

Aviva Share Account Limited

Annual Report and Financial Statements

For the year ended 31 December 2005

Registered in England No: 3360653



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Directors and Officers

Directors

K A Cooper
R A Whitaker

Secretary

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

Auditors

Ernst & Young LLP
1 More London Place
London
SE1 2AF

Registered Office

St Helen's
1 Undershaft
London
EC3P 3DQ

Aviva Share Account Limited

Directors' Report

The directors present their annual report and audited financial statements for Aviva Share Account Limited ("the Company") for the year ended 31 December 2005.

Principal activity

The principal activity of the Company is to act as corporate nominee. The Company holds shares in Aviva plc on behalf of the shareholders who elect to use the nominee account. The directors consider that this will continue unchanged into the foreseeable future.

Result and financial position

The Company has not traded during the year and has made neither a profit nor loss. Accordingly no income statement has therefore been prepared. The financial position is shown in the Balance Sheet on page 8.

Directors

The names of the present directors of the Company appear on page 3. R A Whitaker served as a director of the Company throughout the year, K A Cooper was appointed on 4 November 2005 and A W Hodges resigned as a director on 1 December 2005.

Directors' interests

The table below shows the interests held by each person who was a director at the end of the financial year in the ordinary shares of 25 pence each in Aviva plc. Details of any options and awards held through Aviva plc's share schemes and incentive plans are shown below. All the disclosed interests are beneficial.

	At 1 January 2005 (or date of appointment if later)	At 31 December 2005
	Number	Number
K A Cooper	2,120	2,120
R A Whitaker	2,681	3,389

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 Aviva plc or hold or held awards over shares in Aviva plc, pursuant to Aviva plc's share based incentive plans, are set below.

(i) Share options

	At 1 January 2005 (or date of appointment if later)	Options granted during year	Options exercised or lapsed during year	At 31 December 2005
	Number	Number	Number	Number
K A Cooper				
Savings related options	4,009	-	-	4,009
Executive options	42,250	-	-	42,250
R A Whitaker				
Savings related options	3,764	-	-	3,764
Executive options	39,675	-	-	39,675
Bonus plan options	4,123	-	-	4,123

Aviva Share Account Limited

- (1) "Savings related options" are options granted under the HM Revenue and Customs-approved SAYE Share Option Scheme. Options are normally exercisable during the six-month period following either the third, fifth or seventh anniversary of the relevant savings contract.
- (2) "Executive options" are those granted under the Aviva Executive Share Options Schemes, or predecessor schemes. Options, which have been granted on various dates in 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.

(ii) Share awards

	At 1 January 2005 (or date of appointment if later)	Awards granted during year	Awards exercised during year	Awards lapsed during year	At 31 December 2005
	Number	Number	Number	Number	Number
K A Cooper					
Aviva long term incentive plan	4,256	-	-	-	4,256
R A Whitaker					
Aviva long term incentive plan	123,725	28,555	(12,511)	(14,512)	125,257
Aviva deferred bonus plan	76,046	30,910	(21,618)	-	85,338

- (1) *The Aviva Long Term Incentive Plan* awards are made on an annual basis and the 2004 award was made in March. Awards are subject to the attainment of performance conditions over a three year period.
- (2) *The Aviva Deferred Bonus Plan* awards disclosed include those made in lieu of some or all of the cash bonus earned and deferred under Aviva plc's Annual Bonus in 2004 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 2005 had any beneficial interest in the Company's shares or the shares of any other company within the Aviva plc group.

Directors' liabilities

Aviva plc, the company's ultimate parent, has granted 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. This indemnity and the provisions in the Company's Articles of Association constitute "qualifying third party indemnities" for the purposes of sections 309A to 309C of the Companies Act 1985. Qualifying third party indemnity provision remains in force as at the date of approving the directors' report.

Resolutions

On 24 July 2001, the members of the Company passed resolutions to dispense with the holding of Annual General Meetings, the laying of directors' reports, financial statements and auditors' reports before the members in general meeting and the obligation to appoint auditors annually.

Auditors

Ernst & Young LLP will be re-appointed as the Company's auditors in accordance with the elective resolution passed by the Company under section 386 of the Companies Act 1985.

Aviva Share Account Limited

Statement of directors' responsibilities

The directors are required to prepare accounts for each accounting period that comply with the relevant provisions of the Companies Act 1985 and of the International Financial Reporting Standards (IFRS) as adopted by the European Union, and which present fairly the financial position, financial performance and cash flows of the Company at the end of the accounting period. A fair presentation of the accounts in accordance with IFRS requires the directors to:

- select suitable accounting policies and verify they are applied consistently in preparing the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRS is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Company's financial position and financial performance; and
- state that the Company has complied with applicable IFRSs, subject to any material departures disclosed and explained in the accounts.

The directors are responsible for maintaining proper accounting records which are intended to disclose with reasonable accuracy, at any time, the financial position of the Company. They are also ultimately responsible for the systems of internal control maintained for safeguarding the assets of the Company and for the prevention and detection of fraud and other irregularities.

Directors' statement as to disclosure of information to auditors

The directors who were members of the board at the time of approving the Directors' report are listed on page 3 of these financial statements. Each of these directors confirms that:

- to the best of each director's knowledge and belief, there is no information relevant to the preparation of their report of which the Company's auditors are unaware; and
- each director has taken all the steps a director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the Company's auditors are aware of that information.

By order of the Board



Aviva Company Secretarial Services Limited
Secretary

17 October 2006

Independent Auditor's Report to the Shareholders of Aviva Share Account Limited

We have audited the company's financial statements for the year ended 31 December 2005 which comprise the Balance Sheet and related notes 1 to 9. These financial statements have been prepared under the accounting policies set out therein.

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

The directors are responsible for preparing the financial statements in accordance with applicable United Kingdom law and International Financial Reporting Standards (IFRSs) as adopted by the European Union as set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements 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 financial statements, 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 other transactions 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

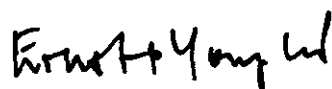
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, 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 financial statements 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 financial statements.

Opinion

In our opinion the financial statements:

- give a true and fair view, in accordance with IFRSs as adopted by the European Union, of the state of the company's affairs as at 31 December 2005; and
- have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young LLP
Registered auditor
London

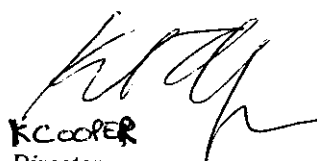
17 October 2006

Balance sheet

As at 31 December 2005

	Note	2005 £	2004 £
Assets			
Current assets			
Amount due from parent company		2	2
Net assets		<u>2</u>	<u>2</u>
Equity			
Ordinary share capital	6	2	2
Retained earnings		<u>-</u>	<u>-</u>
		<u>2</u>	<u>2</u>

Approved by the Board on ~~17th~~ 2006.


K. COOPER
Director

The notes on pages 9 and 10 are an integral part of these financial statements.

1. Accounting policies

Aviva Share Account Limited (the "Company"), a limited company incorporated in the United Kingdom ("UK") is principally acts as corporate nominee. The Company holds shares in Aviva plc on behalf of the shareholders who elect to use the nominee account.

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

(A) Basis of presentation

This is the Company's first set of full year results prepared in accordance with International Financial Reporting Standards (IFRS) and its previously reported 2004 financial statements have accordingly been restated to comply with IFRS. The principal effects of the adoption of IFRS have been reflected within note 2 on first time adoption.

(B) Cash and cash equivalents

The Company has no cash or cash equivalents. All expenses are settled on behalf of the Company by the immediate parent company or other group undertakings. Accordingly no statement of cash flows is presented.

(C) Income statement and tax

The Company did not trade in either year. Accordingly no Income Statement is presented and no tax is payable or receivable.

(D) Fiduciary activities

Assets and income arising from fiduciary activities are excluded from these financial statements where the Company has no contractual rights to the assets and acts in a fiduciary capacity as nominee.

2. First time adoption of International Financial Reporting Standards

The Company has adopted International Financial Reporting Standards (IFRS) for these financial statements for the year ended 31 December 2005. In order to show comparative balances, the year ended 31 December 2004 is also shown under IFRS. The date of transition to IFRS is, therefore, 1 January 2004.

There are no difference to the Company between UK GAAP and IFRS. Accordingly profit for the year in 2004 and equity as at 31 December 2004 would have been unchanged from that reported under IFRS.

3. Directors' emoluments

The directors received no emoluments in respect of their services to the Company during either year.

4. Employees

The company had no employees during the financial year (2004: £nil).

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Notes to the financial statements for the year ended 31 December 2005

5. Auditors' remuneration

Auditors' remuneration is charged in the financial statements of Morley Fund Management Limited, which did not make a charge to the Company.

6. Ordinary share capital

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

	2005	2004
	£	£
The authorised share capital of the Company at 31 December 2005 was: 100 (2004: 100) ordinary shares of £1 each	100	100
The allotted, called up and fully paid share capital of the Company at 31 December 2005 was: 2 (2004: 2) ordinary shares of £1 each	2	2

7. Contingent liabilities and commitments

There were no contingent liabilities or commitments at the balance sheet date. (2004: £nil)

8. Risk management policies

The governance structure and risk management approach of Morley Fund Management Limited are disclosed in the financial statements of that company. The Company does not trade and does not hold assets on its own account. The directors do not consider that it is exposed to any major risks.

9. Related party transactions

(a) Key management compensation

The members of the Board of Directors, who are considered to be the key management of the Company, are listed on page 3 of these financial statements. Details of their remuneration arrangements are contained in note 3. There are no accounts receivable from or payments due to members of the Board of Directors.

(b) Services provided to related parties

During the year the Company acted as corporate nominee. The Company holds shares in Aviva plc on behalf of the shareholders who elect to use the nominee account.

(c) Services provided by related parties

During the year the parent company, Morley Fund Management Limited paid for all expenses on behalf of the Company. It did not make any charges to the Company.

(d) Parent and ultimate controlling entity

The immediate holding company is Morley Fund Management Limited.

The ultimate holding 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.