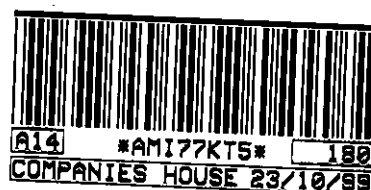


JOHN BUCKINGHAM (INSURANCE SERVICES) LIMITED

**DIRECTOR'S REPORT AND
FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 DECEMBER 1998



JOHN BUCKINGHAM (INSURANCE SERVICES) LIMITED

Directors:	G E Jones S A Hargreaves
Secretary:	S A Hargreaves
Registered office:	6 Gt. Marlborough Street Manchester M1 5SW
Registered number:	1033743 England

JOHN BUCKINGHAM (INSURANCE SERVICES) LIMITED

REPORT OF THE DIRECTORS

The directors submit their report and the audited financial statements of the Company for the year ended 31 December 1998.

BUSINESS REVIEW

The Company did not trade during the year.

DIRECTORS

The members of the board during the year were:

G E Jones
S A Hargreaves

G E Jones is a director of Swinton (Holdings) Limited and both G E Jones and S A Hargreaves are directors of Swinton (Denton) Limited, parent companies of the Company, and their shareholdings are shown in the financial statements of those companies.

DIRECTORS' RESPONSIBILITIES

Company law requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing those financial statements, the Directors are required to select suitable accounting policies and then apply them consistently, make judgements and estimates that are reasonable and prudent, state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements, and 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 are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They 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.

JOHN BUCKINGHAM (INSURANCE SERVICES) LIMITED

REPORT OF THE DIRECTORS

ELECTIVE REGIME

At the Annual General Meeting of the Company held on Friday, 16 September 1994 it was resolved unanimously as an elective resolution in accordance with Section 379A of the Companies Act 1985 ("the Act") as follows:-

"That the Company hereby elects:-

- (i) pursuant to Section 252 of the Act, to dispense with the laying of accounts and reports before the Company in general meetings; and
- (ii) pursuant to Section 366A of the Act, to dispense with the holding of annual general meetings."

By Order of the Board



S A HARGREAVES
Secretary

14 October 1999

JOHN BUCKINGHAM (INSURANCE SERVICES) LIMITED

BALANCE SHEET AS AT 31 DECEMBER 1998

	Note	1998 £	1997 £
CURRENT ASSETS			
Debtors	2	1,000	1,000
		<u> </u>	<u> </u>
CAPITAL AND RESERVES			
Called up share capital	3	1,000	1,000
		<u> </u>	<u> </u>

The Company was dormant within the meaning of Section 250, Companies Act 1985, throughout the financial year ended 31 December 1998.


G E JONES - DIRECTOR

14 October 1999

JOHN BUCKINGHAM (INSURANCE SERVICES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1998

1. ACCOUNTING POLICY

Basis of preparation

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

	1998 £	1997 £
2. DEBTORS		
Amounts owed by group undertakings	1,000	1,000
	<hr/>	<hr/>
3. SHARE CAPITAL		
Authorised, issued and fully paid 1,000 ordinary shares of £1 each	1,000	1,000
	<hr/>	<hr/>
4. ULTIMATE PARENT COMPANY		

The ultimate parent company is Royal & Sun Alliance Insurance Group plc and the intermediate parent company is Swinton (Holdings) Limited. Both companies are registered in England and Wales.