

Company Number: 119505

General Accident plc
Annual report and financial statements 2009

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General Accident plc

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General Accident plc

Directors and Officers

Directors

M S Hodges

A J Moss

Officer – Company Secretary

E G Jones
St Helen's,
1 Undershaft,
London,
EC3P 3DQ.

Auditor

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

Registered Office

Pitheavlis, Perth, Scotland PH2 0NH

Other Information

The Company is a member of the Aviva plc group of companies ("the Group").

Directors' report

The directors present their annual report and financial statements for General Accident plc ("the Company") for the year ended 31 December 2009.

Directors

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

J D Ainley (Resigned 16 June 2009)

M S Hodges

E G Jones (Resigned 16 June 2009)

A J Moss

P G Scott (Resigned 26 January 2010)

A Sahay (Resigned 31 December 2009)

M S Hodges will retire by rotation in accordance with the Company's articles of association at the forthcoming Annual General Meeting and, being eligible, will offer himself for reappointment.

Company Number

Registered in Scotland No. 119505

Business Review and Principal Activities

The Company is a wholly-owned subsidiary of Aviva plc. During 2009, the income of the Company continued to consist of interest from loans to its parent company. The Company continues to have preference shares listed on the London Stock Exchange.

Future Outlook

It is anticipated that the Company's significant financial assets will continue to comprise amounts due from its parent. Consequently, the positive performance of these loans is expected to continue as the credit risk arising from the parent company failing to meet all or part of its obligations is considered remote.

Principal Risks and Uncertainties

The risks and uncertainties are set out in note 8 of these financial statements but, in the opinion of the Directors, the principal risk and uncertainty is interest rate risk. The net asset value of the Company's financial resources is exposed to potential fluctuations in interest rates. The effect of a 100 basis point increase / decrease in interest rates would be an increase / decrease in net interest income / expense of £112 million (2008: *increase / decrease of £115 million*).

Key Performance Indicators ("KPIs")

The performance of the business can be assessed through the use of key performance indicators ("KPIs"). These are:

- (a) Effective interest rate earned on the loans. In the current year this was 3.55% (2008: 6.67%).
- (b) Level of bad debt. The value of loans that perform without defaulting on interest due or loan repayments expressed as a percentage of all loans was 100% during 2009 (2008: 100%).

General Accident plc

Directors' report (continued)

Going Concern

As a consequence of the Company's considerable financial resources, the directors believe that the Company is well placed to manage its business risks successfully despite the current uncertain economic outlook.

After making enquiries, the directors 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.

The Company is expected to continue to generate positive cash flows on its own account for the foreseeable future. The Company participates in the Aviva Group's centralised treasury arrangements and so shares banking arrangements with fellow subsidiaries.

The directors, having assessed the responses of the directors of a fellow group company, Aviva International Insurance Limited, which maintains the centralised arrangement, have no reason to believe that a material uncertainty exists that may cast doubt about the ability to continue with the current banking arrangements.

Financial Position and Performance

The financial position of the Company at 31 December 2009 is shown in the statement of financial position on page 14, with the results shown in the income statement on page 12 and the statement of cash flows on page 15.

Financial instruments

The business of the Company includes use of financial instruments. Details of the Company's risk management objectives and policies and exposures to risk relating to financial instruments are set out in note 8 to the financial statements.

Dividends

Interim ordinary dividends of £340 million were declared and paid during 2009 (2008: £475 million). The directors do not recommend a final ordinary dividend for the year (2008: £nil). The total cost of dividends paid during the year, including preference dividends, amounted to £361 million (2008: £567 million, including the 2007 final dividend).

Directors' interests

None of the directors who held office at 31 December 2009 held any interest in the Company's shares.

Authority to purchase own shares

At the Annual General Meeting held on 25 April 2006, shareholders renewed the Company's authority to make market purchases of up to 140 million 8 ⁷/₈ % preference shares and up to 110 million 7 ⁷/₈ % preference shares. This authority remains in place until 24 April 2011 but was not used in the year.

Creditor payment policy and practice

The Company has no trade creditors.

Directors' Liabilities

Aviva plc, the Company's 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 was granted in 2004 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. These qualifying third party indemnity provisions remain in force as at the date of approving the Directors' report by virtue of the transitional provisions to the Companies Act 2006.

General Accident plc

Directors' report (continued)

Disclosure of Information to the Auditor

Each person who was a director of the Company on the date that this report was approved, confirms that so far as the director is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing his report, of which the auditor is unaware. Each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditor

A resolution is to be proposed at the Annual General Meeting for the reappointment of Ernst & Young LLP as auditor of the Company. A resolution will also be proposed authorising the directors to determine the auditor's remuneration.

The Combined Code on Corporate Governance

The Company is a wholly-owned subsidiary of Aviva plc, a company listed on the London Stock Exchange. The Combined Code on Corporate Governance sets out standards of good practice in the form of principles and provisions on how companies should be directed and controlled to follow good governance practice. The Financial Services Authority requires companies listed in the UK to disclose, in relation to Section 1 of the Combined Code, how they have applied its principles and whether they have complied with its provisions throughout the accounting year. Where the provisions have not been complied with companies must provide an explanation for this.

It is the Board's view that Aviva plc has been fully compliant throughout the accounting period with the provisions set down in Section 1 of the Combined Code, apart from a period during the year when the majority of the members of the Nomination Committee were not independent non-executive directors. This was due to the resignation of Nikesh Arora, a non-executive director, who resigned following his relocation to the United States. The Aviva plc Directors' Report sets out details of how the Aviva group has applied the principles and complied with the provisions of the Combined Code during 2009. Further information on the Combined Code can be found on the Financial Reporting Council's website, www.frc.org.uk.

The Company has listed preference shares and the payment of dividends to the preference shareholders is reviewed by the Aviva plc Audit Committee and approved by the directors of the Company. There are no other significant risks associated with the Company's assets and liabilities, and the Company seeks to maintain sufficient funds to meet dividends payable on the preference shares as they fall due.

Statement of Directors' Responsibilities

The directors are required to prepare financial statements for each accounting period that comply with the relevant provisions of the Companies Act 1985, the Companies Act 2006 and International Financial Reporting Standards (IFRS) as adopted by the European Union ("EU"), 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 financial statements 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 IFRS, subject to any material departures disclosed and explained in the financial statements.

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.

General Accident plc

Directors' report (continued)

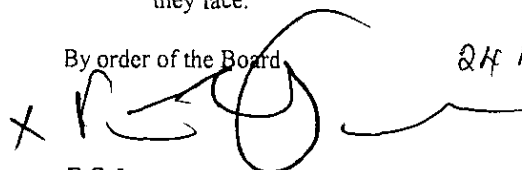
Directors' responsibility statement pursuant to the Disclosure and Transparency Rule 4

The directors confirm that, to the best of each person's knowledge:

- a) the Company financial statements in this report, which have been prepared in accordance with IFRS as adopted by the EU, International Financial Reporting Interpretations Committee's interpretations and those parts of the Companies Act 2006 applicable to companies reporting under IFRS, give a true and fair view of the assets, liabilities, financial position and results of the Company; and
- b) the directors' report contained in this report includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that they face.

By order of the Board

24 March 2010

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E G Jones
Company Secretary

General Accident plc

Independent auditor's report to the members of General Accident plc

We have audited the financial statements of General Accident plc for the year ended 31 December 2009 which comprise the Accounting Policies, the Income Statement, the Statement of Comprehensive Income, the Statement of Changes in Equity, the Statement of Financial Position, the Statement of Cash Flows, and the related notes 1 to 10. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 auditor's 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 explained more fully in the Directors' Responsibilities Statement (set out on page 6), the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2009 and of its profit for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

General Accident plc

Independent auditor's report to the members of General Accident plc (continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Ernst + Young LLP

James W Dean (Senior Statutory Auditor)
For and on behalf of Ernst & Young LLP (Statutory Auditor)
London
24 March 2010

General Accident plc

Accounting policies

General Accident plc ("the Company") is a public limited company incorporated and domiciled in the United Kingdom ("UK"). The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's financial statements.

(A) Basis of presentation

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and applicable at 31 December 2009, and endorsed by the European Union. The date of transition to IFRS was 1 January 2004.

(B) Use of estimates

The preparation of financial statements requires the Company to make estimates and assumptions that affect items reported in the statement of financial position and income statement and the disclosure of contingent assets and liabilities at the date of the financial statements. Although these estimates are based on management's best knowledge of current facts, circumstances and to, some extent, future events and actions, actual results ultimately may differ from those estimates, possibly significantly.

(C) Investment income

Investment income consists of interest receivable for the year. Interest receivable is recognised as it accrues, taking into account the effective yield on the investment.

(D) Financial instruments

Loans to, or from other Aviva Group companies are recognised when cash is advanced to, or received from these companies. These loans are subsequently carried at amortised cost.

The Company reviews the carrying value of loans on a regular basis. If the carrying value of the loan is greater than the recoverable amount, the carrying value is reduced through a charge to the income statement in the period of impairment.

(E) Cash and cash equivalents

Cash and cash equivalents consist of cash at banks and in hand.

(F) Income taxes

The current tax expense is based on the taxable result for the year, after any adjustments in respect of prior years. Tax, including tax relief for losses if applicable, is allocated over profits before taxation and amounts charged or credited to reserves as appropriate.

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 financial statements.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

General Accident plc

Accounting policies (continued)

(G) Share capital

Equity instruments

An equity instrument is a contract that evidences a residual interest in the assets of an entity after deducting all its liabilities. Accordingly, a financial instrument is treated as equity if:

- (i) there is no contractual obligation to deliver cash or other financial assets or to exchange financial assets or liabilities on terms that may be unfavourable; and
- (ii) the instrument is a non-derivative that contains no contractual obligation to deliver a variable number of shares, or is a derivative that will be settled only by the Company exchanging a fixed amount of cash or other assets for a fixed number of the Company's own equity instruments.

Dividends

Dividends on ordinary shares are recognised in equity in the period in which they are paid and, for the final dividend, approved by shareholders. Dividends on preference shares are recognised in the period in which they are declared and appropriately approved.

General Accident plc

Income statement

For the year ended 31 December 2009

	Note	2009 £m	2008 £m
Income			
Investment income	C & 10	410	784
Profit before tax		<u>410</u>	<u>784</u>
Tax expense	E & 4	(115)	(223)
Profit for the year		<u>295</u>	<u>561</u>

The accounting policies (identified alphabetically) on pages 10 & 11 and the notes (identified numerically) on pages 16 to 21 are an integral part of these financial statements. The auditor's report is on pages 8 and 9.

General Accident plc

Statement of comprehensive income

For the year ended 31 December 2009

	2009 £m	2008 £m
Profit for the year	295	561
Total comprehensive income for the year	295	561

Statement of changes in equity

For the year ended 31 December 2009

	Ordinary share capital	Preference share capital	Share premium	Retained earnings	Total
	£m	£m	£m	£m	£m
Balance at 1 January 2008	4,781	250	8,859	95	13,985
Total comprehensive income	-	-	-	561	561
Dividends (note 7)	-	-	-	(567)	(567)
Balance at 31 December 2008	4,781	250	8,859	89	13,979
Total comprehensive income	-	-	-	295	295
Dividends (note 7)	-	-	-	(361)	(361)
Balance at 31 December 2009	4,781	250	8,859	23	13,913

The accounting policies (identified alphabetically) on pages 10 & 11 and the notes (identified numerically) on pages 16 to 21 are an integral part of these financial statements. The auditor's report is on pages 8 and 9.

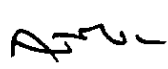
General Accident plc

Statement of financial position

At 31 December 2009

	Note	2009 £m	2008 £m
Assets			
Non-current assets			
Amounts owed by parent company	9 & 10	11,160	11,501
		<u>11,160</u>	<u>11,501</u>
Current assets			
Amounts owed by parent company	10	3,098	2,930
Cash and cash equivalents	E	-	1
Total assets		<u>14,258</u>	<u>14,432</u>
Equity			
Ordinary share capital	G & 5	4,781	4,781
Preference share capital	6	250	250
Called up capital		<u>5,031</u>	<u>5,031</u>
Share premium account		8,859	8,859
Retained earnings	7	23	89
Total equity		<u>13,913</u>	<u>13,979</u>
Liabilities			
Current liabilities			
Amounts owed to fellow Group companies	10	224	230
Corporation tax payable		115	223
Other creditors		<u>6</u>	<u>-</u>
Total liabilities		<u>345</u>	<u>453</u>
Total equity and liabilities		<u>14,258</u>	<u>14,432</u>

Approved by the Board on 24 March 2010

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A J Moss

Director

The accounting policies (identified alphabetically) on pages 10 & 11 and the notes (identified numerically) on pages 16 to 21 are an integral part of these financial statements. The auditor's report is on pages 8 and 9.

General Accident plc

Statement of cash flows

For the year ended 31 December 2009

All the Company's operating and investing cash requirements are met by fellow Group companies and settled through inter-company accounts. As the direct method of presentation has been adopted for these activities, no further disclosure is required. In respect of financing activities, the following items passed through the Company's own bank account.

	2009 £m	2008 £m
Cash flows from financing activities		
Funding provided (to) / by fellow Group companies	(1)	(15)
<i>Net cash (used in) / from financing activities</i>	<u>(1)</u>	<u>(15)</u>
Net decrease in cash and cash equivalents	(1)	(15)
Cash and cash equivalents at 1 January	1	16
Cash and cash equivalents at 31 December	<u><u>-</u></u>	<u><u>1</u></u>

The accounting policies (identified alphabetically) on pages 10 & 11 and the notes (identified numerically) on pages 16 to 21 are an integral part of these financial statements. The auditor's report is on pages 8 and 9.

General Accident plc

Notes to the Financial Statements

1. Presentation changes

The Company has adopted IAS 1 (Revised), *Presentation of Financial Statements*, as at 1 January 2009. The principal effect on these financial statements has been in the following areas:

(i) The titles of some of the prime statements have changed, so that the statement of recognised gains and losses is now called the statement of comprehensive income; the reconciliation of movements in shareholder's equity is now called the statement of changes in equity; the balance sheet is now called the statement of financial position; and the cash flow statement is now called the statement of cash flows.

(ii) Changes in the year in each element of equity must now be shown on the face of the statement of changes in equity, rather than in the notes.

The Company does not have operating segments and therefore is not required to provide segmental analysis as per IFRS8, *Operating Segments*.

2. Directors and employees

All directors are remunerated by Aviva Employment Services Limited, a fellow subsidiary of the ultimate holding company, Aviva plc. The emoluments of these directors are not recharged to the Company. The Company has no employees.

3. Auditor's remuneration

Fees for the audit of the Company were £10,000 for 2009 (2008: £10,000) which have been borne by Aviva plc.

General Accident plc

Notes to the Financial Statements (continued)

4. Tax

(a) Tax charged to income statement:

	2009 £m	2008 £m
Current tax		
For this year	(115)	(223)
Total tax charged to the income statement	<u>(115)</u>	<u>(223)</u>

(b) Tax reconciliation:

The tax on the Company's profit before tax reconciles to the theoretical amount that would arise using the tax rate of the home country of the Company as follows:

	2009 £m	2008 £m
Profit before tax	410	784
Tax calculated at standard UK corporation tax rate of 28% (2008: 28.5%)	(115)	(223)
Total tax charged to income statement	<u>(115)</u>	<u>(223)</u>

5. Ordinary share capital

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

	2009 £m	2008 £m
The authorised share capital of the Company at 31 December was:		
19,920,572,490 (2008: 19,920,572,490) ordinary shares of 25 pence each	<u>4,980</u>	<u>4,980</u>
The allotted, called up and fully paid share capital of the Company at 31 December was:		
19,125,600,632 (2008: 19,125,600,632) ordinary shares of 25 pence each	<u>4,781</u>	<u>4,781</u>

Ordinary shares in issue in the Company rank *pari passu*. All the ordinary shares in issue carry the same right to receive all dividends and other distributions declared, made or paid by the Company.

General Accident plc

Notes to the Financial Statements (continued)

6. Preference share capital

The preference share capital of the Company at 31 December was:

	2009 £m	2008 £m
Authorised		
300,000,000 cumulative irredeemable preference shares of £1 each	300	300
	<u>300</u>	<u>300</u>
Issued and paid up		
140,000,000 8 7/8 % cumulative irredeemable of £1 each	140	140
110,000,000 7 7/8 % cumulative irredeemable of £1 each	110	110
	<u>250</u>	<u>250</u>

The Company's irredeemable preference shares are listed on the London Stock Exchange. They are irredeemable but, subject to the provisions of the Companies Act 2006, the Company may at any time purchase any preference shares upon such terms as the Board shall determine.

The cumulative irredeemable preference shares rank, as to payment of a dividend and capital, ahead of the Company's ordinary share capital. The issued preference shares are non-voting except where their dividends are in arrears, on a winding up or where their rights are altered. On a winding up, they carry a preferential right of return of capital ahead of the ordinary shares. The Company does not have a contractual obligation to deliver cash or other financial assets to the preference shareholders, and therefore the directors may make dividend payments at their discretion.

7. Dividends

	2009 £m	2008 £m
Ordinary dividends declared and charged to equity in the year		
Final 2007- declared and settled on 14 May 2008	-	71
Interim 2008- declared and settled on 26 November 2008	-	475
Interim 2009- declared and settled on 14 May 2009	190	-
Interim 2009- declared and settled on 14 December 2009	150	-
	<u>340</u>	<u>546</u>
Preference dividends declared in the year	21	21
Total dividends	<u>361</u>	<u>567</u>

Notes to the Financial Statements (continued)

8. Risk management policies

The Company's approach to risk and capital management

Governance framework

The primary objective of the Company's risk financial management is to protect it from events or unforeseen circumstances that might hinder the sustainable achievement of the Company's objectives and financial performance, including failure to exploit opportunities as they arise.

The directors recognise the critical importance of having efficient and effective risk management systems in place and acknowledge that they are responsible for the Company's framework of internal control and of reviewing its effectiveness. The framework is designed to manage rather than eliminate the risk of failure to achieve the Company's objectives, and can only provide reasonable assurance against misstatement or loss. The Company forms part of the Aviva plc Group where the framework has been established for identifying, evaluating and managing the significant financial and non-financial risks faced. The directors of the Company are satisfied that their adherence to this Group framework provides an adequate means of managing risk in the Company. These are documented as follows.

Management of financial and non-financial risks

Market risk

Market risk is the risk of an adverse impact due to changes in interest rates, foreign currency exchange rates and equity prices.

At the statement of financial position date, the Company did not have any exposure to currency risk.

Cash flow interest rate risk arises from the inter-company loans receivable (see note 10). The effect of a 100 basis point increase / decrease in interest rates would be an increase / decrease in net interest income of £112million (2008: increase / decrease of £115 million).

The fair value or net asset value of the Company's financial resources is exposed to potential fluctuations in interest rates. Exposure to interest rate risk is managed through the monitoring of several risk measures.

Credit risk

Credit risk is the risk of loss in the value of financial assets due to counterparties failing to meet all or part of their obligations, or changes to the market value of assets caused by changing perceptions of the credit worthiness of such counterparties.

The Company's significant financial assets comprise amounts due from its parent, Aviva plc, and as such the credit risk arising from counterparties failing to meet all or part of their obligations is considered remote. Due to the nature of the financial assets, and the fact that the loans are settled, and not traded, the Company is not exposed to the risk of changes to the market value caused by changing perceptions of the credit worthiness of such counterparties.

Liquidity risk

The Company seeks to maintain sufficient financial resources available to meet its obligations as they fall due.

General Accident plc

Notes to the Financial Statements (continued)

8. Risk management policies (continued)

Management of financial and non-financial risks (continued)

Operational risk

Operational risk arises as a result of inadequately controlled internal processes or systems, human error, or from external events. This definition is intended to include all risks to which the Company is exposed. Hence operational risks include, for example, information technology, information security, project management, tax, legal, fraud and compliance risks. The line management in the Company has primary responsibility for the effective identification, management, monitoring and reporting of risks to the Company's executive management team. The Company executive management team is responsible for satisfying itself that material risks are being mitigated and reported to an acceptable level. Operational risks are assessed according to the potential impact and probability of the event concerned. These impact assessments are made against financial, operational and reputation criteria.

Capital management

The Company's overall capital risk appetite is set and managed with reference to the requirements of the Company's stakeholders. In managing capital we seek to maintain sufficient, but not excessive, financial strength to support the payment of preference dividends and the other requirements of stakeholders. The sources of capital used by the Company are equity shareholders' funds and preference shares. At 31 December 2009, the Company had £13,913 million (2008: £13,979 million) of total capital employed.

9. Immediate and ultimate parent company

The immediate and ultimate parent 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.

10. Related party transactions

Apart from inter-company dividends payable, the only related party transaction is a loan to Aviva plc, made on normal arm's length contractual terms. The maturity analysis of the related party loan at the statement of financial position date and interest payable on that loan is as follows:

Receivables		Loans - Contractual repricing or maturity dates			
	Denominated currency	Within 1 year	1-5 years	5-10 years	Total
		£m	£m	£m	£m
2009	£	-	11,160	-	11,160
2008	£	-	11,501	-	11,501

The rate of interest on the loan is floating but is fixed for each calendar quarter at a rate of 200 basis points above the London inter-bank offered rate per annum. The Company's maximum exposure to credit risk is equal to the carrying value of assets in the statement of financial position. The fair values of loans to, and receivables from, the parent company are equal to their carrying value.

General Accident plc

Notes to the Financial Statements (continued)

10. Related party transactions (continued)

Services provided to related parties

	2009		2008	
	Income earned in year £m	Receivable at year end £m	Income earned in year £m	Receivable at year end £m
Parent company	410	14,258	784	14,431
	<u>410</u>	<u>14,258</u>	<u>784</u>	<u>14,431</u>

Services provided by related parties (including dividends paid)

	2009		2008	
	Expense incurred in year £m	Payable at year end £m	Expense incurred in year £m	Payable at year end £m
Parent company	340	-	546	-
Fellow Group companies	-	-	-	230
	<u>340</u>	<u>-</u>	<u>546</u>	<u>230</u>

The services provided to related parties in the year 2009 related to interest income of £410 million (2008: £784 million) from Aviva plc. The services provided by related parties in the year related to dividends paid of £340 million (2008: £546 million).

£11,160 million, out of £14,258 million receivable from the parent, has been secured by a legal charge against the ordinary share capital of Aviva Group Holdings Limited.

Compensation of key management

The Company bears no costs in relation to key management personnel, and all such costs are borne by Aviva plc.