

Aviva Share Account Limited

Registered in England No 3360653

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

Directors and Officers

Directors

A W Hodges
R A Whitaker
P M White

Secretary

Aviva Company Secretarial Services Limited

Auditor

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



Contents

	Page
Directors' report	3
Auditors' report	6
Balance sheet	7
Notes to the financial statements	8

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 2003.

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.

Dividends

No interim dividend was paid during the year (2002: £nil). The directors do not recommend the payment of a final dividend (2002: £nil).

Directors

The names of the present directors of the Company appear on page 1.

A W Hodges, R A Whitaker and P M White served as directors of the Company throughout the year.

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 on page 4. All the disclosed interests are beneficial.

	At 1 January 2003	At 31 December 2003
	Number	Number
A W Hodges	1,296	2,117
R A Whitaker	2,335	3,612
P M White	3,721	3,012

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 out below.

(i) Share options

	At 1 January 2003 (or appointment if later) Number	Options granted during year Number	Options exercised or cancelled during year Number	At 31 December 2003 Number
A W Hodges				
Savings related options	2,356	-	-	2,356
Executive options	-	2,929	-	2,929
R A Whitaker				
Savings related options	3,764	-	-	3,764
Executive options	57,799	-	18,124	39,675
Bonus plan options	4,123	-	-	4,123
P M White				
Savings related options	3,865	363	-	4,228
Executive options	9,373	-	3,003	6,370

Directors' report

- (1) *"Savings related options"* are options granted under the Inland Revenue-approved SAYE Share Option Scheme. Options granted from 2002 to 2003 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 Option Schemes, or predecessor schemes. Options, which have been granted on various dates from 1993 to 2002, 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.

During the year one director exercised their share options.

(ii) Share awards

	At 1 January 2003 Number	Awards granted during year Number	Awards vested during year Number	Awards lapsed during year Number	At 31 December 2003 Number
A W Hodges					
Aviva deferred bonus plan	562	-	-	-	562
R A Whitaker					
Aviva long term incentive plan	47,387	54,000	-	-	101,387
CGU deferred bonus plan	2,137	-	2,137	-	-
Aviva deferred bonus plan	30,578	18,900	-	-	49,478
P M White					
Aviva deferred bonus plan	4,568	-	-	-	4,568

- (1) *The Aviva Long Term Incentive Plan*, awards under the Plan are made on an annual basis and the 2003 award was made in March. Awards are subject to the attainment of performance conditions over a three year period.
- (2) *The CGU Deferred Bonus Plan* was approved by shareholders in 1999. Awards under this Plan were granted to participants in lieu of some or all of the cash bonuses earned under the Annual Cash Bonus Plan. This Plan, which operated in respect of bonuses awarded in 1999 and 2000, was replaced by the Aviva Deferred Bonus Plan referred to in (3) below. Awards vest on the third anniversary of their grant.
- (3) *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 2003 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.

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.

Directors' report

Auditors

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

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and of the result for that year. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

By order of the Board



Aviva Company Secretarial Services Limited *Secretary*

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

04 OCTOBER 2004

Auditors' report**Independent auditors' report to the members of Aviva Share Account Limited**

We have audited the company's financial statements for the year ended 31 December 2003 which comprise the balance sheet and the related notes 1 to 8. These financial statements have been prepared on the basis of 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

As described in the statement of directors' responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 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.

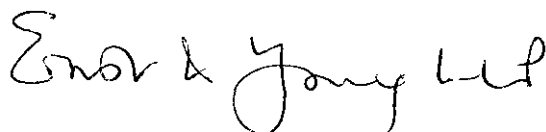
Basis of audit opinion

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 financial statements. It also includes an assessment of the significant estimates and judgements 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 of the state of affairs of the company as at 31 December 2003 and have been properly prepared in accordance with the Companies Act 1985.



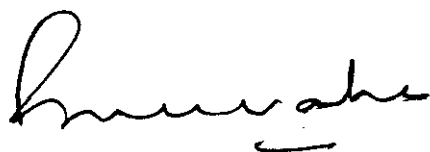
Ernst & Young LLP
Registered Auditor
London

4 October 2004

Balance sheet
 as at 31 December 2003

	Note	2003 £	2002 £
Current assets			
Amounts owed by parent company		2	2
Net assets		<u>2</u>	<u>2</u>
Capital and reserves			
Share capital	4	2	2
Equity shareholders' funds		<u>2</u>	<u>2</u>

The financial statements were approved by the Board and were signed on its behalf by:



Director

Date 04 OCTOBER 2004

The notes on page 8 form an integral part of these financial statements

Notes to the financial statements

1. Accounting policies

The financial statements have been prepared under the historical cost convention and in accordance with accounting standards applicable in the United Kingdom.

2. Results

The Company did not trade in either year. Expenses of the Company are borne by the immediate parent company or other group undertakings.

3. Directors' emoluments

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

4. Share capital

	2003 £	2002 £
Authorised: 100 ordinary shares of £1 each	<u>100</u>	<u>100</u>
Allotted, called up and fully paid: 2 ordinary shares of £1 each	<u>2</u>	<u>2</u>

5. Related party transactions

Transactions with entities which are part of the Aviva group have not been disclosed as permitted under FRS 8 – Related Party Disclosures.

6. Parent undertaking and ultimate parent undertaking

The immediate holding company is Morley Fund Management Limited.

The Company is a member of the Aviva group and its ultimate parent undertaking is Aviva plc registered in England. Its group financial statements are available on application to the Group Company Secretary, Aviva plc, St Helen's, 1 Undershaft, London EC3P 3DQ. No other group financial statements include the result of the Company.

7. Cash flow statement

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

8. Contingent liabilities and commitments

There were no contingent liabilities or commitments at the balance sheet date.