

SWINTON (DENTON) LIMITED

**DIRECTORS' REPORT AND
FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 DECEMBER 2002



SWINTON (DENTON) LIMITED

DIRECTORS:

P J E Smith
P J Halpin
J Ordish
A E Jackson

SECRETARY:

S A Hargreaves

REGISTERED OFFICE:

Swinton House
6 Gt. Marlborough Street
Manchester
M1 5SW

REGISTERED NUMBER:

1232766 England

SWINTON (DENTON) LIMITED

REPORT OF THE DIRECTORS

The directors submit their report and financial statements of the Company for the year ended 31 December 2002.

BUSINESS REVIEW

The principal activity of the Company is that of a holding company of subsidiaries.

The Company has been dormant for this financial period and all of the Company's subsidiary undertakings are dormant with the exceptions of Swinton Group Limited and Walmsleys Insurance Brokers Limited, which operate as insurance intermediaries, and Walmsley Williams Limited which operates as an intermediate Holding Company.

DIRECTORS

The members of the board during the year were:

P J E Smith	
P J Halpin	(appointed 11.07.02)
J Ordish	(appointed 19.07.02)
A E Jackson	(appointed 19.07.02)

No director had any interests in the shares or debentures of the Company.

P J E Smith, A E Jackson and J Ordish have been assigned rights to shares in Swinton (Holdings) Limited, another group company. Details of these rights can be found in the accounts of Swinton (Holdings) Limited. The shares issued to these three directors are as follows:

Director	Number of shares
P J E Smith	13,829,340
A E Jackson	3,918,313
J Ordish	3,918,313

P J E Smith also holds through his interests in Webbshare Limited, 50,400 Ordinary 'A' Shares (16.8% of the Ordinary Share Capital) in Its4me plc, a subsidiary of MMA Insurance plc.

SWINTON (DENTON) LIMITED

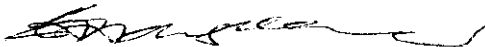
REPORT OF THE DIRECTORS

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.

By Order of the Board



S A HARGREAVES

Secretary

25 April 2003

SWINTON (DENTON) LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2002

	Note	2002 £	2001 £
Profit on disposal of subsidiaries		-	283,768
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		-	283,768
Tax on results of ordinary activities		-	-
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		-	283,768
Dividends		-	-
PROFIT FOR THE YEAR		-	283,768

The company has no recognised gains and losses other than those included in the profit above, and therefore no separate statement of total recognised gains and losses has been presented.

There is no difference between the profit on ordinary activities before taxation and the profit for the year, and their historical cost equivalents.

SWINTON (DENTON) LIMITED

BALANCE SHEET AS AT 31 DECEMBER 2002

	Note	2002 £	2001 £
FIXED ASSETS			
Investments	2	68,437	68,437
CREDITORS			
Amounts falling due within one year	3	(17,451,307)	(17,451,307)
NET LIABILITIES		(17,382,870)	(17,382,870)
CAPITAL AND RESERVES			
Called up share capital	4	26,260	26,260
Profit and loss account	5	(17,409,130)	(17,409,130)
	6	(17,382,870)	(17,382,870)

For the year ended 31 December 2002, the Company was entitled to the exemption under Section 249AA(1) of the Companies Act 1985.

No members have required the Company to obtain an audit of its accounts for the year in question in accordance with Section 249B(2) of the Companies Act 1985.

The directors acknowledge their responsibilities for:

- (i) ensuring the Company keeps accounting records which comply with Section 221 of the Companies Act 1985; 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 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.

The financial statements on pages 4 to 7 were approved by the board on 25 April 2003 and signed on their behalf by



P J HALPIN
DIRECTOR

SWINTON (DENTON) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2002

1. ACCOUNTING POLICIES

Basis of preparation

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

The Company is exempt by virtue of s228 of the Companies Act 1985 from the requirement to prepare consolidated accounts. These financial statements present information about the Company as an individual undertaking and not about its Group.

Fixed Asset Investments

Fixed asset investments are valued at cost.

2. FIXED ASSET INVESTMENTS

In subsidiary undertakings at cost:

	£
At 1 January 2002 and 31 December 2002	68,347

Details of subsidiary undertakings at 31 December 2002 are shown in note 7.

3. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2002 £	2001 £
Amounts due to group undertakings	17,451,307	17,451,307

4. SHARE CAPITAL

	2002 £	2001 £
Authorised, issued and fully paid		
26,000 ordinary shares of 1p each	260	260
26,000 deferred shares of £1 each	26,000	26,000
	26,260	26,260

Holders of deferred shares are not entitled to vote at any General Meeting of the Company. They are entitled to a 5% per annum fixed non-cumulative dividend if net profits of the Company for a financial year available for distribution are in excess of £2 million. On winding up of the Company they are entitled to a return of the capital paid up on these shares only after £2 million has been distributed in respect of ordinary shares.

SWINTON (DENTON) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2002

5. PROFIT AND LOSS ACCOUNT

£

As at 1 January 2002 and 31 December 2002

17,409,130

6. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS FUNDS

	2002 £	2001 £
Profit for the financial year	-	283,768
Opening shareholders funds	(17,382,870)	(17,666,638)
	<hr/>	<hr/>
Closing shareholders funds	(17,382,870)	(17,382,870)
	<hr/>	<hr/>

7. DETAILS OF SUBSIDIARY COMPANIES

Details of principal subsidiary undertakings, which are registered in England and Wales, are:

Name	Principal Activity	Company interest in ordinary share capital %
Swinton Group Limited	Insurance intermediary	100
Colonnade Insurance Brokers Limited	Insurance intermediary – now dormant	*100
Walmsley Williams Limited	Insurance intermediary	*100
Walmsleys Insurance Brokers Limited	Insurance intermediary	**100

* Held directly by Swinton Group Limited

**Held directly by Walmsley Williams Limited

8. ULTIMATE PARENT COMPANY & CONTROLLING PARTY

The Company's immediate parent company continues to be Swinton (Holdings) Limited.

In the directors' opinion, the Company's ultimate parent company, controlling party and largest undertaking which produces consolidated accounts (which include the Company and its subsidiary undertakings) continues to be La Mutuelle du Mans Assurances IARD ["MMA IARD"] which is registered in France. Copies of its group accounts can be obtained from MMA Insurance plc, Norman Place, Reading RG1 8DA.

The smallest undertaking in the group which produces consolidated accounts (which include the Company and its subsidiary undertakings) continues to be Swinton (Holdings) Limited which is registered in England & Wales. A copy of its accounts can be obtained from the Company's registered office.

The Company has applied the provisions of Financial Reporting Standard 8 ("Related Party Transactions") and taken the exemption allowed by the Standard from disclosing transactions with entities in the MMA IARD Group.