

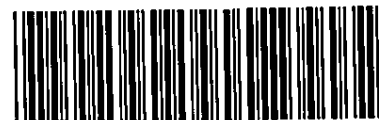
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## **CGU Group B.V.**

**Report and Accounts  
for the year ended 31 December 2007**

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# **CGU Group B.V.**

## **Report and accounts for the year ended 31 December 2007**

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# **CGU Group B.V.**

## **Directors' report**

The directors submit the annual report of CGU Group B V ("the Company"), for the year ended 31 December 2007

### **Directors**

The current directors, and those who served as directors during the year, are as follows

Aviva Company Secretarial Services Limited  
P C Easter (resigned 25 January 2007)  
A J Moss

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

### **Activities**

The Company is a wholly-owned subsidiary of Aviva International Holdings Limited and did not trade during the year

The directors are reviewing the future of the Company and have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements

### **Ultimate holding company**

The ultimate holding company is Aviva plc

### **Result for the year**

The net result for the year was a profit of £nil (2006 £65,000)

### **Dividends**

No interim dividend (2006 £ 7,952,250) was paid during the year. The directors are not proposing a final dividend for 2007 (2006 £ Nil)

## CGU Group B.V.

### Directors' report (continued)

#### Risks and uncertainties

Given the level of activity of the Company, and the nature of its assets and liabilities, the directors' view is that the main risks and uncertainties facing the Company relate to credit risk. As all of the assets and liabilities are with fellow group companies the credit risk is considered remote.

Directors,

  
Aviva Company Secretarial Services Limited X

A J Moss

London 24 October 2008

# CGU Group B.V.

## Balance sheet

At 31 December 2007

	Notes	2007 £'000	2006 £'000
<b>Current assets</b>			
Corporate income tax receivable		-	11
Group tax relief receivable	4	<u>12</u>	<u>25</u>
<b>Total current assets</b>		<u>12</u>	<u>36</u>
<b>Current liabilities</b>			
Amounts due to Group companies	5	(3)	(27)
<b>Current assets less current liabilities</b>		<u><u>9</u></u>	<u><u>9</u></u>
<b>Shareholders' equity</b>			
Paid-in share capital	6	13	12
Translation reserve	7	(1)	-
Retained earnings	7	(3)	(3)
<b>Total shareholders' equity</b>		<u><u>9</u></u>	<u><u>9</u></u>

The notes on pages 8 to 13 form an integral part of these financial statements. The auditor's report is on page 15.

# CGU Group B.V.

## Income statement

For the year ended 31 December 2007

	Notes	2007 £'000	2006 £'000
<b>Financial income</b>			
Interest income	8	-	6
<b>Operating expenses</b>			
Administrative expenses	9	-	(46)
<b>Loss before tax</b>		-	(40)
<b>Tax</b>			
Corporate income tax credit	10	-	105
<b>Profit for the year</b>		-	65

The notes on pages 8 to 13 form an integral part of these financial statements. The auditor's report is on page 15.

# CGU Group B.V.

## Cash flow statement

For the year ended 31 December 2007

	2007 £'000	2006 £'000
<b>Cash flows from operating activities</b>		
Interest received	-	6
Tax refund received	-	94
<i>Net cash provided by operating activities</i>	-	100
<b>Cash flows from financing activities</b>		
Amount transferred to Group companies	-	(586)
<i>Net cash used in financing activities</i>	-	(586)
<b>Net decrease in cash and cash equivalents</b>	-	(486)
Cash and cash equivalents at 1 January	-	494
Effect of exchange rate movements on cash and cash equivalents	-	(8)
<b>Cash and cash equivalents at 31 December</b>	-	-

The notes on pages 8 to 13 form an integral part of these financial statements The auditor's report is on page 15

# **CGU Group B.V.**

## **Notes to the accounts**

### **1 General**

The Company is a private limited liability company established in Amsterdam, the Netherlands, on 22 December 1998

The ultimate parent company is Aviva plc, a public limited company incorporated and domiciled in the United Kingdom

These financial statements have been prepared in accordance with Part 9, Book 2 of the Netherlands Civil Code

### **2 Significant accounting policies**

The financial statements have been prepared in accordance with accounting principles generally accepted in the Netherlands. The principal accounting policies followed by the Company are as set out below

#### **(a) Foreign currencies**

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange prevailing at the balance sheet date. Income and expenses denominated in foreign currencies are translated at the actual rates prevailing on the date of the transaction. Exchange gains or losses are taken to the profit and loss account

#### **(b) Other assets and liabilities**

Unless stated otherwise, all other assets and liabilities included in the accounts are stated at the values at which they were acquired or incurred

#### **(c) Income recognition**

Income is recognised on an accruals basis

#### **(d) Operating expenses**

Operating expenses include management fees, other expenses and foreign exchange gains and losses

#### **(e) Tax**

The current tax credit / charge is based on the taxable result for the year, after any adjustments in respect of prior periods

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 account

# CGU Group B.V.

## Notes to the accounts (continued)

### 3 Exchange rates

Exchange rates on the year end dates are as follows

Euro

2007	2006
1 3615	1 4842

### 4 Group tax relief receivable

Group tax relief

2007 £'000	2006 £'000
12	25
12	25

### 5. Amounts due to group companies

Immediate parent

Fellow Group companies

2007 £'000	2006 £'000
(3)	-
-	(27)
(3)	(27)

### 6 Share capital

(a) Details of the Company's share capital are as follows

*Authorised*

90,000 ordinary shares of EUR 1 each

2007 £'000	2006 £'000
66	61

*Issued and Paid-in*

18,000 ordinary shares of EUR 1 each

2007 £'000	2006 £'000
66	61
13	12
13	12

# CGU Group B.V.

## Notes to the accounts (continued)

### 6 Share capital (continued)

#### (b) Movements in issued share capital in the year comprise:

	Number of shares	Share capital £'000
At 1 January 2006	3,014,825	940
Nominal value change and par value change from EUR 0.45 to EUR 75.38	(2,996,825)	
	18,000	940
Effect of par value change from EUR 75.38 to EUR 1 taken to general reserve (note 7)	-	(902)
Effect of movements in foreign exchange rates taken to translation reserve (note 7)	-	(26)
At 31 December 2006	18,000	12
Effect of movements in foreign exchange rates taken to translation reserve (note 7)	-	1
At 31 December 2007	18,000	13

# CGU Group B.V.

## Notes to the accounts (continued)

### 7. Reserves

	Translation reserve £'000	General reserve £'000	Retained earnings £'000	Total reserves £'000
At 1 January 2006	(107)	-	7,063	6,956
Effect of share par value change from EUR 75 38 to EUR 1 taken to general reserve (note 6b )	-	902	-	902
Effect of movements in foreign exchange rates on issued share capital (note 6b)	26	-	-	26
Reserve transfers	81	(902)	821	-
Profit for the year	-	-	65	65
Dividends paid	-	-	(7,952)	(7,952)
At 31 December 2006	-	-	(3)	(3)
Effect of movements in foreign exchange rates on issued share capital (note 6b)	(1)	-	-	(1)
At 31 December 2007	(1)	-	(3)	(4)

### 8 Interest income

Interest income in 2006 wholly comprised interest earned on bank balances

### 9. Operating expenses

The following income and expenses were charged in arriving at the loss before tax for the previous year

	2007 £'000	2006 £'000
Loss on foreign exchange rate movements	-	(46)
	-	(46)

# CGU Group B.V.

## Notes to the accounts (continued)

### 10. Tax on profit on ordinary activities

#### (a) Income statement

The Company's management and control was transferred to the United Kingdom as from 1 February 2002, from which date it came within the charge of United Kingdom corporation tax. The tax credit in 2006 comprised

	2007 £'000	2006 £'000
UK corporation tax	-	(12)
Prior year adjustments (including deferred taxation)	-	1
Overseas taxation	-	(94)
<b>Credit to income statement</b>	<b>-</b>	<b>(105)</b>

The Company does not pay any tax to the tax authorities since its taxable profits are set against taxable losses of other Aviva Group companies. The overseas taxation amount in the prior year of £ 94,000 includes a tax refund received in the prior period, relating to the overpayment of tax in 2002.

#### (b) Factors affecting current tax credit for the year

	2007 £'000	2006 £'000
Loss on ordinary activities before tax	-	(40)
Current credit at standard UK corporation tax rate of 30%	-	(12)
Prior year tax charge	-	1
Different local basis of tax on overseas profits / losses	-	(94)
<b>Current tax credit on ordinary activities for the year</b>	<b>-</b>	<b>(105)</b>

### 11. Employees

The Company has not employed any personnel in the current and prior year.

### 12. Directors' remuneration

The members of the Board of Directors did not receive any payment from the Company in respect of their management services (2006 £ nil).

## CGU Group B.V.

### Notes to the accounts (continued)

#### 13. Audit fee

The audit fee will be borne by Aviva plc

London, 24 October 2008

The Board of Directors,

  
Aviva Company Secretarial Services Limited

  
A J Moss

# **CGU Group B.V.**

## **Other information**

### **Auditor's report**

This report is set out on page 14

### **Post-balance sheet events.**

There have been no post balance sheet events that are material

### **Appropriation of the net result for the year**

The directors do not recommend the payment of a final dividend for 2007 *(2006 Nil)*

To the Board of Directors and the Shareholders of C G U Group B V

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1006 BJ Amsterdam  
The Netherlands  
Telephone +31 (20) 568 66 66  
Facsimile +31 (20) 568 68 88  
[www.pwc.com/nl](http://www.pwc.com/nl)

## Auditor's report

### Report on the financial statements

We have audited the accompanying financial statements 2007 of C G U Group B V , Amsterdam which comprise the balance sheet as at 31 December 2007, the profit and loss account for the year then ended and the notes

#### *The directors' responsibility*

The directors of the company are responsible for the preparation and fair presentation of the financial statements and for the preparation of the management board report, both in accordance with Part 9 of Book 2 of the Netherlands Civil Code. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

#### *Auditor's responsibility*

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with Dutch law. This law requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

*Opinion*

In our opinion, the financial statements give a true and fair view of the financial position of C G U Group B V as at 31 December 2007, and of its result for the year then ended in accordance with Part 9 of Book 2 of the Netherlands Civil Code

**Report on other legal and regulatory requirements**

Pursuant to the legal requirement under 2:393 sub 5 part e of the Netherlands Civil Code, we report, to the extent of our competence, that the management board report is consistent with the financial statements as required by 2:391 sub 4 of the Netherlands Civil Code

Amsterdam, 24 October 2007

PricewaterhouseCoopers Accountants N V

R E H M van Adrichem

