

NORSK HYDRO (UK) LIMITED

REPORT AND ACCOUNTS

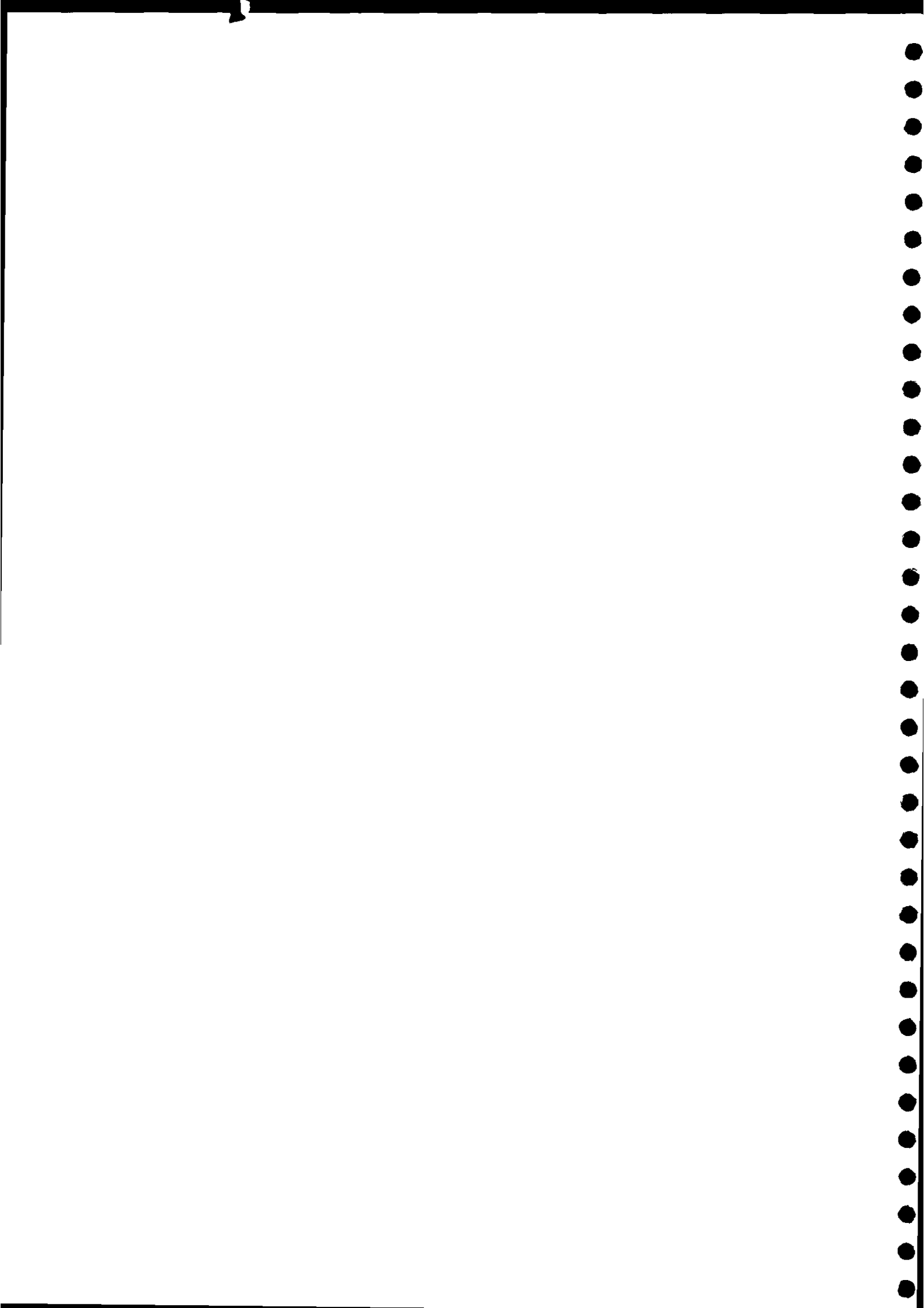
31 DECEMBER 1999

 ERNST & YOUNG



A11
COMPANIES HOUSE

0285
23/12/00



Norsk Hydro (UK) Limited

Registered No. 841421

DIRECTORS

E Myklebust	(Chairman)
L L Nergaard	(Deputy Chairman)
J G Speirs	(Managing Director)
Sir John Caines	
I L Schmiegelow	

SECRETARY

B J Adkins

AUDITORS

Ernst & Young
Becket House
1 Lambeth Palace Road
London SE1 7EU

BANKERS

Barclays Bank PLC
4th Floor Crown House
Crown Street
Ipswich
IP1 3HQ

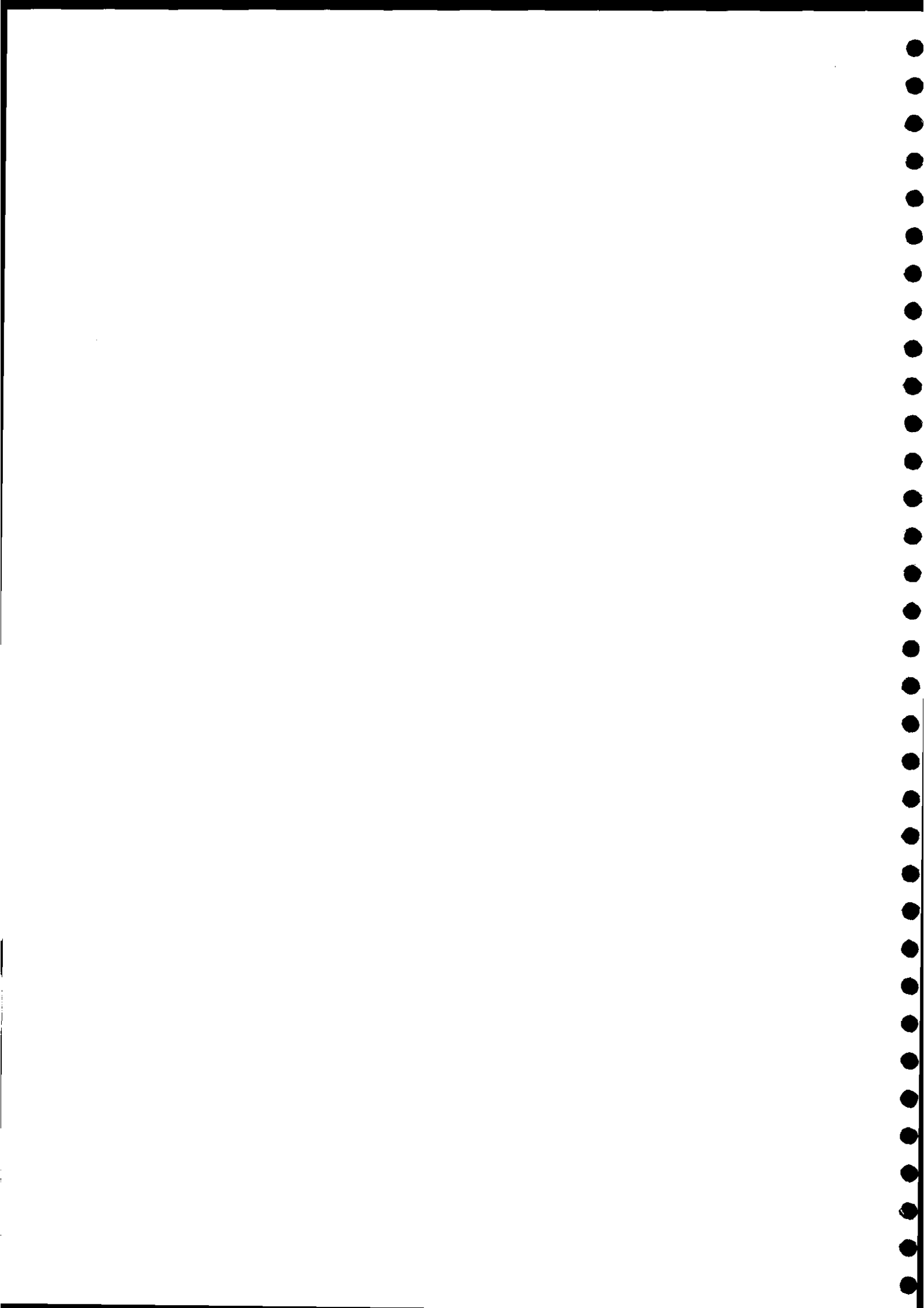
National Westminster Bank PLC
48 The Centre
Feltham
Middlesex
TW13 4DB

SOLICITORS

Norton Rose
Kempson House
Camomile Street
London EC3A 7AN

REGISTERED OFFICE

Bridge House
69 London Road
Twickenham
Middlesex
TW1 3RH



Norsk Hydro (UK) Limited

DIRECTORS' REPORT

The directors present their report and accounts for the year ended 31 December 1999.

RESULTS AND DIVIDENDS

The group profit for the year, after taxation and minority interests, amounted to £20,501,000 (1998 - loss of £15,372,000).

The directors do not recommend the payment of a dividend.

PRINCIPAL ACTIVITIES AND FUTURE DEVELOPMENTS

The principal activities of the group consist of the manufacture and distribution of fertilisers, industrial chemicals and gases, PVC resin, compounds, various aluminium products, aquaculture and energy. It is the present intention of the directors to carry on these activities, with the exception of aquaculture. Please refer to note 31 regarding the disposal of the aquaculture business.

REVIEW OF BUSINESS

(i) *Agriculture*

The Hydro Agri (UK) group has ceased manufacturing and intends to carry on the business as distributors of fertilisers and chemicals. The company continues to provide some services to other Norsk Hydro ASA group undertakings which have operations on its Immingham site.

(ii) *Petrochemicals*

The principal activity continues to be the manufacture of PVC resins and compounds.

(iii) *Light metals*

The principal activity continues to be the extruding, anodising, fabrication and sale of aluminium.

(iv) *Aquaculture*

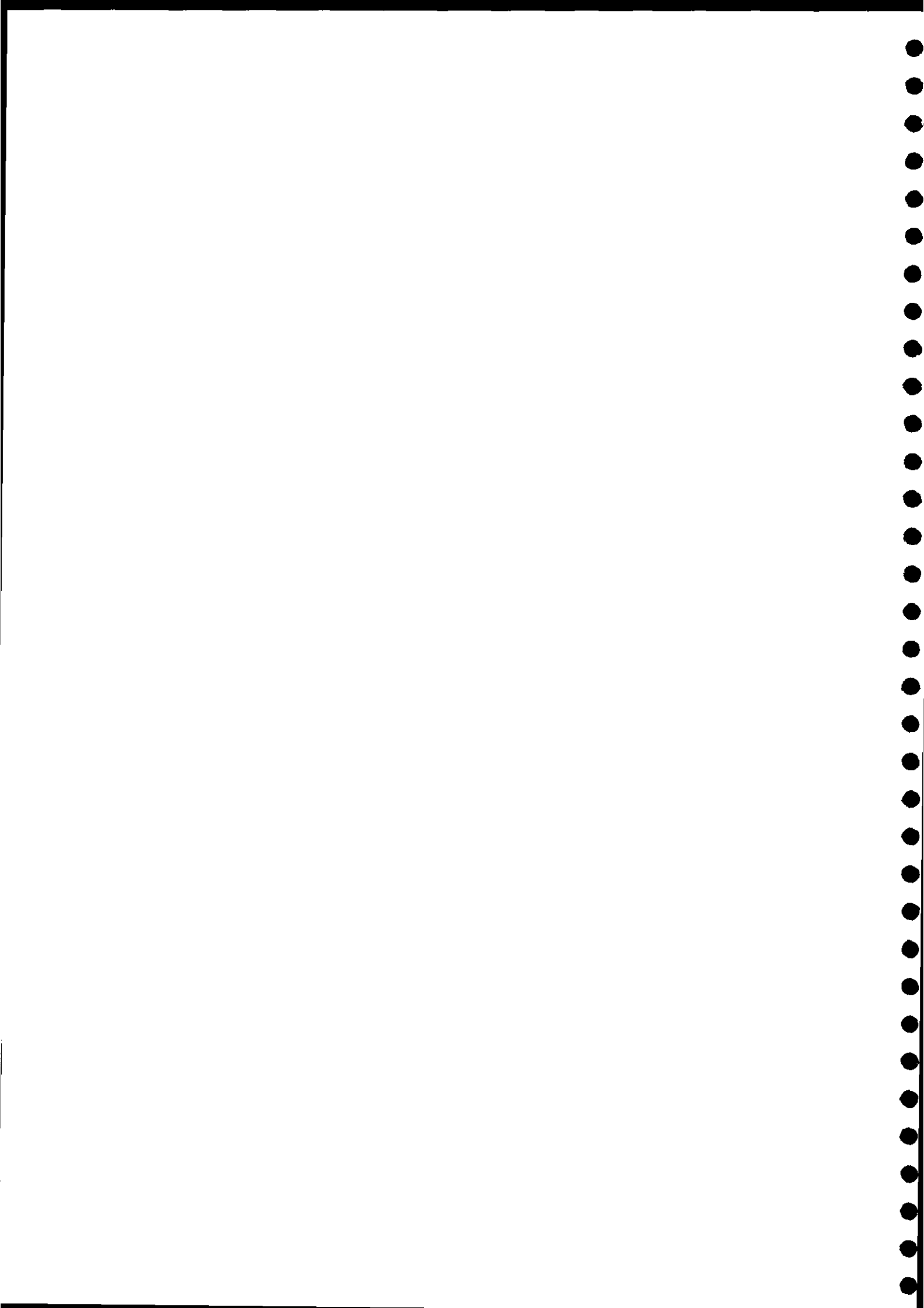
The principal activity continues to be the farming of salmon.

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. The declared objective of the Norsk Hydro ASA group is to continue to reduce its accident rate, so that Norsk Hydro ASA is clearly ranked among the leading companies in Europe in this field.

ENVIRONMENT

The group has continued to promote improved environmental management systems in its subsidiaries and published the 1998 business report, incorporating information on health, safety and environmental matters.



Norsk Hydro (UK) Limited

DIRECTORS' REPORT

RESEARCH AND DEVELOPMENT

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

FIXED ASSETS

Changes in fixed assets are shown in notes 12 to 14 of the accounts.

EVENTS SINCE THE BALANCE SHEET DATE

Events since the balance sheet date have been detailed in note 31 to the accounts.

DIRECTORS AND THEIR INTERESTS

The directors of the company who served during the year were as follows:

E Myklebust
L L Nergaard
J G Speirs
Sir John Caines
I L Schmiegelow

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.

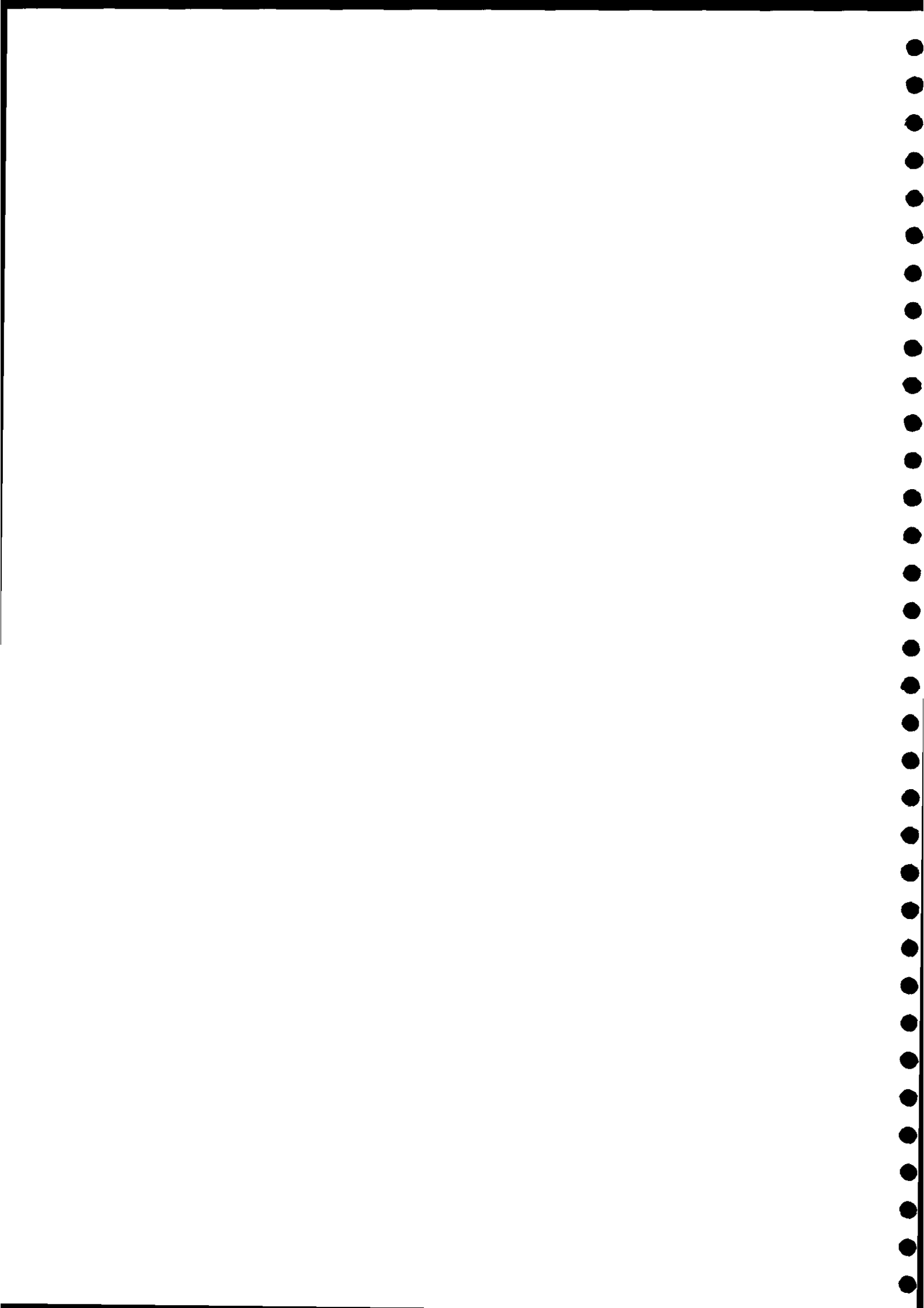
According to the register maintained as required under Schedule 7, Companies Act 1985, the directors held no declarable shares or other interests in the company or any other group undertaking.

EMPLOYEE INVOLVEMENT AND CONSULTATIVE ARRANGEMENTS

The Norsk Hydro ASA group continues to encourage actively the policy of communication and consultation with its employees. Considerable use continues to be made of magazines, newsletters and information bulletins to keep employees informed of developments.

The group's subsidiaries in the different countries are also encouraged to operate this policy in accordance with local good practice and with their own needs. Since the size of the subsidiaries varies considerably in the UK, the arrangements for employee involvement and consultation vary. For example, in some cases the General Manager is able to communicate and consult directly with his employees, while in larger companies it is the practice to use briefing groups.

During the year a further invitation was made to employees to apply for options to acquire shares in Norsk Hydro ASA under the terms of the Norsk Hydro UK Employees' Share Option Scheme 1998. Under the terms of the Scheme, employees with one year or more of service with the company or its subsidiaries are offered options to buy a number of shares in Norsk Hydro ASA between three and ten years from the date of offer at a stock market price which is fixed at the time of the offer. The Scheme is approved by the Inland Revenue under Paragraph 1, Schedule 9 of the Income and Corporation Taxes Act 1988. The Scheme includes a custodian share register service, which provides a facility for Scheme members, when they exercise their options, to have their shares in Norsk Hydro ASA held on their behalf, or sold for them, by the Scheme's trust company.



Norsk Hydro (UK) Limited

DIRECTORS' REPORT

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 made gifts during the year for charitable purposes of £16,750 (1998 - £5,556).

CREDITOR PAYMENT POLICY AND PRACTICE

It is the company's policy that payments to suppliers are made in accordance with those terms and conditions agreed between the company and its suppliers, provided that all trading terms and conditions have been complied with.

At 31 December 1999, the group had an average of 22 days (1998 - 26 days) purchases outstanding in trade creditors.

YEAR 2000 COMPLIANCE

As is well known, many computer and digital storage systems express dates using only the last two digits of the year and thus required modification or replacement to accommodate the year 2000 and beyond in order to avoid malfunctions and resulting widespread commercial disruption. This was a complex and pervasive issue. The operation of our business depends not only on our own computer systems, but also to some degree on those of our suppliers and customers. This could expose us to further risk in the event that there is a failure by other parties to remedy their own year 2000 issues.

The company addressed the risks to our business resulting from the date change to year 2000, assessed the likely impact on activities and developed and implemented prioritised action plans to deal with the key risks before the date change.

Some residual risks and uncertainties may exist and the company will continue to monitor for these although no year 2000 problems have arisen to date.

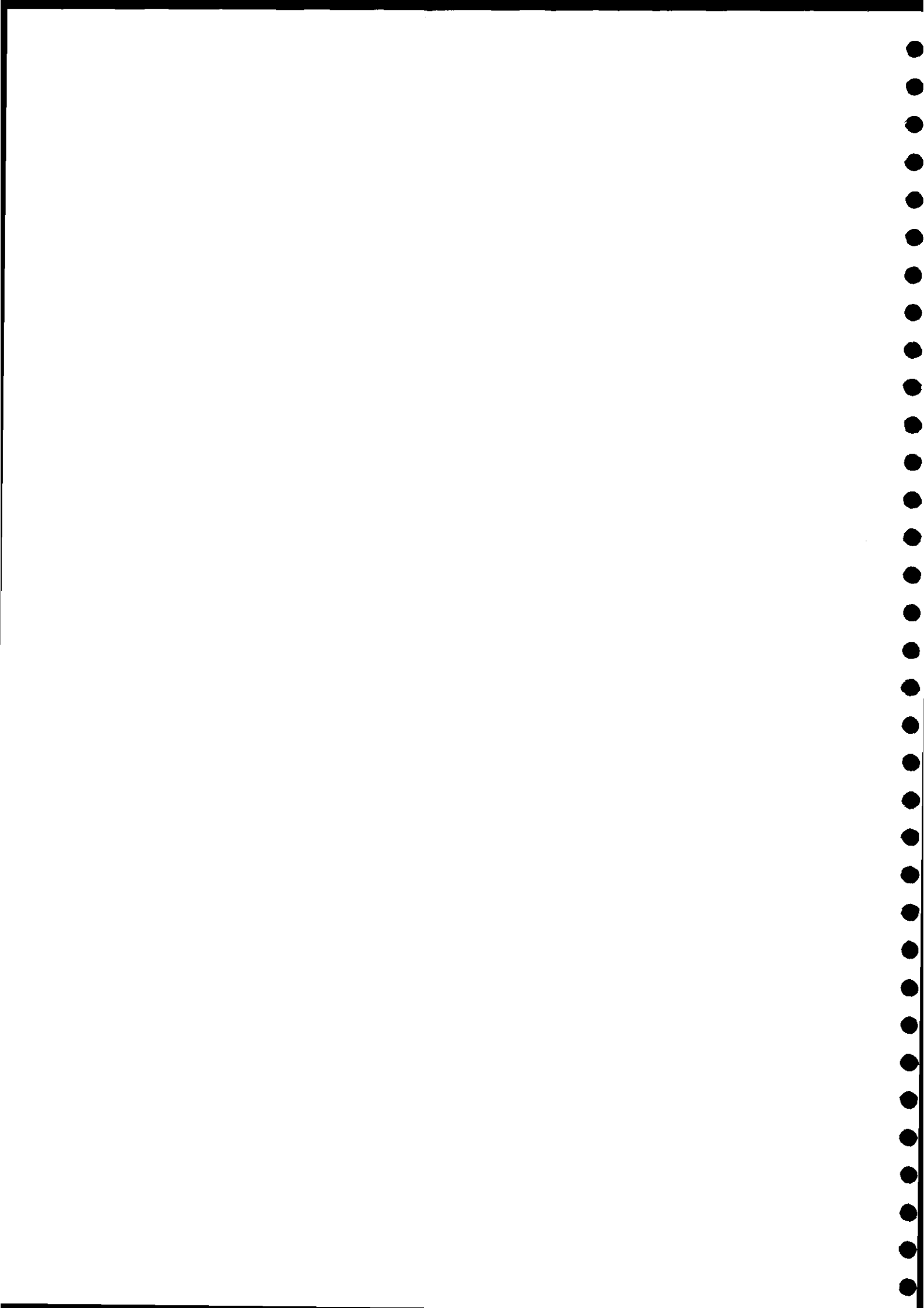
AUDITORS

A resolution in accordance with section 386 of the Companies Act 1985 to dispense with the obligation to appoint auditors annually was passed on 28 January 1994 and accordingly Ernst & Young shall be deemed reappointed as auditors.

By order of the Board

Bernard Atkins
20 December 2000

Secretary



Norsk Hydro (UK) Limited

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company and of the group and of the profit or loss of the group for that period. In preparing those accounts, 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 accounts; and
- prepare the accounts on the 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 group and to enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

REPORT OF THE AUDITORS

to the members of Norsk Hydro (UK) Limited

We have audited the accounts on pages 7 to 34 which have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and investments in subsidiary and associated companies which are included at valuation, and on the basis of the accounting policies set out on pages 12 to 14.

Respective responsibilities of directors and auditors

As described on page 5 the company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you. Our responsibilities, as independent auditors, are established in the United Kingdom by Statute, the Audit Practices Board and by our profession's ethical guidance.

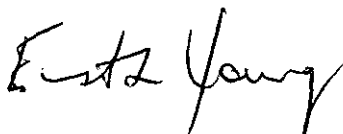
Basis of opinion

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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

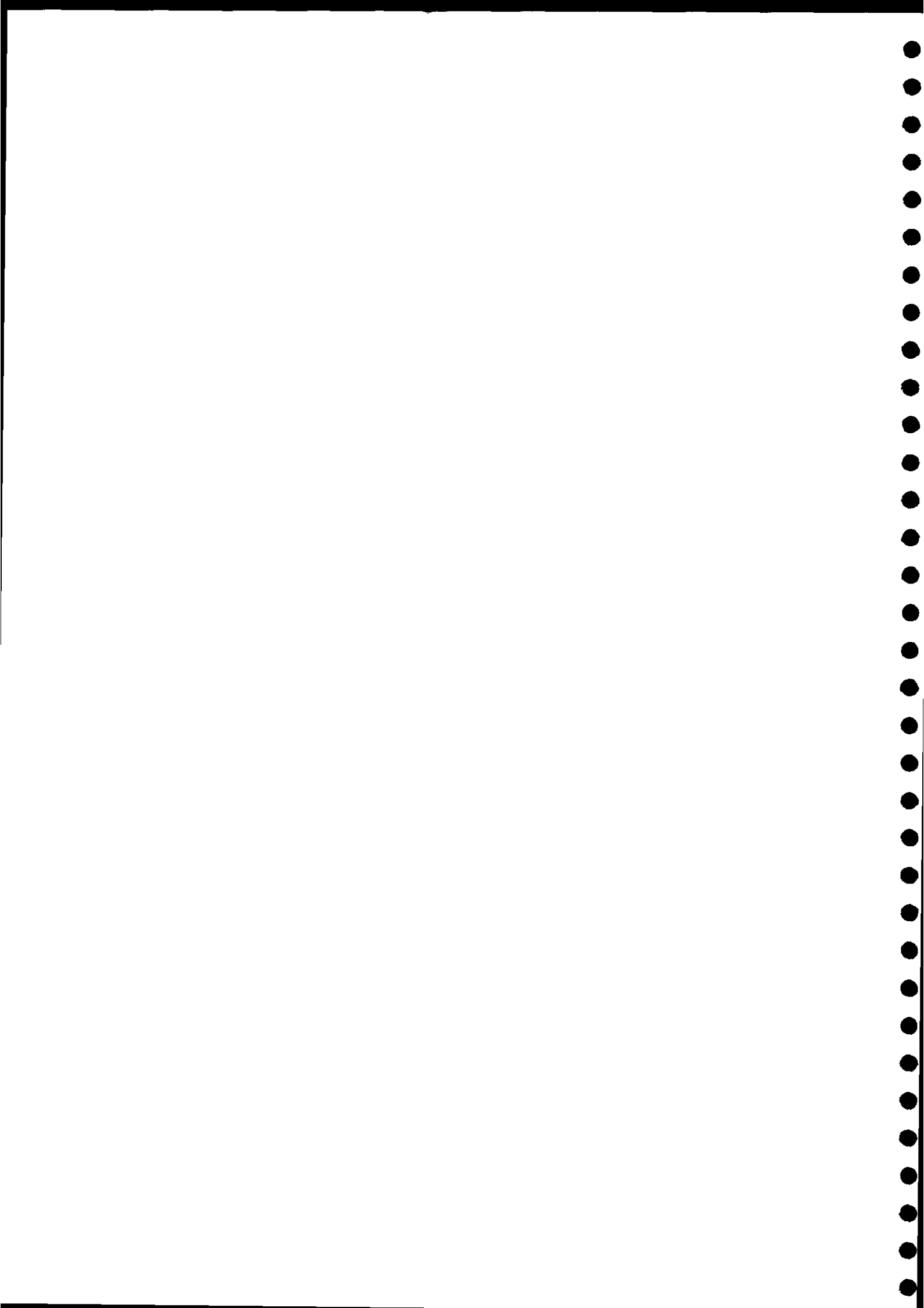
Opinion

In our opinion the accounts give a true and fair view of the state of affairs of the company and of the group as at 31 December 1999 and of the profit of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young
Registered Auditor
London

20 December 2000.



Norsk Hydro (UK) Limited

CONSOLIDATED PROFIT AND LOSS ACCOUNT

for the year ended 31 December 1999

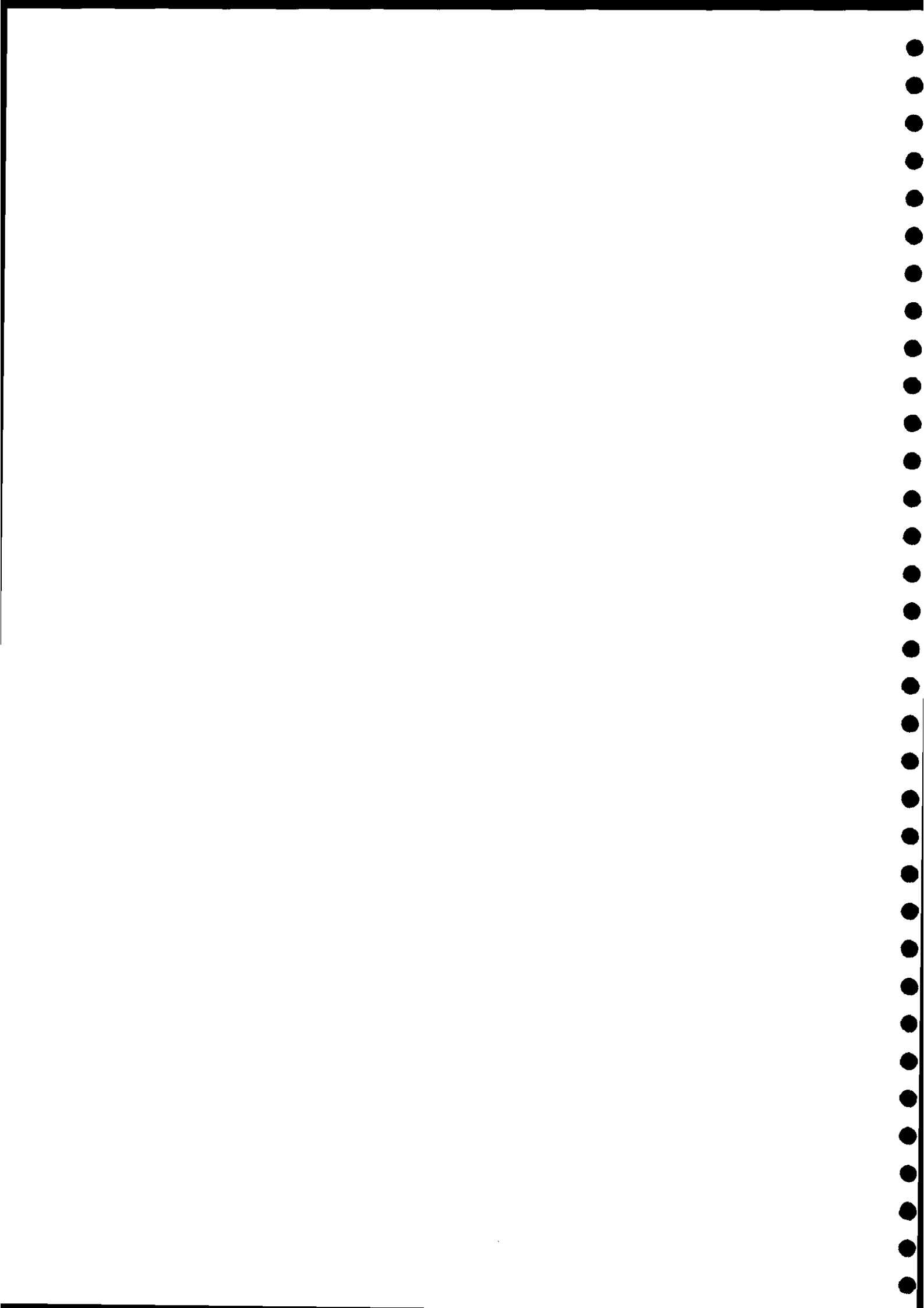
	Notes	1999 £000	1998 £000
TURNOVER:			
Continuing operations		662,721	531,774
Acquisitions		594	0
		<u>663,315</u>	<u>531,774</u>
Discontinued Operations		10,021	16,423
	2	<u>673,336</u>	<u>548,197</u>
Cost of sales		541,901	432,892
Gross Profit		<u>131,435</u>	<u>115,305</u>
Distribution Costs	2	22,965	28,657
Administrative expenses	2	104,853	100,175
		<u>127,818</u>	<u>128,832</u>
Operating Profit / (Loss) before other operating income		3,617	-13,527
Other operating income	2	1,781	2,078
OPERATING PROFIT / (LOSS)			
Continuing Operations		3,326	-11,670
Acquisitions		42	0
		<u>3,368</u>	<u>-11,670</u>
Discontinued Operations		2,030	221
GROUP OPERATING PROFIT / (LOSS)		<u>5,398</u>	<u>-11,449</u>
Share of operating profit of associates		4,710	2,713
Total operating profit / (loss)	4	<u>10,108</u>	<u>-8,736</u>
Other interest receivable and similar income	7	5,750	3,281
Interest payable and similar charges	8	-3,345	-4,824
Exceptional Items	3	14,689	-10,657
		<u>17,094</u>	<u>-12,200</u>
PROFIT / (LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION	2	27,202	-20,936
Tax on profit / (loss) on ordinary activities	9	-5,584	6,130
		<u>21,618</u>	<u>-14,806</u>
Minority Interest	28	-1,117	-566
		<u>20,501</u>	<u>-15,372</u>
PROPOSED DIVIDEND	11	0	0
RETAINED PROFIT / (LOSS) FOR THE YEAR		<u>20,501</u>	<u>-15,372</u>

Norsk Hydro (UK) Limited

STATEMENT OF RECOGNISED GAINS AND LOSSES

for the year ended 31 December 1999

	Notes	1999 £000	1998 £000
(Loss)/profit for the financial year attributable to members of the parent undertaking		17,495	-16,980
Profit for the financial year attributable to associates		3,006	1,608
Retained Profit / (Loss) For The Year		20,501	-15,372
Unrealised (deficit)/surplus on revaluation of associate fixed asset investments	27	663	-47
Exchange adjustment - associates		0	-2,052
- other		-38	-8
Total recognised gains and losses relating to the year		21,126	-17,479



Norsk Hydro (UK) Limited

CONSOLIDATED BALANCE SHEET

at 31 December 1999

	Notes	1999 £000	1998 £000
FIXED ASSETS			
Intangible assets	12	10,340	10,589
Tangible Assets	13	160,188	177,252
Investments	14	8,642	6,689
		<u>179,170</u>	<u>194,530</u>
CURRENT ASSETS			
Stocks	15	74,598	78,500
Debtors	16	209,284	150,530
Cash at bank and in hand		7,548	6,156
		<u>291,430</u>	<u>235,186</u>
CREDITORS: amounts falling due within one year			
Trade and other creditors	17	145,319	129,129
NET CURRENT ASSETS			
		<u>146,111</u>	<u>106,057</u>
TOTAL CURRENT ASSETS LESS CURRENT LIABILITIES			
		<u>325,281</u>	<u>300,587</u>
CREDITORS: amounts falling due after one year			
	18	35,875	35,949
PROVISIONS FOR LIABILITIES AND CHARGES			
	21	24,053	22,013
DEFERRED INCOME			
	22	2,371	3,035
MINORITY INTERESTS			
	28	2,139	1,209
		<u>64,438</u>	<u>62,206</u>
		<u>260,843</u>	<u>238,381</u>
CAPITAL AND RESERVES			
Called up share capital	25	247,667	247,667
Revaluation reserve	27	3,824	2,002
Other reserves	26	-11,689	-11,689
Profit and loss account	27	21,041	401
		<u>260,843</u>	<u>238,381</u>

Included in Shareholders' Funds are non-equity interests.

H.G. Lewis Director

20 December 2000

Norsk Hydro (UK) Limited

BALANCE SHEET

at 31 December 1999

	Notes	1999 £000	1998 £000
FIXED ASSETS			
Tangible Assets	13	41,925	49,226
Investments	14	176,673	179,022
		<u>218,598</u>	<u>228,248</u>
CURRENT ASSETS			
Stocks	15	448	19
Debtors	16	154,079	117,003
Cash at bank and in hand		18	60
		<u>154,545</u>	<u>117,082</u>
CREDITORS: amounts falling due within one year			
Trade and other creditors	17	77,155	65,358
NET CURRENT ASSETS		<u>77,390</u>	<u>51,724</u>
TOTAL CURRENT ASSETS LESS CURRENT LIABILITIES		<u>295,988</u>	<u>279,972</u>
CREDITORS: amounts falling due after one year			
	18	39,997	39,997
PROVISIONS FOR LIABILITIES AND CHARGES	21	2,091	969
		<u>42,088</u>	<u>40,966</u>
		<u>253,900</u>	<u>239,006</u>
CAPITAL AND RESERVES			
Called up share capital	25	247,667	247,667
Profit and loss account	27	6,233	-8,661
		<u>253,900</u>	<u>239,006</u>

Included in Shareholders' Funds are non-equity interests.

J.G. Shaw Director

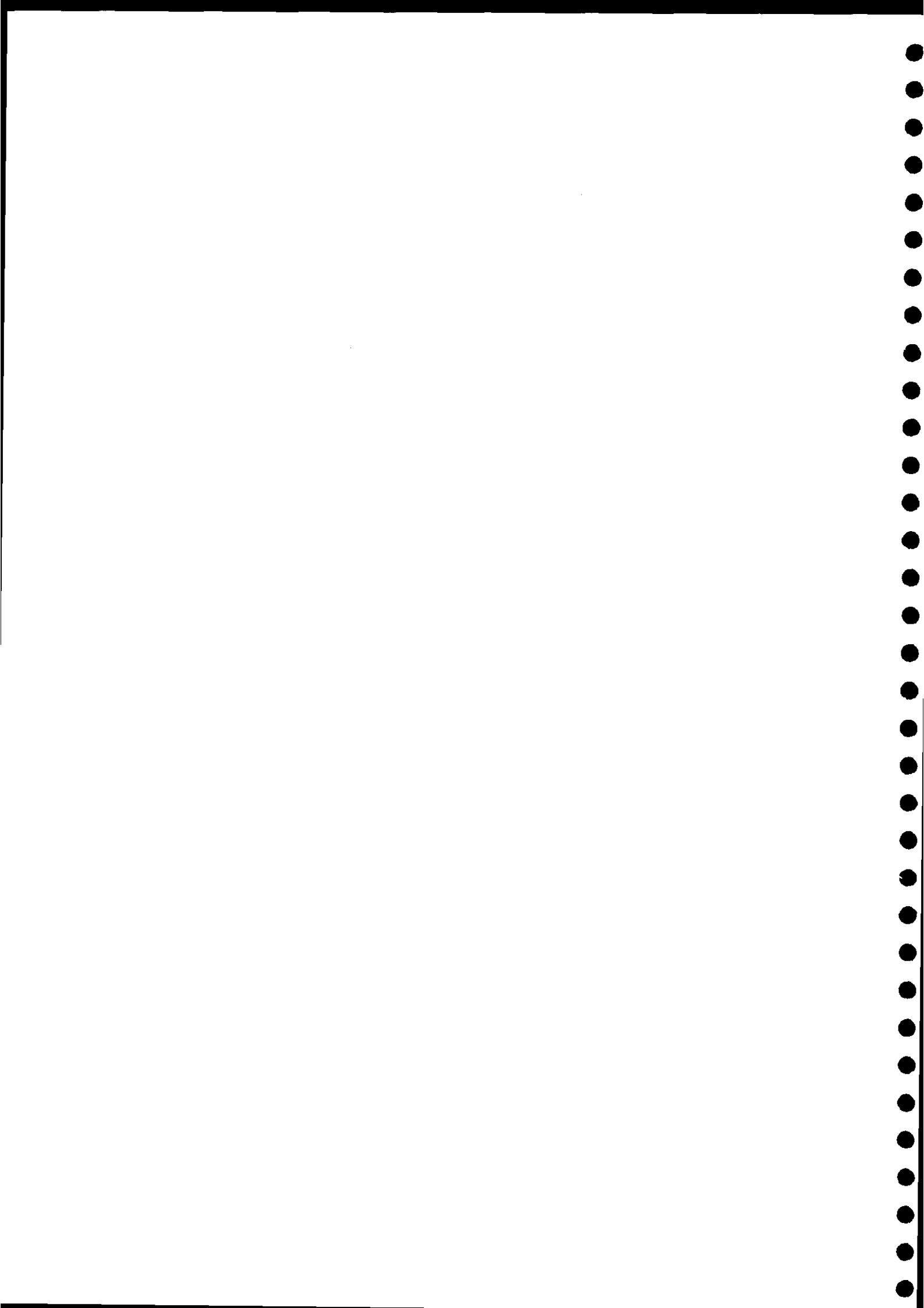
20 December 2000

Norsk Hydro (UK) Limited

STATEMENT OF CASH FLOWS

as at 31 December 1999

	Notes	1999 £000	1998 £000
CASH (OUTFLOW) / INFLOW FROM OPERATING ACTIVITIES	4(b)	-9,294	30,925
Dividends From Associates		511	754
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest paid	8	-3,345	-4,824
Interest receivable	7	5,750	3,281
Dividend paid to minority shareholders		0	-264
NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		2,405	-1,807
TAXATION			
Corporation tax paid		-1,605	-125
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT			
Payments to acquire tangible fixed assets		-16,199	-29,373
Payments to acquire intangible fixed assets		-768	-901
Payments to acquire investments		-175	-24
Receipts from sales of tangible fixed assets		5,963	1,743
Receipts from sales of fixed asset investments		0	20
NET CASH FLOW FROM INVESTING ACTIVITIES		-11,179	-28,535
NET CASH (OUTFLOW) / INFLOW BEFORE FINANCING		-19,162	1,212
ACQUISITIONS AND DISPOSALS			
Purchase of subsidiary undertakings		-540	0
Net cash acquired with acquisitions of subsidiary		0	0
Disposal proceeds of subsidiary undertakings		20,730	0
NET CASH (OUTFLOW) / INFLOW FROM ACQUISITIONS AND DISPOSALS		20,190	0
CASH INFLOW BEFORE USE OF LIQUID RESOURCES AND FINANCING		1,028	1,212
FINANCING			
Capital element of finance lease rental payments		80	-45
NET CASH INFLOW / (OUTFLOW) FROM FINANCING		80	-45
INCREASE IN CASH	4(c)	1,108	1,167



1. ACCOUNTING POLICIES

Basis of preparation

The accounts are prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the investments in subsidiary and associated companies which are included at valuation, and in accordance with applicable accounting standards.

Basis of consolidation

The group accounts consolidate the accounts of the company and its subsidiary undertakings for the financial year ended 31 December 1999.

Undertakings, other than subsidiary undertakings, in which the group has an investment and over which it is in a position to exercise a significant influence are treated as associated undertakings. The group accounts include the appropriate share of these undertakings' results and reserves based on audited accounts to 31 December 1999, except for Windmill (Private) Limited where audited accounts at 28 February 1999 are used.

Fundamental accounting concept

Undertakings, other than subsidiary undertakings, in which the group has an investment and over which it is in a position to exercise a significant influence are treated as associated undertakings. The group accounts include the appropriate share of these undertakings' results and reserves based on audited accounts to 31 December 1999, except for Windmill (Private) Limited where audited accounts at 28 February 1999 are used.

Investments

Investments held as fixed assets are stated at cost less provision for permanent diminution in value. Undertakings, other than subsidiary undertakings, in which the group has an investment and over which it exercises significant influence are treated as associated undertakings.

The group's share of profits, less losses, of significant associated undertakings, is included in the consolidated profit and loss account and its share of post-acquisition reserves is included in the consolidated balance sheet. Details of associated undertakings in which the group holds shares as trade investments are included only to the extent of dividends received.

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.

Debtors

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

1. ACCOUNTING POLICIES (continued)

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.

Depreciation and amortisation

Freehold land is not depreciated. The cost of other fixed assets is written off by equal instalments over their expected useful lives as follows:

Industrial buildings	25-50 years
Leasehold property	Over the term of the lease
Office equipment, furniture and fittings	5-15 years
Plant and machinery	6-15 years
Motor vehicles	3-4 years

Depreciation is calculated from the month of purchase of the asset, with the exception of plant, machinery and buildings under construction when the effective date is the month in which the asset is brought into use.

Government grants

Capital grants are credited to a deferral account and released to the profit and loss account over the useful life of the assets to which they relate.

Capitalised interest

Interest is capitalised as part of the cost of property or plant under construction when:

- (i) the construction period exceeds 12 months; and,
- (ii) the interest incurred on the construction project exceeds £50,000.

Interest is calculated on a day to day basis based on the rate of interest paid by the company on its overdraft facilities.

Assets held on lease

Where assets are financed by leasing agreements that give rights approximating to ownership (finance leases) the assets are capitalised and the corresponding leasing commitments are shown as obligations under finance leases. Other leases are considered to be operating leases and the lease payments are written off to the profit and loss account as they are incurred.

Finance leases

Finance revenue earned on finance leases is allocated to accounting periods so as to give a constant rate of return on the net cash investment in the leases. The total net investment in finance leases included in the balance sheet represents total lease payments receivable net of finance revenue relating to future accounting periods.

Research and development

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

1. ACCOUNTING POLICIES (continued)

Foreign exchange

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All transaction differences are taken to the profit and loss account.

The accounts of foreign subsidiary undertakings are translated at the rate of exchange ruling at the balance sheet date. The exchange difference arising on the retranslation of opening net assets is taken directly to reserves.

Pension benefits

The expected cost of pensions in respect of the group's defined benefit pension schemes, is charged to the profit and loss account, so as to spread the cost of pensions over the service lives of employees in the scheme. Variations from the regular cost are spread over the expected remaining service lives of current employees in the schemes.

Post retirement health care benefits

The expected cost of post retirement health care benefits in respect of the policy of certain subsidiaries of meeting the cost of subscriptions to private medical insurance for certain grades of employees after they have retired, is charged to the profit and loss account so as to spread the cost of the health care benefits over the service lives of the eligible employees.

The provision for the future post retirement health care benefit liability is included in provisions in the balance sheet. Tax relief is assumed to be available on a payment basis and adjustments are made through the deferred tax account where appropriate.

Goodwill

Goodwill arising on the acquisition of subsidiary and associated undertakings is calculated by reference to fair values of assets acquired. The accounting practice set out in Financial Reporting Standard 10 ("FRS 10") has been adopted with effect from 1 January 1997 and consequently goodwill arising on acquisitions in the year has been capitalised as intangible assets and will be amortised over its estimated economic life of 10 years. Prior to this, goodwill was written off to reserves.

Licences

Licences are capitalised as intangible assets and amortised over their estimated economic life.

ANALYSIS OF GROUP TURNOVER AND PROFITS BETWEEN ACTIVITIES AND

2. MARKETS

Turnover comprises the invoiced value, excluding VAT, of goods supplied and commissions earned by the group excluding inter group transactions.

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

	Turnover		(Loss) / Profit on ordinary activities before taxation	
	1999	1998	1999	1998
	£000	£000	£000	£000
Chemical fertilisers	300,930	202,219	10,982	-5,466
Petrochemicals	133,922	138,968	4,206	1,641
Light metals	157,029	147,266	321	2,199
Aquaculture	52,840	45,679	-4,193	-22,378
Other	28,615	14,065	15,886	3,068
	673,336	548,197	27,202	-20,936

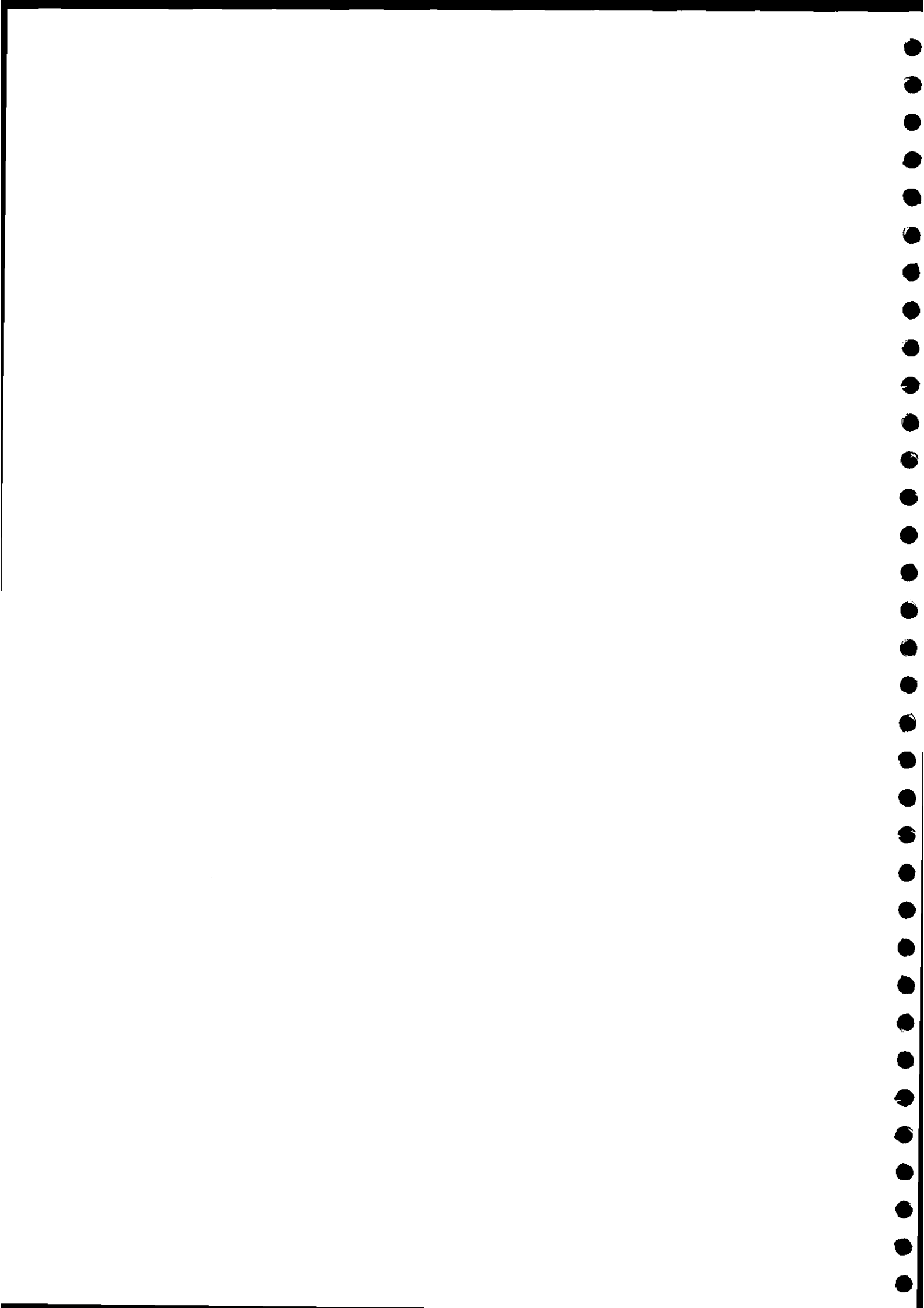
A geographical analysis of group turnover by destination is as follows:

	1999	1998
	£000	£000
United Kingdom	549,114	449,327
Other European countries	85,476	87,631
Other	38,746	11,239
	673,336	548,197

The source of group turnover and profit before tax for 1999 and 1998 is the United Kingdom only.

The group net assets, as analysed by class of activity and geographical area, are as follows:

	United Kingdom		Africa		Total	
	1999	1998	1999	1998	1999	1998
	£000	£000	£000	£000	£000	£000
Chemical fertilisers	90,834	151,709	9,385	3,065	100,219	154,774
Petrochemicals	61,215	53,495	-	-	61,215	53,495
Light metals	28,354	23,808	-	-	28,354	23,808
Aqua culture	31,631	-9,435	-	-	31,631	-9,435
Other	39,424	15,739	-	-	39,424	15,739
	251,458	235,316	9,385	3,065	260,843	238,381



ANALYSIS OF GROUP TURNOVER AND PROFITS BETWEEN ACTIVITIES AND
2. MARKETS (continued)

An analysis of costs between continuing and discontinued activities is as follows :

	1999-£000				1998-£000		
	<i>Contin.</i>	<i>Acq.</i>	<i>Discont.</i>	<i>TOTAL</i>	<i>Contin.</i>	<i>Discont.</i>	<i>TOTAL</i>
Cost of sales	535,270	580	6,051	541,901	421,509	11,383	432,892
Other expenses							
Distribution Costs	22,837	-	128	22,965	28,423	234	28,657
Administrative expenses	103,069	-28	1,812	104,853	97,649	2,526	100,175
Other operating income	1,781	-	-	1,781	2,078	-	2,078

3. EXCEPTIONAL ITEMS

Reorganisation costs
Provision written back
Restructuring
Profit on sale of subsidiary

1999
£000
-1,138
414
-204
15,617
14,689

£1,138,000 relates to the reorganisation of the manufacturing capability of the light metals.

As more fully explained in previous years accounts, exceptional costs were included to reflect the impact of the Infectious Salmon Anaemia disease. The estimated costs relating to this were overstated and this results in a write back of £414,000 in this year's accounts.

One subsidiary undertook a restructuring programme following its acquisition. This involved a scaling down in the level of activities with a view to closure of the company in May 2000. The amount provided in the accounts is £204,000.

The profit on sale of subsidiary relates to the sale of Hydro Coatings Limited during the course of the year.

Norsk Hydro (UK) Limited
NOTES TO THE ACCOUNTS
as at 31 December 1999

4. OPERATING PROFIT

(a) This is stated after charging/(crediting):

	1999	1998
	£000	£000
Hire of plant and machinery (including rentals on operating leases)	7,388	7,642
Rental of premises	2,194	1,584
Auditors' remuneration - as auditors	422	397
- Other Services	507	542
Depreciation	27,236	25,899
Amortisation	1,572	1,260
Research and development	186	175
Restructuring costs	-	600
Government grants	-560	-645
Staff costs:	-	-
- Wages and salaries	57,416	53,614
- Social security costs	4,489	4,256
- Other pension costs	6,390	-1,054

(b) Reconciliation of operating profit to net cash inflow from operating activities:

		1999	1998
		£000	£000
Group operating Profit/(loss)		5,398	-11,449
Exceptional item		-	-
Depreciation of tangible fixed assets	305	27,236	25,899
Amortisation of intangible fixed assets	310	1,572	1,260
Provision against fixed asset investment		-	400
Decrease in provisions	335	-3,116	-707
Loss / (Profit) on disposal of fixed assets	315	64	-264
Adjustments relating to disposal of subsidiary		-4,709	-
Adjustments relating to inclusion of subsidiary		2,923	-
(Increase) / Decrease in debtors	320	-58,754	2,898
Decrease in stocks	325	3,902	9,849
(Increase) in creditors	330	16,190	3,039
Net cash inflow from operating activities		-9,294	30,925

Norsk Hydro (UK) Limited
NOTES TO THE ACCOUNTS
as at 31 December 1999

4. OPERATING PROFIT (continued)

(c) Analysis of changes in net debt:

	<i>1 Jan 99</i>	<i>Cash flow</i>	<i>31 Dec.99</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>
Cash at bank and in hand	6,156	1,392	7,548
Bank Overdraft	-1,990	-1,340	-3,330
Cash and bank balances on inclusion of subsidiary	-	1,056	1,056
	4,166	1,108	5,274
Loans	-35,500	-	-35,500
Finance Leases	-12	-99	-111
	-31,346	1,009	-30,337

5. DIRECTORS' EMOLUMENTS

	<i>1999</i>	<i>1998</i>
	<i>£000</i>	<i>£000</i>
Fees	30	21
Other emoluments	110	112
	140	133

Number of directors who are members of defined benefit pension scheme

<i>No.</i>	<i>No.</i>
1	1

Norsk Hydro (UK) Limited
 NOTES TO THE ACCOUNTS
 as at 31 December 1999

6. EMPLOYEES

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

	1999	1998
	£000	£000
Chemical fertilisers	560	549
Petrochemicals	505	558
Light metals	911	848
Aquaculture	298	373
Other	58	61
	2,332	2,389

7. OTHER INTEREST RECEIVABLE AND SIMILAR INCOME

	1999	1998
	£000	£000
Interest received from undertakings within Norsk Hydro ASA group	1,551	1,893
Dividends received	2,795	1,012
Other interest received	713	276
Other income	691	100
	5,750	3,281

8. INTEREST PAYABLE AND SIMILAR CHARGES

	1999	1998
	£000	£000
Interest paid to undertakings within Norsk Hydro A.S.A group	2,967	4,589
Finance charges re: leased assets	1	2
Bank loans and overdrafts	377	233
	3,345	4,824

Norsk Hydro (UK) Limited
NOTES TO THE ACCOUNTS
as at 31 December 1999

9. TAX ON PROFIT ON ORDINARY ACTIVITIES

The charge based on the profit for the year comprises:

United Kingdom corporation tax at 31%
Tax on franked investment income
Deferred taxation
Adjustment in respect of prior periods
Overseas taxation
Associated undertakings

<i>Group</i>	<i>Group</i>
<i>1999</i>	<i>1998</i>
<i>£000</i>	<i>£000</i>
585	-
299	211
2,048	-7,085
-	-370
948	9
1,704	1,105
5,584	-6,130

There are no tax losses available to be carried forward against future profits assessable to corporation tax (1998 - £nil).

10. PROFIT AND LOSS ACCOUNT RESERVES AT 31 DECEMBER

Retained by:
The company
Subsidiary undertakings

<i>1999</i>	<i>1998</i>
<i>£000</i>	<i>£000</i>
6,233	-8,661
14,808	9,062
21,041	401

The profit dealt with in the accounts of the parent undertaking was £14,894,000 (1998-Profit £9,244,000)

Dividends paid in the year to the company by subsidiary undertakings amounted to £1,474,000 (1998-£3,152,000).

The company has not published its own profit and loss account in accordance with the exemption allowed by Section 230, Companies Act 1985.

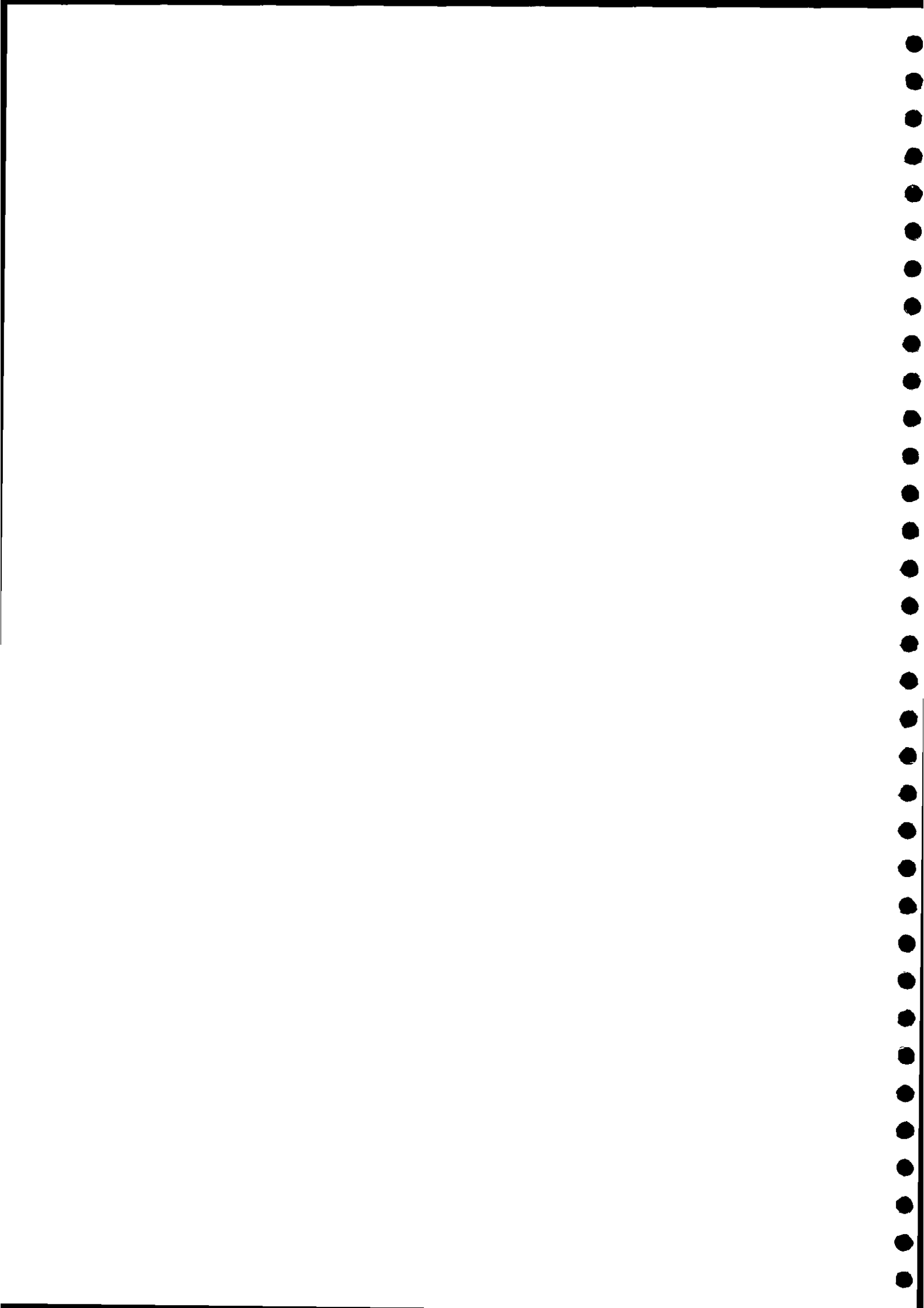
11. PROPOSED DIVIDEND

The company does not propose a dividend (1998 - NIL)

12. INTANGIBLE FIXED ASSETS

	<i>Goodwill</i>		<i>Technology licence</i>		<i>Total</i>	
	<i>1999</i>	<i>1998</i>	<i>1999</i>	<i>1998</i>	<i>1999</i>	<i>1998</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>
Cost:						
At 1 January	12,267	11,366	268	268	12,535	11,634
Additions during the year	555	901	768	-	1,323	901
At 31 December	12,822	12,267	1,036	268	13,858	12,535
Amortisation:						
At 1 January	1,782	552	164	134	1,946	686
Provided during the year	1,386	1,230	186	30	1,572	1,260
At 31 December	3,168	1,782	350	164	3,518	1,946
Net book value at 31 December	9,654	10,485	686	104	10,340	10,589
Net book value at 1 January	10,485	10,814	104	134	10,589	10,948

The technology licence and goodwill are being written off in equal annual instalments over an estimated economic life of 10 years.



13. TANGIBLE FIXED ASSETS

Group

At cost:

Property :

- Freehold
- Short leasehold
- Long leasehold

Plant and machinery,

motor vehicles and fittings

Plant and buildings under construction

Depreciation

Property :

- Freehold
- Short leasehold
- Long leasehold

Plant and machinery,

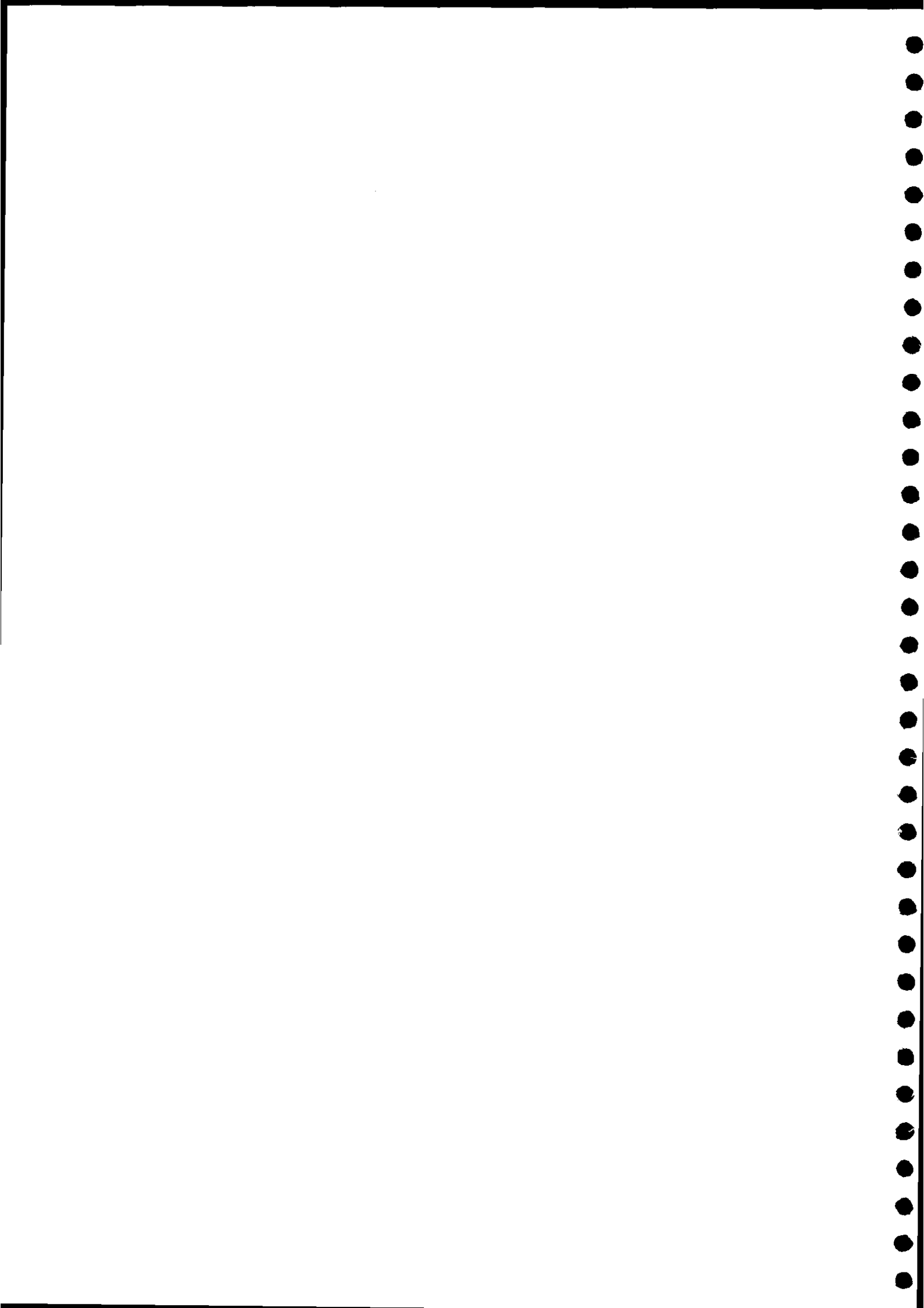
motor vehicles and fittings

Net book value

<i>Opening</i>	<i>Acq.</i>	<i>Additions and reclass.</i>	<i>Disposal and transfers</i>	<i>Closing</i>
<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>
26,812	163	430	-57	27,348
1,537	-	220	-97	1,660
26,855	-	452	-	27,307
295,175	1,312	16,660	-15,721	297,426
7,167	-	-2,178	-	4,989
357,546	1,475	15,584	-15,875	358,730
5,952	14	1,033	-46	6,953
770	-	144	-16	898
15,502	-	1,431	-	16,933
158,070	847	24,628	-9,787	173,758
180,294	861	27,236	-9,849	198,542
177,252				160,188

The gross amount of depreciable assets excluding freehold land is £331,382,000 (1998 - £330,734,000).The total of plant and machinery, motor vehicles and fittings includes assets with a net book value of : £2,163,000 (1998 - £1,888,000) which are held under finance leases.

Depreciation amounting to £441,000 (1998 - £422,000) was charged on these assets during the year. The cost of plant and equipment as at 31 December 1999 includes £3,875,000 of capitalised interest (1998 - £3,892,000).



Norsk Hydro (UK) Limited
 NOTES TO THE ACCOUNTS
 as at 31 December 1999

13. TANGIBLE FIXED ASSETS (continued)

Company

<i>1 Jan 99</i>	<i>Additions and reclass.</i>	<i>Disposal and transfers</i>	<i>31 Dec.99</i>
<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>

At cost:

Property :

- Freehold

- Short leasehold

- Long leasehold

606	-	-	606
151	-	-	151
24,873	-	-	24,873
94,275	1,192	(1,149)	94,318
715	-	(624)	91
120,620	1,192	(1,773)	120,039

Plant and machinery,
 motor vehicles and fittings

Plant and buildings under construction

Depreciation

Property :

- Freehold

- Short leasehold

- Long leasehold

82	9	-	91
61	16	-	77
14,596	1,319	-	15,915
56,655	6,167	(791)	62,031
71,394	7,511	(791)	78,114

Plant and machinery,
 motor vehicles and fittings

Net book value

49,226	41,925
--------	--------

Included in the above are assets held for use by another group undertaking under an operating lease.
 The gross amount is £116,849,000 and the related accumulated depreciation is £87,119,000.

14. FIXED ASSET INVESTMENTS

Group		Company	
1999	1998	1999	1998
£000	£000	£000	£000

Subsidiary undertakings:

Shares at cost at 1 January

Additions

Less: provision for diminution in value

Disposals

-	-	178,499	177,951
-	-	1,091	9,500
-	-	-	-8,952
-	-	-3,440	0
-	-	176,150	178,499

Associated undertakings:

At 1 January

Additions

Share of profit retained by associated undertakings

Exchange adjustments

4,876	6,696	108	108
-	-	-	-
-	-	-	-
2,722	803	-	-
17	-2,623	-	-
7,615	4,876	108	108

Unlisted investments:

Shares at cost

Additions

Disposals / reclassification

Less: provision for diminution in value

1,813	2,209	415	835
233	24	-	-
-1,019	-20	-	-20
-	-400	-	-400
1,027	1,813	415	415

8,642	6,689	176,673	179,022
-------	-------	---------	---------

Norsk Hydro (UK) Limited
 NOTES TO THE ACCOUNTS
 as at 31 December 1999

14. FIXED ASSET INVESTMENTS (Continued)

On 8 October 1999 the group acquired Maxicrop International Limited for cash consideration of £540,000. Goodwill arising on the acquisition has been capitalised and is being amortised over an estimated economic life of 10 years.

	1999
	Fair Value
	£000
Tangible fixed assets	679
Intangible fixed assets	14
Investments	43
Debtors & prepayments	771
Stock	218
Creditors due within one year	-1,427
Other liabilities and provisions	-99
	199
Goodwill arising on acquisition	341
	540
Discharged by:	
Cash Consideration	540

During the year the company increased its investment in the share capital of a number of its existing subsidiaries totalling £1,090,000 (1998 - £9,500,000).

Norsk Hydro (UK) Limited
 NOTES TO THE ACCOUNTS
 as at 31 December 1999

14. FIXED ASSET INVESTMENTS (Continued)

The company's principal subsidiary undertakings as at 31 December 1999 were:

Company	Country of reg'n	Nature of business	Prop'n of ordinary shares held
Algea (UK) Limited (now renamed Maxicrop (UK) Limited)	England	Holding company	100%
Hydro Agri (UK) Limited	England	Manufacture and distribution of chemical fertilisers	100%
Hydro Chemicals (UK) Limited	England	Manufacture and distribution of chemical products	100%
Hydro Polymers Limited	England	Production compounding and marketing of PVC	100%
Hydro Coatings Limited	England	Manufacture of PVC coatings	100%
Hydrogas Limited (now renamed Hydro Gas and Chemicals Limited)	England	Manufacture and distribution of industrial gases	100%
Norsk Hydro Overseas Limited	England	Holding company for overseas interests	100%
Hydro Aluminium Alupres Limited**	England	processing of aluminium extrusions	100%
Hydro Aluminium Century Limited**	Scotland	processing of aluminium extrusions	100%

Norsk Hydro (UK) Limited
 NOTES TO THE ACCOUNTS
 as at 31 December 1999

14. FIXED ASSET INVESTMENTS (Continued)

<i>Company</i>	<i>Country of reg'n</i>	<i>Nature of business</i>	<i>Prop'n of ordinary shares held</i>
Hydro Aluminium Profiler UK Limited	England	processing of aluminium extrusions	100%
Nordisk Aviation Products Limited	England	Repairs and maintenance of air cargo equipment	100%
Hydro Seafood GSP Limited	England	Farming of marine species	100%
Hydro Aluminium Rolled Products Limited	England	Aluminium stockholders	100%
Hydro Aluminium Futuretools Limited	England	Die Manufacturing	100%
Hydro Ellay Enfield Limited	England	Non-ferrous tubing	100%
Hydro Raufoss Automotive UK Limited (now renamed Automotive Structures UK Limited)	England	Manufacture of aluminium components	100%
Photo-Planar Limited	England	Holding company	100%
Maxicrop International Limited	England	Manufacture and distribution of horticultural products	100%
Norsk Hydro Zimbabwe (Private) Limited*	Zimbabwe	Investment holding company	100%

All shares are held by the company.

** These two companies have merged. See note 31 below.

14. FIXED ASSET INVESTMENTS (Continued)

The principal group's interest in associated undertakings at 31 December 1999 was:

<i>Company</i>	<i>Country of reg'n</i>	<i>Nature of business</i>	<i>Prop'n of ord.shares held</i>
Fertiliser Holdings (Private) Limited**	Zimbabwe	Manufacture and distribution of chemical fertilisers	50%
ZFC Limited***	Zimbabwe	Manufacture and distribution of chemical fertilisers	28%
Windmill (Private) Limited***	Zimbabwe	Manufacture and distribution of chemical fertilisers	20%

*** Interest held by subsidiary undertaking.

15. STOCKS

	<i>Group</i>		<i>Company</i>	
	<i>1999</i>	<i>1998</i>	<i>1999</i>	<i>1998</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>
Raw materials	19,559	17,456	-	-
Semi-manufactured goods	22,685	30,308	-	12
Finished goods	32,354	30,736	448	7
	74,598	78,500	448	19

The replacement cost of stocks at 31 December 1999 and 1998 is not materially different from the above value.

Norsk Hydro (UK) Limited
NOTES TO THE ACCOUNTS
as at 31 December 1999

16. DEBTORS

Due within one year:

Trade debtors

Amounts owed by subsidiary undertakings

Amounts owed by group undertakings

Other debtors

Prepayments and accrued income

Taxation - group relief

Loans to employees

Due after more than one year:

Loans to employees

Amount owed by subsidiary undertaking

Group		Company	
1999	1998	1999	1998
£000	£000	£000	£000
106,133	100,563	1,782	4,472
-	-	44,762	65,806
51,562	9,420	44,911	1,090
8,060	7,195	3,469	1,149
43,484	33,297	12,700	1,056
-	-	1,640	-
8	5	8	5
209,247	150,480	109,272	73,578
37	50	37	50
-	-	44,770	43,375
209,284	150,530	154,079	117,003

17. TRADE AND OTHER CREDITORS

Trade creditors

Other creditors

Amounts owed to subsidiary undertakings

Amounts owed to group undertakings

Accruals and deferred income

Taxation and social security

Corporation tax

Advance corporation tax

Bank overdraft

Obligations under finance leases

Proposed dividend

Taxation - group relief

Group		Company	
1999	1998	1999	1998
£000	£000	£000	£000
30,989	31,525	104	437
5,008	2,209	3,405	996
-	-	748	35,633
56,249	51,721	37,371	1,076
23,945	15,218	11,195	1,811
3,185	4,099	93	98
267	40	-	-
3,319	3,319	3,319	3,319
3,330	1,990	1,920	1,413
27	8	-	-
19,000	19,000	19,000	19,000
-	-	-	1,575
145,319	129,129	77,155	65,358

Norsk Hydro (UK) Limited
NOTES TO THE ACCOUNTS
as at 31 December 1999

18. CREDITORS: amounts falling due after more than one year

	<i>Group</i>		<i>Company</i>	
	<i>1999</i>	<i>1998</i>	<i>1999</i>	<i>1998</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>
SSAP 24 provision	227	297	-	-
Finance leases	84	4	-	-
Amounts due to parent undertaking (note 19)	35,500	35,500	-	-
Amounts due to subsidiary undertaking	-	-	39,997	39,997
Regional Development Grants	64	148	-	-
	35,875	35,949	39,997	39,997

19. AMOUNTS DUE TO PARENT UNDERTAKING

	<i>Repayment Dates</i>	<i>1999</i>	<i>1998</i>
		<i>£000</i>	<i>£000</i>
Group			
5% Preference shares	No Fixed Date	1,500	1,500
Ten year interest bearing at 8.415%	2006	34,000	34,000
		35,500	35,500

The repayments of parent undertaking loans due after more than one year fall due as follows:

	<i>Group</i>		<i>Company</i>	
	<i>1999</i>	<i>1998</i>	<i>1999</i>	<i>1998</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>
More than 5 years	34,000	34,000	-	-
No fixed repayment due	1,500	1,500	-	-
	35,500	35,500	-	-

Analysis of changes in group loan financing during the year:

	<i>1999</i>	<i>1998</i>
	<i>£000</i>	<i>£000</i>
At 1 January	35,500	35,500
Net cash inflow from financing	-	-
Repayment of loan term loans	-	-
At 31 December	35,500	35,500

20. LEASING COMMITMENTS

Payments committed under operating leases for payment during 1999 are analysed within period of expiry of the lease as follows:

Land and buildings:

Expiring within one year

Expiring within two to five years

Expiring after five years

Group		Company	
1999	1998	1999	1998
£000	£000	£000	£000
248	304	-	287
240	1,414	-	1,148
867	3,021	-	2,009
1,355	4,739	-	3,444

Other:

Expiring within one year

Expiring within two to five years

Expiring after five years

Group		Company	
1999	1998	1999	1998
£000	£000	£000	£000
502	563	-	-
1,328	1,681	-	-
695	876	-	-
2,525	3,120	-	-

The maturity of obligations under group finance leases is as follows:

Amount payable:

Within one year

In two to five years

1999	1998
£000	£000
34	7
76	5
110	12

21. PROVISIONS FOR LIABILITIES AND CHARGES

Group

Provision for reorganisation

Provision for unassigned leases

Provision for post retirement health care benefits

Deferred Taxation

At 1 Jan. 1999	Arising during the Year	Released during year	At 31 Dec. 1999
335	803	-	1,138
317		-44	273
5,922	176	-1,700	4,398
15,439	2,805	-	18,244

Norsk Hydro (UK) Limited
 NOTES TO THE ACCOUNTS
 as at 31 December 1999

22,013	3,784	-1,744	24,053

21. PROVISIONS FOR LIABILITIES AND CHARGES (continued)

Company

At 1 Jan. 1999	Arising during the Year	Released during year	At 31 Dec. 1999
-------------------	-------------------------------	-------------------------	--------------------

Deferred Taxation

969	1,122	-	2,091
-----	-------	---	-------

The deferred taxation account at 31 December 1999 comprises:

	<i>Group</i>		<i>Company</i>	
	1999	1998	1999	1998
	£000	£000	£000	£000
Capital allowances in advance of depreciation	12,631	15,130	5,410	4,288
Other timing differences	8,932	3,628	-	-
Recoverable advance corporation tax	-3,319	-3,319	-3,319	-3,319
	18,244	15,439	2,091	969

For the purposes of calculating the deferred tax provision it is assumed that the company's adjusted loss for tax purposes will be surrendered under the group relief provisions, for which payment will be made at the corporation tax rate of 31%. There is no unprovided deferred tax liability.

22. DEFERRED INCOME

Capital grants received

245

<i>Group</i>	
1999	1998
£000	£000
2,371	3,035

23. PENSION SCHEMES

The undertakings within the group operate a number of pension schemes. The schemes are all funded and of the defined benefit type with assets held in trust separately from the undertakings.

The pension cost charge is determined by each scheme's qualified consulting actuaries. The charges for the year ended 31 December 1999 are based on the most recent valuation, which took place at a date between 5 April 1997 and 31 December 1999.

Several different valuation methods were employed: the principal schemes used the projected unit credit method. The principal actuarial assumptions adopted by each of those schemes were that the annual rate of return on investments would be 2% higher than the general level of increase in pensionable earnings and would be 3.5% higher than the annual rate of increase of present and future pensions.

At the dates of the most recent actuarial valuations the various schemes had assets with a total market value of approximately £281 million, which represented between 99% and 143% of the benefits accrued to members, after allowing for future salary increases.

Generally, the actuarial values of the assets of the schemes were materially in excess of the amounts required to cover the benefits that had accrued to members after allowing for expected future increase in pensionable earnings.

The pension charge for the year was £4,361,000 (1998 - credit of £2,626,000). A prepayment of £22,229,000 (1998 - £26,223,000) is included in debtors representing the excess of the contributions paid over the accumulated pension costs.

24. POST RETIREMENT HEALTH CARE BENEFIT

Following evaluation by qualified actuaries, the unfunded post retirement health care benefit liability at 31.12.99 was assessed at £4,398,000 (1998 - £5,922,000).

The main assumptions used in establishing the liability were that medical expenses inflation would fall after seven years from its current level of 7.5% to 5.0%. The discount rate applied was 6.25%. The provision of benefit has been assumed to be applicable to 100% of eligible employees.

25. SHARE CAPITAL

	Authorised		Allotted, called up and fully paid	
	1999	1998	1999	1998
	£000	£000	£000	£000
Ordinary shares of £1 each	72,667	72,667	49,334	49,334
Redeemable shares of £1 each	198,333	198,333	198,333	198,333
	271,000	271,000	247,667	247,667

The company has the right to redeem all or any of the redeemable shares at any time at par value. There is no premium payable on redemption.

Norsk Hydro (UK) Limited
NOTES TO THE ACCOUNTS
as at 31 December 1999

26. OTHER RESERVES

	1999	1998
	£000	£000
At 1 January	-11,689	-11,657
Exchange adjustments	-	-32
At 31 December	-11,689	-11,689

Following the adoption of FRS 10, "Goodwill and Intangible Assets", goodwill resulting from acquisitions since 1997 has been capitalised as an intangible asset. The cumulative amount of goodwill written off in earlier financial years amounts to £11,595,000.

27. RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENT ON RESERVES

Group

	Share capital	P & L Account	Reval. reserve	Other reserves	Total
	£000	£000	£000	£000	£000
At 1 January 1998	247,667	16,776	3,074	-11,657	255,860
Loss for the year	-	-15,372	-	-	-15,372
Surplus on revaluation of investment in associate	-	-549	502	-	-47
Exchange adjustment	-	-454	-1,574	-32	-2,060
At 1 January 1999	247,667	401	2,002	-11,689	238,381
Profit for the Year	-	20,501	-	-	20,501
Intra reserve transfers	-	-1,133	1,133	-	0
Adjustment on inclusion of subsidiary	-	1,336	-	-	1,336
Surplus on revaluation of investment in associate	-	-	663	-	663
Exchange adjustment	-	-64	26	-	-38
	247,667	21,041	3,824	-11,689	260,843

27. **RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENT ON RESERVES** (continued)

Company

	Share capital	P & L Account	Total
	£000	£000	£000
At 1 January 1998	247,667	583	248,250
Profit for the year	-	-9,244	-9,244
At 1 January 1999	247,667	-8,661	239,006
Profit for the year	-	14,894	14,894
	247,667	6,233	253,900

28. **MINORITY INTERESTS**

Minority interests represent the share of the profits/(losses) on ordinary activities after taxation attributable to the interests of shareholders in subsidiary undertakings which are not wholly owned by the company or its subsidiary undertakings.

	1999	1998
	£000	£000
Balance as at 1 January	1,209	1,860
Profit for the year	1,117	566
Minority interest attributable to Norsk Hydro	-	-
Zimbabwe (Private) Limited	-	-264
Exchange adjustments	-187	-953
Balance at 31 December	2,139	1,209

29. **CAPITAL COMMITMENTS**

At 31 December 1999 the directors have authorised future capital expenditure which, without taking account of Government grants, amounts to:

	Group		Company	
	1999	1998	1999	1998
	£000	£000	£000	£000
Contracted but not provided	431	761	-	-
Not contracted	1,600	2,400	-	-
	2,031	3,161	-	-

30. CONTINGENT LIABILITIES

Certain subsidiary undertakings have contingent liabilities in respect of guarantees and indemnities of :
£3,435,000 at 31 December 1999 (31 December 1998 - £5,035,000).

31. POST BALANCE SHEET EVENTS

Hydro Aluminium Alupres Limited and Hydro Aluminium Century Limited merged on 4 January 2000 to form Hydro Aluminium Extrusion Limited.

The ultimate parent undertaking has announced that during the first half of 2000, it will scale down its European fertiliser activity and close 1 million tonnes of nitrate fertiliser capacity. As a consequence Hydro Agri (UK) Limited, the company, announced in March 2000 that it would permanently be ceasing nitric acid and ammonium nitrate production at Immingham and liquid fertiliser production at Enstone and Micheldever. Production has now stopped.

After the cessation of production the company sells ammonium nitrate fertiliser produced by sister undertakings. In addition, Norsk Hydro (UK) Limited has written down the assets leased to Hydro Agri (UK) Limited by £29,012,000 following this restructuring.

Subject to clearance by the UK competition authorities, the group intends to sell Hydro Seafood GSP Limited to a third party. Depending on when the competition investigation is completed and the Government gives its ruling, the sale could take place either in 2000 or 2001.

32. PARENT UNDERTAKING

The parent undertaking of the smallest and largest group of undertakings for which group accounts are drawn up and of which the company is a member is Norsk Hydro ASA, incorporated in Norway. Copies of the Norsk Hydro ASA accounts can be obtained from PO Box 2594, N-0240 Oslo 2, Norway.