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Directors' Report and Accounts

# Norsk Hydro (UK) Limited

31 December 1983

Ernst & Whinney



## NORSK HYDRO (UK) LIMITED

## DIRECTORS' REPORT

Directors: J M Clay (Chairman)  
J G Speirs (Managing Director)  
O Narud  
O H Robberstad  
S Kjos  
M C W Wildy

Secretary: J Little

Registered Office: Hydro House, 49 York Street, Twickenham, Middlesex.

The directors present their report for the year ended 31 December 1983.

## ACCOUNTS AND DIVIDENDS

The directors submit the audited accounts of the company for the year ended 31 December 1983. The profit for the year attributable to shareholders amounts to £7,575,000 and is dealt with as shown in the consolidated profit and loss account.

The directors do not recommend the payment of a dividend.

## PRINCIPAL ACTIVITIES AND REVIEW OF BUSINESS DEVELOPMENTS

The activities of the group consist of the manufacture and distribution of chemical fertilizers, PVC resin and compounds, aluminium foundry, semi-manufactured and foil products. On 11 October 1983 the company acquired 75% of the issued share capital of Golden Sea Produce Limited, a company involved in the farming of various marine species and the operation of sea life centres in Great Britain.

## RESEARCH AND DEVELOPMENT

Certain companies in the group have programmes for the development of new and improved products. As stated in the accounting policies the costs of research and development are written off in the year in which the expenditure is incurred.

## FIXED ASSETS

As noted above, the company acquired Golden Sea Produce Limited during the year. This acquisition included tangible fixed assets with a net book value of £1,143,000. Other movements on fixed asset accounts are shown in note 12 to the accounts.



## NORSK HYDRO (UK) LIMITED

## DIRECTORS' REPORT (continued)

## DIRECTORS AND THEIR INTERESTS

The directors of the company during the year ended 31 December 1983 were those listed above and Mr U Paus who resigned on 1 June 1983. Mr O H Robberstad was appointed to the board on 1 June 1983.

No director had any interest in the shares of the company or any of the subsidiaries during the year. No contract or arrangement entered into by the company in which any director is interested has subsisted during the year.

## EMPLOYEE INVOLVEMENT AND CONSULTATIVE ARRANGEMENTS

The group operates a policy of communication and consultation with its employees, using various means including consultative committees, the issue of information bulletins and the display of relevant information on notice boards.

## HEALTH AND SAFETY AT WORK ACT 1974

The requirements of the Health and Safety at Work Act 1974 have been drawn to the attention of all employees in the group and close management attention is given to the health and safety of all workers.

## DISABLED PERSONS

It is the company's policy to give full consideration to suitable applications for employment by disabled persons.

Opportunities also exist for employees of the company who become disabled to continue in their employment or to be trained for other positions in the company's employment.

## CHARITABLE DONATIONS

The group has made gifts during the year for charitable purposes of £3,500.

## AUDITORS

Ernst & Whinney have expressed their willingness to continue in office as auditors and a resolution proposing their re-appointment will be submitted at the annual general meeting.

By order of the board

J Little

Secretary

23 March 1984

Ernst & Whinney

# Ernst & Whinney

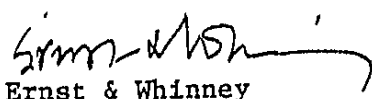
Chartered Accountants

## REPORT OF THE AUDITORS TO THE MEMBERS

We have examined the accounts of Norsk Hydro (UK) Limited set out on pages 4 to 23. These have been prepared under the historical cost convention. Our audit has been carried out in accordance with approved auditing standards.

In our opinion the accounts give a true and fair view of the state of affairs of the company and of the group, so far as concerns members of the company, at 31 December 1983 and of the profit and source and application of funds of the group for the year then ended and comply with the Companies Acts 1948 to 1981.

The accounts do not contain the current cost accounts as required by Statement of Standard Accounting Practice No 16.



Ernst & Whinney

London

23 March 1984

## NORSK HYDRO (UK) LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 1983

	Note	1983 £ '000	1982 £ '000
TURNOVER	2	292,254	168,290
OPERATING COSTS	3	<u>283,969</u>	<u>175,749</u>
GROUP OPERATING PROFIT/(LOSS)	4	8,285	(7,459)
Share of profits/(losses) of associated companies		259	(42)
Other income	7	<u>275</u>	<u>397</u>
		8,819	(7,104)
Interest payable	8	<u>(1,062)</u>	<u>(1,585)</u>
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		7,757	(8,689)
Taxation	9	<u>170</u>	<u>20</u>
PROFIT/(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION		7,587	(8,709)
Minority interests		<u>12</u>	<u>(49)</u>
		7,575	(8,660)
Extraordinary items	10	<u>-</u>	<u>(6,047)</u>
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		<u>£7,575</u>	<u>£(14,707)</u>
STATEMENT OF ACCUMULATED LOSSES			
Balance at 31 December 1982		(18,905)	(4,198)
Profit/(loss) for the year		7,575	(14,707)
Prior year losses released on liquidation of subsidiary company	13	<u>2,935</u>	<u>-</u>
Balance at 31 December 1983	11	<u>£(8,395)</u>	<u>£(18,905)</u>

## NORSK HYDRO (UK) LIMITED

## CONSOLIDATED BALANCE SHEET - 31 DECEMBER 1983

	Note	1983 £'000	1982 £'000
<b>FIXED ASSETS</b>			
Tangible assets	12	42,131	37,274
Investments	13	<u>3,696</u>	<u>1,666</u>
		<u>45,827</u>	<u>38,940</u>
<b>CURRENT ASSETS</b>			
Stocks	14	57,502	47,426
Debtors	15	67,039	60,993
Cash at bank and in hand		<u>325</u>	<u>275</u>
		<u>124,866</u>	<u>108,694</u>
<b>CREDITORS - amounts falling due within one year</b>			
Bank loans and overdrafts		8,484	8,226
Trade and other creditors	16	<u>92,221</u>	<u>81,695</u>
		<u>100,705</u>	<u>89,921</u>
<b>NET CURRENT ASSETS</b>		<u>24,161</u>	<u>18,773</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>£69,988</u>	<u>£57,713</u>
<b>CREDITORS - amounts falling due after more than one year</b>			
	17	<u>74,494</u>	<u>72,783</u>
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>	18	<u>460</u>	<u>20</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	19	2,000	2,000
Other reserves	20	1,429	1,644
Profit and loss account		<u>(8,395)</u>	<u>(18,905)</u>
		<u>(4,966)</u>	<u>(15,261)</u>
<b>MINORITY INTERESTS</b>	21	-	171
<div style="display: flex; justify-content: space-between; align-items: flex-start;"> <div> <p>J M Clay <i>J M Clay</i></p> <p>J G Speirs <i>J G Speirs</i></p> <p>23 March 1984</p> </div> <div> <p>Directors</p> </div> </div>			
		<u>£69,988</u>	<u>£57,713</u>

## NORSK HYDRO (UK) LIMITED

## BALANCE SHEET - 31 DECEMBER 1983

	Note	1983 £'000	1982 £'000
<b>FIXED ASSETS</b>			
Tangible assets	12	1,717	1,663
Investments	13	26,480	24,910
		<u>28,197</u>	<u>26,573</u>
<b>CURRENT ASSETS</b>			
Stocks	14	475	398
Debtors	15	10,940	10,839
Cash at bank and in hand		247	230
		<u>11,662</u>	<u>11,467</u>
<b>CREDITORS - amounts falling due within one year</b>			
Trade and other creditors	16	9,835	8,089
<b>NET CURRENT ASSETS</b>		<u>1,827</u>	<u>3,378</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>£30,024</u>	<u>£29,951</u>
<b>CREDITORS - amounts falling due after more than one year</b>			
	17	<u>26,815</u>	<u>27,585</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	19	2,000	2,000
Profit and loss account		1,209	366
		<u>3,209</u>	<u>2,366</u>
		<u>£30,024</u>	<u>£29,951</u>

J M Clay *J M Clay* Directors  
 J G Speirs *J G Speirs*  
 23 March 1984

## NORSK HYDRO (UK) LIMITED

CONSOLIDATED STATEMENT OF SOURCE AND APPLICATION OF FUNDS  
FOR THE YEAR ENDED 31 DECEMBER 1983

	1983 £'000	1982 £'000
<b>SOURCES OF FUNDS</b>		
<b>FROM OPERATIONS</b>		
Profit/(loss) on ordinary activities before taxation	7,757	(8,689)
Items not involving the movement of funds:		
Depreciation of fixed assets	3,406	2,107
Amortisation of Regional Development Grants	(21)	-
(Profit) on sale of fixed assets	(152)	(95)
(Profit)/loss retained in associated companies	(259)	42
<b>Total generated from/(absorbed by) operations</b>	<b>10,731</b>	<b>(6,635)</b>
<b>OTHER SOURCES</b>		
Proceeds of sale of fixed asset investments	-	226
Proceeds of sale of tangible fixed assets	1,100	635
Acquisitions and disposals of subsidiaries (note on page 9)	3,959	49,290
Regional Development Grants claimed	508	198
<b>Total sources of funds</b>	<b>16,298</b>	<b>43,714</b>
<b>FUNDS APPLIED</b>		
Purchase of tangible fixed assets	8,418	4,223
Purchase of fixed asset investments	1,771	-
Net repayment of loans to parent company	416	16,825
Taxation paid	5	-
Purchase of minority in subsidiary company	300	-
Closure costs	-	6,041
Formation costs incurred	-	225
	<b>10,910</b>	<b>27,314</b>
<b>INCREASE IN WORKING CAPITAL</b>	<b>5,388</b>	<b>16,400</b>





NOTES ON THE ACCOUNTS - 31 DECEMBER 1983

1 ACCOUNTING POLICIES

(a) Accounting convention

The accounts are prepared under the historical cost convention.

(b) Basis of consolidation

The consolidated accounts incorporate the accounts of the company and of each of its subsidiaries for the year ended 31 December 1983. The results of subsidiary and associated companies sold or acquired during the year are included in the group profit and loss account up to or from the effective dates of sale or acquisition.

(c) Associated companies and other trade investments

A company is defined as an associated company if, not being a subsidiary, it satisfies the following requirements:

- (i) the group has a beneficial interest of 20% or more in its equity share capital, and
- (ii) the group is in a position to exercise a significant influence on its commercial and financial policies.

The group's share of profits, less losses, of significant associated companies is included in the consolidated profit and loss account and its share of post-acquisition reserves is included in the consolidated balance sheet. The figures relating to associated companies are taken from their latest accounts for the year to 31 December 1983. Details of associated companies are listed in note 14. The profits of other companies in which the group holds shares as trade investments are included only to the extent of dividends received.

(d) Debtors

Provision is made against all debts where there is doubt as to their recoverability.

(e) Depreciation and amortisation

Freehold land is not depreciated. The cost (after accounting for regional development grants) of other fixed assets is written off by equal instalments over their expected useful lives as follows:

Industrial buildings	25 - 50 years
Short leasehold property	Over the term of the lease
Office equipment, furniture and fittings	5 - 15 years
Plant and machinery	7 - 15 years
Motor vehicles	3 - 4 years
Commercial vehicles	6.67 years

Depreciation is calculated from the month of purchase of the asset.

## NOTES ON THE ACCOUNTS - 31 DECEMBER 1983

## 1 ACCOUNTING POLICIES (continued)

## (f) Goodwill

Goodwill arising on the acquisition of subsidiary and associated companies is calculated by reference to fair values of assets acquired and is charged to reserves in the year in which it arises.

## (g) Deferred taxation

Provision is made for deferred taxation, using the liability method, on short term timing differences and all other material timing differences which are not expected to continue in the foreseeable future.

## (h) Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for any obsolete or slow moving items. In the case of finished goods and work in progress, cost comprises direct materials, direct labour and an appropriate proportion of manufacturing fixed and variable overheads. The allocation of manufacturing fixed overheads has regard to budgeted normal production.

## (i) Research and development

Expenditure on research and development is written off in the year in which it is incurred.

## (j) Foreign currencies

Assets, liabilities, revenues and costs denominated in foreign currencies are recorded at the rate of exchange ruling at the date of the transaction; monetary assets and liabilities at the balance sheet date are translated at the year end rate of exchange. All exchange differences thus arising are reported as part of the profit for the year.

## (k) Pension benefits

Pension benefits are funded over the employees' periods of service through several self administered pension funds. The companies' contributions are based on the recommendations in the most recent actuarial valuation of the Funds.

## NOTES ON THE ACCOUNTS - 31 DECEMBER 1983

## 2 ANALYSIS OF TURNOVER AND PROFITS BETWEEN ACTIVITIES AND MARKETS

## Sales

Sales represent the invoiced value, excluding VAT, of goods supplied and commissions earned by the group excluding intra group transactions. In the case of the company, sales represents the invoiced value excluding VAT of all goods supplied and commission earned by the company.

The amount of group turnover and the extent of the profit on ordinary activities before taxation attributable to each of the classes of activity of the group are as follows:

	Turnover		Profit/(Loss) on ordinary activities before taxation	
	1983 £'000	1982 £'000	1983 £'000	1982 £'000
Chemical fertilizers	170,312	98,808	1,566	(6,312)
PVC resins and compounds	86,797	43,700	4,307	(3,245)
Aluminium foundry, semi- -manufactured and foil products	34,782	25,782	2,052	868
Marine farming and operation of sea life centres	363	-	(168)	-
	<u>292,254</u>	<u>168,290</u>	<u>7,757</u>	<u>(8,689)</u>

A geographical analysis of turnover is as follows:

United Kingdom	272,250	160,646
Overseas countries	<u>20,004</u>	<u>7,644</u>
	<u>292,254</u>	<u>168,290</u>

## NORSK HYDRO (UK) LIMITED

## NOTES ON THE ACCOUNTS - 31 DECEMBER 1983

## 3 OPERATING COSTS

## GROUP

	1983 £'000	1982 £'000
Change in stocks of finished goods and work in progress	(6,522)	(8,759)
Raw materials and consumables	193,823	120,619
Other external charges	16,033	8,157
Staff costs:		
wages and salaries	32,479	22,330
social security costs	2,613	1,924
other pension costs	3,763	2,432
Depreciation	3,406	2,107
Other operating charges	38,374	26,939
	<u>283,969</u>	<u>175,749</u>

## 4 GROUP OPERATING PROFIT is stated after charging/(crediting):

	1983 £000	1982 £000
Hire of plant and machinery and leasing charges	3,358	2,022
Auditors' remuneration	134	107
Costs of amalgamation of businesses	-	1,366
Profit on sale of fixed assets	(152)	(95)

## 5 EMOLUMENTS OF DIRECTORS

## (a) Directors

	1983 £000	1982 £000
Fees	18	14
Remuneration including pension contributions	<u>43</u>	<u>37</u>
	<u>61</u>	<u>51</u>

The emoluments excluding pension contributions, of directors of the company are detailed as follows:-

	1983 £000	1982 £000
Chairman	4	3
Highest paid director	38	33

Number of directors

Other directors, in scale  
Not more than £5,000

5 4

## NOTES ON THE ACCOUNTS - 31 DECEMBER 1983

## 6 STAFF NUMBERS

The average number of persons employed by the group, including directors, during the year was as follows:

	1983	1982
Distribution of aluminium and associated products	40	39
Manufacture of aluminium extrusions and associated products	252	234
Manufacture of PVC resins and compounds	973	1,036
Manufacture and distribution of agricultural fertilizers	2,147	2,558
Marine farming and operation of sea life centres	51	-
	<u>3,463</u>	<u>3,867</u>

## 7 OTHER INCOME

	1983 £000	1982 £000
Interest received from group companies	52	16
Other interest received	<u>223</u>	<u>381</u>
	<u>275</u>	<u>397</u>

## 8 INTEREST PAYABLE

	1983 £000	1982 £000
Interest paid to group companies	674	926
Interest paid on bank loans and overdrafts	<u>388</u>	<u>659</u>
	<u>1,062</u>	<u>1,585</u>

## NOTES ON THE ACCOUNTS - 31 DECEMBER 1983

## 9 TAXATION

	1983 Group £000	1982 Group £000
Deferred taxation	164	20
Tax credit on Franked Income	<u>6</u>	<u>-</u>
	<u>170</u>	<u>20</u>

Tax losses, including unused capital allowances and stock appreciation relief, available to be carried forward against future profits assessable to corporation tax, are estimated as follows:

	1983 £000	1982 £000
Group	43,756	40,000
Company	<u>-</u>	<u>261</u>
	<u>43,756</u>	<u>40,261</u>

## 10 EXTRAORDINARY ITEMS

	1983 £000	1982 £000
Provision for closure and reorganisation costs	-	6,041
Formation expenses	-	225
Disposal of fixed assets	<u>-</u>	<u>(219)</u>
	<u>-</u>	<u>6,047</u>

## 11 ACCUMULATED LOSSES AT 31 DECEMBER 1983

	1983 £000	1982 £000
Retained by:		
The company	1,209	366
Subsidiaries	(9,884)	(19,292)
Associated companies	<u>280</u>	<u>21</u>
	<u>(8,395)</u>	<u>(18,905)</u>

The company has not presented its own profit and loss account for the year ended 31 December 1983. Of the group profit for the financial year, £843,000 has been dealt with in the accounts of the company (1982 - £47,000).

## NOTES ON THE ACCOUNTS - 31 DECEMBER 1983

## 12 TANGIBLE FIXED ASSETS

	At 1 January 1983 £000	Additions and reclassifi- cations £000	On acquisition and disposal of subsidiaries £000	Disposals and transfers £000	At 31 December 1983 £000
<b>GROUP</b>					
At cost or valuation					
Freehold property	8,438	1,694	(649)	(700)	8,783
Short leasehold property	1,148	85	770	(19)	1,984
Long leasehold property	1,412	235	-	(14)	1,633
Plant and machinery, motor vehicles and fittings	31,341	6,503	984	(446)	38,382
Plant and buildings under construction	3,723	(99)	-	-	3,624
	<u>46,062</u>	<u>8,418</u>	<u>1,105</u>	<u>(1,179)</u>	<u>54,406</u>
Depreciation					
Freehold property	847	205	(307)	-	745
Short leasehold property	83	81	149	(19)	294
Long leasehold property	63	60	-	(3)	120
Plant and machinery motor vehicles and fittings	7,736	3,119	470	(209)	11,116
Plant and buildings under construction	59	(59)	-	-	-
	<u>8,788</u>	<u>3,406</u>	<u>312</u>	<u>(231)</u>	<u>12,275</u>
Net Book Value	<u>37,274</u>				<u>42,131</u>



## NOTES ON THE ACCOUNTS - 31 DECEMBER 1983

## 12 TANGIBLE FIXED ASSETS (continued)

	At 1 January 1983 £000	Additions and reclassifi- cations £000	Disposals £000	At 31 December 1983 £000
COMPANY				
At cost or valuation				
Freehold property	121	1,236	-	1,357
Short leasehold property	19	-	(19)	-
Long leasehold property	101	40	-	141
Plant and machinery motor vehicles and fittings	529	144	(76)	597
Building under construction	1,203	(1,203)	-	-
	<u>1,973</u>	<u>217</u>	<u>(95)</u>	<u>2,095</u>
Depreciation				
Freehold property	5	29	-	34
Short leasehold property	19	-	(19)	-
Long leasehold property	2	11	-	13
Plant and machinery, motor vehicles, furniture and fittings	275	107	(51)	331
Building under construction	9	(9)	-	-
	<u>310</u>	<u>138</u>	<u>(70)</u>	<u>378</u>
Net book value	<u>1,663</u>			<u>1,717</u>

## 13 FIXED ASSET INVESTMENTS

	1983 £000	1982 £000
GROUP		
Associated companies		
Share of net assets		
At 31 December 1982	274	316
Share of retained profits/(losses) for year	259	(42)
At 31 December 1983	533	274
Unlisted investments	2,123	352
Other loans	1,040	1,040
	<u>3,696</u>	<u>1,666</u>

## NOTES ON THE ACCOUNTS - 31 DECEMBER 1983

## 13 FIXED ASSET INVESTMENTS (continued)

## COMPANY

## Subsidiary companies

Shares at cost	23,430	23,381
Less: provision for diminution in value	<u>615</u>	<u>615</u>
	22,815	22,766
Loans to subsidiary companies	<u>500</u>	<u>750</u>
	23,315	23,516
Shares in associated companies	2	2
Unlisted investments	2,123	352
Other loans	<u>1,040</u>	<u>1,040</u>
	26,480	24,910

## ASSOCIATED COMPANIES (UNLISTED)

The investments in associated companies at 31 December 1983 comprise the following holdings:

	Country of incorporation or registration	Proportion of ordinary shares held
Farmers Fertilizers Limited	England	50%
Spa Aluminium Limited	England	36%

No dividends were received from associated companies during the year (1982 - £Nil).

The group's share of the results of associated companies are based on the the consolidated profit and loss account and their share of post acquisition reserves is included in the consolidated balance sheet.

The results included for Farmers Fertilizers Limited are as shown by the audited accounts for the year ended 31 December 1983. The results included for Spa Aluminium Limited are based on management accounts for the year ended 31 December 1983.

## SUBSIDIARY COMPANIES

During the year the company acquired 75% of the issued share capital of Golden Sea Produce Limited, a company involved in the farming of various marine species and the operation of sea life centres, for £48,752.

In addition, a wholly owned subsidiary, Ashley Aluminium Limited was in the process of liquidation at the year end. In the books of Norsk Hydro (UK) Limited full provision has been made against the investment in this subsidiary. In the consolidated accounts the reserves of this company have been excluded on the grounds that the liquidation was substantially complete at the year end.

## NORSK HYDRO (UK) LIMITED

NOTES ON THE ACCOUNTS - 31 DECEMBER 1983

## 13 FIXED ASSET INVESTMENTS (continued)

The company's principal subsidiaries at 31 December 1983 were:

Company	Country of registration	Nature of business	Proportion of ordinary shares held
Norsk Hydro Fertilizers Limited	England	Manufacture and distribution of chemical fertilizers.	100%
Diamond Fertiliser and Chemical Co Limited	England	Traders in chemicals and chemical fertilizers.	100%
Norsk Hydro Polymers Limited	England	Production, compounding and marketing of PVC	100%
Aluminium Precision Extruders Limited	England	Extruders and anodisers of aluminium	100%
Alumelt Limited	England	Smelting of scrap aluminium into aluminium billet	100%
Alupack Limited	England	Manufacture of aluminium foil products	100%
Golden Sea Produce Limited	England	Farming of marine species and operation of sea life centres	75%

All shares are held by the company with the exception of the Diamond Fertiliser and Chemical Co. Limited shares which are held by a subsidiary company.

## OTHER INVESTMENTS

The company has the following investment which exceeded 10% of the equity share capital of the company in which the investment is held:

Company	Proportion of Ordinary shares held
Staveley Chemicals Limited	10%

In the directors' opinion the value of this and the other unlisted investments is not less than the amount at which they have been stated in the balance sheet

## NOTES ON THE ACCOUNTS - 31 DECEMBER 1983

## 14 STOCKS

	1983		1982	
	Group £ '000	Company £ '000	Group £ '000	Company £ '000
Raw materials	24,501	-	16,210	-
Semi-manufactured goods	614	-	5,385	-
Finished goods	31,506	475	25,831	398
Others	881	-	-	-
	<u>57,502</u>	<u>475</u>	<u>47,426</u>	<u>398</u>

The replacement cost of stocks held by the group at 31 December 1983 and 31 December 1982 is not materially different from the above values. The replacement cost of the company's stocks exceed the value stated at 31 December 1983 by £59,000. At 31 December 1982 the excess was not material.

## 15 DEBTORS

	1983		1982	
	Group £ '000	Company £ '000	Group £ '000	Company £ '000
Due within one year				
Trade debtors	62,130	5,863	55,038	4,324
Amounts owed by subsidiaries	-	4,162		4,446
Amounts owed by group companies	74	29	104	35
Other debtors	2,940	184	3,225	1,053
Prepayments and accrued income	1,758	27	2,555	23
Amounts owed by associated companies	137	-	71	13
	<u>67,039</u>	<u>10,265</u>	<u>60,993</u>	<u>9,894</u>
Due after more than one year				
Amounts owed by subsidiaries	-	675	-	945
	<u>67,039</u>	<u>10,940</u>	<u>60,993</u>	<u>10,839</u>

## NOTES ON THE ACCOUNTS - 31 DECEMBER 1983

## 16 TRADE AND OTHER CREDITORS

	1983		1982	
	Group £'000	Company £'000	Group £'000	Company £'000
Trade creditors	12,830	230	17,566	183
Other creditors	2,416	7	9,480	-
Amounts owed to subsidiaries	-	757	-	107
Amounts owed to group companies	58,013	7,813	42,199	7,037
Accruals and deferred income	13,727	243	8,388	246
Taxation and social security	5,235	785	4,062	516
	<u>92,221</u>	<u>9,835</u>	<u>81,695</u>	<u>8,089</u>

## 17 CREDITORS - amounts falling due after more than one year

	1983		1982	
	Group £'000	Company £'000	Group £'000	Company £'000
Amounts due to parent company	73,809	26,815	72,585	27,585
Regional Development Grants	685	-	198	-
	<u>74,494</u>	<u>26,815</u>	<u>72,783</u>	<u>27,585</u>

The amounts due to parent company comprise the following loans:

	Repayment dates	1983 £000	1982 £000
To company			
Interest bearing (1% over National Westminster Bank base rate)	1983 - 1991	2,550	2,975
Interest bearing (1% over National Westminster Bank base rate)	1983	-	95
Interest free	1987 - 1991	15,990	16,240
Interest free	1987 - 1992	8,275	8,275
		<u>26,815</u>	<u>27,585</u>
To group companies			
Interest bearing (rate to be agreed)	1987 - 1991	15,000	15,000
Interest bearing (rate to be agreed)	1987 - 1992	20,000	20,000
Interest free	1987 - 1992	10,000	10,000
Interest free	No fixed date	250	-
Interest bearing (1% over National Westminster Bank base rate)	1983 - 1993	105	-
Interest bearing (rate to be agreed)	No fixed date	1,639	-
		<u>73,809</u>	<u>72,585</u>

## NOTES ON THE ACCOUNTS - 31 DECEMBER 1983

## 17 CREDITORS - amounts falling due after more than one year (continued)

Notes: .

- i) The interest bearing and interest free loans with repayment dates in 1987 can have these dates postponed to a subsequent commencement date subject to three months notice of repayment being given.
- ii) The parent company has confirmed that the loans to the group companies are subordinated to the amounts due to other creditors of these companies for goods and services supplied.

The repayments of parent company loans fall due as follows:

	1983		1982	
	Group £'000	Company £'000	Group £'000	Company £'0000
Within 12 months	440	425	1,625	525
Between 1-2 years	440	425	520	520
Between 2-5 years	25,199	10,154	1,275	1,275
After 5 years	46,281	16,236	70,790	25,790
No fixed repayment date	1,889	-	-	-
	<u>74,249</u>	<u>27,240</u>	<u>74,210</u>	<u>28,110</u>

The repayments due within 12 months have been included in current liabilities.

## 18 PROVISIONS FOR LIABILITIES AND CHARGES

	Group	
	1983 £000	1982 £000
Deferred taxation	<u>460</u>	<u>20</u>

The deferred taxation account at 31 December 1983 comprises:

	1983 £000	1982 £000
Fixed asset timing differences	15,933	13,424
Other timing differences	(2,471)	(4,396)
Losses carried forward	<u>(13,002)</u>	<u>(9,008)</u>
	<u>460</u>	<u>20</u>

## NOTES ON THE ACCOUNTS - 31 DECEMBER 1983

## 19 CALLED UP SHARE CAPITAL

	1983 £'000	1982 £'000
Authorised, issued and fully paid Ordinary shares of £1 each	2,000	2,000
	<u>2,000</u>	<u>2,000</u>

## 20 OTHER RESERVES

	1983 £'000	1982 £'000
At 1 January	1,644	1,235
Arising during the year on acquisition of shares in subsidiary companies	-	409
Goodwill arising during the year written off	<u>(215)</u>	<u>-</u>
At 31 December	<u>1,429</u>	<u>1,644</u>

## 21 CAPITAL COMMITMENTS

At 31 December 1983 the directors have authorised future capital expenditure which, without taking account of Government grants, amounts to:

	Group		Company	
	1983 £'000	1982 £'000	1983 £'000	1982 £'000
Contracted	1,504	1,613	-	-
Not contracted	<u>4,098</u>	<u>4,147</u>	<u>-</u>	<u>-</u>
	<u>5,602</u>	<u>5,760</u>	<u>-</u>	<u>-</u>

NOTES ON THE ACCOUNTS - 31 DECEMBER 1983

22 CONTINGENT LIABILITIES

- (a) The group had given guarantees and indemnities to third parties of £2,637,00 at 31 December 1983 (31 December 1982 - £2,161,000).
- (b) Certain subsidiary companies have contingent liabilities in respect of bills discounted of £9,209 at 31 December 1983 (31 December 1982 - £617,000).
- (c) Proceedings have been instituted against a subsidiary and they are defended and the company has counter claimed. The directors of the subsidiary are unable to state whether or not any liability will fall upon the subsidiary.
- (d) The company has guaranteed the rent payable under a lease assigned to Alform Alloys Limited a former associated company which expires on 24 June 2002. The rent payable is £5,000 per annum subject to review every three years. A counter indemnity to the company has been given by two of the shareholders in Alform Alloys Limited.

23 PARENT COMPANY

The company is a wholly owned subsidiary of Norsk Hydro a.s. which is incorporated in Norway.