SEEBOARD TRADING LIMITED

REPORT AND ACCOUNTS
31 DECEMBER 2000

Registered Number: 3267621

Registered Office:
Forest Gate
Brighton Road
Crawley
West Sussex
RH11 9BH



A12
COMPANIES HOUSE
0596
07/04/01

SEEBOARD TRADING LIMITED

Directors' Report

The Directors present their report and the audited financial statements for the year ended 31 December 2000.

Principal Activity

The principal activity of the Company is the supply of contracting services.

Trading Results and Dividends

The profit on ordinary activities before taxation was £4,606,000 (1999 £4,465,000) on a turnover of £59,233,000 (1999 £58,035,000).

The directors do not propose the payment of a dividend (1999 £nil).

Ultimate Holding Company

CSW UK Holdings is the ultimate UK holding company. The ultimate holding company is American Electric Power Inc ("AEP").

On 22 December 1997, it was announced that AEP had made an agreed share for share offer to acquire the whole of the share capital in Central and South West Corporation subject to, inter alia, regulatory and shareholder approval. This acquisition was completed on 15 June 2000.

Share Capital

Details of the authorised and issued share capital of SEEBOARD Trading Limited are set out in note 10 to the accounts on page 9.

Payments to suppliers

It is the Company's policy in respect of its suppliers to:

- agree the terms of payment with suppliers when confirming the terms of each transaction;
- ensure that suppliers are made aware of such terms;
- abide by such terms.

Otherwise the Company's policy is to make payment within 30 days from the date of receipt of the supplier's invoice.

Statutory Instrument 1997/571 requires that qualifying companies disclose the number of days that supplier invoices remain outstanding based on the year end trade creditor balance divided by the average daily invoices received by the company. In accordance with the method of calculation prescribed, the creditor days for the year ended 31 December 2000 totalled 24 (1999 11 days).

SEEBOARD TRADING LIMITED

Directors' Report (continued)

Directors

The directors who served during the year, none of whom received any emoluments for their services as directors of SEEBOARD Trading Limited, were as follows:

T J Ellis CBE (Chairman)
J Weight
M J Pavia
H Cadoux-Hudson (appointed 3 August 2000)

The directors and their families have no beneficial interests in either the share capital of the Company or any company within the AEP Group of UK companies. The directors are not aware of any contract of significance, other than service contracts with SEEBOARD plc, in relation to the Company, in which any director has, or has had, a material interest.

Auditors

Deloitte & Touche were appointed as auditors during the year and a resolution proposing the firm's re-appointment will be made at the General Meeting before which the accounts are presented.

By Order of the Board

M A Nagle
Company Secretary

29 March 2001

SEEBOARD TRADING LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each accounting reference period which give a true and fair view of the state of affairs of the Company and of the profit or loss 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and which enable them to ensure that the financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

AUDITORS' REPORT TO THE MEMBERS OF SEEBOARD TRADING LIMITED

We have audited the financial statements on pages 4 to 10 which have been prepared under the accounting policies set out on page 6.

Respective responsibilities of directors and auditors

As described above, the Company's directors are responsible for the preparation of financial statements, which are required to be prepared in accordance with applicable United Kingdom law and accounting standards. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom auditing standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the Company as at 31 December 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Deloitte & Touche

3 April 2001

Deloitte & Touche
Chartered Accountants
and Registered Auditors

Hill House
1 Little New Street
London EC4A 3TR

SEEBOARD TRADING LIMITED

Profit and Loss Account
for the year ended 31 December 2000

	Note	2000 £000	1999 £000
Turnover		**59,233**	58,035
Cost of sales		**(45,141)**	(43,871)
Gross profit		**14,092**	14,164
Distribution costs		**(7,971)**	(8,319)
Administrative expenses		**(2,181)**	(1,945)
Operating profit	*1*	**3,940**	3,900
Net interest receivable	*2*	**666**	565
Profit on ordinary activities before taxation		**4,606**	4,465
Tax on profit on ordinary activities	*3*	**(793)**	(188)
Profit for the financial year	*11*	**3,813**	4,277

Recognised gains or losses

There were no recognised gains or losses other than the profit for the financial year (1999 £nil).

Turnover and profit were derived from continuing operations.

SEEBOARD TRADING LIMITED

Balance Sheet
as at 31 December 2000

	Note	2000 £000	1999 £000
Fixed assets	5	2,176	2,099
Current assets			
Stock	6	4,997	2,984
Debtors	7	13,162	9,241
Cash at bank and in hand		13,337	13,873
		31,496	26,098
Current liabilities			
Creditors (amounts falling due within one year)	8	8,996	7,243
Net current assets		22,500	18,855
Total assets less current liabilities		24,676	20,954
Creditors (amounts falling due after more than one year)	8	2,000	2,000
Provisions for liabilities and charges	9	77	168
Net assets		22,599	18,786
Capital and reserves			
Called up share capital	10	10,000	10,000
Profit and loss account	11	12,599	8,786
Shareholder's funds		22,599	18,786

The financial statements on pages 4 to 10 were approved by the Board of Directors on 29 March 2001 and were signed on its behalf by:

Jim Ellis
Chairman

Michael J Pavia
Director

SEEBOARD TRADING LIMITED

Notes to the accounts

Accounting Policies

Basis of preparation

The financial statements have been prepared under the historical cost convention in accordance with the Companies Act 1985 and applicable accounting standards.

Under Financial Reporting Standard 1 (revised), the Company is exempt from the requirement to prepare a cash flow statement on the grounds that it is a wholly-owned subsidiary.

Under Financial Reporting Standard 8, the Company is exempt from the requirement to disclose related party transactions and balances on the grounds that it is a wholly-owned subsidiary.

Turnover

Turnover represents the invoice value of the goods and services provided, exclusive of value added tax.

Leases

Rental costs under operating leases are charged to the profit and loss account systematically over the period of the lease.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation. The charge for depreciation is calculated on a straight line basis to write off assets over their estimated useful lives as follows:

Fixtures and equipment	- 4 to 5 years
Motor vehicles and mobile plant	- 5 years

Stocks and work in progress

Work in progress, which includes electrical and contracting work, and stocks are stated at the lower of cost and net realisable value.

Long term contracts are valued at cost plus attributable profit less any foreseeable losses. Profit is recognised when the outcome of a contract can be assessed with reasonable certainty. The excess of turnover over payments on account is included in debtors. To the extent payments on account exceed turnover and long term contract balances they are included as payments on account within creditors.

Deferred taxation

Deferred taxation arises in respect of items where there is a timing difference between their treatment for accounting purposes and their treatment for taxation purposes. A provision or asset for deferred taxation, using the liability method, is established to the extent that it is probable that a liability or asset will crystallise in the foreseeable future.

SEEBOARD TRADING LIMITED

Notes to the accounts

1. Operating profit

	2000 £000	1999 £000
Operating profit is stated after charging:		
Depreciation	**653**	586
Operating lease rentals	**36**	37

Auditors' remuneration relating to SEEBOARD Trading Limited for the year of £18,000 (1999 £2,600) was met by SEEBOARD plc.

2. Net interest receivable

	2000 £000	1999 £000
Interest receivable	**792**	785
Interest payable - on inter company loan wholly repayable within five years	**(126)**	(220)
	666	565

3. Tax on profit on ordinary activities

	2000 £000	1999 £000
Group relief	**793**	188
	793	188

The Company received group relief of £2,645,000 from another group company for consideration of £793,000. Further group relief of £1,997,000 was received for nil consideration.

4. Directors and employees

a) Directors' emoluments
No directors received any remuneration during the year (1999 £nil) for their services as directors of SEEBOARD Trading Limited.

b) Employment costs	2000 £000	1999 £000
Wages and salaries	**13,079**	13,331
Social security costs	**1,090**	1,141
Pension costs	**622**	498
Charged to profit and loss account	**14,791**	14,970
Average number of employees in the Company during the year was:	**627**	650

SEEBOARD TRADING LIMITED

Notes to the accounts (continued)

5. Tangible fixed assets

	Fixtures & equipment £000	Vehicles & mobile plant £000	Total £000
Cost			
At 1 January 2000	2,666	3,081	5,747
Additions	224	554	778
Disposals	(473)	(500)	(973)
As at 31 December 2000	**2,417**	**3,135**	**5,552**
Depreciation			
At 1 January 2000	1,920	1,728	3,648
Charge for period	212	441	653
Disposals	(428)	(497)	(925)
As at 31 December 2000	**1,704**	**1,672**	**3,376**
Net book amount at 31 December 2000	**713**	**1,463**	**2,176**
Net book amount at 31 December 1999	746	1,353	2,099

6. Stock

	2000 £000	1999 £000
Raw materials and consumables	384	305
Work in progress	4,613	2,679
	4,997	2,984

7. Debtors

	2000 £000	1999 £000
Trade debtors	11,448	8,484
Amounts owed by parent undertaking	227	-
Other debtors	1,250	580
Prepayments and accrued income	237	177
	13,162	9,241

SEEBOARD TRADING LIMITED

Notes to the accounts (continued)

8. Creditors

	2000	1999
	£000	£000
Amounts falling due within one year:		
Trade creditors	**2,996**	1,084
Payments received on account	**3,466**	3,677
Amounts owed to group undertaking	**178**	315
Amounts owed to parent company	**821**	1,206
Other taxation and social security	**32**	36
Other creditors	**545**	448
Accruals and deferred income	**958**	477
	8,996	7,243
Amounts falling due after more than one year:		
Amounts due to parent undertaking	**2,000**	2,000
	2,000	2,000

9. Provisions for liabilities and charges

	Restructuring	Other	Total
	£000	£000	£000
Balance at 1 January 2000	91	77	168
Utilised during the year	(91)	-	(91)
Balance at 31 December 2000	-	77	77

10. Called up share capital

	2000	1999
	£000	£000
Authorised:		
50,000,000 ordinary shares at £1 each	**50,000**	50,000
Allotted and fully paid:		
10,000,002 ordinary shares at £1 each	**10,000**	10,000

SEEBOARD TRADING LIMITED

Notes to the accounts (continued)

11. Reconciliation of movements in shareholder's funds

	Share capital	Profit and loss account	Shareholder's funds
	£000	£000	£000
Balance at 1 January 2000	10,000	8,786	18,786
Retained profit for the year	-	3,813	3,813
Balance at 31 December 2000	**10,000**	**12,599**	**22,599**

12. Capital and other commitments

There were no capital commitments authorised by the Board of Directors but not provided for as at 31 December 2000 (1999 £nil).

13. Lease obligations

The following annual obligations under operating leases for equipment expire:

	2000	1999
	£000	£000
Within one year	18	36
In the second to fifth year inclusive	-	9
	18	45

14. Ultimate holding company and ultimate controlling entity

The ultimate UK holding company at 31 December 2000 is CSW UK Holdings registered in England and Wales. The ultimate holding company and ultimate controlling company is American Electric Power Inc. Financial statements may be obtained from Investor Services Division, American Electric Power, 1 Riverside Plaza, Columbus, Ohio 43215-2373.