

Operating and financial review – Financial review

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Five year financial summary

The financial summary set out below has been derived from the audited consolidated accounts of National Grid for the five financial years ended 31 March 2002. It should be read in conjunction with the Group accounts and related notes, together with the Operating and Financial Review.

	2002	2001 (i) (restated)(ii)	2000 (i) (restated)(ii)	1999 (i) (restated)(ii)	1998 (i) (restated)(ii)
	£m	£m	£m	£m	£m
Summary Group profit and loss account					
Group turnover					
Continuing operations	3,921.9	3,799.7	1,614.7	1,514.2	1,519.3
Acquisition	479.1	–	–	–	–
Discontinued operations	–	–	–	–	90.1
	4,401.0	3,799.7	1,614.7	1,514.2	1,609.4
Operating costs	(3,893.6)	(3,094.2)	(1,042.9)	(937.5)	(1,074.9)
Operating profit/(loss) of Group undertakings					
Continuing operations	505.7	705.5	571.8	576.7	562.9
Acquisition	1.7	–	–	–	–
Discontinued operations	–	–	–	–	(28.4)
	507.4	705.5	571.8	576.7	534.5
Share of joint ventures' and associate's operating (loss)/profit	(636.8)	(96.0)	(26.0)	0.7	1.3
Operating (loss)/profit					
Before exceptional items and goodwill amortisation	874.7	739.4	554.0	579.9	535.8
Exceptional costs	(121.4)	(45.3)	–	–	–
Impairment of investments in joint ventures and associate	(792.3)	–	–	–	–
Goodwill amortisation	(90.4)	(84.6)	(8.2)	(2.5)	–
Total operating (loss)/profit	(129.4)	609.5	545.8	577.4	535.8
Exceptional profit relating to partial disposal of Energis	20.1	243.3	1,029.6	899.1	115.3
Profit on disposal of investments	10.6	20.1	–	–	–
Profit on disposal of tangible fixed assets	22.0	–	–	–	–
Net interest					
Excluding exceptional items	(292.5)	(255.1)	(67.5)	(118.5)	(61.7)
Exceptional items	(92.5)	–	–	(52.6)	–
	(385.0)	(255.1)	(67.5)	(171.1)	(61.7)
(Loss)/profit on ordinary activities before taxation	(461.7)	617.8	1,507.9	1,305.4	589.4
Taxation					
Excluding exceptional items	(85.4)	(182.1)	(152.8)	(157.2)	(121.1)
Exceptional items	60.1	235.4	(229.5)	(162.8)	–
	(25.3)	53.3	(382.3)	(320.0)	(121.1)
(Loss)/profit on ordinary activities after taxation	(487.0)	671.1	1,125.6	985.4	468.3
Minority interests	(6.3)	(6.9)	(3.6)	–	–
(Loss)/profit for the year	(493.3)	664.2	1,122.0	985.4	468.3
Dividends					
Ordinary	(264.6)	(223.0)	(205.5)	(192.0)	(189.2)
Other	–	–	–	–	(768.6)
	(264.6)	(223.0)	(205.5)	(192.0)	(957.8)
Retained (loss)/profit	(757.9)	441.2	916.5	793.4	(489.5)
(Loss)/earnings per ordinary share					
Basic, including exceptional items and goodwill amortisation	(32.3)p	45.0p	76.2p	67.2p	27.7p
Basic, excluding exceptional items and goodwill amortisation	32.1p	20.0p	22.5p	20.7p	20.9p
Diluted, including exceptional items and goodwill amortisation	(32.3)p	43.0p	71.7p	63.3p	27.5p
Diluted, excluding exceptional items and					

goodwill amortisation	32.1p	19.8p	22.0p	20.4p	20.8p
Dividends per ordinary share	16.04p	15.08p	13.94p	13.07p	12.07p
Interest cover (times) (iii)	3.0	2.9	8.2	4.9	8.7
Dividend cover (net) - Ordinary dividends (times) (iii)	2.0	1.3	1.6	1.6	1.7

(i) Restated for the impact of the adoption of Financial Reporting Standard 19 “Deferred Tax”.

(ii) Restated for a revised presentation of the minority interest’s share of the results of associated undertakings.

(iii) Excluding exceptional items and goodwill amortisation.

Operating and financial review – Financial review continued

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Five year financial summary continued

	Year ended 31 March				
	2002 £m	2001 (restated) ⁽ⁱ⁾ £m	2000 (restated) ⁽ⁱ⁾ £m	1999 (restated) ⁽ⁱ⁾ £m	1998 (restated) ⁽ⁱ⁾ £m
Summary Group balance sheet (Amounts in accordance with UK GAAP)					
Fixed assets	11,533.0	7,949.3	6,506.0	3,331.0	3,205.4
Current assets	5,883.0	2,256.2	2,464.8	1,746.3	384.0
Total assets	17,416.0	10,205.5	8,970.8	5,077.3	3,589.4
Creditors and provisions	(14,121.6)	(7,490.2)	(6,721.5)	(3,793.2)	(3,103.8)
Net assets employed/total shareholders' funds	3,294.4	2,715.3	2,249.3	1,284.1	485.6
Net debt	8,240.7	3,918.2	2,663.6	703.4	1,465.3
Gearing ⁽ⁱⁱ⁾	250%	144%	118%	55%	302%
Allotted, called up and fully paid ordinary shares – number	1,776.9m	1,484.6m	1,484.6m	1,477.9m	1,474.4m
– nominal value	177.7	148.5	148.5	147.8	147.5

⁽ⁱ⁾ Restated for the impact of the adoption of Financial Reporting Standard 19 “Deferred Tax”.

⁽ⁱⁱ⁾ Gearing is calculated as net debt divided by total shareholders' funds.

Summary Group cash flow statement

Net cash inflow from operating activities	1,255.4	810.6	682.0	605.9	627.2
Dividends from joint ventures	12.8	20.3	4.5	3.1	0.4
Net cash outflow for returns on investments and servicing of finance	(357.5)	(306.9)	(64.7)	(119.7)	(31.7)
Taxation	(7.3)	(137.2)	(274.3)	(154.9)	(138.2)
Net cash outflow for capital expenditure	(464.4)	(457.6)	(279.2)	(312.5)	(286.4)
Net cash (outflow)/inflow for acquisitions and disposals	(946.7)	(582.2)	(1,236.7)	934.1	157.8
Equity dividends paid	(229.5)	(212.5)	(197.6)	(183.1)	(966.3)
Net cash (outflow)/inflow before the management of liquid resources	(737.2)	(865.5)	(1,366.0)	772.9	(637.2)
Net cash inflow/(outflow) from the management of liquid resources	336.2	775.2	618.8	(1,482.3)	217.0
Net cash inflow from financing	454.6	88.4	773.6	687.6	503.9
Movement in cash and overdrafts	53.6	(1.9)	26.4	(21.8)	83.7

Amounts in accordance with US GAAP

Group turnover	4,396.3	3,782.7	1,614.7	1,514.2	1,609.4
Net (loss)/income	(163.1)	810.3	1,009.8	1,002.8	458.9
(Loss)/earnings per ADS ⁽ⁱⁱⁱ⁾					
Basic	(53.4)p	274.5p	342.8p	341.9p	157.1p
Diluted	(53.4)p	260.5p	323.4p	322.1p	155.5p
Total assets	17,545.3	10,391.6	9,105.7	5,189.7	3,677.5
Net assets employed/total shareholders' funds	3,856.8	2,961.8	2,380.8	1,464.1	619.5
Equity shareholders' funds	3,759.0	2,920.0	2,345.7	1,464.1	619.5

⁽ⁱⁱⁱ⁾ Each ADS represents five ordinary shares.