

**GENERAL ACCIDENT
EXECUTOR AND TRUSTEE COMPANY LIMITED
2003**



General Accident Executor and Trustee Company Limited

Report and Accounts 2003

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General Accident Executor and Trustee Company Limited

Directors and Officer

Directors:

Aviva Director Services Limited (appointed 4 December 2003)

Aviva Company Secretarial Services Limited (appointed 4 December 2003)

Officer:

Company Secretary:

Aviva Company Secretarial Services Limited

Auditors:

Ernst & Young LLP

Registered Auditor

1 More London Place

London

SE1 2AF

Registered Office:

St Helen's,

1 Undershaft,

London

EC3P 3DQ

Registered in England: No. 6252

The Company is a member of the Aviva plc group of companies (the Group).

General Accident Executor and Trustee Company Limited

Directors' Report

for the year ended 31 December 2003

The directors present their annual report and audited accounts for General Accident Executor and Trustee Company Limited (the Company) for the year ended 31 December 2003.

Principal activity

The Company's principal activity continues to be the operation of its domestic trust unit. The directors consider that this will continue unchanged in the foreseeable future.

Profit and loss account

The profit and loss account of the Company is set out on page 6.

Dividends

The directors recommend the payment of a preference share dividend for the year of £1,200 (2002: £1,200). The directors do not recommend the payment of any dividend on the ordinary shares (2002: £ nil).

Employees

All employees are employed by a fellow subsidiary undertaking of Aviva plc, Aviva Employment Services Limited. Disclosures relating to employees may be found in the consolidated accounts of Aviva plc.

Resolutions

On 26 August 1999, the members of the Company passed resolutions to dispense with the holding of Annual General Meetings, the laying of directors' reports, accounts and auditors' reports before the members in general meeting and the obligation to appoint auditors annually.

General Accident Executor and Trustee Company Limited

Directors' Report (continued)

for the year ended 31 December 2003

Directors' interests

The names of the present directors of the Company appear on page 1.

PC Burke and RA Whitaker resigned as directors of the Company on 4 December 2003. Aviva Director Services Limited and Aviva Company Secretarial Services Limited were appointed as directors of the Company on 4 December 2003.

Neither of the directors who held office at 31 December 2003 had any beneficial interests in the Company's shares or the shares of any other company within the Aviva plc Group.

Statement of directors' responsibilities

Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the Company and of the result of the Company for that period. In preparing those accounts, 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 accounts;
- prepare the accounts 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 enable them to ensure that the accounts comply with the Companies Act 1985. They 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.

By order of the Board



Authorised signatory
Aviva Company Secretarial Services Limited
Secretary

AUTHORISED SIGNATORY
FOR AND ON BEHALF OF
AVIVA COMPANY
SECRETARIAL SERVICES LIMITED

13 October 2004

General Accident Executor and Trustee Company Limited

Independent Auditors' Report

To the members of General Accident Executor and Trustee Company Limited

We have audited the Company's accounts for the year ended 31 December 2003 which comprise the Profit and Loss Account, Statement of Total Recognised Gains and Losses, Balance Sheet, and the related notes 1 to 13. These accounts have been prepared on the basis of the accounting policies set out on page 5.

This report is made solely to the Company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described in the statement of directors' responsibilities in the Directors' Report the Company's directors are responsible for the preparation of the accounts in accordance with applicable United Kingdom law and accounting standards.

Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 with the Company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom 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 accounts give a true and fair view of the state of affairs of the Company as at 31 December 2003 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Ernst & Young LLP

Ernst & Young LLP
Registered Auditor
London

15 October 2004

General Accident Executor and Trustee Company Limited

Statement of Accounting Policies

(a) Basis of accounts

The accounts have been prepared under the historical cost convention, except for a modification to value investments at market value, and in accordance with the Companies Act 1985. The accounting policies adopted reflect United Kingdom financial reporting standards and statements of standard accounting practice applicable at 31 December 2003 as considered appropriate.

(b) Turnover

Turnover comprises fee income earned in respect of acting as an administrator of executor and trustee business.

(c) Taxation

The tax charge is based on the taxable profits for the year, after any adjustments in respect of prior years. Tax, including tax relief for losses if applicable, is allocated over profits on ordinary activities and amounts charged or credited to reserves as appropriate.

Provision is made for deferred tax liabilities, or credit taken for deferred tax assets, using the liability method, on all material timing differences including revaluation gains and losses on investments recognised in the profit and loss account. Deferred taxation is calculated at the rates at which it is expected that the tax will arise and discounted to take into account the likely timing of payments and pattern of expected realisation of investments.

The discount rates used are the post-tax yields to maturity that could be obtained at the balance sheet date on Government bonds with the maturity dates and in currencies similar to those of the deferred tax assets or liabilities.

(d) Investments

Investments are stated at their current values at the end of the year. Current values, for this purpose, comprise stock exchange mid-market values for listed securities. The resulting gain/loss over cost is taken to the revaluation reserve except where the directors consider any shortfall to be a permanent impairment. Provisions for impairment, and any changes thereto, are taken to the profit and loss account.

Realised gains and losses on the disposal of investments are calculated by comparing net proceeds with the carrying value at the previous balance sheet date in accordance with Financial Reporting Standard 3.

Investment income consists of interest and dividends receivable for the year. Income from listed stocks and shares is included in the accounts when the security becomes ex-dividend. Income is credited to the profit and loss account at the amount receivable, with no associated tax credit for income from the United Kingdom. Interest receivable is accounted for on an accruals basis.

General Accident Executor and Trustee Company Limited

Profit and Loss Account for the year ended 31 December 2003

	Note	2003 £'000	2002 £'000
Turnover		53	102
Administration costs		(42)	(74)
Operating profit		11	28
Net realised losses on investments		(1)	(18)
Interest receivable on bank balances		4	8
Income from other fixed asset investments		61	67
Impairment provision against cost of other fixed asset investments		(32)	-
Profit on ordinary activities before tax		43	85
Tax on profit on ordinary activities	4	(10)	(19)
Profit for the year		33	66
Dividend proposed on preference shares		(1)	(1)
Retained profit transferred to reserves		32	65

All the above relate to continuing operations.

The accounting policies on page 5 and the notes on pages 9 to 12 form an integral part of these accounts.

General Accident Executor and Trustee Company Limited

Statement of Total Recognised Gains and Losses for the year ended 31 December 2003

	Note	2003 £'000	2002 £'000
Profit for the year after tax		33	66
(Decrease)/Increase in revaluation reserve	10	(7)	10
Total recognised gains arising in the year		<u>26</u>	<u>76</u>

There are no material differences between the profit on ordinary activities before taxation and the retained profit for the year stated above and their historical cost equivalents.

The accounting policies on page 5 and the notes on pages 9 to 12 form an integral part of these accounts.

General Accident Executor and Trustee Company Limited

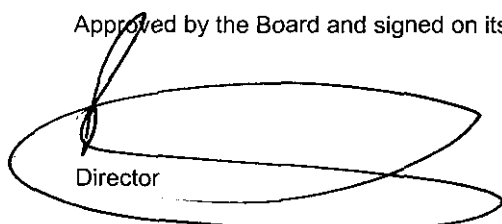
Balance Sheet

at 31 December 2003

	Note	2003 £'000	2002 £'000
Fixed assets			
Investments	5	750	789
Current assets			
Debtors	6	3,597	5,968
Cash at bank and in hand		60	150
		<u>3,657</u>	<u>6,118</u>
Creditors: amounts falling due within one year	7	<u>(3,270)</u>	<u>(5,802)</u>
Net current assets		<u>387</u>	<u>316</u>
Net assets		<u>1,137</u>	<u>1,105</u>
Capital and reserves			
Ordinary share capital	8	807	807
Preference share capital	9	20	20
Called up share capital	10	827	827
Revaluation reserve	10	-	7
Profit and loss account	10	166	127
General reserve	10	144	144
Shareholder's funds	10	<u>1,137</u>	<u>1,105</u>
Shareholder's funds attributable to equity interests		1,117	1,085
Shareholder's funds attributable to non-equity interests		<u>20</u>	<u>20</u>

The accounting policies on page 5 and the notes on pages 9 to 12 form an integral part of these accounts.

Approved by the Board and signed on its behalf by:


Director

13 October 2004
AUTHORISED SIGNATORY
FOR AND ON BEHALF OF
AVIVA
DIRECTOR SERVICES LIMITED

General Accident Executor and Trustee Company Limited

Notes to the Accounts

1 Segmental information

For the purposes of Statement of Standard Accounting Practice 25, "Segmental Reporting", the directors consider that the Company operates in only one class of business, that of provider of domestic trust services, and in only one geographical segment, that of the United Kingdom.

2 Directors' emoluments

The emoluments of the directors have been borne in 2003 by CGU Insurance plc, a fellow Group undertaking. Neither of the directors received any emoluments in respect of their services as a director of the Company in 2002.

3 Auditors' remuneration

The remuneration of the auditors has been borne in 2003 by CGU Insurance plc, a fellow Group undertaking. In 2002 auditors' remuneration was borne by Aviva plc.

4 Taxation

(a) Tax on profit on ordinary activities:

Taxation charged in the profit and loss account comprises:

	2003 £'000	2002 £'000
Current tax:		
UK corporation tax	8	19
Prior year adjustments	2	-
Total current tax	10	19

(b) Factors affecting current tax charge for the year:

The tax assessed in the profit and loss account is lower than the standard UK corporation tax rate, because of the following factors:

	2003 £'000	2002 £'000
Profit on ordinary activities before tax	43	85
Current tax charge at standard UK corporation tax rate of 30% (2002: 30%)	13	25
Adjustment to tax charge in respect of prior years	2	-
Other deferred tax movements	(5)	(6)
Current tax charge for the year (see note 4(a))	10	19

General Accident Executor and Trustee Company Limited

Notes to the Accounts (continued)

4 Taxation (continued)

(c) Factors that may affect future tax charges:

Deferred tax assets, which have not been recognised due to the uncertainty of their recoverability in the foreseeable future, comprise:

	2003 £'000	2002 £'000
Capital allowances	<u>14</u>	<u>19</u>

5 Investments

	Market value		Cost	
	2003 £'000	2002 £'000	2003 £'000	2002 £'000
Debt securities and other fixed income securities	<u>750</u>	<u>789</u>	<u>800</u>	<u>807</u>

All the investments are listed

6 Debtors

	2003 £'000	2002 £'000
Amounts due from parent undertaking	3,587	5,958
Accrued income	9	10
Other debtors	<u>1</u>	<u>-</u>
	<u>3,597</u>	<u>5,968</u>

General Accident Executor and Trustee Company Limited

Notes to the Accounts (continued)

7 Creditors - amounts falling due within one year

	2003 £'000	2002 £'000
Parent undertaking interest-free subordinated debt, repayable on demand	3,200	3,200
Other amounts due to parent undertaking	-	2,300
Other amounts due to fellow Group undertakings	62	269
Dividend payable	1	1
UK corporation tax payable	7	23
Group relief payable to fellow Group undertakings	-	9
	3,270	5,802

8 Ordinary share capital

	2003 £'000	2002 £'000
Authorised		
350,000 (2002: 350,000) ordinary shares of £4 each	1,400	1,400
Allotted and called up		
194,500 (2002: 194,500) ordinary shares of £4 each, fully paid	778	778
13,000 (2002: 13,000) ordinary shares of £4 each, £2.20 paid	29	29
	807	807

9 Preference share capital

	2003 £'000	2002 £'000
Authorised		
20,000 (2002: 20,000) 6% cumulative preference shares of £5 each	100	100
Allotted, called up and partly paid		
20,000 (2002: 20,000) 6% cumulative preference shares of £5 each (£1 per share paid)	20	20

General Accident Executor and Trustee Company Limited

Notes to the Accounts (continued)

10 Reconciliation of movements in shareholder's funds

	Share capital	Revaluation reserve	Profit and loss account	General reserve	Total shareholder's funds	
	2003 £'000	2003 £'000	2003 £'000	2003 £'000	2003 £'000	2002 £'000
Balance at 1 January	827	7	127	144	1,105	1,030
Change in unrealised value of investments	-	-	-	-	-	10
Transfer to profit and loss account	-	(7)	7	-	-	-
Profit for the financial year	-	-	32	-	32	65
Balance at 31 December	827	-	166	144	1,137	1,105

11 Related party transactions

As permitted under Financial Reporting Standard 8, Related Party Disclosures, transactions with entities which are a part of the Aviva plc group of companies have not been disclosed.

12 Cash flow statement

The Company is exempt under Financial Reporting Standard 1 (revised) from the requirement to prepare a cash flow statement as it is 100% owned within the Aviva plc Group. The consolidated cash flow statement which includes the Company can be found in the Group consolidated accounts of Aviva plc.

13 Parent undertaking

The ultimate parent undertaking is Aviva plc, registered in England. The accounts of the ultimate parent undertaking are available from the Registered Office, St Helen's, 1 Undershaft, London EC3P 3DQ.

The Company's immediate parent undertaking is CGU Insurance plc, registered in Scotland.