

RSA GROUP LIMITED

DIRECTORS' REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 1998

<u>CONTENTS</u>	<u>PAGE</u>
REPORT OF THE DIRECTORS	2
REPORT OF THE AUDITORS	3
BALANCE SHEET	4
NOTES TO THE ACCOUNTS	5

DIRECTORS:

R.A. Staton
Mrs. A. Staton

REGISTERED NUMBER:

3047692

REGISTERED OFFICE:

Old Trinity Church
Trinity Road
Marlow
Buckinghamshire
SL7 3AW



RSA GROUP LIMITED

REPORT OF THE DIRECTORS

The directors have pleasure in submitting their report to the members together with the audited accounts of the company for the year ended 31 December 1998.

RESPONSIBILITY FOR THE PREPARATION OF THE FINANCIAL STATEMENTS

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 as at the end of the year and of its profit or loss for that period. In preparing the financial statements the directors are required to select suitable accounting policies and apply them consistently, make judgements and estimates that are reasonable and prudent, state whether applicable accounting standards have been followed, and 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.

PRINCIPAL ACTIVITY

The company has not traded during the year under review, or the previous period.

DIVIDENDS

The absence of distributable reserves prevents the payment of any dividends.

DIRECTORS AND THEIR INTERESTS

The directors during the year were: R.A. Staton
Mrs. A. Staton

In accordance with the articles R.A. Staton retires and being eligible, offers himself for re-election. The directors at 31 December 1998, having interests in the company together with details of their holdings are set out in note 5.

TAXATION STATUS

The directors are of the opinion that the company is a close company within the provisions of the Income and Corporation Taxes Act 1988.


AUDITORS

A resolution will be proposed at the Annual General Meeting to re-appoint Limehouse & Co. who have signified their willingness to be re-appointed auditors of the company.

On behalf of the board

R.A. STATON

Date


22/03/99

LIMEHOUSE & CO

Chartered Accountants
Registered Auditor

3 Whitehall Road, Rugby CV21 3AE

Telephone Rugby (01788) 542032 Facsimile (01788) 547303
www.limehouse-accountants.co.uk e-mail: limehouse@dial.pipex.com

AUDITORS' REPORT TO THE SHAREHOLDERS OF

RSA GROUP LIMITED

We have audited the financial statements on pages 4 and 5 which have been prepared under the historical cost convention and the accounting policies set out on page 5.

Respective responsibilities of directors and auditors

As described in the directors' report the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

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 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 as at 31 December 1998 and have been properly prepared in accordance with the Companies Act 1985.

3 WHITEHALL ROAD
RUGBY CV21 3AE

24 March 1999


LIMEHOUSE & CO.

Chartered Accountants
Registered Auditors

- 3 -

Partners: HRP Thompson FCA, FCCA. IM Barrie FCA, FCCA. RP Grain BCom, FCA. Tax Consultant: PW Jennings FCCA.
Also 25 Sackville Street, London W1X 2HQ. Telephone 0171 544 2000.

Authorised by the Institute of Chartered Accountants in England & Wales to carry on Investment Business.

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The UK 200 Group
FINANCIAL SERVICES GROUP

Members of the
International Association
of Practising Accountants **IAPA**

RSA GROUP LIMITED

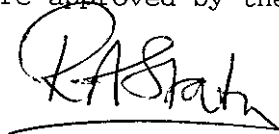
BALANCE SHEET AT 31 DECEMBER 1998

	NOTES	1998 £	1997 £
<u>CURRENT ASSETS</u>			
Debtors	3	2	2
<u>TOTAL ASSETS</u>		<u>£2</u>	<u>£2</u>
<u>CAPITAL AND RESERVES</u>			
Called up share capital	4	2	2
<u>SHAREHOLDERS' FUNDS</u>		<u>£2</u>	<u>£2</u>

These accounts were approved by the board of directors on

R.A. Staton

DIRECTOR



22/03/99

RSA GROUP LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 31 DECEMBER 1998

1. ACCOUNTING POLICIES

The accounts are drawn up under the historical cost convention.

2. PROFIT AND LOSS ACCOUNT

The company has not traded during this year or the previous period and accordingly it has made neither a profit or loss. No profit and loss account has therefore been prepared.

3. <u>DEBTORS</u>	1998	1997
Called up share capital not paid	£2	£2

4. <u>CALLED UP SHARE CAPITAL</u>	1998	1997
Authorised:		
10,000 Ordinary shares of £1 each	£10,000	£10,000
Allotted and called up:		
2 Ordinary shares of £1 each	£2	£2

5. DIRECTORS SHAREHOLDINGS

The directors of the company at 31 December 1998 having shareholdings, including family interests were as follows:

<u>Beneficial Interests</u>	1998	1997
R.A. Staton	1	1
Mrs A. Staton	1	1