

**GENERAL ACCIDENT EXECUTOR AND TRUSTEE  
COMPANY LIMITED**

Registered in England and Wales: No. 00006252

**ANNUAL REPORT AND FINANCIAL STATEMENTS 2014**

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# General Accident Executor and Trustee Company Limited

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# **General Accident Executor and Trustee Company Limited**

Registered in England and Wales: No. 00006252

## **Directors and officer**

### **Directors**

Aviva Company Secretarial Services Limited  
Aviva Director Services Limited  
J P Sorrell

### **Officer - Company Secretary**

Aviva Company Secretarial Services Limited  
St Helen's  
1 Undershaft  
London, United Kingdom  
EC3P 3DQ

### **Independent auditors**

PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
7 More London Riverside  
London, United Kingdom  
SE1 2RT

### **Registered office**

St Helen's  
1 Undershaft  
London, United Kingdom  
EC3P 3DQ

### **Company number**

Registered in England and Wales: No. 00006252

### **Other information**

General Accident Executor and Trustee Company Limited ("the Company") is a member of the Aviva plc group of companies ("the Group").

# **General Accident Executor and Trustee Company Limited**

Registered in England and Wales: No. 00006252

## **Strategic report**

**For the year ended 31 December 2014**

The directors present their Strategic report for the Company for the year ended 31 December 2014.

### **Review of the Company's business**

The Company is a subsidiary of Undershaft Limited and acted as an administrator of executor and trustee business.

Following a strategic review, the Company transferred its business to Capita in June 2013 and has ceased operations.

### **Financial position and performance**

The financial position of the Company at 31 December 2014 is shown in the statement of financial position on page 13, with the results shown in the income statement on page 11 and the statement of cash flows on page 14.

### **Future outlook**

Following a strategic review, the Company transferred its business to Capita in June 2013 and has ceased operations. The directors intend to liquidate the Company.

### **Principal risks and uncertainties**

A description of the principal risks and uncertainties facing the Company and the Company's risk management policies are set out in note 11 to the financial statements.

### **Key performance indicators**

The directors do not consider that the Company has any key performance indicators since the Company did not trade in the year.

On behalf of the Board on 8 July 2015



J P Sorrell  
Director  
St Helen's  
1 Undershaft  
London  
EC3P 3DQ

# **General Accident Executor and Trustee Company Limited**

Registered in England and Wales: No. 00006252

## **Directors' report**

**For the year ended 31 December 2014**

The directors present their annual report and financial statements for the Company for the year ended 31 December 2014.

### **Directors**

The names of the directors of the Company, who held office throughout the year and subsequently, appear on page 1.

### **Dividend**

An interim dividend of £1,152 thousand (2013: £nil) was declared to be paid in respect of the year ended 31 December 2014 to Aviva Insurance Limited which was the sole member of the Company at the dividend date. The interim dividend was settled in-specie by a reduction of the intercompany account with Aviva Insurance Limited to £2. The directors do not recommend the payment of a final dividend for the financial year ended 31 December 2014 (2013: £nil).

### **Major events**

On 17 September 2014, it was resolved that the issued share capital be reduced from £827 thousand to £2 by cancelling and extinguishing 20,000 partly paid 6% cumulative irredeemable preference shares of £5 each, 194,500 fully paid ordinary shares of £4 each and 12,999 partly paid ordinary shares of £4 each registered in the name of Aviva Insurance Limited.

### **Going concern**

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic report.

As explained in the Strategic report, the Company ceased trading in June 2013 and the directors intend to liquidate the Company. For this reason, the financial statements have been prepared on a basis other than going concern. There are no material changes to the financial statements as a result of the preparation on an other than going concern basis.

### **Financial instruments and financial risk management**

Details of the Company's risk management objectives and policies and exposures to risk relating to financial instruments are set out in note 11 to the financial statements.

### **Future outlook**

Likely future developments in the business of the Company are discussed in the Strategic report on page 2.

# **General Accident Executor and Trustee Company Limited**

Registered in England and Wales: No. 00006252

## **Directors' report (continued)**

### **Employees**

All staff are employed by a fellow subsidiary undertaking of Aviva plc, Aviva Employment Services Limited. Disclosures relating to employees may be found in the annual report and financial statements of Aviva Employment Services Limited.

### **Disclosure of information to the auditors**

Each person who was a director of the Company on the date that this report was approved, confirms that:

- (a) so far as the director is aware, there is no relevant audit information, being information needed by the auditors in connection with preparing their report, of which the auditors are unaware; and
- (b) each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

### **Independent auditors**

It is the intention of the directors to reappoint the auditors, PricewaterhouseCoopers LLP, under the deemed appointment rules of s487 of the Companies Act 2006.

### **Qualifying indemnity provisions**

Aviva plc, the Company's ultimate parent, granted in 2004 an indemnity to the directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 1985 (which continue to apply in relation to any provision made before 1 October 2007). This indemnity is a "qualifying third party indemnity" for the purposes of s309A to s309C of the Companies Act 1985. These qualifying third party indemnity provisions remain in force as at the date of approving the Directors' report by virtue of paragraph 15, Schedule 3 of The Companies Act 2006 (Commencement No. 3, Consequential Amendments, Transitional Provisions and Savings) Order 2007.

The directors also have the benefit of the indemnity provision contained in the Company's articles of association, subject to the conditions set out in the Companies Act 2006. This is a "qualifying third party indemnity" provision as defined by s234 of the Companies Act 2006.

# General Accident Executor and Trustee Company Limited

Registered in England and Wales: No. 00006252

## Directors' report (continued)

### Statement of directors' responsibilities

The directors are responsible for preparing the Strategic report, Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law the directors must not approve the financial statements unless they are satisfied that they 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 these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable International Financial Reporting Standards as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements; 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 adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

On behalf of the Board on 8 July 2015



J P Sorrell  
Director  
St Helen's  
1 Undershaft  
London  
EC3P 3DQ

# **General Accident Executor and Trustee Company Limited**

Registered in England and Wales: No. 00006252

## **Independent auditors' report to the members of General Accident Executor and Trustee Company Limited**

### **Report on the financial statements**

#### **Our opinion**

In our opinion, General Accident Executor and Trustee Company Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the Company's affairs as at 31 December 2014 and of its result and cash flows for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Emphasis of matter - Basis of preparation**

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made on page 8 of the financial statements concerning the basis of preparation. The Company ceased trading during the 2013 financial year and it is the intention of the directors to liquidate the Company in the near future. Accordingly, the going concern basis of preparation is no longer appropriate and the financial statements have been prepared on a basis other than going concern as described on page 8 of the financial statements. No adjustments were necessary in these financial statements to reduce assets to their realisable values, to provide for liabilities arising from the decision or to reclassify fixed assets and long-term liabilities as current assets and liabilities.

#### **What we have audited**

General Accident Executor and Trustee Company Limited's financial statements comprise:

- the statement of financial position as at 31 December 2014;
- the income statement for the year then ended;
- the statement of cash flows for the year then ended;
- the statement of changes in equity for the year then ended;
- the accounting policies; and
- the notes to the financial statements, which include other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and IFRSs as adopted by the European Union.

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

#### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion, the information given in the Strategic Report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

#### **Other matters on which we are required to report by exception**

##### **Adequacy of accounting records and information and explanations received**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



# General Accident Executor and Trustee Company Limited

Registered in England and Wales: No. 00006252

## Independent auditors' report to the members of General Accident Executor and Trustee Company Limited (continued)

### Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

### Responsibilities for the financial statements and the audit

#### Our responsibilities and those of the directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

#### What an audit of financial statements involves

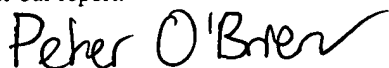
We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report and Financial Statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



Peter O'Brien (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London  
8 July 2015

# **General Accident Executor and Trustee Company Limited**

Registered in England and Wales: No. 00006252

## **Accounting policies**

The Company is a limited liability company incorporated and domiciled in Great Britain. Its principal activity was to act as an administrator of executor and trustee business. Following a strategic review, the Company ceased operations in June 2013.

The principal accounting policies adopted in the preparation of these financial statements are set out below.

### **(A) Basis of preparation**

The financial statements of the Company have been prepared and approved by the directors in accordance with International Financial Reporting Standards ("IFRSs") as endorsed by the European Union ("EU") and in accordance with the Companies Act 2006 as applicable to companies using IFRS. The financial statements have been prepared under the historical cost convention.

The Company ceased trading in 2013 and the directors anticipate that the Company will be liquidated within the near future. As such, the annual financial statements of the Company have been prepared on a basis other than a going concern. There has been no impact on the current year financial statements of the Company. The principal accounting policies, which have been applied consistently throughout the year, are set out below and, where necessary, have been updated to include any policies which are now considered significant given the presentation of the financial statements as at 31 December 2014 on a non-going concern basis.

### **New standards, interpretations and amendments to published standards that have been adopted by the Company**

The Company has adopted the following new standards or amendments to standards which became effective for financial years beginning on or after 1 January 2014.

#### **(i) Amendments to IAS 32, financial instruments: Presentation - Offsetting Financial Assets and Financial Liabilities**

These amendments clarify the meaning of 'currently legally enforceable right to set-off' to reinforce that a right to set-off must not be contingent on any future event, including counterparty default or bankruptcy. Additionally, amendments to IAS 32 clarify that a settlement mechanism must be in place to ensure settlement in practice that is either simultaneous or sufficient to result in insignificant credit and liquidity risk. The amendments to IAS 32 have been applied retrospectively in accordance with the transitional provisions of the standard. The adoption of the amendment has no significant impact for the Company's financial statements.

#### **(ii) Annual Improvements to IFRSs 2010-2012**

These improvements to IFRSs consist of amendments to seven IFRSs including IFRS 2 Share-based Payments, IFRS 3 Business Combinations and IFRS 13 Fair Value Measurement. The amendments clarify existing guidance and there is no significant impact on the Company's financial statements.

### **Standards, interpretations and amendments to published standards that are not yet effective and have not been adopted early by the Company.**

The following new standards, amendments to existing standards and interpretations have been issued, but are not yet effective, and have not been adopted early by the Company.

#### **(i) Annual Improvements to IFRSs 2011-2013**

These improvements to IFRSs consist of amendments to four IFRSs including IFRS 3 Business Combinations and IFRS 13 Fair Value Measurement. The amendments clarify existing guidance. The Company has not yet completed the impact assessment of the adoption of these amendments. The amendments are effective for annual periods beginning on or after 30 June 2015 and have not yet been endorsed by the EU.

# **General Accident Executor and Trustee Company Limited**

Registered in England and Wales: No. 00006252

## **Accounting policies (continued)**

### **(B) Use of estimates**

The preparation of financial statements requires the Company to make estimates and assumptions that affect items reported in the statement of financial position and income statement and the disclosure of contingent assets and liabilities at the date of the financial statements. Although these estimates are based on management's best knowledge of current facts, circumstances and, to some extent, future events and actions, actual results ultimately may differ from those estimates, possibly significantly.

### **(C) Revenue recognition**

Revenue, representing fee income for provision of trustee services, is recognised on an accruals basis in the accounting period in which the services are rendered, by reference to the completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided.

### **(D) Trade receivables**

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The movement in the amount of the provision is recognised in the income statement.

### **(E) Cash and cash equivalents**

Cash and cash equivalents consist of cash at banks and in hand, deposits held at call with banks, treasury bills and other short-term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value. Such investments are those with less than three months' maturity from the date of acquisition, or which are redeemable on demand with only an insignificant change in their fair values.

### **(F) Derecognition and offset of financial assets and financial liabilities**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised where:

- (i) the rights to receive cash flows from the asset have expired;
- (ii) the Company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a "pass-through" arrangement; or
- (iii) the Company has transferred its rights to receive cash flows from the asset and either:
  - (a) has transferred substantially all the risks and rewards of the asset; or
  - (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires.

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

# **General Accident Executor and Trustee Company Limited**

Registered in England and Wales: No. 00006252

## **Accounting policies (continued)**

### **(G) Administrative expenses**

Administrative expenses are recognised on an accruals basis.

### **(H) Income taxes**

The current tax expense 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 profit before taxation 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 temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements. The rates enacted or substantively enacted at the balance sheet date are used to determine the deferred tax.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

### **(I) Trade payables**

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

### **(J) Share capital and dividends**

#### *Equity instruments*

An equity instrument is a contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Accordingly, a financial instrument is treated as equity if:

- (i) there is no contractual obligation to deliver cash or other financial assets or to exchange financial assets or liabilities on terms that may be unfavourable; and
- (ii) the instrument will not be settled by delivery of a variable number of shares or is a derivative that can be settled other than for a fixed amount of cash, shares or other financial assets.

#### *Dividends*

Interim dividends on ordinary shares are recognised in equity in the period in which they are paid. Final dividends on these shares are recognised when they have been approved by shareholders. Dividends on preference shares are recognised in the period in which they are declared and appropriately approved.

# General Accident Executor and Trustee Company Limited

Registered in England and Wales: No. 00006252

## Income statement

For the year ended 31 December 2014

	Note	<u>2014</u> <u>£000</u>	<u>2013</u> <u>£000</u>
		Discontinued operations*	Discontinued operations*
Revenue		-	7
Administrative expenses		-	(7)
<b>Result before tax</b>		-	-
Tax credit	4	-	-
<b>Result for the year</b>		-	-

The Company has no recognised income and expenses other than those included in the results above and therefore a statement of comprehensive income has not been presented.

The accounting policies on pages 8 to 10 and notes on pages 15 to 23 form an integral part of these financial statements.

\* As a result of the Company ceasing operations in 2013, all the Company's results have been treated as discontinued.

# General Accident Executor and Trustee Company Limited

Registered in England and Wales: No. 00006252

## Statement of changes in equity

For the year ended 31 December 2014

	Note	Ordinary share capital £000	Preference share capital £000	Retained earnings £000	Total equity £000
<b>Balance at 1 January 2013</b>		807	20	326	1,153
Dividends	5	-	-	(1)	(1)
Result and total comprehensive income/(expense) for the year		-	-	-	-
Total movements in the year		-	-	(1)	(1)
<b>Balance at 31 December 2013</b>		807	20	325	1,152
Dividends	5	-	-	(1,152)	(1,152)
Capital reduction		(807)	(20)	827	-
Result and total comprehensive income/(expense) for the year		-	-	-	-
Total movements in the year		(807)	(20)	(325)	(1,152)
<b>Balance at 31 December 2014</b>		-	-	-	-

The accounting policies on pages 8 to 10 and notes on pages 15 to 23 form an integral part of these financial statements.

# General Accident Executor and Trustee Company Limited

Registered in England and Wales: No. 00006252

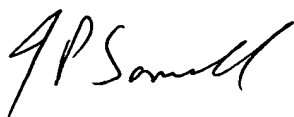
## Statement of financial position

As at 31 December 2014

	Note	2014 £000	2013 £000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Receivables	6	-	1,150
		-	1,150
<b>Current assets</b>			
Receivables	6	-	2
Cash and cash equivalents	10(b)	-	-
		-	2
<b>Net assets</b>		-	1,152
<b>EQUITY</b>			
Ordinary share capital	8	-	807
Preference share capital	9	-	20
Retained earnings		-	325
<b>Total equity</b>		-	1,152

The accounting policies on pages 8 to 10 and notes on pages 15 to 23 form an integral part of these financial statements.

The financial statements on pages 8 to 23 were approved by the Board of Directors on 8 July 2015 and signed on its behalf by



J P Sorrell  
Director

# General Accident Executor and Trustee Company Limited

Registered in England and Wales: No. 00006252

## Statement of cash flows

For the year ended 31 December 2014

	Note	2014 £000	2013 £000
		Discontinued operations*	Discontinued operations*
<b>Cash flows from operating activities</b>			
Net cash inflow/(outflow) from operating activities	10(a)	-	(1)
<i>Net cash from/(used in) operating activities</i>		-	(1)
<b>Net decrease in cash and cash equivalents</b>		-	(1)
Cash and cash equivalents at 1 January		-	1
<b>Cash and cash equivalents at 31 December</b>	10(b)	-	-

The accounting policies on pages 8 to 10 and notes on pages 15 to 23 form an integral part of these financial statements.

\* As a result of the Company ceasing operations in 2013, all the Company's results have been treated as discontinued.



# General Accident Executor and Trustee Company Limited

Registered in England and Wales: No. 00006252

## Notes to the financial statements

### 1. Employee information

All staff are employed by a fellow Group company, Aviva Employment Services Limited. Disclosures relating to employees may be found in the annual report and financial statements of Aviva Employment Services Limited.

### 2. Directors' remuneration

All unincorporated directors are remunerated for their roles as employees across the Group. They are not remunerated directly for their services as directors of this Company and the amount of time spent performing their duties is incidental to their roles across the Group. No cost is borne by the Company for these services. The Company incurred no fees from the incorporated directors (2013: £nil).

### 3. Auditors' remuneration

The total remuneration payable by the Company, excluding VAT, to its auditors, PricewaterhouseCoopers LLP and its associates in respect of the audit of these financial statements, is shown below.

	<u>2014</u>	<u>2013</u>
	<u>£000</u>	<u>£000</u>
Fees payable to the Company's auditors for the audit of the Company's financial statements	<u>2</u>	<u>2</u>

Fees paid to PricewaterhouseCoopers LLP and its associates for services other than the statutory audit of the Company are not disclosed in these financial statements since the consolidated financial statements of the Company's ultimate parent company, Aviva plc, are required to disclose other (non-audit) services on a consolidated basis.

Audit fees have been borne on the Company's behalf by Aviva Insurance Limited, a fellow Group company.

# General Accident Executor and Trustee Company Limited

Registered in England and Wales: No. 00006252

## Notes to the financial statements (continued)

### 4. Tax

#### (a) Tax credited to income statement

	<u>2014</u>	<u>2013</u>
	£000	£000
<b>Current tax:</b>		
For the current year	-	-
Total tax credited to income statement	-	-

#### (b) Tax reconciliation

The tax credit on the Company's result before tax arises using the tax rate in the United Kingdom as follows:

	<u>2014</u>	<u>2013</u>
	£000	£000
Result before tax	-	-
Tax credit calculated at standard UK corporation tax rate of 21.5% (2013: 23.25%)	-	-
Total tax credited to the income statement (note 4(a))	-	-

UK legislation was substantively enacted in July 2013 to reduce the main rate of corporation tax from 23% to 21% from 1 April 2014, resulting in an effective rate for the year ended 31 December 2014 of 21.5%. A further reduction to 20% was also enacted with effect from 1 April 2015. There is no impact on the Company's net assets from the reduction in the rate as the Company does not have any recognised deferred tax balances.

### 5. Dividends

#### (a) Preference dividends

	<u>2014</u>	<u>2013</u>
	£000	£000
Preference dividends declared and charged to equity in the year:		
6% on preference shares for the year ended 31 December 2013, paid on 3 December 2013	-	1
	-	1

#### (b) Ordinary share dividends

	<u>2014</u>	<u>2013</u>
	£000	£000
Ordinary share dividends declared and charged to equity in the year:		
Interim 2014: £1,151,859 per share settled in-specie in November 2014	1,152	-
	1,152	-

The dividends were settled by reduction of an intercompany balance with Aviva Insurance Limited.

# General Accident Executor and Trustee Company Limited

Registered in England and Wales: No. 00006252

## Notes to the financial statements (continued)

### 6. Receivables

	<u>2014</u> £000	<u>2013</u> £000
Amount due from related parties (note 13(a)(i))	-	1,152
	<u>-</u>	<u>1,152</u>
Expected to be recovered within one year	-	2
Expected to be recovered in more than one year	-	1,150
	<u>-</u>	<u>1,152</u>

Receivables are carried at amortised cost, which approximates to fair value.

### 7. Tax assets and liabilities

#### (a) Current tax

	<u>2014</u> £000	<u>2013</u> £000
Tax asset - expected to be recovered in more than one year	-	-
Tax asset recognised in statement of financial position	<u>-</u>	<u>-</u>

Assets for prior years' tax settled by group relief of £nil thousand (2013: £2 thousand) are included within receivables (note 6) and within related party transactions (note 13(a)(i)), and are recoverable in less than one year.

#### (b) Deferred tax

The Company has unrecognised temporary differences of £nil (2013: £nil) to carry forward indefinitely against future taxable income.

# General Accident Executor and Trustee Company Limited

Registered in England and Wales: No. 00006252

## Notes to the financial statements (continued)

### 8. Ordinary share capital

Details of the Company's ordinary share capital are as follows:

	<u>2014</u>	<u>2013</u>
	<u>£000</u>	<u>£000</u>
<b>Allotted, called up and fully paid</b>		
nil (2013: 194,500) ordinary shares of £4 each	-	778
<b>Allotted, called up and partly paid (£2.20)</b>		
1 (2013: 13,000) ordinary shares of £4 each	-	29
	<u>-</u>	<u>807</u>

On 17 September 2014, it was resolved that the issued ordinary share capital be reduced from £807 thousand to £2 by cancelling and extinguishing 194,500 fully paid ordinary shares of £4 each and 12,999 partly paid ordinary shares of £4 each registered in the name of Aviva Insurance Limited.

### 9. Preference share capital

The preference share capital of the Company at 31 December is as follows:

	<u>2014</u>	<u>2013</u>
	<u>£000</u>	<u>£000</u>
<b>Allotted, called up and partly paid (£1)</b>		
nil (2013: 20,000) 6% cumulative irredeemable preference shares of £5 each	-	20

On 17 September 2014, it was resolved that the issued preference share capital be reduced from £20 thousand to £nil by cancelling and extinguishing 20,000 partly paid 6% cumulative irredeemable preference shares of £5 each.

# General Accident Executor and Trustee Company Limited

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## Notes to the financial statements (continued)

### 10. Statement of cash flows

#### (a) Reconciliation of result before tax to the net cash flow from operating activities:

	<u>2014</u> £000	<u>2013</u> £000
Result before tax	-	-
Changes in working capital:		
Decrease in receivables	-	3
Decrease in trade and other payables	-	(4)
Net cash outflow from operating activities	<u>-</u>	<u>(1)</u>

"Decrease in receivables" is stated after eliminating £nil thousand (2013: £2 thousand) of corporation tax asset settled or to be settled by group relief and eliminating a dividend of £1,152 thousand (2013: £1 thousand) settled by reduction of a receivable with Aviva Insurance Limited.

#### (b) Cash and cash equivalents in the statement of cash flows at 31 December comprise:

	<u>2014</u> £000	<u>2013</u> £000
Cash at bank and in hand	<u>-</u>	<u>-</u>

# General Accident Executor and Trustee Company Limited

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## Notes to the financial statements (continued)

### 11. Risk management

The ultimate parent company, Aviva plc, and its subsidiaries, joint ventures and associates, (collectively known as "the Group"), operate a risk management framework ("RMF"), which is the collection of processes and tools that have been put in place to ensure that the risks to which it is exposed are identified, measured, managed, monitored and reported on a continuous basis. The RMF is designed to facilitate a common approach to, and language regarding, the management of risk across the Group. The key instruments of the RMF include the risk management policies, risk reports, risk models, the governance and oversight infrastructure and the risk appetite framework. The RMF has been adopted in the Aviva general insurance businesses collectively referred to as "UK&I GI" (including this Company and the UK and Ireland general insurance businesses carried out primarily within Aviva Insurance Limited).

Risks are usually grouped by risk type: credit, liquidity and operational risk. Risks falling within these types may affect a number of key metrics including those relating to strength within the statement of financial position, liquidity and profit. They may also affect the performance of the products that the Company delivers to customers and the service to customers and distributors, which can be categorised as risks to the Company's franchise.

The Group has a set of formal risk policies that facilitate a consistent approach to the management of all the Group's risks across all businesses and locations in which the Group operates. These risk policies define the Group's appetite for different, specific risk types and set out risk management and control standards for the Group's worldwide operations.

UK&I GI sets limits to manage material risks to ensure the risks stay within risk appetite (the amount of risk UK&I GI is willing to accept). UK&I GI assesses the size and scale of a risk by considering how likely it is that the risk will materialise and the potential impact the risk could have on its business, customers and other stakeholders. Where risks are outside of appetite, actions are agreed to mitigate the exposure. Impact assessments are considered against financial, operational and reputational criteria and take into account underlying factors such as economic conditions, for example, UK economic growth and inflation.

UK&I GI has an established governance framework, which has the following key elements:

- defined terms of reference for the legal entity Boards and the associated Board and management committees;
- a clear organisational structure with documented delegated authorities and responsibilities from the legal entity Boards to management; and
- adoption of the Group risk management framework that defines risk appetite measures and sets out risk management and control standards for the Group's worldwide operations. The risk management framework also sets out the roles and responsibilities of businesses, regions, policy owners and risk oversight committees.

UK&I GI operates a three lines of defence risk management model. Primary responsibility for risk identification and management lies with business management (the first line of defence). Support for and challenge on the completeness and accuracy of risk assessment, risk reporting and adequacy of mitigation plans are performed by specialist risk functions (the second line of defence). Independent and objective assurance on the robustness of the risk management framework and the appropriateness and effectiveness of internal control is provided by internal Audit (the third line of defence).

# **General Accident Executor and Trustee Company Limited**

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## **Notes to the financial statements (continued)**

### **11. Risk management (continued)**

#### **(a) Financial risk management**

##### **(i) Credit risk**

Credit risk is the risk of loss in the value of financial assets due to counterparties failing to meet all or part of their obligations.

The Company no longer has any exposure to credit risk.

##### **(ii) Liquidity risk**

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations as they fall due.

There were no financial liabilities at 31 December 2014 and therefore the Company did not have a material exposure to liquidity risk.

#### **(b) Strategic risks**

Following a strategic review, the Company transferred its business to Capita in June 2013 and has ceased operations. As a result, the Company has ceased trading and is no longer exposed to strategic risk.

#### **(c) Operational risk management**

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. Operational risks include taxation, reputation and regulatory risks, such as compliance. Only financial instrument risk requires quantification under IFRS and consequently no quantification of this risk is provided.

Operational risk is managed in accordance with control standards set out in the Group risk management framework.

The management of operational risk for UK&I GI is overseen by the Operational Risk Committee.

# General Accident Executor and Trustee Company Limited

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## Notes to the financial statements (continued)

### 12. Capital structure

The Company maintains an efficient capital structure from equity shareholder's funds, consistent with the Company's overall risk profile and any regulatory and market requirements of the business. The Company has ceased trading and has reduced its capital accordingly.

Capital structure	IFRS net assets	IFRS net assets
	2014	2013
	£000	£000
Administrator of executor and trustee business	-	1,152
<b>Total capital employed</b>	-	1,152
<b>Financed by</b>		
Total equity	-	1,152

### 13. Related party transactions

(a) The Company had the following related party transactions in 2014 and 2013:

#### (i) Services provided to related parties

	2014		2013	
	Income earned in year	Receivable at year end	Income earned in year	Receivable at year end
	£000	£000	£000	£000
Parent companies	-	-	-	1,152

Receivables from related parties are not secured and no guarantees were received in respect thereof.

Transactions with Group companies for settlement of corporation tax assets and liabilities by group relief are described in note 7.



# General Accident Executor and Trustee Company Limited

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## Notes to the financial statements (continued)

### 13. Related party transactions (continued)

#### (ii) Services provided by related parties

	2014		2013	
	Expense incurred in year	Payable at year end	Expense incurred in year	Payable at year end
	£000	£000	£000	£000
Fellow Group companies	-	-	7	-

Expenses incurred relate to recharges of administrative expenses from Aviva Insurance Limited, as well as Aviva Central Services UK Limited, a fellow Group company. Audit fees borne by Group companies on the Company's behalf are disclosed in note 3.

#### (iii) Key management compensation

The key management of the Company are considered to be the statutory directors of the Company. Note 2, Directors, gives details of their compensation as directors of the Company.

#### (b) Immediate parent company

Following the transfer of the Company's ordinary shares from Aviva Insurance Limited to Undershaft Limited in December 2014, the Company's immediate parent company is now Undershaft Limited, a company registered in England and Wales.

#### (c) Ultimate controlling entity

The ultimate controlling entity, and parent of the largest and smallest groups which consolidate the results of the Company, is Aviva plc. Its Group Financial Statements are available on application to the Group Company Secretary, Aviva plc, St Helen's, 1 Undershaft, London EC3P 3DQ, and on the Aviva Plc website at [www.aviva.com](http://www.aviva.com).