

NON-DESTRUCTIVE TESTERS LIMITED

Report and Accounts

for the year ended 31 December 2003



Non-Destructive Testers Limited
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Non-Destructive Testers Limited

Directors

Directors

I Craston (appointed 2 April 2004)

M G Culmer (appointed 2 April 2004)

J C Hance (resigned 2 April 2004)

I D Hutchinson

J V Miller

Royal Insurance Service Company Limited

Secretary

J E Fox

Registered office:

St Mark's Court
Chart Way
Horsham
West Sussex
RH12 1XL

Auditors

PricewaterhouseCoopers LLP
Southwark Towers
32 London Bridge Street
London SE1 9SY

Non-Destructive Testers Limited

Directors' report

Principal activity

The Company is a parent company for a number of the Royal & Sun Alliance Insurance Group plc's dormant subsidiary companies.

Review of the year and future developments

The Company did not trade during the year and the directors do not expect the Company to trade in the foreseeable future.

Auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their appointment will be proposed at the Annual General Meeting of Royal & SunAlliance Insurance Group plc.

Directors

I D Hutchinson, J C Hance and J V Miller served throughout the year. J C Hance resigned from his post on 2 April 2004 and I Craston and M G Culmer took up their appointments on 2 April 2004.

Directors Interests

The directors did not have any interests in the shares of the Company. The interests in the ordinary shares of 27.5p each in Royal & Sun Alliance Insurance Group plc for I D Hutchinson and J V Miller are disclosed in the financial statements of Royal Insurance Holdings plc. The interests in the shares of Royal & Sun Alliance Insurance Group plc for J C Hance are disclosed in the financial statements of that company.

By order of the directors



J E Fox
Secretary

27 July 2004

Non-Destructive Testers Limited
Statement of directors' responsibilities

Directors' responsibilities

The directors are required by UK company law 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 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 31 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 have responsibility for ensuring that the Company keeps proper accounting records. The directors have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Independent auditors' report to the members of Non-Destructive Testers Limited

We have audited the financial statements which comprise the balance sheet and the related notes.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the accounts 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 accounts 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 accounts 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 accounts, 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.

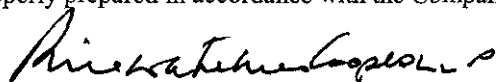
Basis of audit opinion

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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

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 have been properly prepared in accordance with the Companies Act 1985.



PRICEWATERHOUSECOOPERS LLP
Chartered Accountants and Registered Auditors
London

2004

27 July


Non-Destructive Testers Limited

Balance sheet as at 31 December 2003

	Notes	2003 £	2002 £
Fixed assets			
Investments – subsidiary undertaking	2	14,033,840	14,033,840
Current assets			
Debtors	3	1,039,635	1,039,635
Creditors: amounts falling due within one year	4	(15,073,473)	(15,073,473)
Net current liabilities		(14,033,838)	(14,033,838)
Net assets		2	2
Share capital and reserves			
Called-up share capital	5	2	2
Equity shareholders' funds		2	2

The notes on pages 7 to 9 form part of these accounts.

The accounts on pages 6 to 9 were approved today by the Board of directors and signed on its behalf by:


 Director
 27 July

2004

Non-Destructive Testers Limited

Notes on the accounts

1 Accounting policies

The financial statements are prepared under the historic cost convention and in accordance with the Companies Act 1985 and applicable United Kingdom accounting standards. The Company did not trade during the year and made neither a profit nor a loss nor any other recognised gains or losses.

The accounts have been prepared on a going concern basis. The balance sheet as at 31 December 2003 reports net current liabilities of £14,033,838 after taking into account a liability of £15,073,473 due to group companies on demand. After due and careful enquiry, the directors believe that it is not the intention of the group companies to call for payment of the liability in the foreseeable future. The directors have received no undertaking to this effect from the group companies. Were the group companies to seek repayment of the liability, the directors are satisfied that no material adjustments would be necessary in order to prepare the accounts as a non-going concern.

A summary of major accounting policies, which have been consistently applied, is set out below.

Group accounts

The company has taken advantage in Section 228 (1) (a) of the Companies Act 1985 under which group accounts need not be prepared where the company is itself a wholly owned subsidiary undertaking of another company.

2 Investments – subsidiary undertakings

The Company's subsidiaries at 31 December 2003 are listed on page 10.

All of the subsidiaries were dormant (within the meaning of Section 249 AA of the Companies Act 1985) throughout the year ended 31 December 2003.

All holdings are of ordinary or like shares and represent 100% of the nominal issued capital, with the exception of The Advice Service Limited (50%).

3 Debtors

	2003 £	2002 £
Amounts falling due within one year:		
Amounts owed by subsidiaries	1,039,635	1,039,635

4 Creditors

	2003 £	2002 £
Amounts falling due within one year:		
Amounts owed to group companies	1,586,165	1,586,165
Amounts owed to subsidiaries	13,487,308	13,487,308
	15,073,473	15,073,473

5 Share capital

	2003 £	2002 £
Authorised: 2,000,000 shares of £1 each	2,000,000	2,000,000
Allotted, called up, fully paid: 2 shares of £1 each	2	2

6 Capital commitments

The Company had no capital commitments at 31 December 2003 (2002 £nil).

7 Directors' emoluments and employee information

None of the directors receive any emoluments from the Company during the year (2002 £nil). The Company administrative duties are performed by employees of Royal & Sun Alliance Insurance plc.

The emoluments of all the Company's directors are paid by Royal & Sun Alliance Insurance plc. Their services to this company and to a number of fellow subsidiaries are of a non-executive nature and their emoluments are deemed to be wholly attributable to their services to Royal & Sun Alliance Insurance plc.

8 Auditors' remuneration

The cost of auditing the Company's accounts is borne by the parent company.

9 Cash flow

The Company is a wholly owned subsidiary of Royal & Sun Alliance Insurance Group plc and the cash flows of the Company are included in the consolidated cash flow statement of Royal & Sun Alliance Insurance Group plc. The Company has thus taken advantage of the exemption permitted by FRS 1 (revised) 'Cash Flow Statements' and has elected not to prepare its own cash flow statement.

10 Related party transactions

Advantage has been taken of the exemption provided in FRS8 'Related Party Disclosures' from disclosing details of transactions with Royal & Sun Alliance Insurance Group plc and its subsidiaries and associated undertakings.

11 Parent companies

The parent of the smallest group for which financial statements including Non-Destructive Testers Limited are drawn up is Royal & Sun Alliance Insurance plc, registered in England and Wales, which is also the Company's immediate parent company.

The Company's ultimate parent company and controlling party is Royal & Sun Alliance Insurance Group plc, registered in England and Wales, and is the parent undertaking of the largest group to consolidate these financial statements. A copy of that company's accounts can be obtained from 30 Berkeley Square, London W1J 6EW.

12 Corporate directorship

In accordance with paragraph 58 of Schedule 4, Part III to the Companies Act 1985, the Company acted as a corporate director during the year.

Non-Destructive Testers Limited

Subsidiaries

	Country of registration / incorporation
Allen & Harris (Newbury) Limited	England & Wales
Brown & Mumford Limited	England & Wales
Fox & Sons (East) Limited	England & Wales
Fox & Sons (South) Limited	England & Wales
Fox & Sons Limited	England & Wales
Fox Commercial Limited	England & Wales
Fox Professional Services Limited	England & Wales
Fox Property Services Limited	England & Wales
John Thornborrow & Company Limited	England & Wales
Kent Insurance Company Limited	England & Wales
Law Union and Rock Company Limited	England & Wales
Legal Assistance Limited	England & Wales
Moody & Co (Estate Agents) Limited	England & Wales
Oyston and Longden & Cook Limited	England & Wales
Oyston Estate Agency Limited	England & Wales
Philip G Robinson Limited	England & Wales
Rles Estate Agents Limited	England & Wales
Royal Insurance Property Management Limited	England & Wales
Royal Insurance Service Company (U.K.) Limited	England & Wales
Royal Insurance Service Company Limited	England & Wales
Royal Life Corporate Business Services Limited	England & Wales
Royal Life Direct Marketing Limited	England & Wales
Royal Life Finance Limited	England & Wales
Stappard & Hill Limited	England & Wales
Swetenhams Limited	England & Wales
Takefine Builders Limited	England & Wales
The Advice Service Limited	England & Wales
The Claims Service Limited	England & Wales
The Finance Service Limited	England & Wales
Westgate House Nominees (1993) Limited	England & Wales
Westgate House Nominees Holdings Limited	England & Wales
Westgate House Nominees Limited	England & Wales
Westgate Properties (Scotland) Limited	Scotland