

Co. No. 336873



ALCAN CHEMICALS LIMITED

Report and Accounts for the year ended

31 December 2003



Directors' Report

The directors present their report and audited accounts of the Company for the year ended 31 December 2003.

1. Directors

The directors who served during the year and to date were:

K F Anthony Wilkinson
T L Kilbride
J C Wilkie

2. Activity, review of business and future developments

During the year the Company did not trade, has not incurred any liabilities and, consequently made neither profit nor loss. The directors did not expect any change in the Company's activities.

3. Results and dividends

A dividend of £8.9million (2002: nil) was paid on 12 November 2003. This was paid out of the accumulated profit and loss reserve.

4. Directors' interests

As at 31 December 2003 there were no disclosable directors' interests (2002: £Nil).

Statement of Directors' Responsibilities

Company law requires the directors to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the Company and the profit or loss of the Company for that period. The directors are required to prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Company will continue in business.

The directors confirm that suitable accounting policies have been used and applied consistently.

They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 31 December 2003 and that applicable accounting standards have been followed.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

By order of the Board

T L Kilbride
Director



Date

30 July 2004

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Registered in England No: 336873

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ALCAN CHEMICALS LIMITED

We have audited the financial statements which comprise the profit and loss account, the balance sheet and the related notes.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board. This report, including the opinion has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or in to whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions is not disclosed.

Basis of audit 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 Company's circumstances, consistently applied and adequately disclosed.

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

Opinion

In our opinion the financial statements give a true and fair view of the state of the Company's affairs at 31 December 2003 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
West London

4 August 2004

Profit and loss account for the year ended 31 December 2003

	Notes	2003 £m	2002 £m
Profit/(loss) on ordinary activities before taxation		-	-
Taxation (charge)/credit		-	-
Dividend paid	3	(8.9)	-
Retained loss for the year		(8.9)	-

There were no recognised gains or losses for the year.

There is no difference between the retained loss for the year stated above and its historical cost equivalent.

The notes on pages 5 to 6 form part of these accounts.

Balance Sheet at 31 December 2003

	Notes	2003 £m	2002 £m
CURRENT ASSETS			
Debtors - amounts owed by group undertakings		32.1	41.0
NET ASSETS		32.1	41.0
CAPITAL AND RESERVES			
Called up share capital	4	32.1	32.1
Profit and loss account		-	8.9
EQUITY SHAREHOLDERS' FUNDS	5	32.1	41.0



T L Kilbride
Director

The Board of Directors approved the accounts on 30 JULY 2004.

The notes on pages 5 and 6 form part of these accounts.

Notes to the Accounts

1. Accounting policies

These accounts have been prepared, on the going concern basis, under the historical cost convention, in accordance with applicable Accounting Standards and the requirements of the Companies Act 1985.

2. Directors' emoluments

During the year none of the directors received any remuneration in respect of their services to the Company (2002: £nil).

3. Dividends (£Million)

	2003	2002
Equity – ordinary		
Interim paid - £0.28 per £1 share (2002: £nil)	8.9	-
	8.9	-

4. Share capital (£Million)

	2003	2002
AUTHORISED		
Ordinary shares of £1 each	100.0	100.0
ISSUED AND FULLY PAID		
Ordinary shares of £1 each	32.1	32.1

5. Equity Shareholders' funds (£Million)

	2003	2002
Equity shareholders' funds at 1 January 2003	41.0	41.0
Loss retained for the year	(8.9)	-
Equity shareholders' funds at 31 December 2003	32.1	41.0

6. Ultimate parent company and controlling party

The ultimate parent undertaking and controlling party is Alcan Inc., a company incorporated in Canada, which is the parent undertaking of the largest group to consolidate these financial statements. British Alcan Aluminium plc, the immediate parent undertaking, is the parent undertaking of the smallest group to consolidate the financial statements.

Copies of the UK parent undertaking's accounts and of the ultimate parent undertaking's accounts are available from the Company's registered office.

7. Related party transactions

The Company is a wholly owned subsidiary undertaking of British Alcan Aluminium plc, and as such has taken advantage of the exemption granted by FRS 8 and has not disclosed transactions with fellow Group undertakings which are eliminated on consolidation.

Notes to the Accounts Continued

8. Commitments and contingent liabilities

The Company had no commitments or contingent liabilities as at 31 December 2003 (2002: £Nil).

9. Cash flow

The Company is a wholly owned subsidiary undertaking of British Alcan Aluminium plc and is included in the consolidated financial statements of that company which are publicly available. Consequently, the Company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 1 (Revised).