Company Number : 2045961

Commercial Union Trustees Limited

Report and accounts for the year ended 31 December 2001

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Directors' report

The directors present their Report and accounts for the Company for the year ended 31 December 2001.

Principal activity

The principal activity of the Company is to act as an administrator of executor and trustee business. The directors consider that the Company's activities will continue unchanged in the foreseeable future. The Company has resigned from IMRO with effect from 22 January 2001.

Ultimate holding company

On 1 July 2002, the ultimate holding company, CGNU plc, changed its name to Aviva plc. However, the references within these accounts are to CGNU plc and the CGNU Group as they existed at 31 December 2001.

Results and Dividend

The result for the year is shown on page 7. The directors do not recommend the payment of any dividend *(2000: £nil).*

Directors

The current directors, and those in office during the year, are as follows:

P C Burke	
M N Urmston	(resigned 13 September 2001)
R A Whitaker	

Directors' interests

The table below shows the interests held by directors at the end of the financial year in the ordinary shares of 25 pence each in CGNU plc. Details of any options and awards held through CGNU plc's share schemes and incentive plans are shown on pages 3 to 5. All the disclosed interests are beneficial.

	At 1 January 2001 Number	At 31 December 2001 Number
P C Burke	2,213	1,663
R A Whitaker	35,589	16,033

There were no contracts of significance in existence during or at the end of the year in which a director of the Company was materially interested.

Directors' report (continued)

Directors' interests (continued)

Incentive plans

Details of the directors who held office at the end of the financial year, and hold or held options to subscribe for ordinary shares of CGNU plc or awards over shares in CGNU plc, pursuant to CGNU plc's share based incentive plans, are set out below.

(i) **Share options**

	At 1 January 2001	Options granted during year	Options exercised or lapsed during year	At 31 December 2001
	Number	Number	Number	Number
P C Burke				
Savings related options	2,220	996	754	2,462
Executive options	-	-	-	-
Bonus Plan options	-	-	-	-
R A Whitaker				
Savings related options	4,693	-	-	4,693
Executive options	98,842	-	41,043	57,799
Bonus Plan options	4,123	-	-	4,123

(1) *"Savings related options"* are options granted under the Inland Revenue-approved CGNU SAYE Share Option Scheme. Options granted from 1994 to 2001 are normally exercisable during the six months period following either the third, fifth or seventh anniversary of the relevant savings contract.

(2) *"Executive options"* are those granted to the former CGU directors under what was the CGU Executive Share Option Scheme, or predecessor schemes. Options, which have been granted on various dates from 1993 to 2001, are normally exercisable between the third and tenth anniversaries of their date of grant. Options granted after 1997 are only exercisable if certain performance conditions are met.

(3) *"Bonus Plan options"* are the options granted in 1999 and 2000 under the CGU Deferred Bonus Plan. Participants, who deferred their annual cash bonuses and received an award of shares, also received an award over an equivalent number of options. The options, which are not subject to performance conditions, are normally exercisable between the third and tenth anniversary of their grant.

(4) During the year, one of the directors exercised share options.

Directors' report (continued)

Directors' interests (continued)

(ii) Share awards

	At 1 January 2001	Awards granted during year	Awards vested during year	Awards lapsed during year	At 31 December 2001
	Number	Number	Number	Number	Number
P C Burke					
CGNU Integration Incentive Plan	-	-	-	-	-
CGNU Long Term Incentive Plan	-	-	-	-	-
CGNU Deferred Bonus Plan	-	-	-	-	-
CGU Deferred Bonus Plan	-	-	-	-	-
R A Whitaker					
CGU Integration Incentive Plan	18,072	-	18,072	-	-
CGNU Integration Incentive Plan	20,106	-	-	-	20,106
CGNU Long Term Incentive Plan	-	20,364	-	-	20,364
CGU Deferred Bonus Plan	4,123	-	-	-	4,123
CGNU Deferred Bonus Plan	-	8,960	-	-	8,960

(1) The *CGU Integration Incentive Plan* was approved by CGU plc shareholders in 1998 in relation to the merger of Commercial Union and General Accident. As described in the Report and accounts of CGNU plc, the performance condition under the Plan has been met and the awards vested in February 2001. This Plan has now closed.

(2) *The CGNU Integration Incentive Plan,* which related to the merger of CGU plc and Norwich Union plc, was approved by CGNU plc shareholders at their 2001 Annual General Meeting. Awards were granted to directors in September 2000 subject to the condition that shareholders' approval was obtained. The performance conditions under the Plan have been met and the awards will vest in March 2002. The Plan will then close.

(3) *The CGNU Long Term Incentive Plan* was approved by CGNU plc shareholders at their 2001 Annual General Meeting. Awards under the Plan are made on an annual basis and the 2001 award was made in May. Awards are subject to the attainment of performance conditions over a three year period.

(4) *The CGU Deferred Bonus Plan* was approved by CGU plc shareholders in 1999. Awards under this Plan were granted to participants in lieu of some or all of the cash bonuses earned under CGU plc's Annual Cash Bonus Plan. This Plan, which operated in respect of bonuses awarded in 1999 and 2000, was replaced by the CGNU Deferred Bonus Plan referred to in (5) below. Awards are not subject to performance conditions and vest on the third anniversary of their grant.

Directors' report (continued)

Directors' interests (continued)

(ii) Share awards (continued)

(5) *The CGNU Deferred Bonus Plan* was approved by CGNU plc shareholders at their 2001 Annual General Meeting and replaced the CGU Deferred Bonus Plan referred to in (4) above. The awards disclosed include those made in lieu of some or all of the cash bonus earned and deferred under CGNU plc's Annual Bonus in 2001 and also the matching awards granted on a one for one basis. The awards are not subject to performance conditions and vest on the third anniversary of their grant.

Other than as disclosed above, none of the directors who held office at 31 December 2001 had any beneficial interest in the Company's shares or the shares of any other company within the CGNU Group.

Resolutions

On 11 October 2001, the members of the Company passed resolutions to dispense with the holding of Annual General Meetings, the laying of directors' reports, accounts and auditor's reports before the members in general meeting and the obligation to appoint auditors annually.

Auditors

At an Extraordinary General Meeting on 1 July 2002, Ernst & Young LLP was appointed as auditor to the Company. PricewaterhouseCoopers, which had previously been auditors to the Company, did not seek reappointment at that meeting.

By order of the Board

Authorised Signatory
Aviva Company Secretarial Services Limited
Secretary

29 OCTOBER 2002

Registered Office:
St. Helen's, 1 Undershaft, London EC3P 3DQ

Commercial Union Trustees Limited

Statement of directors' responsibilities

The directors are required to ensure that accounts are prepared for each accounting period which comply with the relevant provisions of the Companies Act 1985, and which give a true and fair view of the state of affairs of the Company as at the end of the accounting period and of the profit or loss for that period. Suitable accounting policies have to be used and applied consistently in preparing accounts, using reasonable and prudent judgements and estimates, on the going concern basis unless it is inappropriate to presume that the Company will continue in business. Applicable accounting and financial reporting standards also have to be followed, with any material departures being disclosed and explained.

The directors are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company. They are also responsible for safeguarding the assets of the Company and for ensuring that controls are in place for the prevention and detection of fraud and other irregularities.

Independent auditor's report to the members of Commercial Union Trustees Limited

We have audited the Company's accounts for the year ended 31 December 2001 which comprise the Profit and loss account, Reconciliation of movements in equity shareholders' funds, Balance sheet and the related notes 1 to 10. These accounts have been prepared on the basis of the accounting policies set out therein.

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 above.

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 2001 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 30 October **2002**

Commercial Union Trustees Limited

Profit and loss account
For the year ended 31 December 2001

	Notes	2001 £'000	2000 £'000
Turnover	1(c)	**114**	116
Administration costs		**(76)**	(90)
Operating profit		**38**	26
Other interest receivable		**85**	95
Profit on ordinary activities before tax		**123**	121
Tax on profit on ordinary activities	1(d) & 4	**(37)**	(36)
Profit for the financial year		**86**	85
Retained profit brought forward		**155**	70
Retained profit carried forward		**241**	155

The Company has no recognised gains and losses other than those included in the results above and therefore a statement of total recognised gains and losses has not been presented.

Reconciliation of movements in equity shareholders' funds
For the year ended 31 December 2001

	2001 £'000	2000 £'000
Balance at 1 January	**1,155**	1,070
Profit for the financial year	**86**	85
Balance at 31 December	**1,241**	1,155

The notes on pages 9 to 11 are an integral part of these accounts. The auditor's report is on page 6.

Commercial Union Trustees Limited

Balance sheet
At 31 December 2001

	Notes	**2001** **£'000**	2000 £'000
Current assets			
Debtors	5	**1,553**	1,317
Cash at bank and in hand		**162**	199
		1,715	1,516
Creditors: Amounts falling due within one year	6	**(474)**	(361)
Net current assets		**1,241**	1,155
Net assets		**1,241**	1,155

Represented by:

Capital and reserves			
Called up share capital	7	**1,000**	1,000
Profit and loss account		**241**	155
Equity shareholders' funds		**1,241**	1,155

Approved by the Board on 29 OCTOBER 2002

Director

The notes on pages 9 to 11 are an integral part of these accounts. The auditor's report is on page 6.

Notes to the accounts

1. Accounting policies

a) Basis of accounts
These accounts have been prepared under the historical cost convention. The accounting policies adopted reflect United Kingdom financial reporting standards and statements of standard accounting practice applicable at 31 December 2001.

b) Future United Kingdom financial reporting developments
In November and December 2000, the Accounting Standards Board issued three new Financial Reporting Standards ("FRS"). These were FRS 17 Retirement Benefits, FRS 18 Accounting Policies and FRS 19 Deferred Tax. Because the Company has no employees, nor is it charged directly for any employee costs, it has not been affected by the requirements of FRS 17. FRS 18 is effective for the year ended 31 December 2001 and has not had a material impact on the Company. FRS 19 will be effective for the year ended 31 December 2002 and the full impact will be disclosed in that year's accounts.

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

d) Tax
The tax charge in the profit and loss account and the provision for corporation tax in the balance sheet are based on the taxable profits for the year, after any adjustment in respect of prior years. A provision is only made for deferred tax where it is expected that a liability will crystallise in the foreseeable future.

2. Auditor's remuneration

The auditor's remuneration in respect of the Company has been borne by CGU Insurance plc and has not been recharged to the Company *(2001: borne by CGU Insurance plc).*

3. Directors' emoluments

None of the directors received any emoluments in respect of his services as a director of the Company *(2000: £nil).*

4. Tax

Tax charged in the profit and loss account comprises:

	2001 £'000	2000 £'000
UK Corporation tax at 30% *(2000: 30%)*	**37**	36

Notes to the accounts (continued)

5. Debtors

	2001 £'000	2000 £'000
Amounts due from Group undertakings	**1,516**	1,317
Other debtors	**37**	-
	1,553	1,317

6. Creditors: Amounts falling due within one year

	2001 £'000	2000 £'000
UK Corporation tax payable	**37**	199
Group Relief payable to other Group undertakings	**199**	-
Other amounts due to Group undertakings	**238**	162
	474	361

7. Called up share capital

The ordinary share capital of the Company at 31 December 2001 was:

	2001 £'000	2000 £'000
Authorised		
1,000,000 *(2000: 1,000,000)* ordinary shares of £1 each	**1,000**	1,000
Allotted, called up and fully paid		
1,000,000 *(2000: 1,000,000)* ordinary shares of £1 each	**1,000**	1,000

8. Holding company details

The immediate holding company is CGNU Investment Holdings Limited.

The ultimate holding company is Aviva plc (formerly CGNU plc). Its group accounts are available on application to the Group Company Secretary, Aviva plc, St. Helen's, 1 Undershaft, London EC3P 3DQ.

9. Related party transactions

As consolidated accounts for CGNU plc are publicly available, the Company has taken advantage of the exemption in Financial Reporting Standard 8 from the requirement to disclose transactions with related parties who are 90% or more owned within the same group.

Notes to the accounts (continued)

10. Cash flow statement

As the Company is a wholly-owned subsidiary within the Aviva Group, the cash flows of the Company are included in the consolidated group cash flow statement of CGNU plc. Consequently, the Company is exempt under the terms of Financial Reporting Standard 1 from publishing a cash flow statement.