencies including GBP will cease to exist by the end of 2021, and will be replaced as interest rate benchmarks by alternative reference rates ("ARRs"). National Grid's interest rate risk arises from long-term borrowings, which currently uses LIBOR as the benchmark. The migration to ARRs will impact contracts at National Grid including financial liabilities that pay LIBOR-based cash flows, derivatives that receive or pay LIBOR-based cash flows, and other contracts such as leases or procurement contracts that reference LIBOR. The change in benchmark also affects discount rates which can impact valuations. National Grid are managing the risk by identifying affected contracts and planning to replace LIBOR cash flows with alternative reference rates on those contracts.

Foreign currency risk

To the extent that external bonds are entered into in currencies different to that of the functional currency, there is an exposure to movements in exchange rates. This exposure is managed by lending to the immediate parent company in the same currencies. The Company principally has euro denominated external bonds and intercompany loan assets as at the balance sheet date.

Directors

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

A J Agg	
K M Dickie	(Appointed 1 July 2020)
S W Grant	
S C Humphreys	(Resigned 31 December 2019)
A M Lewis	
A K Mead	

Directors' indemnity

National Grid has arranged, in accordance with the Companies Act 2006 and the Articles, 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.

Events after the reporting period

In the period since year end to the date of signing of these financial statements there have continued to be substantial economic and social changes in the UK as a result of the ongoing pandemic of coronavirus disease (COVID-19). These changes and risks are being actively managed by the Directors of the Company and other than the presumption of the going concern basis of preparation (see note 1) none of these developments have impacted or caused adjustment to these financial statements.

Going concern

The impact of COVID-19 on the National Grid group's operations is continually being assessed and subject to rapid change. These risks and uncertainties are included within the Strategic Report and described in note 1 to the consolidated financial statements in National Grid plc's Annual Report and Accounts 2019/20 and have been taken into consideration in assessing the ability of the Group to continue as a going concern. Based on this analysis the Directors of National Grid plc concluded that the Group has adequate resources to continue in operation and adopted the going concern basis of accounting in preparing the Group financial statements.

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. The Directors have considered the impact of COVID-19 on the Group and on the Company and have concluded that there are no material uncertainties related to these events or conditions that may cast doubt upon the Company's ability to continue as a going concern. Therefore, they continue to adopt the going concern basis of accounting in preparing the financial statements.

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.

Auditors

At the 2020 Annual General meeting of National Grid plc, the Company's ultimate parent company, Deloitte LLP were reappointed as external auditor to the group. Pursuant to section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed to the Company and Deloitte LLP will, therefore, 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.

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 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.

Statement of Directors' responsibilities (continued)

We confirm that to the best of our knowledge:

- the financial statements, prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including FRS 101 "Reduced Disclosure Framework", give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company;
- the Strategic Report includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that it faces; and
- the Annual Report and financial statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's position and performance, business model and strategy.

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

DocuSigned by:
megan barnes
CD578C5FC5B2475...

M Barnes
Company Secretary
6 August 2020

Registered office:
1-3 Strand
London
WC2N 5EH

Registered in England and Wales
Company registration number: 4220381

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NGG FINANCE PLC

Report on the audit of the financial statements

1. Opinion

In our opinion the financial statements of NGG Finance plc (the 'Company'):

- give a true and fair view of the state of the Company's affairs as at 31 March 2020 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 14.

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).

2. 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 as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We confirm that the non-audit services prohibited by the FRC's Ethical Standard were not provided to the Company.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3. Summary of our audit approach

Key audit matters	The key audit matter that we identified in the current year was the recoverability of receivables from the immediate parent company. The risk level is related to the IFRS9 recoverability.
Materiality	The materiality that we used in the current year was £13.3 million (FY19: £13.2 million) which was determined on the basis of 2% (FY19: 2%) of net assets.
Scoping	Audit work to respond to the risks of material misstatement was performed directly by the audit engagement team.
Significant changes in our approach	No significant changes made to the audit approach to that adopted in the prior year audit apart from the change in materiality discussed above.

4. Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

- the Directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have reviewed the Directors' statement in note 1a to the financial statements about whether they considered it appropriate to adopt the going concern basis of accounting in preparing them and their identification of any material uncertainties to the Group's and company's ability to continue to operate as a going concern for a period of at least twelve months from the date of approval of the financial statements.

We considered as part of our risk assessment the nature of the Group, its business model and related risks including where relevant the impact of the COVID-19 pandemic, the requirements of the applicable financial reporting framework and the system of internal control. We evaluated the directors' assessment of the Group's ability to continue as a going concern, including challenging the underlying data and key assumptions used to make the assessment, and evaluated the directors' plans for future actions in relation to their going concern assessment. We have assessed the Group's ability to continue to support the Company.

We are required to state whether we have anything material to add or draw attention to in relation to the Directors' statement required by Listing Rule 9.8.6R(3) and report if the statement is materially inconsistent with our knowledge obtained in the audit.

We have nothing to report in respect of these matters.

Going concern is the basis of preparation of the financial statements that assumes an entity will remain in operation for a period of at least twelve months from the date of approval of the financial statements.

We confirm that we have nothing material to report, add or draw attention to in respect of these matters

5. Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team.

Throughout the course of our audit we identify risks of material misstatement ('risks'). We consider both the likelihood of a risk and the potential magnitude of a misstatement in making the assessment. Certain risks are classified as 'significant' or 'higher' depending on their severity. The category of the risk determines the level of evidence we seek in providing assurance that the associated financial statement item is not materially misstated.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

5.1. Recoverability of receivables from the immediate parent company

Key audit matter description	Receivables from the immediate parent company are stated in the balance sheet at £725 million (2019: £804 million) due within one year and £2,102 million (2019: £2,073 million) due after more than one year. Both of these receivable amounts sit within current assets on the balance sheet and this is due the nature of these loans, they have maturity dates but they are also repayable on demand. There is judgement involved in determining the recoverability of these receivables based on the financial position and future prospects of the immediate parent company. Therefore, the recoverability of these receivables has been identified as key to the continuing viability of the Company and its ability to repay its borrowings for the hybrid bonds £2,102 million (2019: 2,073 million). Refer additionally to notes 7, 8 and 10.
How the scope of our audit responded to the key audit matter	We have reviewed management's assessment of recoverability of the receivables from the immediate parent company (National Grid plc). We have reviewed the directors' judgements regarding the appropriateness of the carrying value through obtaining a copy of the latest audited financial information of the immediate parent company for the year ended 31 March 2020 and assessing the intercompany receivables for recoverability against the retained earnings, profit for the year and current assets of the counterparty. The loan is repayable on demand and we have performed a full ECL assessment in the context of IFRS 9. We have assessed management's impairment assessment and concluded that no recognition of an impairment is required by IFRS 9.
Key observations	Based on the work performed we concluded that receivables from the immediate parent company are appropriately valued based on our assessment of recoverability.

6. Our application of materiality

6.1 Materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

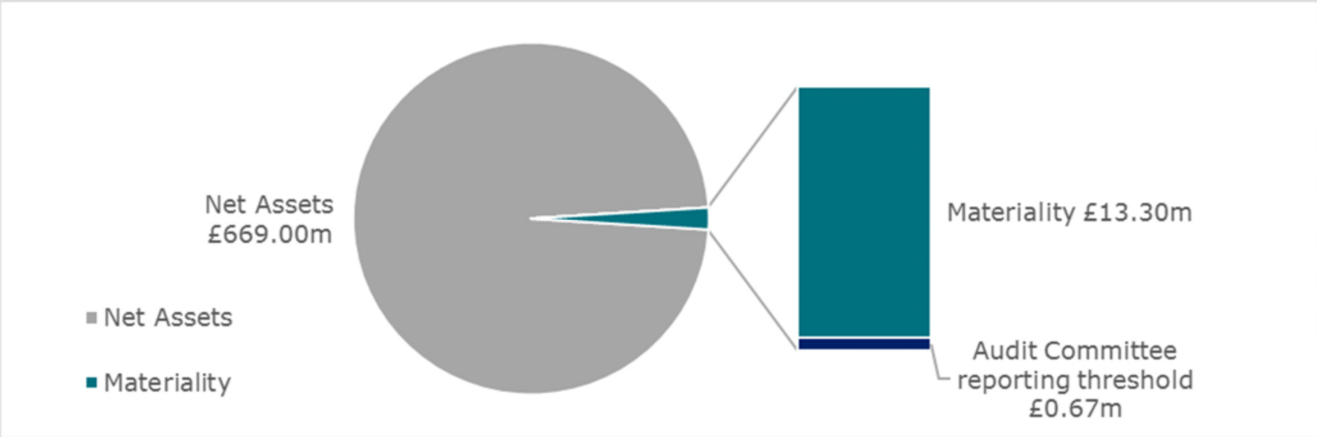
Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

Materiality	£13.3 million (FY19: £13.2 million)
Basis for determining materiality	2% of net assets (FY19: 2% of net assets)
Rationale for the benchmark applied	The entity has listed debt and as such the bond holders will be monitoring the company's net current asset value as well as the solvency (net asset value) to ensure it has the ability to pay the bonds when they come due. Therefore, we have determined materiality based on net assets as this is the key metric used by the bond holders and investors when assessing the entity's financial position. As the Company is non-trading, operates primarily as a holding company for the Group's trading entities, and is not profit orientated, we believe the net asset position is the most appropriate benchmark to use.

Independent auditor's report to the members of

NGG Finance plc (continued)

6.1 Materiality (continued)



6.2 Performance materiality

We set performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality for the financial statements as a whole. Performance materiality was set at 70% of materiality for the 2020 audit (2019: 70%). In determining performance materiality, we considered the following factors:

- our cumulative experience from prior year audits;
- the level of corrected and uncorrected misstatements identified; and
- our risk assessment, including our understanding of the entity and its environment.

6.3 Error reporting threshold

We agreed with the Audit Committee that we would report to the Committee all audit differences in excess of £0.67 million (2019: £0.66 million), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

7. An overview of the scope of our audit

Our audit was scoped by obtaining an understanding of the entity and its environment, including internal control, and assessing the risks of material misstatement. Audit work to respond to the risks of material misstatement was performed directly by the audit engagement team.

8. Other information

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon.

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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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 respect of these matters.

9. 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.

10. 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.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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.

Independent auditor's report to the members of

NGG Finance plc (continued)

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

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

11.1. Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- enquiring of management, including obtaining and reviewing supporting documentation, concerning the Company's policies and procedures relating to:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
  - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- the matters discussed among the audit engagement team and involving relevant internal specialists, including [tax and treasury] regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory frameworks that the National Grid plc/ NGG Finance plc operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act, Listing Rules, and tax legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the National Grid plc/ NGG Finance plc's ability to operate or to avoid a material penalty.

11.2. Audit response to risks identified

As a result of performing the above, we did not identify any key audit matters related to the potential risk of fraud or non-compliance with laws and regulations.

Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management, the audit committee and in-house legal counsel concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including internal specialists, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Report on other legal and regulatory requirements

12. 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.

13. Matters on which we are required to report by exception

13.1 Adequacy of explanations received and accounting records

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have nothing to report in respect of these matters.

13.2 Directors' remuneration

Under the Companies Act 2006 we are also required to report if in our opinion certain disclosures of Directors' remuneration have not been made.

We have nothing to report in respect of this matter.

14. Other matters

14.1 Auditor tenure

We became independent and commenced our audit transition on 1 January 2017. Following the recommendation of the Audit Committee, we were appointed by Shareholders at the Annual General Meeting on 31 July 2017 to audit the financial statements for the year ending 31 March 2018 and subsequent financial periods.

The period of total uninterrupted engagement including previous renewals and reappointments of the firm is three years, covering the years ending 31 March 2018 to 31 March 2020.

14.2 Consistency of the audit report with the additional report to the audit committee

Our audit opinion is consistent with the additional report to the audit committee we are required to provide in accordance with ISAs (UK).

Independent auditor's report to the members of

NGG Finance plc (continued)

15. 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:

Douglas King

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Douglas King FCA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom
6 August 2020

NGG Finance plc

Profit and loss account

For the year ended 31 March 2020

	Notes	2020 £'000	2019 £'000
Operating charges		**(37)**	(35)
Operating loss	2	**(37)**	(35)
Interest receivable and similar income	4	**159,608**	132,501
Interest payable and similar charges	5	**(151,491)**	(123,791)
Profit before tax		**8,080**	8,675
Tax	6	**(1,535)**	(1,648)
Profit for the year		**6,545**	7,027

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.

NGG Finance plc

Balance sheet

As at 31 March 2020

	Notes	2020 £'000	2019 £'000
Current assets			
Debtors (amounts falling due within one year)	8	**724,972**	804,299
Debtors (amounts falling due after more than one year)	8	**2,102,291**	2,073,375
Cash at bank and in hand		**78**	92
Total current assets		**2,827,341**	2,877,766
Creditors (amounts falling due within one year)	9	**(55,934)**	(141,820)
Net current assets		**2,771,407**	2,735,946
Creditors (amounts falling due after more than one year)	9	**(2,102,291)**	(2,073,375)
Net assets		**669,116**	662,571
Equity			
Share capital	11	**1,925**	1,925
Share premium account		**431,325**	431,325
Profit and loss account		**235,866**	229,321
Total shareholders' equity		**669,116**	662,571

The financial statements set out on pages 16 to 27 were approved by the Board of Directors on 6 August 2020 and were signed on its behalf by:

DocuSigned by:

Kylee Dickie

543744FB68524D9...

K M Dickie
Director

NGG Finance plc
Company registration number: 4220381

NGG Finance plc

Statement of changes in equity

For the year ended 31 March 2020

	Share capital £'000	Share premium account £'000	Profit and loss account £'000	Total shareholders' equity £'000
At 1 April 2018	1,925	431,325	222,294	655,544
Profit for the year	-	-	7,027	7,027
At 31 March 2019	1,925	431,325	229,321	662,571
Profit for the year	-	-	6,545	6,545
At 31 March 2020	**1,925**	**431,325**	**235,866**	**669,116**

NGG Finance plc

Notes to the financial statements

For the year ended 31 March 2020

1 Summary of significant accounting policies

NGG Finance plc is a public 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

These financial statements of NGG Finance plc for the year ended 31 March 2020 were approved by the Board of Directors on 6 August 2020. 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 EU, 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 presented in pounds sterling, which is the currency of primary economic environment in which the Company operates. The 2019 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. The Directors have considered the impact of COVID-19 on the Group and on the Company and have concluded that there are no material uncertainties related to these events or conditions that may cast doubt upon the Company's ability to continue as a going concern. Therefore, they continue to adopt the going concern basis of accounting in preparing the financial statements.

These financial statements are presented in the format as set out in the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (SI 2008/410).

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
- the effects of new but not yet effective IFRS standards.

The Company has adopted IFRS 16 'Leases' with effect from 1 April 2019. The adoption of IFRS 16 has had no impact on the Company.

The UK's Financial Conduct Authority announced that LIBOR will cease to exist by the end of 2021, and will be replaced by alternative reference rates. In September 2019, the IASB amended IFRS 9 and IFRS 7 by issuing Interest Rate Benchmark Reform, which provides exceptions to specific hedge accounting requirements to ensure that hedging relationships are not considered to be modified as a result of the change in the reference rate. The amendments were endorsed in January 2020 for adoption in the EU. The Company early-adopted these changes to IFRS 7 and IFRS 9 with effect from 1 April 2019. There were no transition adjustments on adoption.

1 Summary of significant accounting policies (continued)

(a) Basis of preparation (continued)

The preparation of financial statements may require management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures of contingent assets and liabilities and the reported amounts of income and expenses during the reporting period. Actual results could differ from these estimates.

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. Information about such judgements and estimations is contained in the notes to the 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:

(b) Tax

The tax charge for the year 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 charge 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.

(c) Foreign currency transactions and balances

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

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 the immediate parent company. For impairment assessment purposes loans to the immediate parent company 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 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) Equity instruments

An equity instrument is any contract that includes 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.

2 Operating loss

	2020 £'000	2019 £'000
Operating loss is stated after charging:		
Services provided by the Company's auditor		
Audit fees of Company	**34**	32

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

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 (2019: 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 (2019: none).

4 Interest receivable and similar income

	2020 £'000	2019 £'000
Interest receivable from immediate parent company	**133,752**	112,761
Exchange gains on revaluation of foreign currency denominated intercompany loan and bank account	**25,856**	1
Exchange gains on revaluation of foreign currency denominated borrowings	**-**	19,739
	159,608	132,501

5 Interest payable and similar charges

	2020 £'000	2019 £'000
Interest payable to a fellow subsidiary undertaking	**494**	582
External interest payable	**125,141**	103,470
Exchange losses on revaluation of foreign currency denominated borrowings	**25,856**	-
Exchange losses on revaluation of foreign currency denominated intercompany loan	**-**	19,739
	151,491	123,791

6 Tax

	2020 £'000	2019 £'000
Current tax:		
UK corporation tax	**1,535**	1,648

6 Tax (continued)

The tax charge for the year is equivalent to (2019: equivalent to) the standard rate of corporation tax in the UK of 19% (2019: 19%).

	2020 £'000	2019 £'000
Profit before tax	**8,080**	8,675
Profit before tax multiplied by standard rate of corporation tax in the UK of 19% (2019: 19%)	**1,535**	1,648

Factors that may affect future tax charges

On 17 March 2020, the UK government utilised the Provisional Collection of Taxes Act 1968 to substantively enact a reversal of the reduction in the main UK corporation tax rate to 17% with effect from 1 April 2020. The main UK corporation tax rate therefore remains at 19%.

The Directors will continue to monitor the developments driven by Brexit, the OECD's Base Erosion and Profit Shifting (BEPS) project and European Commission initiatives including fiscal aid investigations. At this time the Directors do not expect this to have any material impact on future tax charges. Governments across the world including the UK have introduced various stimuli/reliefs for businesses to cope with the impact of COVID 19 pandemic. The Directors will monitor as the details become available for any that may materially impact our future tax charges.

7 Financial risk factors

The activities of the Company expose it to a variety of financial risks including currency risk, interest rate risk, credit risk, liquidity risk and capital risk. The Company's risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential volatility of financial performance from these risks.

Risk management related to financing activities is carried out by a central treasury department under policies approved by the Finance Committee of the National Grid Board. The objective of the treasury department is to manage funding and liquidity requirements, including managing associated financial risks, to within acceptable boundaries. The Finance Committee provides written principles for overall risk management, as well as written policies covering specific areas such as foreign exchange risk, interest rate risk, credit risk, liquidity risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

The Company has exposure to the following risks: currency risk; interest rate risk; credit risk; liquidity risk; and capital risk, which are described in more detail below:

7 Financial risk factors (continued)

(a) Currency risk

The Company can obtain financing and provide finance in various currencies and is exposed to foreign exchange risk arising from these, primarily with respect to the Euro. The following table sets out the net asset position by currency:

	2020				2019			
	Sterling	**Euro**	**US dollar**	**Total**	**Sterling**	**Euro**	**US dollar**	**Total**
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Cash and cash equivalents	**74**	**(14)**	**18**	**78**	75	-	17	92
Intercompany receivable	**1,704,134**	**1,123,129**	**-**	**2,827,263**	1,757,888	1,119,787	-	2,877,675
Borrowings	**(1,041,529)**	**(1,115,198)**	**-**	**(2,156,727)**	(1,041,000)	(1,112,334)	-	(2,153,334)
Other liabilities	**(1,498)**	-	**-**	**(1,498)**	(61,862)	-	-	(61,862)
Net asset position	**661,181**	**7,917**	**18**	**669,116**	655,101	7,453	17	662,571

An estimate of the Company sensitivity to a 10% change in the Euro currency exchange rate is a £721,000 (2019: £1,411,000) impact in the profit and loss account and net assets. This movement has an equal and opposite effect if the sensitivity increases or decreases by the same amount.

(b) Interest rate risk

Interest rate risk arises from long-term borrowings. Borrowings issued at fixed rates expose the Company to fair value interest rate risk. The Company's interest rate risk management policy is to seek to minimise total financing costs (being interest costs and changes in the market value of debt) subject to constraints. It achieves that largely by lending amounts to its immediate parent company on the same terms as the external borrowings.

The following table sets out the carrying amount, by contractual maturity, of borrowings that are exposed to interest rate risk:

	2020	2019
	£'000	**£'000**
Fixed interest rate borrowings		
In one year or less	**54,436**	79,958
In greater than one year	**2,102,291**	2,073,375
	2,156,727	2,153,333

7 Financial risk factors (continued)

(b) Interest rate risk (continued)

The following table sets out the net asset position by interest rate risk:

	2020				2019			
	Fixed-rate £'000	Floating-rate £'000	Other £'000	Total £'000	Fixed-rate £'000	Floating-rate £'000	Other £'000	Total £'000
Cash and cash equivalents	**-**	**78**	**-**	**78**	-	92	-	92
Intercompany receivable	**2,173,107**	**654,156**	**-**	**2,827,263**	2,168,033	709,642	-	2,877,675
Borrowings	**(2,156,727)**	**-**	**-**	**(2,156,727)**	(2,153,334)	-	-	(2,153,334)
Other liabilities	**-**	**-**	**(1,498)**	**(1,498)**	-	(60,177)	(1,685)	(61,862)
Net asset position	**16,380**	**654,234**	**(1,498)**	**669,116**	14,699	649,557	(1,685)	662,571

An estimate of the Company's sensitivity to a 0.5% change in UK interest rates is a £3,271,000 (2019: £3,549,000) impact in the profit and loss account and net assets. This movement has an equal and opposite effect if the sensitivity increases or decreases by the same amount.

(c) Credit risk

Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions, as well as credit exposures to intercompany receivables.

At the reporting dates, the Company had a number of exposures to individual counterparties. In accordance with the Company's treasury policies and exposure management practices, counterparty credit exposure limits are continually monitored and no individual exposure is considered significant in the ordinary course of treasury management activity. Management does not expect any significant losses from non-performance by these counterparties. There are netting agreements in place with some counterparties: these had no effect on the credit exposure.

The Company does not believe there is any significant credit risk in relation to the amounts owed by the immediate parent company and the amounts owed to fellow subsidiary undertakings.

d) Liquidity risk

The Company determines liquidity requirements by the use of both short-term and long-term cash flow forecasts. These forecasts are supplemented by a financial headroom analysis which is used to assess funding requirements for at least a 24 month period and maintain adequate liquidity for a continuous 12 month period. The following is an analysis of the contractual undiscounted cash flows payable under financial liabilities as at the reporting date:

7 Financial risk factors (continued)

d) Liquidity risk (continued)

At 31 March 2020	Less than 1 year £'000	1 - 2 years £'000	2 – 3 years £'000	More than 3 years £'000	Total £'000
Financial liabilities					
Borrowings	**-**	**-**	**-**	**(2,107,645)**	**(2,107,645)**
Interest payments on borrowings [(i)]	**(77,154)**	**(77,290)**	**(77,265)**	**(4,054,157)**	**(4,285,866)**
Other liabilities	**-**	**-**	**-**	**(2,774)**	**(2,774)**
Total as at 31 March 2020	**(77,154)**	**(77,290)**	**(77,265)**	**(6,164,576)**	**(6,396,285)**

At 31 March 2019	Less than 1 year £'000	1 - 2 years £'000	2 – 3 years £'000	More than 3 years £'000	Total £'000
Financial liabilities					
Borrowings	-	(1,077,513)	-	(1,000,000)	(2,077,513)
Interest payments on borrowings [(i)]	(102,137)	(101,919)	(102,077)	(5,363,729)	(5,669,862)
Other liabilities	(61,862)	-	-	-	(61,862)
Total as at 31 March 2019	(163,999)	(1,179,432)	(102,077)	(6,363,729)	(7,809,237)

[(i)] The interest on borrowings is calculated based on borrowings held at 31 March without taking account of future issues. Floating rate interest is estimated using a forward interest rate curve as at 31 March. Payments are included on the basis of the earliest date on which the Company can be required to settle.

(e) Capital risk

The Company's objective when managing capital is to safeguard its ability to continue as a going concern and to maintain an efficient mix of debt and equity funding, thus achieving an optimal capital structure and cost of capital. The Company regularly reviews the capital structure as appropriate in order to achieve these objectives.

8 Debtors

	2020 £'000	2019 £'000
Amounts falling due within one year		
Amounts owed by immediate parent company	**724,972**	804,299
Amounts falling due after more than one year		
Amounts owed by immediate parent company	**2,102,291**	2,073,375

In March 2013, the Company issued two fixed rate bonds listed on the London Stock Exchange with notional values of £1,000 million and €1,250 million. On 5 September 2019, the Company redeemed the €1,250 million bond and on the same date issued two new €750 million and €500 million fixed rate bonds. In all cases the consideration received was advanced to its immediate parent company, National Grid plc on the same terms to that of the securities. Other amounts owed by immediate parent company of £654,102,000 (2019: £709,562,000) are repayable on demand and earn interest receivable at a rate based on GBP LIBOR plus 20 basis points. The fair value of the amounts owed by immediate parent company approximates to their book values.

9 Creditors

	2020 £'000	2019 £'000
Amounts falling due within one year		
Borrowings (note 10)	**54,436**	79,958
Amounts owed to fellow subsidiary undertakings	**1,461**	61,827
Accruals and deferred income	**37**	35
	55,934	141,820

The fair value of creditors equates to their book value.

	2020 £'000	2019 £'000
Amounts falling due after more than one year		
Borrowings (note 10)	**2,102,291**	2,073,375

10 Borrowings

The following table analyses the total borrowings:

	2020 £'000	2019 £'000
Current:		
Bonds	**54,436**	79,958
	54,436	79,958
Non-current		
Bonds	**2,102,291**	2,073,375
Total	**2,156,727**	2,153,333
Total borrowings are repayable as follows:		
Less than 1 year	**54,436**	79,958
Between 1 to 2 years	**-**	1,076,450
Between 4 to 5 years	**441,975**	-
More than 5 years - other than by instalments	**1,660,316**	996,925
	2,156,727	2,153,333

The fair value of borrowings at 31 March 2020 was £2,112,846,000 (2019: £2,279,771,000). Where market values were available, fair value of borrowings (Level 1) was £2,112,846,000 (2019: £2,279,771,000). The notional amount at maturity of the debt portfolio is £2,107,645,000 (2019: £2,077,513,000).

The Company has in issue three fixed rate bonds listed on the London Stock Exchange as follows:

Issuer	Description of instrument (original notional amount)	Maturity	First callable date
NGG Finance plc	GBP £1,000 million 5.625% Fixed Rate Instrument	2073	2025
NGG Finance plc	EURO 750 million 2.125% Fixed Rate Instrument	2027	2024
NGG Finance plc	EURO 500 million 1.625% Fixed Rate Instrument	2024	2024

11 Share capital

	2020 £'000	2019 £'000
Allotted, called up and fully paid		
1,925,000 (2019: 1,925,000) ordinary shares of £1 each	**1,925**	1,925

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.

12 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.

13 Ultimate parent company

The ultimate and immediate parent and controlling company is National Grid plc. The largest and smallest group which includes the Company and for which consolidated financial statements are prepared is headed by National Grid plc which is registered in England and Wales at the registered office below.

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

14 Events after the reporting period

In the period since year end to the date of signing of these financial statements there have continued to be substantial economic and social changes in the UK as a result of the ongoing pandemic of coronavirus disease (COVID-19). These changes and risks are being actively managed by the Directors of the Company and other than the presumption of the going concern basis of preparation (see note 1) none of these developments have impacted or caused adjustment to these financial statements.