

SAPA FINANCIAL SERVICES LIMITED

ANNUAL REPORT

YEAR ENDED 31st DECEMBER 2003

Co. No. 1100137



SAPA FINANCIAL SERVICES LIMITED

YEAR ENDED 31st DECEMBER 2003

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SAPA FINANCIAL SERVICES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31st DECEMBER 2003

The directors present their report and the financial statements for the year ended 31st December 2003.

DIRECTORS' RESPONSIBILITIES

The directors are required by UK company law to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss of the company for that period.

The directors confirm that suitable accounting policies have been used and applied consistently and reasonable and prudent judgements and estimates have been made in the preparation of the financial statements for the year ended 31st December 2003. The directors also confirm that applicable accounting standards have been followed and that the financial statements have been prepared on the going concern basis.

The directors are responsible for keeping proper accounting records, for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DIRECTORS

The directors of the company at 31st December 2003 are listed below:

A.P. Daniels
N.K. Sissons

No director has had any beneficial interests in the shares of the company during the year ended 31st December 2003.

PRINCIPAL ACTIVITY

The company is dormant.

AUDITORS

In accordance with Section 379A and Section 386 of the Companies Act 1985 a resolution to dispense with the annual appointment of auditors was made on 9th April 1996.

BY ORDER OF THE BOARD



A.P. DANIELS
COMPANY SECRETARY

2 July 2004

ALEXANDRA WAY
ASHCHURCH
TEWKESBURY
GLOUCESTERSHIRE

SAPA FINANCIAL SERVICES LIMITED

ACCOUNTING POLICIES

1. ACCOUNTING CONVENTION

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards in the United Kingdom.

SAPA FINANCIAL SERVICES LIMITED

BALANCE SHEET

31st DECEMBER 2003

	<u>Note</u>	2003 £000	2002 £000
CAPITAL AND RESERVES			
Called up share capital - equity	1	-	-
Profit and loss account		-	-
		-----	-----
EQUITY SHAREHOLDERS' FUNDS			
		-	-
		-----	-----

For the year ended 31st December 2003 the company was entitled to the exemption under section 249AA(1) of the Companies Act 1985.

Members have not required the company to obtain an audit in accordance with section 249(B)(2) of the Companies Act 1985.

The directors acknowledge their responsibility for:

- (i) ensuring the company keeps accounting records which comply with section 221; and
- (ii) preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year, and of its profit and loss for the financial year, in accordance with section 226, and which otherwise comply with the requirements of the Companies Act relating to accounts, so far as applicable to the company.

Approved by the Board of Directors on 2nd July 2004 and signed on its behalf by:



A.P. DANIELS
DIRECTOR

SAPA FINANCIAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31st DECEMBER 2003

	2003 £	2002 £
1. CALLED UP SHARE CAPITAL		
Authorised Equity		
100 ordinary shares of £1 each	100	100
	-----	-----
Allotted and fully paid Equity		
2 ordinary shares of £1 each	2	2
	-----	-----

2. **CASH FLOW STATEMENT**

No cash flow statement has been prepared since the company is a wholly owned subsidiary undertaking and is exempt from doing so by the provisions of FRS1.

3. **PARENT COMPANIES**

The company is a subsidiary undertaking of, and is controlled by Sapa UK Limited, which is registered in England. The ultimate parent company and controlling party is Elkem ASA which is incorporated in Norway.

The largest group on which the results of the company are consolidated is that of which Elkem ASA is the parent company. The consolidated accounts of Elkem ASA may be obtained from Corporate Headquarters, Hoffsvæien 65B, P.O. Box 5211, Majorstuen, N-0303 Oslo, Norway.

Transactions with entities that are part of the Sapa AB group are not disclosed, as the company has taken advantage of exemptions in FRS8, being a 100% owned subsidiary.