

Report Pick

ReportWatch e.com

March 2017

National Grid

London, United Kingdom



Report Facts

Company name: National Grid plc
Fiscal year end: March 31, 2016
Report title: *Annual Report and Accounts*
Chairman: Sir Peter Gershon
Chief executive: John Pettigrew
Report length: 208 pages
Auditors: PricewaterhouseCoopers LLP
Website:
<http://investors.nationalgrid.com/reports/2015-16/plc>
Email: investor.relations@nationalgrid.com
Design and production: Addison Group

Report Rating: ★★★(★)

(To qualify for *Report of the Month*, the minimum rating required is ★★★(★). Rating scale below)

Profile

We are one of the world's largest investor-owned utilities focused on transmission and distribution activities in electricity and gas in both the UK and the US... We are organised into four operating segments...

(Report excerpts. Italics are own company's words)

Key Figures

Revenue: £ 15,115 million

Operating profit: £ 4,096 million

Profit (before tax): £ 3,142 million

Earnings per share (basic): 69.0 pence

Dividend (approved): 43.34 pence

Return on equity (UK regulated): 13.3%

(Source: figures sourced from the annual report only)

Competitors

- SSE (Scottish and Southern Electric)
- Centrica
- United Utilities
- EDF
- Edison
- Iberdrola
- RWE
- E.On
-

Report Rating: ★★★(★)

Triple A

- > *What we do* makes up a well-illustrated and intelligible introduction to the business –and business model.
- > Outstanding report on governance matters: e.g. compliance with the UK Code; board composition, focus areas and evaluation; committees' role; directors' remuneration.

Double A

- > Vision, strategy and operating environment made clear.
- > Worthwhile range of KPIs that go beyond financial indicators.
- > Good review of *Principal operations*, mixed with a few case studies.
- > Fair description of risk factors, management, and examples of mitigations.
- > Detailed auditors' report.
- > *Definitions and glossary of terms*.

Simple A

- > Design is OK yet a bit too much in pedestrian style made in London.
- > *Financial review* not sufficiently developed, even though comments next to statements supplement. Financial KPIs not up to other ones.
- > Share(holder) information not up to best practice.

B Sides

- > *Key highlights* overlook major indicators.
- > Deficit in historical figures and ratios.
- > So-called *interactive version* is a rather basic PDF.

Rating Scale

★★★★★: World-class ★★★(★): First-rate ★★★★★: Excellent ★★★(★): Fine ★★*: Average
★★(★): Uneven ★*: Ordinary ★(★): Deficient ★: Unsatisfactory (★): Uncompetitive

The rating is based on ReportWatch internal desk research and does not take into account the independent Rating Panel's judgment. It may therefore differ from ratings (to be) published in the **Annual Report on Annual Reports**.

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How does the company report in key areas? What are the main report pluses and minuses? The **Report Scan** gives an overview of strengths and weaknesses, and scores each item. Contact e.com@reportwatch.net

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