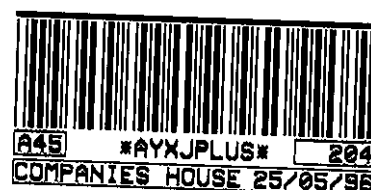


SEEBOARD plc
Accounts
for the nine months
ended 31 December 1995



Registered Number 2366867 England.

SEEBOARD plc
Accounts
for the nine months ended 31 December 1995

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Executive Directors

JIM ELLIS CEng, FIEE, CIMgt (53)

Jim Ellis was appointed Chairman and Chief Executive from 10 January 1996 having been Chief Executive. Mr Ellis was previously Commercial Director of Seeboard and SEEBOARD plc. He is Chairman of SEEBOARD (Generation) Limited and a director of Central and South West Corporation ("CSW"), SEEBOARD Natural Gas Limited, Sussex Chamber of Commerce Training and Enterprise and Eurorail CTRL Limited.

STEPHEN GUTTERIDGE BA (41)

Stephen Gutteridge was appointed Managing Director, Supply from 1 July 1993 having joined the Board as Commercial Director in August 1992 from Amerada Hess Ltd. He is also Chairman of Southern Gas Limited and a director of SEEBOARD Natural Gas Limited, Torch Natural Gas Limited and the Electricity Association Limited.

MICHAEL J. PAVIA FCA (49)

Michael Pavia was appointed Group Finance Director on 1 October 1994. He was Group Finance Director of LASMO plc from 1988 to 1993, having previously served as Treasurer (1985-87), Controller (1982-84) and Chief Accountant (1980-81). After leaving LASMO he was Chief Financial Officer of Bidas Corporation of Argentina. Mr Pavia is also a director of SEEBOARD Natural Gas Limited, Torch Natural Gas Limited, Seeboard Share Scheme Trustees Limited, SEEBOARD Pension Investment Plan Trustee Company Limited and SEEBOARD Final Salary Pension Plan Trustee Company Limited.

TONY SMITH LL.B (45)

Tony Smith was appointed Managing Director, Business Group from 1 January 1995 having been Director of Resources. Mr Smith is a director of Electricity Pensions Limited, Electricity Pensions Trustee Limited, SEEBOARD Pension Investment Plan Trustee Company Limited, SEEBOARD Final Salary Pension Plan Trustee Company Limited and the Sussex Innovation Centre Management Ltd.

JOHN WEIGHT BSc, CEng, FIEE (47)

John Weight was appointed Managing Director, Distribution on 1 January 1995 having joined the Board on 1 July 1993 as Managing Director, Business Group. Mr Weight is also Chairman of SEEBOARD International Limited.

Former Non-executive directors

All of the non-executive directors resigned on 10 January 1996. They were:

Sir Keith Stuart MA, FRSA, CIMgt, FCIT (55)

Ralph Aldred FCA (62)

Denis Patrick Cassidy (62)

Roy Cox CBE, FCA, FCMA, FCBSI (70)

Peter Dean CBE, LL.B (56)

Clive Malcolm Thompson BSc, FCIM, FInstD, CIMgt (52)

John Walmsley BA, FCA (49)

The Directors present their report and the audited accounts for the nine months ended 31 December 1995.

Recommended cash offer by CSW for SEEBOARD plc

On 6 November 1995, the Board of SEEBOARD and CSW announced that they had reached agreement on the terms of a recommended cash offer ("The Offer") to be made on behalf of CSW for the whole of the issued share capital of the Company.

The Offer made was 635p in cash for each SEEBOARD share, to be reduced to reflect the distribution of shares in The National Grid Group plc ("NGG"). The calculation of the amount of the reduction was the lower of:-

- (i) 0.48 times the market price of one NGG Share; or
- (ii) 105p.

The Offer included a Loan Note Alternative and valued the share capital of SEEBOARD at approximately £1.6 billion (assuming the exercise in full of all outstanding options under the SEEBOARD Share Option Schemes). The Offer represented a premium of 61 per cent over the closing price of a SEEBOARD share on 6 June 1995, the day on which SEEBOARD published its preliminary results for the year to 31 March 1995, and a premium of approximately 20 per cent over the closing price of a SEEBOARD share on 3 November 1995, the last trading day prior to the day of the announcement of the Offer.

The Offer was at a substantially higher level than any of the other offers for Regional Electricity Companies to that date and reflected CSW's recognition that it was purchasing a flagship company in that sector and gave the Directors of SEEBOARD the confidence to recommend unanimously that shareholders accept the Offer.

The Board was satisfied that, as part of CSW, SEEBOARD would be in a strong position to continue its domestic strategy of delivering real value to customers by providing a top quality service at the lowest price. CSW's resources and international connections would also enable SEEBOARD to develop as an international company as well as position itself for the fully competitive supply market which commences in 1998. The Directors believe that the combination with CSW will be of benefit to customers and employees who can look forward to enhanced opportunities and challenges as part of a wider international group.

It was agreed that Jim Ellis, Chief Executive, would become Chairman and Chief Executive of SEEBOARD and be invited to join the Board of CSW upon the Offer becoming or being declared wholly unconditional. The other executive members of the Board of SEEBOARD continue in their current executive functions.

CSW gave assurances to the Board of SEEBOARD that the existing employment rights, including existing pension rights, of all SEEBOARD employees, and the existing pension rights of pensioners and deferred pensioners of the SEEBOARD Group, would be fully safeguarded.

The cash offer by CSW was adjusted in line with the formula contained in the Offer document taking into account the market price of one NGG share, and declared at 535.4p following the first week of NGG shares being traded.

On 10 January 1996, the Offer was declared unconditional in all respects and the non-executive directors resigned their office. On 13 March 1996, a notice was issued by CSW under section 429 of the Companies Act 1985 to compulsorily purchase the remaining shares in SEEBOARD not yet held by CSW. On 25 April 1996 the shares in SEEBOARD were de-listed by and from the London Stock Exchange.

Principal Activities

The principal activities of the Group are the distribution and supply of electricity, electrical contracting and retailing, gas supply and electricity generation.

Flotation of the National Grid Group plc ("NGG")

On 8 December 1995, at an extraordinary general meeting of the Company, shareholders voted in favour of the demerger of SEEBOARD's interest in NGG (formerly the National Grid Holding plc). The demerger provided for all of SEEBOARD's shareholding in NGG to pass to shareholders on the basis of 12 NGG shares for 25 SEEBOARD shares. Sufficient shareholders in other Regional Electricity Companies also voted in favour of demerger of their Regional Electricity Companies' interests in NGG and on 11 December 1995 that Company was floated on the London Stock Exchange. In addition, SEEBOARD undertook to give each domestic customer having a point of supply as at 31 December 1995 a one off discount of £50 in their charges for future supplies of electricity.

The issue of NGG shares to SEEBOARD entitled SEEBOARD to receive shares in PSB Holding Limited, the holding company of First Hydro Limited. PSB Holding Limited has reached agreement for the sale of First Hydro Limited.

Eurobond

On 3 October 1995, an 8.5% £100,000,000 Eurobond due 2005 was issued by SEEBOARD plc.

Medway Power

Medway Power Ltd, an associated undertaking, commenced generating electricity commercially in the autumn of 1995.

Gas Business

On 23 October 1995 SEEBOARD entered into a joint venture with AMOCO that will sell natural gas directly to domestic consumers as well as commercial customers throughout the UK. Southern Gas Limited, now wholly-owned by SEEBOARD, will be integrated into the new gas business in due course.

Regulation

On 6 July 1995, the Director General of Electricity Supply released a statement on his review of the distribution price control. SEEBOARD had, however, already announced price reductions with its preliminary results on 6 June 1995. Those voluntary reductions had been designed to meet the new price controls until March 1997. SEEBOARD's underlying financial strength and the significant progress already made in reducing costs made the Company well placed to deal with the substantial reductions in allowed revenue required by the Regulator.

Board of Directors

Biographical details of directors are given on page 2.

All the directors served throughout the period with the exception of Mr C M Thompson who joined the Company from 1 June 1995 as a non-executive director.

On 10 January 1996 Jim Ellis was elected Chairman and Chief Executive and appointed to the Board of Central and South West Corporation. Also on 10 January 1996 Sir Keith Stuart, Roy Cox CBE, Peter Dean CBE, Denis Cassidy, Ralph Aldred, Clive Thompson and John Walmsley resigned as non-executive directors of the Company.

The Chairman thanked Sir Keith Stuart for his guidance and support and each of the non-executive directors for their contributions to the Company since privatisation.

Auditors

Our auditors, KPMG, have indicated that a limited liability company, KPMG Audit Plc, is to assume responsibility for certain aspects of their audit business. Accordingly, a resolution is to be proposed at the forthcoming Annual General Meeting for the appointment of KPMG Audit Plc as auditors of the Company.

Change of accounting reference date

On 10 January 1996 the directors approved a change of accounting reference date from 31 March to 31 December with effect from 31 December 1995, in line with the accounting reference date of Central and South West Corporation, SEEBOARD's ultimate holding company. Accordingly, the financial period ended 31 December 1995 covers nine months. Comparative information covers the twelve month period ended 31 March 1995.

Trading result

Profit on ordinary activities before taxation for the nine month period ended 31 December 1995 was £106.7m, profit on ordinary activities after taxation was £55.4m and earnings per share were 22.6p. For the twelve months ended 31 March 1995, profit on ordinary activities before taxation was £142.0m, profit on ordinary activities after taxation was £104.0m and earnings per ordinary share were 41.5p.

Dividends

No interim dividend was paid for the six months ended 30 September 1995 pending progress of the Offer by CSW for the whole of the issued share capital of the Company. The Offer was declared wholly unconditional on 10 January 1996.

No final dividend has been declared. It is proposed that the retained loss of £1.5m be transferred against reserves.

Directors' interests in SEEBOARD shares

The beneficial interests of directors and their families in the share capital of the Company as at 31 December 1995 are set out in the table below. The executive directors have been eligible to participate in the Profit Sharing Scheme and the shares held on their behalf by the trustees of that scheme are shown separately in the table. On 9 June 1995 Messrs T J Ellis, S Gutteridge, M J Pavia, A R Smith and J Weight were granted options for 97,500, 42,500, 147,500, 50,000 and 80,000 ordinary shares at 401p respectively. Full details of shares over which options were exercised during the period and held by the executive directors under both the Executive Share Option Scheme and Employees' Sharesave Scheme are stated in note 7 to the accounts on page 15.

Subsequent to the period under report the directors' interests in the shares of SEEBOARD plc have been disposed of to CSW. The directors are not aware of any contract of significance, other than service contracts, in relation to the Company or its subsidiaries in which any director has, or has had, a material interest.

	Ordinary shares		Shares held by		Share Options		Sharesave	
	of 50p each		Trustees		Executive Option Scheme		Schemes	
	31.12.1995	1.4.1995	31.12.1995	1.4.1995	31.12.1995	1.4.1995	31.12.1995	1.4.1995
Sir Keith Stuart	4,000	4,000	-	-	-	-	-	-
T J Ellis	106,184	106,184	538	538	231,500	134,000	-	-
R H C Aldred	6,000	6,000	-	-	-	-	-	-
D P Cassidy	5,000	5,000	-	-	-	-	-	-
R A Cox CBE	8,000	8,000	-	-	-	-	-	-
P H Dean CBE	4,000	4,000	-	-	-	-	-	-
S Gutteridge	4,400	3,200	-	-	168,500	126,000	-	-
M J Pavia	5,000	5,000	-	-	147,500	-	-	-
A R Smith	3,984	3,984	914	914	105,000	55,000	4,542	4,542
C M Thompson ¹	440	440	-	-	-	-	-	-
J A Walmsley	8,000	8,000	-	-	-	-	-	-
J Weight	23,184	23,184	516	516	130,000	50,000	5,746	5,746

¹ Mr Thompson's interests pre-date his appointment on 1 June 1995

Directors' and officers' liability insurance

The Company has maintained insurance to cover directors' and officers' liability, including those for its subsidiaries, as defined by section 310(3)(a) of the Companies Act 1985, as amended. With effect from 10 January 1996 directors' and officers' liability were covered under a policy held by CSW.

Employment policies

The Company communicates with staff about current activities and progress. Employee involvement in the business has been encouraged through share ownership schemes. The Company is an equal opportunity employer and sympathetic consideration is given to suitable employment applications from disabled persons and to retaining, where possible, in positions compatible with their disability, those employees who become disabled. High standards for health and safety at work are set and monitored. Health and safety at work is an issue of critical relevance to the Company. SEEBOARD's staff Health and Safety policy is clearly laid down and implemented through a number of committees which are responsible for ensuring the well-being of all staff.

Fixed Assets

Changes in the tangible fixed assets of the Company during the period are summarised in Note 11 to the accounts on page 19.

Donations

Donations for charitable purposes amounted to £164,536 in the period. SEEBOARD has continued to support projects with the provision of manpower and equipment. No contributions were made to political organisations by the Company or any of its subsidiaries.

Research and development

SEEBOARD continued to support, with others, research and development undertaken by E A Technology Limited and the Industrial Energy Efficiency Centre at Hatfield, Hertfordshire. Sponsorship of the SEEBOARD Chair of Electrical Engineering at Brighton University has been maintained together with the teaching fellowship at Kingston University. The close association with Technology Transfer South continues to provide a link between small industrial companies and experts within universities to promote and adopt new technologies.

By Order of the Board

A handwritten signature in black ink, appearing to be 'M A Nagle', written over a horizontal line.

M A Nagle
Company Secretary

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 Group 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 Group 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 to 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 Group and to prevent and detect fraud and other irregularities.

AUDITORS' REPORT TO THE MEMBERS OF SEEBOARD plc

We have audited the financial statements on pages 8 to 27.

Respective responsibilities of directors and auditors

As described above the Company's directors are responsible for the preparation of financial statements. 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 opinion

We conducted our audit in accordance with 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 Group'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 and of the Group as at 31 December 1995 and of the profit of the Group for the nine month period then ended and have been properly prepared in accordance with the Companies Act 1985.


KPMG

Chartered Accountants
Registered Auditors


London

SEEBOARD plc - GROUP PROFIT AND LOSS ACCOUNT
for the nine months ended 31 December 1995

		Before Exceptional Items	Exceptional Items (Note 4)	Nine months ended 31 December	Year ended 31 March
	Note	1995 £m	1995 £m	1995 £m	1995 £m
Turnover	1	836.1	(84.5)	751.6	1,195.6
Cost of sales		(611.2)	-	(611.2)	(846.3)
Gross profit		224.9	(84.5)	140.4	349.3
Net operating costs and administrative expenses	2	(169.7)	(1.4)	(171.1)	(210.7)
Operating profit/(loss)		55.2	(85.9)	(30.7)	138.6
Bid defence costs		-	(12.0)	(12.0)	-
		55.2	(97.9)	(42.7)	138.6
Income from fixed asset investments	3	-	147.6	147.6	14.7
Profit on ordinary activities before interest		55.2	49.7	104.9	153.3
Net interest	5	1.8	-	1.8	1.5
Government debt premium	6	-	-	-	(12.8)
Profit on ordinary activities before taxation		57.0	49.7	106.7	142.0
Taxation on profit on ordinary activities	8	(22.0)	(29.3)	(51.3)	(38.0)
Profit on ordinary activities after taxation		35.0	20.4	55.4	104.0
Minority interests		-	-	-	(0.1)
Profit for the financial period		35.0	20.4	55.4	103.9
Dividends - cash	9	-	-	-	(35.1)
- demerger	4	-	(56.9)	(56.9)	-
Retained profit/(loss)		35.0	(36.5)	(1.5)	68.8
Earnings per ordinary share					
Normal	10			22.6p	41.5p
Adjusted to exclude exceptional items and Government debt premium	10			14.3p	46.6p

A statement of movements on the profit and loss account is given in note 20.

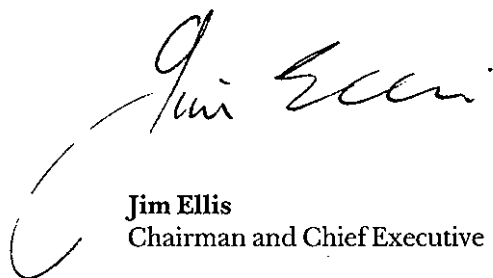
Recognised gains or losses

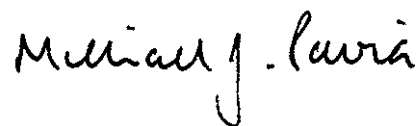
There are no recognised gains or losses (Year ended 31 March 1995 £nil) other than the profit for the financial period.

SEEBOARD plc - BALANCE SHEETS
as at 31 December 1995

		Group		Company	
		31 December	31 March	31 December	31 March
		1995	1995	1995	1995
	Note	£m	£m	£m	£m
Fixed assets					
Tangible assets	11	544.5	525.3	544.4	525.2
Investments	12	12.0	57.3	10.5	60.8
		556.5	582.6	554.9	586.0
Current assets					
Stocks	13	12.8	10.5	12.8	10.5
Debtors	14	205.7	220.4	213.9	214.7
Investments	16	14.7	13.2	8.5	8.5
Cash at bank and in hand		203.9	36.0	191.4	24.4
		437.1	280.1	426.6	258.1
Creditors (amounts falling due within one year)	17	273.8	251.1	260.0	237.8
Net current assets		163.3	29.0	166.6	20.3
Total assets less current liabilities		719.8	611.6	721.5	606.3
Creditors (amounts falling due after more than one year)	17	110.5	14.3	110.4	14.0
Provisions for liabilities and charges	18	55.7	36.2	55.7	36.2
Minority interests		-	0.4	-	-
Net assets		553.6	560.7	555.4	556.1
Capital and reserves					
Called up share capital	19	122.8	122.5	122.8	122.5
Share premium account	20	5.8	5.5	5.8	5.5
Capital redemption reserve	20	6.8	6.8	6.8	6.8
Profit and loss account	20	418.2	425.9	420.0	421.3
Shareholders' funds		553.6	560.7	555.4	556.1

The accounts on pages 8 to 27 were approved by the Board of Directors on 17th May 1996 and were signed on its behalf by:


Jim Ellis
Chairman and Chief Executive


Michael J Pavia
Group Finance Director

SEEBOARD plc - GROUP CASH FLOW STATEMENT
for the nine months ended 31 December 1995

		Nine months ended 31 December 1995 £m	Year ended 31 March 1995 £m
Net cash inflow from operating activities	<i>Note</i> 24	94.5	106.4
Returns on investments and servicing of finance			
Interest received		4.9	5.8
Interest paid		(2.2)	(4.6)
Government debt premium		-	(12.8)
Dividends received		8.0	11.5
Exceptional dividends received (<i>see note 4</i>)		91.8	-
Dividends paid		(25.4)	(31.2)
Net cash inflow/(outflow) from returns on investments and servicing of finance		77.1	(31.3)
Taxation			
Corporation tax paid (including ACT)		(27.2)	(43.0)
Cash flow from operations after tax		144.4	32.1
Investing activities			
Purchase of tangible fixed assets		(43.8)	(68.3)
Purchase of current asset investments		(1.5)	(1.4)
Purchase of investment in subsidiary undertaking		(1.5)	-
Purchase of investment in associated undertaking		(11.6)	-
Purchase of rights shares in NGG (<i>see note 4</i>)		(12.5)	-
Receipts from sales of tangible fixed assets		1.0	3.3
Net cash outflow from investing activities		(69.9)	(66.4)
Net cash inflow/(outflow) before financing		74.5	(34.3)
Financing			
Issue of ordinary share capital		0.6	3.1
Purchase of own shares		-	(60.5)
Loan finance		99.2	-
Repayment of Government debt		-	(54.0)
Net cash inflow/(outflow) from financing		99.8	(111.4)
Increase/(decrease) in cash and cash equivalents	24	174.3	(145.7)

Change of accounting reference date

On 10 January 1996 the directors approved a change of accounting reference date from 31 March to 31 December with effect from 31 December 1995 in line with the accounting reference date of Central and South West Corporation, SEEBOARD's ultimate holding company. Accordingly, the financial period ended 31 December 1995 covers nine months. Comparative information covers the twelve month period ended 31 March 1995.

Basis of preparation

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

No profit and loss account is presented for the Company as provided by Section 230 of the Companies Act 1985.

Consolidation

The accounts consolidate the financial statements of SEEBOARD plc ("the Company"), its subsidiary undertakings and its share of the results of associated undertakings ("the Group"). The results of the subsidiaries are included in the consolidated profit and loss account from the date of acquisition. Goodwill arising on consolidation, being the excess of the purchase price of subsidiaries and associates over the fair value of the net assets acquired, is written off against reserves.

An associated undertaking is one in which the Group has a long term interest and over which it exercises significant but not dominant influence. The Group's share of the profits less losses of associates is included in the profit and loss account within income from fixed asset investments and the Group's share of net assets is included in investments in the balance sheet. Where an accounting policy of an associate represents a significant departure from that of the Group, appropriate adjustments to the results of the associate are made on consolidation.

Turnover

Turnover represents the value of electricity consumption during the period, which includes an estimate of the sales value of units supplied to customers between the date of the last meter reading and the period end, and the invoice value of other goods and services provided, exclusive of value added tax.

Cost of sales, net operating costs and administrative expenses

Cost of sales includes the purchase cost of electricity, use of system charges and all other costs incurred to the point of sale. Other costs are analysed between net operating costs and administrative expenses. Net operating costs, referred to by the Companies Act 1985 as distribution costs, include all other costs with the exception of finance and administrative expenses.

Regulated income

Where there is an over recovery of Supply or Distribution Business revenues against the regulated maximum allowable amount, revenues equivalent to the over recovered amount are deferred. The deferred amount is deducted from turnover and included in creditors within accruals and deferred income. Where there is an under recovery, any potential future recovery is not anticipated.

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. Freehold land is not depreciated. The lives of each major class of asset are:

Network plant and buildings	40 years, at 3% for 20 years then 2% per annum
Non-network buildings	Up to 60 years
Fixtures, equipment and vehicles	Up to 10 years

In the case of major projects, such as the construction of generation plant, cost includes interest capitalised during the construction period.

Customers' contributions are credited to the profit and loss account at the same rate as the network is depreciated.

Property clawback

Under a trust deed, HM Government is entitled to a proportion of certain property gains accruing or treated as accruing as a result of property disposals. A provision for clawback of gains in respect of property disposals is made only to the extent that it is probable that a liability will crystallise. Such a liability will crystallise when an actual or deemed disposal occurs.

Stocks

Stocks are valued at the lower of cost and net realisable value.

Leases

Rental costs under operating leases are charged to the profit and loss account in equal annual amounts over the period of the lease.

Pension costs

Contributions to the Electricity Supply Pension Scheme are charged to the profit and loss account so as to spread the cost of pensions over employees' working lives with the Company. The capital cost of ex-gratia and supplementary pensions is charged to the profit and loss account in the accounting period in which they are granted.

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.

1 Turnover, profit and net assets by business

Turnover, profit before taxation and net assets of continuing operations attributable to the following classes of business were:

	Turnover		Profit before taxation		Net assets	
	Nine months ended 31 December 1995 £m	Year ended 31 March 1995 £m	Nine months ended 31 December 1995 £m	Year ended 31 March 1995 £m	31 December 1995 £m	31 March 1995 £m
Distribution	198.8	306.1	55.3	116.8	403.1	399.9
Supply	716.9	1,049.7	4.4	16.5	(2.0)	22.2
Other activities	90.0	117.8	(4.5)	5.3	97.5	80.1
Unallocated	-	-	-	-	1.2	(28.0)
Inter-activity sales	(169.6)	(278.0)	-	-	-	-
	836.1	1,195.6	55.2	138.6	499.8	474.2
Bid defence costs (<i>see note 4</i>)	-	-	(12.0)	-	-	-
Exceptional items (<i>see note 4</i>)	(84.5)	-	61.7	-	(50.9)	-
NGH dividends and investment	-	-	-	14.7	-	56.9
Net interest and net cash	-	-	1.8	1.5	104.7	29.6
Government debt premium	-	-	-	(12.8)	-	-
	751.6	1,195.6	106.7	142.0	553.6	560.7

2 Net operating costs and administrative expenses

	Nine months ended 31 December 1995 £m	Year ended 31 March 1995 £m
Net operating costs - depreciation	24.2	32.4
- other	128.0	151.4
	152.2	183.8
Administrative expenses	17.5	26.9
Exceptional items (<i>see note 4</i>)	1.4	-
	171.1	210.7

	Nine months ended 31 December 1995 £m	Year ended 31 March 1995 £m
Net operating costs and administrative expenses include:		
Operating lease rentals	4.3	4.9
Auditors' remuneration	0.1	0.1
Remuneration of auditors for non audit work	0.3	1.1

3 Income from fixed asset investments

	Nine months ended 31 December 1995 £m	Year ended 31 March 1995 £m
Dividends from The National Grid Holding plc ("NGH")	-	14.8
Share of loss of associated undertakings	-	(0.1)
Exceptional items (<i>see note 4</i>)	147.6	-
	147.6	14.7

4 Exceptional items

On 8 December 1995, at an extraordinary general meeting, shareholders of SEEBOARD plc approved the demerger of SEEBOARD's interest in the National Grid Group plc, formerly called The National Grid Holding plc. Under the terms of the demerger, SEEBOARD declared a dividend of £56.9m which was satisfied by the transfer of shares held by SEEBOARD to its shareholders in the proportion 12 NGG shares for every 25 SEEBOARD shares. In addition, SEEBOARD undertook to give each domestic customer having a point of supply as at 31 December 1995 a one off reduction in their charges for future supplies of electricity of £50. The cost of the discount is approximately £84.5m.

Prior to demerger, NGG made changes to its capital structure which involved the issue of NGG shares purchased by SEEBOARD at a cost of £12.5m and the payment of certain dividends. The issue of NGG shares to SEEBOARD entitled SEEBOARD to receive shares in PSB Holding Limited, the holding company of First Hydro Limited. In addition, special dividends were received totalling £91.8m together with the associated tax credit of £17.1m applied to pay the customer discount and corporation tax of £29.3m (net of deferred tax of £27.9m). No other dividends are receivable in the period.

Shares in NGG purchased by an employee share ownership plan ("ESOP") will be transferred to employees on exercise of their options. This transaction will give rise to national insurance costs of approximately £1.4m together with a cost of approximately £1.6m relating to the purchase and transfer of NGG shares.

PSB Holding Limited has reached agreement for the sale of First Hydro Limited and SEEBOARD's share of the sale proceeds, less estimated book value, is expected to be £40.3m.

Charged as exceptional items are bid defence costs of £12.0m, £8.0m after tax.

The exceptional items may be summarised as follows:

	£m	£m
Bid defence costs		(12.0)
Customer discount		(84.5)
National insurance costs		(1.4)
Dividends from the National Grid Group ("NGG") including associated tax credit of £17.1m	108.9	
Profit on disposal of First Hydro Limited	40.3	
Net cost of shares in NGG purchased by ESOP	(1.6)	147.6
UK corporation tax	(8.6)	
Capital gains tax	(48.6)	
Deferred tax	27.9	(29.3)
Specie dividend		(56.9)
		(36.5)

5 Net interest

	Nine months ended 31 December 1995 £m	Year ended 31 March 1995 £m
Interest payable:		
On bank loans, overdrafts and other loans wholly repayable within five years	(2.1)	(4.6)
On long term loans repayable in whole or in part after five years	(2.2)	-
Interest receivable	6.1	6.1
	1.8	1.5

6 Government debt premium

Early repayment of Government debt

On 23 August 1994, Government debt with a book amount of £54m was repaid at a premium of £12.8m. The debt carried a fixed rate of interest of 12.365% per annum and was repayable in 2008.

7 Directors and employees

(a) Directors' share options

	Scheme	Date of grant	Held at 1.4.1995	Granted during the period 31.12.1995	Held at 31.12.1995	Exercise price	Date from which normally exercisable	Expiry date
T J Ellis	Executive option	9.12.1991	27,000		27,000	156.0p	9.12.1994	9.12.2001
	Executive option	18.1.1993	107,000		107,000	235.5p	18.1.1996	18.1.2003
	Executive option	9.6.1995		97,500	97,500	401.0p	9.6.1998	9.6.2005
S Gutteridge	Executive option	18.1.1993	126,000		126,000	235.5p	18.1.1996	18.1.2003
	Executive option	9.6.1995		42,500	42,500	401.0p	9.6.1998	9.6.2005
M J Pavia	Executive option	9.6.1995		147,500	147,500	401.0p	9.6.1998	9.6.2005
A R Smith	Sharesave	18.12.1990	4,542		4,542	87.5p	1.3.1996	1.9.1996
	Executive option	18.1.1993	30,000		30,000	235.5p	18.1.1996	18.1.2003
	Executive option	21.7.1994	25,000		25,000	337.0p	21.7.1997	21.7.2004
	Executive option	9.6.1995		50,000	50,000	401.0p	9.6.1998	9.6.2005
J Weight	Sharesave	18.12.1990	3,514		3,514	87.5p	1.3.1996	1.9.1996
	Sharesave	30.9.1992	2,232		2,232	154.5p	1.12.1997	1.6.1998
	Executive option	18.1.1993	50,000		50,000	235.5p	18.1.1996	18.1.2003
	Executive option	9.6.1995		80,000	80,000	401.0p	9.6.1998	9.6.2005

No options were either exercised or lapsed during the period. The market price of the shares at 29 December 1995 was 526p and the range during the period was 334p to 652p. An agreed cash offer of 535.4p per share for the entire share capital of SEEBOARD plc has been declared unconditional and as a result, all of the options are now exercisable and were exercised by 1 March 1996. In addition, as a result of the offer, performance criteria relating to options granted on 9 June 1995 no longer apply.

7 Directors and employees continued

(b) Emoluments of directors of the Company were as follows:

	Nine months ended 31 December 1995 £000	Year ended 31 March 1995 £000
Salaries	619	837
Benefits	75	46
Fees	115	118
	809	1,001
Pension contributions	119	139
	928	1,140

	Salary £000	Benefits £000	Nine months ended 31 December 1995 Total £000	Year ended 31 March 1995 Total £000
Chairman				
Sir Keith Stuart	67	-	67	70
(Paid to Associated British Ports Holdings PLC)				
Executive directors				
T J Ellis (highest paid director)	169	42	211	214
S Gutteridge	94	8	102	128
M J Pavia (appointed 1.10.1994)	118	9	127	79
A R Smith (appointed 1.1.1995)	77	5	82	26
J Weight	94	11	105	116

Salary and benefits do not include pension contributions. The Company's pension contributions on behalf of T J Ellis, highest paid director, amounted to £20,000 (Year ended 31 March 1995 £30,000).

No bonuses were paid to any directors. Non-executive directors received neither share options nor pension entitlements. All executive directors have service contracts terminable by two years' notice.

7 Directors and employees continued

The emoluments of the directors (excluding pension contributions) fell into the following bands:

			Nine months ended 31 December 1995 Number	Year ended 31 March 1995 Number
£ 1	-	£5,000	-	1
£10,001	-	£15,000	1	-
£15,001	-	£20,000	3	3
£20,001	-	£25,000	1	1
£25,001	-	£30,000	1	2
£65,001	-	£70,000	1	1
£75,001	-	£80,000	-	1
£80,001	-	£85,000	1	-
£100,001	-	£105,000	2	-
£110,001	-	£115,000	-	1
£115,001	-	£120,000	-	1
£125,001	-	£130,000	1	1
£135,001	-	£140,000	-	1
£210,001	-	£215,000	1	1

A pension of £22,500 (Year ended 31 March 1995 £29,300) was paid in the period to a former Chairman.

(c) Employment costs

The aggregate remuneration of all employees, including the directors of the Group, comprised:

	Nine months ended 31 December 1995 £m	Year ended 31 March 1995 £m
Wages and salaries	62.6	85.5
Social security costs	5.1	7.1
Other pension costs	7.4	12.7
	75.1	105.3
Less: charged as capital expenditure	(11.5)	(17.8)
Charged to profit and loss account	63.6	87.5

	Nine months ended 31 December 1995	Year ended 31 March 1995
(d) Average number of employees in the Group during the period were:	4,278	4,680

8 Taxation on profit on ordinary activities

	Nine months ended 31 December 1995 £m	Year ended 31 March 1995 £m
UK corporation tax at 33% (Year ended 31 March 1995 33%)	24.8	40.1
Tax on The National Grid Holding plc dividends	-	3.0
Deferred tax	(2.8)	(1.2)
	22.0	41.9
Adjustment to taxation in respect of prior years' profits	-	(3.9)
Tax in respect of exceptional items (see note 4)		
UK corporation tax	8.6	-
Capital gains tax	48.6	-
Deferred tax	(27.9)	-
	51.3	38.0

9 Dividends

	Nine months ended 31 December 1995 £m	Year ended 31 March 1995 £m
Interim dividend paid of nil (year ended 31 March 1995 4.0p) per ordinary share	-	9.7
Final dividend paid of nil (year ended 31 March 1995 10.5p) per ordinary share	-	25.4
	-	35.1

The recommended cash offer for the entire share capital of SEEBOARD plc has been declared unconditional in all respects. Therefore, except for the dividend in specie (see note 4) neither an interim nor a final dividend has been declared.

10 Earnings per ordinary share

	Nine months ended 31 December 1995 000s	Year ended 31 March 1995 000s
Average issued share capital	245,354	250,525
	£m	£m
Profit for the financial period	55.4	103.9
Exceptional items (see note 4)	(20.4)	-
Government debt premium	-	12.8
Adjusted profit for the period	35.0	116.7
Earnings per share - Normal	22.6p	41.5p
- Adjusted to exclude exceptional items and Government debt premium	14.3p	46.6p

Adjusted earnings per share is calculated to provide an additional indication of underlying performance.

11 Tangible fixed assets**(a) Group and Company**

Cost	Network £m	Non- network land & buildings £m	Fixtures & equipment £m	Vehicles & mobile plant £m	Total £m
At 1 April 1995	669.9	81.7	75.1	19.9	846.6
Additions	35.9	1.3	6.2	0.6	44.0
Disposals	(2.1)	(0.4)	(1.8)	(2.6)	(6.9)
At 31 December 1995	703.7	82.6	79.5	17.9	883.7
Depreciation					
At 1 April 1995	239.8	18.1	50.2	13.2	321.3
Disposals	(2.1)	(0.2)	(1.8)	(2.2)	(6.3)
Charge for the period	13.4	1.4	7.4	2.0	24.2
At 31 December 1995	251.1	19.3	55.8	13.0	339.2
Net book amount					
At 31 December 1995	452.6	63.3	23.7	4.9	544.5
At 31 March 1995	430.1	63.6	24.9	6.7	525.3

All assets are owned by the Company with the exception of fixtures and equipment owned by Southern Gas Ltd at a cost of £0.1m (net book amount £0.1m).

(b) The net book amount of non-network land and buildings comprised:

	31 December 1995 £m	31 March 1995 £m
Freehold	60.7	61.4
Short leasehold	2.6	2.2
	63.3	63.6

Non-network land, included at £6.7m (31 March 1995 £6.7m), is not depreciated.

(c) Included in fixed assets at 31 December 1995 are assets in course of construction amounting to £22.3m (31 March 1995 £33.8m).

12 Fixed asset investments

Group	Associated undertakings	Other undertakings	Total Group
Cost	£m	£m	£m
At 1 April 1995	0.2	57.1	57.3
Additions	16.7	12.5	29.2
Disposals	-	(69.4)	(69.4)
Goodwill written off	(5.1)	-	(5.1)
At 31 December 1995	11.8	0.2	12.0

Company	Subsidiary undertakings	Other undertakings	Total Company
Cost	£m	£m	£m
At 1 April 1995	3.4	57.4	60.8
Additions	1.5	17.6	19.1
Disposals	-	(69.4)	(69.4)
At 31 December 1995	4.9	5.6	10.5

The Company's principal investment in an associate comprises a 37.5% interest in Medway Power Ltd ("Medway"), a company formed to construct, own and operate a 660 MW gas fired power station on the Isle of Grain, Kent. In October 1995, the Group invested a further £11.6m in Medway. The power station commenced generating electricity commercially in the autumn. The Company has entered into an agreement to purchase 50% of Medway's output of electricity for 15 years commencing in 1996. There was no contribution to either profit or loss from Medway in the period.

A schedule of the Company's principal subsidiary and associated undertakings is given in note 25.

13 Stocks

	Group and Company 31 December 1995 £m	31 March 1995 £m
Raw materials and consumables	2.0	2.3
Work in progress	3.1	1.6
Finished goods and goods for resale	7.7	6.6
	12.8	10.5

14 Debtors

	Group		Company	
	31 December	31 March	31 December	31 March
	1995	1995	1995	1995
	£m	£m	£m	£m
Amounts falling due within one year:				
Trade debtors	78.8	174.6	74.2	166.8
Amounts owed by group undertakings	-	-	2.6	2.0
Credit sale instalments not yet due	23.3	14.5	23.3	14.5
Amount due in respect of the sale of First Hydro	49.6	-	49.6	-
Other debtors	8.7	7.6	7.4	7.4
Prepayments and accrued income	4.4	0.7	4.3	0.5
Dividends receivable	-	8.0	-	8.5
Deferred tax (<i>see note 15</i>)	37.0	6.3	37.0	6.3
	201.8	211.7	198.4	206.0
Amounts falling due after more than one year:				
Amounts owed by group undertakings	-	-	11.6	-
Credit sale instalments not yet due	3.4	2.4	3.4	2.4
Advance corporation tax recoverable	0.5	6.3	0.5	6.3
	205.7	220.4	213.9	214.7

The amount shown under trade debtors has been reduced by the customer discount of £84.5m (*see note 4*).

15 Deferred tax

Total unprovided deferred tax liabilities computed at a rate of 33% (year ended 31 March 1995 33%) were as follows:

	Group and Company	
	31 December	31 March
	1995	1995
	£m	£m
Capital allowances in excess of depreciation	139.9	136.0
Other timing differences	(14.6)	(11.1)
	125.3	124.9

A transfer to deferred tax of £30.7m (year ended 31 March 1995 £1.2m) increased the deferred tax asset in respect of short term timing differences from £6.3m at 31 March 1995 to £37.0m at 31 December 1995.

16 Current asset investments

	Group		Company	
	31 December	31 March	31 December	31 March
	1995	1995	1995	1995
	£m	£m	£m	£m
Own shares purchased (<i>see note 19(c)</i>)	8.5	8.5	8.5	8.5
Other investments	6.2	4.7	-	-
	14.7	13.2	8.5	8.5

Of the other investments £3.5m (year ended 31 March 1995 £4.1m) were listed on the London Stock Exchange.

17 Creditors

	Group		Company	
	31 December 1995 £m	31 March 1995 £m	31 December 1995 £m	31 March 1995 £m
Amounts falling due within one year:				
Advance payments	14.2	26.0	13.8	25.5
Bank loans and overdrafts	-	6.4	-	6.4
Payments received on account	8.1	6.0	8.1	6.0
Trade creditors	125.8	106.1	123.3	101.7
Corporation tax	61.3	31.7	61.3	31.4
Other taxation and social security	1.5	0.5	1.5	0.5
Proposed dividend	-	25.4	-	25.4
Other creditors	38.7	26.7	27.8	18.6
Accruals and deferred income	24.2	22.3	24.2	22.3
	273.8	251.1	260.0	237.8

Amounts falling due after more than one year:

Bonds	99.2	-	99.2	-
Advance payments	6.1	11.4	6.0	11.1
Other creditors	5.2	2.9	5.2	2.9
	110.5	14.3	110.4	14.0

Loans outstanding at 31 December 1995 were repayable as follows:

	Group and Company	
	31 December 1995 £m	31 March 1995 £m
Repayable within one year	-	6.4
Repayable after five years		
8.5% bonds due 2005	99.2	-
	99.2	6.4

18 Provisions for liabilities and charges

	Restructuring £m	Pensions £m	Other £m	Total £m
Group and Company				
Balance at 1 April 1995	19.4	2.6	14.2	36.2
Applied during the year	(15.6)	-	(1.1)	(16.7)
Provided in the year	24.4	0.3	11.5	36.2
Balance at 31 December 1995	28.2	2.9	24.6	55.7

Included within other provisions are amounts set aside in respect of obligations related to gas contracts of £10.6m (year ended 31 March 1995 £nil).

19 Called up share capital

(a) Share capital

Authorised:

	Number	£m
Ordinary shares of 50p each	400,000,000	200.0

Allotted and fully paid:

At 1 April 1995	245,033,997	122.5
Issue of ordinary 50p shares arising from exercise of options	485,140	0.3
At 31 December 1995	245,519,137	122.8

(b) Employee share schemes

At 31 December 1995 the following options over the Company's ordinary shares were outstanding:

Savings related share option scheme

Participants in each scheme	Number of shares	Date options granted	Price per share	Normal period of exercise Six months from
1,797	4,654,160	18 December 1990	87.5p	1 March 1996
1,292	2,316,466	30 September 1992	154.5p	1 December 1997
	6,970,626			

Executive share option scheme

					From	To
3	60,000	17 January 1991	127.5p		1994	2001
1	27,000	9 December 1991	156.0p		1994	2001
201	2,771,000	18 January 1993	235.5p		1996	2003
35	325,000	21 July 1994	337.0p		1997	2004
5	417,500	9 June 1995	401.0p		1998	2005
	3,600,500					

An agreed cash offer of 535.4p per share for the share capital of SEEBOARD plc has been declared unconditional and as a result, all of the options were exercised or lapsed by 25 April 1996.

(c) At 31 December 1995 3,448,662 ordinary shares of the Company with a market value of £18.5m were held in an independently managed employee share ownership trust, formed to purchase shares in the Company on the open market, for use in satisfying the share option schemes.

(d) At 31 December 1995 Seeboard Share Scheme Trustees Ltd held 3,172,549 ordinary shares on behalf of employees in respect of the profit sharing scheme arrangements.

20 Reconciliation of movements in shareholders' funds

	Share capital £m	Share premium account £m	Capital redemption reserve £m	Group profit and loss account £m	Share- holders' funds £m	Company profit and loss account £m
Balance at 1 April 1995	122.5	5.5	6.8	425.9	560.7	421.3
Elimination of goodwill	-	-	-	(6.2)	(6.2)	-
Retained loss for the period	-	-	-	(1.5)	(1.5)	(1.3)
Issue of ordinary shares	0.3	0.3	-	-	0.6	-
Balance at 31 December 1995	122.8	5.8	6.8	418.2	553.6	420.0

The cumulative amount of goodwill written off to reserves at 31 December 1995 was £10.1m (31 March 1995 £3.9m). During the period, goodwill arising from the purchase of the minority interest in Southern Gas (fair value £0.4m) and the investment in Torch Natural Gas Ltd have been written off to reserves.

21 Pension costs

The Electricity Supply Pension Scheme, which operates throughout the Electricity Supply Industry, provides pension and other related benefits based on final pensionable pay to the majority of SEEBOARD employees. The assets of the Scheme are held in a separate trustee administered fund. A full actuarial valuation of the Scheme is carried out on a triennial basis. These accounts incorporate the results of the valuation of the Scheme carried out as at 31 March 1992. The next valuation has been carried out as at 31 March 1995 and the results will be reflected in the accounts for the year ended 31 December 1996.

This Scheme was no longer offered to new employees joining the Company on or after 1 July 1995. As from that date two new pension plans were made available to new permanent employees, the SEEBOARD Final Salary Pension Plan and the SEEBOARD Pension Investment Plan. The first being a final salary arrangement and the second money purchase, both being held in separate trustee administered funds.

Pension costs arising from all of the Company's pension schemes, charged to the profit and loss account for the period was £7.4m (year ended 31 March 1995 £12.7m). The latest full actuarial valuation of the Company's section of the Electricity Supply Pension Scheme was carried out by Bacon and Woodrow, consulting actuaries, as at 31 March 1992 and the results of this valuation have been used as the basis for assessing pension costs. The 'attained age' method was used for the valuation and the principal actuarial assumptions adopted were that the investment return would exceed salary increases by 2% per annum (exclusive of merit awards) and exceed future pension increases by 4% per annum.

The actuarial value of the assets of the Company's section of the Scheme as at 31 March 1992 represented 104% of the actuarial value of the accrued benefits. After allowing for benefit improvements granted as a result of the valuation and the provision made from surplus to cover contingencies and anticipated short term early retirement costs, this reduces to 100%. The accrued benefits include all benefits for pensioners and other former members as well as benefits based on service completed to date for active members, allowing for future salary rises.

The total market value of the assets of the Scheme as at 31 March 1992 was £9,492m of which £414m represented the section of the Scheme which relates to the members and beneficiaries of the Company. Contributions payable by the Company to the Scheme during the period (excluding provisions) were £7.0m (year ended 31 March 1995 £12.2m).

22 Lease obligations

The following annual obligations under operating leases for equipment and vehicles expire:

	Group and Company	
	31 December	31 March
	1995	1995
	£m	£m
Within one year	0.3	0.4
In the second to fifth year inclusive	0.3	0.5
	0.6	0.9

The following annual obligations under operating leases for non-network land and buildings expire:

	Group and Company	
	31 December	31 March
	1995	1995
	£m	£m
Within one year	0.2	0.1
In the second to fifth year inclusive	0.5	0.7
In more than five years	2.8	2.6
	3.5	3.4

23 Capital and other commitments

Capital investment authorised by the Board of Directors but not provided for as at 31 December 1995 amounted to £38.0m (31 March 1995 £51.3m) in respect of which the Board of Directors has entered into contractual commitments of £7.7m (31 March 1995 £9.5m).

On 10 April 1992 the Company entered into an agreement to subscribe for 37.5% of the equity and subordinated loan stock of Medway Power Ltd, ("Medway"), a company formed to construct, own and operate a 660 MW power station on the Isle of Grain, Kent. The maximum amount of the commitment by the Company to Medway, which is dependent upon actual construction costs, is £22.9m of which £11.6m has been paid (*see note 12*). At the same date a power purchase agreement was entered into by the Company to purchase 50% of Medway's output for 15 years commencing in 1996.

At 31 December 1995, Medway had tangible assets of £295.1m and project bank loans secured on those assets amounting to £279.1m. The lending banks have no right of recourse to the shareholders of Medway, including the Company, in respect of the repayment of the bank loan.

24 Notes to the cash flow statement

Reconciliation of operating profit to net cash inflow from operating activities

	Nine months ended 31 December 1995 £m	Year ended 31 March 1995 £m
Operating (loss)/profit	(30.7)	138.6
Bid defence costs (<i>see note 4</i>)	(12.0)	-
Depreciation	24.2	32.4
Profit on sale of fixed assets	(0.4)	(1.6)
Increase/(decrease) in provisions	14.4	(6.6)
	26.2	24.2
Movement in working capital		
(Increase)/decrease in stocks	(2.3)	0.2
Decrease/(increase) in debtors	84.0	(23.4)
(Decrease)/increase in creditors		
(Decrease) in advance payments	(17.1)	(34.3)
(Decrease) in Supply regulatory over recovery	-	(33.8)
Increase in other creditors	34.4	34.9
	99.0	(56.4)
Net cash inflow from operating activities	94.5	106.4

Analysis of cash and cash equivalents

	Balance		Movement in period	
	31 December 1995 £m	31 March 1995 £m	Nine months ended 31 December 1995 £m	Year ended 31 March 1995 £m
Cash at bank and in hand				
Short term deposits	201.9	35.4	166.5	(121.6)
Cash	2.0	0.6	1.4	(17.7)
	203.9	36.0	167.9	(139.3)
Bank overdraft	-	(6.4)	6.4	(6.4)
	203.9	29.6	174.3	(145.7)

24 Notes to the cash flow statement continued

Analysis of changes in financing during the period

	Share capital and premium		Loan finance	
	Nine months ended	Year ended	Nine months ended	Year ended
	31 December 1995	31 March 1995	31 December 1995	31 March 1995
	£m	£m	£m	£m
Balance at 1 April 1995	128.0	129.4	-	54.0
One for one matching offer	-	2.3	-	-
Transfer to capital redemption reserve	-	(6.8)	-	-
	128.0	124.9	-	54.0
Movement of funds				
Cash inflow/(outflow) from financing	-	-	99.2	(54.0)
Issue of share capital	0.6	3.1	-	-
Balance at 31 December 1995	128.6	128.0	99.2	-

25 Subsidiary and associated undertakings

The principal undertakings at 31 December 1995 which are incorporated and operate in England and Wales (unless otherwise stated) are as follows:

	Percentage of ordinary shares held	Activities
Principal subsidiary undertakings		
Seeboard Insurance Company Ltd (Isle of Man)	100%	Insurance
Longfield Insurance Company Ltd (Isle of Man)	100%	Insurance
SEEBOARD (Generation) Ltd	100%	Holding company
Seeboard Natural Gas Ltd	100%	Holding company
Southern Gas Ltd	100%	Gas supply
Associated undertakings		
SEEBOARD International Ltd	51%	Overseas consultancy
Medway Power Ltd	37.5%	Generation
Torch Natural Gas Ltd	50%	Gas Supply

26 Post balance sheet events

Central and South West Corporation ("CSW")

On 6 November 1995 the Boards of SEEBOARD plc and CSW announced that they had reached agreement on the terms of a recommended cash offer to be made on behalf of CSW (UK) plc for the whole of the issued share capital of SEEBOARD plc. The offer was declared unconditional in all respects on 10 January 1996.

CSW is incorporated in Delaware, USA.

SEEBOARD plc - FINANCIAL SUMMARY
31 December 1995

		Year ended 31 March			Nine months ended 31 December
	Note	1992 £m	1993 £m	1994 £m	1995 £m
Turnover	1	1,157.0	1,225.8	1,218.1	1,195.6
Operating profit					
Distribution		91.5	91.9	101.1	116.8
Supply		4.3	13.3	14.5	16.5
Other		0.3	1.5	4.4	5.3
Total operating profit		96.1	106.7	120.0	138.6
Bid defence costs		-	-	-	-
Exceptional items		-	-	-	-
Income from fixed asset investments		11.4	12.1	13.6	14.7
Net interest		(9.1)	(6.1)	(1.9)	1.5
Government debt premium		-	-	-	(12.8)
Profit on ordinary activities before taxation		98.4	112.7	131.7	142.0
Taxation on profit on ordinary activities	2	(30.2)	(33.5)	(35.0)	(38.0)
Profit on ordinary activities after taxation		68.2	79.2	96.7	104.0
Minority interests		-	(0.2)	(0.2)	(0.1)
Earnings attributable to shareholders		68.2	79.0	96.5	103.9
Average number of shares	3	254.8m	254.8m	255.2m	250.5m
Earnings per ordinary share - normal	3	26.8p	31.0p	37.8p	41.5p
- adjusted	4				46.6p
Average number of employees		6,257	6,039	5,339	4,680
Turnover per employee (annualised)		£185,000	£203,000	£228,000	£255,000
Customers per employee		309	323	368	422
Employment of capital					
Tangible fixed assets		404.5	446.9	494.2	525.3
Net cash/(debt)	5	(50.1)	(38.2)	121.3	29.6
Other assets less liabilities		68.0	67.5	(70.6)	5.8
Net assets		422.4	476.2	544.9	560.7
Capital investment		65.0	73.5	78.4	65.2
Depreciation		30.3	30.7	30.7	32.4

- Notes:
1. Turnover in respect of the nine months ended 31 December 1995 has been reduced by a non-recurring customer discount of £84.5m reported as an exceptional item
 2. Taxation in respect of the nine months ended 31 December 1995 includes a charge of £29.3m for exceptional items.
 3. Restated for one for one scrip issue in January 1994.
 4. Adjusted to exclude NGG demerger, bid defence costs and Government debt premium.
 5. Represents cash and cash equivalents less debt.