

FL 23732

Norwich Union Overseas Holdings B.V.

Report and accounts for the year ended 31 December 2003

Amsterdam

CHM



A01
COMPANIES HOUSE

AX94W1CT

0095
24/12/04

Norwich Union Overseas Holdings B.V.

Report and accounts for the year ended 31 December 2003

Contents

Page

3	General information
4	Directors' report
5	Balance sheet
6	Profit and loss account
7	Notes to the accounts
12	Report of the Auditors
13	Other information

Norwich Union Overseas Holdings B.V.

General information

Directors

Aviva Company Secretarial Services Limited

MN Biggs

(resigned 19 December 2003)

PC Easter

(appointed 19 December 2003)

NA Nicandrou

(appointed 19 December 2003)

PJ Twyman

(resigned 31 March 2004)

AB Wyand

(resigned 19 December 2003)

Auditors

Ernst & Young Accountants

Wassenaarseweg 80

2509 CZ The Hague

The Netherlands

Head Office and Registered Office

St Helen's

1 Undershaft

London EC3P 3DQ

England

Registered in the Netherlands

Chamber of Commerce 33 21 90 52

Norwich Union Overseas Holdings B.V.

Directors' report

The directors have pleasure in presenting their report and accounts for the Company for the year ended 31 December 2003.

Principal activity

The Company previously carried on the business of an investment holding company but following the transfer of all its trading subsidiaries to a fellow Aviva group subsidiary in 2002 and the liquidation of its only remaining subsidiary in 2003, it is no longer trading. The directors are considering the future of the Company.

Parent undertaking

The Company is a wholly-owned subsidiary of Norwich Union Overseas Holdings Limited. The ultimate parent undertaking is Aviva plc.

Results for the year

The profit for the year is shown on page 6. The directors do not recommend the payment of any dividend for the year (2002: £490,000,000).

Directors

The names of the directors at the date of this report, and those who served during the year, are given on page 3.

Auditors

Ernst & Young Accountants have expressed their willingness to continue in office as auditors and a resolution will be submitted at the Annual General Meeting to reappoint them as auditor and to authorise the directors to fix their remuneration.

Directors

Aviva Company Secretarial Services Limited

P C Easter

N A Nicandrou

London, 25 OCTOBER 2004

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

Norwich Union Overseas Holdings B.V.

Balance sheet

At 31 December 2003

(after proposed appropriation of the result for the year)

	Notes	2003 £	2002 £
Fixed assets			
Investments in subsidiary undertakings	2(b) & 3	-	1,717,924
Current assets			
Debtors	4	51,883,886	55,270,484
Cash at bank and in hand		-	4,644
		<u>51,883,886</u>	<u>55,275,128</u>
Current liabilities			
Creditors	5	(20,995,521)	(27,925,798)
Total assets less current liabilities		<u>30,888,365</u>	<u>29,067,254</u>
Capital and reserves			
Called up share capital	7	32,494,522	30,058,808
Translation reserve	8	(5,136,670)	(2,700,956)
Retained earnings	9	3,530,513	1,709,402
Equity shareholders' funds		<u>30,888,365</u>	<u>29,067,254</u>

The notes on pages 7 to 11 form an integral part of these accounts.

Norwich Union Overseas Holdings B.V.

Profit and loss account

For the year ended 31 December 2003

	Notes	2003 £	2002 £
Income			
Interest receivable	2 (c) & 10	19,725	4,667,517
Net realised gains from the disposal of subsidiary undertakings	3(c)	3,035,733	48,298,873
Realised exchange losses		(575,572)	(865,817)
		<u>2,479,886</u>	<u>52,100,573</u>
Expenses			
Change in provision for investments	3 (a)	-	1,717,924
Administrative expenses		(13,188)	(20,579)
		<u>(13,188)</u>	<u>1,697,345</u>
Profit on ordinary activities before tax		<u>2,466,698</u>	<u>53,797,918</u>
Tax on profit on ordinary activities	2(d) & 11	(645,587)	(2,683,149)
Net profit for the financial year	9	<u>1,821,111</u>	<u>51,114,769</u>

The notes on pages 7 to 11 form an integral part of these accounts.

Norwich Union Overseas Holdings B.V.

Notes to the accounts

1. General

Norwich Union Overseas Holdings B.V. (the "Company") was incorporated in Amsterdam, The Netherlands in April 1990. The Company is a wholly-owned subsidiary of Norwich Union Overseas Holdings Limited, whose ultimate parent undertaking is Aviva plc which is listed on the London Stock Exchange. The Company has acted as an intermediate holding company for other Aviva plc Group subsidiary and associated undertakings, although it now has no such investments.

The Company has made use of the exemption option as laid down in Article 408, Title 9, Book 2 of the Netherlands Civil Code. Under this option, a company may attach to its annual report the annual report of its parent undertaking, which includes the accounts of the company and its subsidiaries on a consolidated basis. The Company is therefore not required to consolidate separately the individual accounts of its subsidiaries.

2. Significant accounting policies

(a) Accounting convention

The net result and shareholders' equity are determined on the basis of historic cost, taking into account the prudence and realisation concepts. Income and expenses are recorded in the accounting year to which they relate.

(b) Investments in subsidiary undertakings

In the comparative figure in its balance sheet, the Company's investments in its subsidiary undertakings are stated at cost. Provision is made against subsidiary undertakings when their net asset value is below cost and 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.

(c) Income recognition

Interest income is recognised on an accrued basis.

(d) Tax

The Company is subject to UK corporate income tax at the rate of 30% on its taxable profit, calculated in accordance with UK legislation.

(e) Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the transaction date. Assets and liabilities in foreign currencies are translated into Sterling at the balance sheet date rates of exchange, with the exception of investments and long-term liabilities which are translated at the historic rates of exchange. Resulting exchange gains and losses are taken to the profit and loss account.

Norwich Union Overseas Holdings B.V.

Notes to the accounts (continued)

3. Subsidiary undertakings

(a) Movements in the Company's shares in subsidiary undertakings are set out below:

	2003 £	2002 £
Cost		
At 1 January	7,966,194	148,661,071
Transfers	-	(140,694,877)
Liquidation of subsidiary	(7,966,194)	-
At 31 December	-	7,966,194
Provision for permanent impairment		
At 1 January	6,248,270	50,667,475
Transfers	-	(42,701,281)
Liquidation of subsidiary	(6,248,270)	-
Provisions (released)/made in the year	-	(1,717,924)
At 31 December	-	6,248,270
Cost, net of provisions, at 31 December	-	1,717,924

(b) Liquidation

The liquidation of Norwich Union Services Poland Sp. Z.o.o. was completed in March 2003. In 2002, a revaluation of this company was performed to bring its value into line with the expected final distribution. The actual distribution amounted to £1,576,890 realising a loss of £141,034.

(c) Disposals

There were no disposals during 2002 or 2003. However, additional payments and accruals totaling £3,707,127 were made in 2002 in respect of warranty claims on subsidiaries sold in earlier years. In November 2003, a major warranty claim was dismissed, with the result that £3,158,617 was then released as a credit to the profit and loss account.

4. Debtors

	2003 £	2002 £
Amounts due from ultimate parent company	4,615,357	4,615,357
Amounts due from fellow group subsidiaries	46,011,271	50,625,729
Dutch corporate income tax recoverable	320,066	-
Other debtors	937,192	29,398
	51,883,886	55,270,484

Norwich Union Overseas Holdings B.V.

Notes to the accounts (continued)

5. Creditors

	2003 £	2002 £
Amount due to parent company	4,869,056	4,869,056
Amount due to fellow group subsidiaries	12,594,755	-
Group relief payable	1,394,779	-
Dutch corporate income tax payable	-	14,074,571
UK corporate income tax	1,960,131	2,683,149
Other creditors and accruals	176,800	6,299,022
	<u>20,995,521</u>	<u>27,925,798</u>

6. Financial instruments

Financial instruments in the balance sheet include debtors and short-term liabilities. The estimated fair value of these instruments approximates to their carrying value.

7. Share capital

	2003 £	2002 £
Authorised:		
2,000,000 (2002: 2,000,000) ordinary shares of EUR45 each	63,416,009	58,662,495
100,000 (2002: 100,000) Australian convertible redeemable preference shares of EUR45 each	3,170,800	2,933,125
200,000 (2002: 200,000) New Zealand convertible redeemable preference shares of EUR45 each	6,341,601	5,866,250
	<u>72,928,410</u>	<u>67,461,870</u>
Allotted and fully paid:		
926,992 (2002: 926,992) ordinary shares of EUR45 each	29,393,067	27,189,831
52,015 (2002: 52,015) Australian convertible redeemable preference shares of EUR45 each	1,649,292	1,525,665
45,798 (2002: 45,798) New Zealand convertible redeemable preference shares of EUR45 each	1,452,163	1,343,312
	<u>32,494,522</u>	<u>30,058,808</u>

The Australian and New Zealand convertible redeemable preference shares can be redeemed based upon a proposal from the Board of Directors, which should be approved by the shareholders in General Meeting. The amounts which are then repayable to the holders of those shares have preference over any liabilities due to holders of ordinary shares. The convertible redeemable preference shares can, under certain conditions, be converted into ordinary shares, following approval by the shareholders in General Meeting.

Norwich Union Overseas Holdings B.V.

Notes to the accounts (continued)

7. Share capital (continued)

The movements in paid up capital can be summarised as follows:

	2003 £	2002 £
Opening balance	30,058,808	28,213,211
Translation result	2,435,714	1,845,597
Closing balance	<u>32,494,522</u>	<u>30,058,808</u>

The paid up capital balance has been retranslated at the balance sheet date using the euro/sterling exchange rate at that date of 1.4192 (2002: 1.5342). The movement in the year of £2,435,714 (2002: £1,845,507) has been taken to the translation reserve (see note 8).

8. Translation reserve

	2003 £	2002 £
Opening balance	(2,700,956)	(855,359)
Foreign exchange on paid up capital	(2,435,714)	(1,845,597)
Closing balance	<u>(5,136,670)</u>	<u>(2,700,956)</u>
Non-distributable	236,999	236,999
Distributable	<u>(5,373,669)</u>	<u>(2,937,955)</u>

The translation reserve arises on the translation of the share capital from euro to sterling (see note 7) and is a distributable component of shareholders' equity. A corresponding movement is made against share capital and is a non-distributable component of the shareholders' equity.

9. Retained earnings

	2003 £	2002 £
At 1 January	1,709,402	17,539,215
Profit for the financial year	1,821,111	51,114,769
Share premium redesignated as general reserve	-	423,055,418
Dividends paid	-	(490,000,000)
At 31 December	<u>3,530,513</u>	<u>1,709,402</u>

10. Interest receivable

Interest receivable comprises £19,725 receivable from the bank current account. The prior year interest receivable includes £4,667,377 on loans to the ultimate parent company.

Norwich Union Overseas Holdings B.V.

Notes to the accounts (continued)

11. Tax

The charge for tax comprises:

	2003 £	2002 £
UK Corporate tax	(671,744)	(2,683,149)
Overseas taxation	(82,994)	-
Prior year adjustment	109,151	-
	<u>(645,587)</u>	<u>(2,683,149)</u>

12. Employee information

The Company does not employ any personnel.

13. Contingent liabilities

The Company has given standard indemnities and warranties in connection with its disposals in recent years of subsidiaries in Canada, New Zealand and Poland to parties outside the Aviva Group. In the opinion of the directors, adequate provision has been made in these accounts for anticipated claims and no further material loss will arise in respect of these indemnities and warranties.

14. Parent undertakings

The Company is a wholly-owned subsidiary of Norwich Union Overseas Holdings Limited.

The ultimate parent undertaking is Aviva plc which is registered in England. Its group accounts are available on application to the Group Company Secretary, Aviva plc, St Helen's, 1 Undershaft, London, EC3P 3DQ, England.

15. Directors' remuneration

No members of the Board of Directors received any payment from the Company in respect of management services in 2002 or 2003.

Approved by the Board of Directors in London on 25 OCTOBER 2004

Directors

Aviva Company Secretarial Services Limited

P C Easter

N A Nicandrou

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

AUDITORS' REPORT

Introduction

We have audited the financial statements of Norwich Union Overseas Holdings B.V., Amsterdam, for the year 2003. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

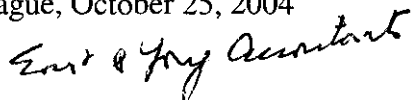
Scope

We conducted our audit in accordance with auditing standards generally accepted in the Netherlands. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the company as at December 31, 2003 and of the result for the year then ended in accordance with accounting principles generally accepted in the Netherlands and comply with the financial reporting requirements included in Part 9 of Book 2 of the Netherlands Civil Code.

The Hague, October 25, 2004



Ernst & Young Accountants

Norwich Union Overseas Holdings B.V.

Other information

1. Statutory arrangements in respect of profit distribution

In accordance with Article 25 of the Company's articles of association, the profit for the year is at the disposition of the shareholders in General Meeting.

2. Proposed appropriation of result for the year

The profit for the financial year of £1,821,111 has been added to retained earnings.