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Company Number FC 023732
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Undershaft (No.2) B.V.

Annual Report and Financial Statements for the year ended 31 December 2010

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ACCOUNTANTS LLP
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UNDERSHAFT (NO.2) B.V.

**Annual Report and Financial Statements
for the year ended 31 December 2010**

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UNDERSHAFT (NO.2) B.V.

Directors and Officers

Directors

Aviva Company Secretarial Services Limited
K A Cooper (Appointed 31 December 2010)
T W Harris
A J Moss (Resigned 31 December 2010)

Ultimate parent company

The ultimate parent company is Aviva plc Undershaft (No 2) B V ("the Company") is a member of the Aviva plc group of companies ("the Group")

Auditor

Ernst & Young Accountants LLP
Antonio Vivaldistraat 150
1083 HP Amsterdam
The Netherlands

Main business address

St Helen's,
1 Undershaft,
London,
EC3P 3DQ

Company Number

Registered in the Netherlands
Chamber of Commerce 33 21 90 52
Registered in England and Wales as a foreign company number FC023732, branch number 6448

UNDERSHAFT (NO.2) B.V.

Directors' report

The directors present their annual report and financial statements for Undershaft (No 2) B V ("the Company") for the year ended 31 December 2010

Directors

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

Aviva Company Secretarial Services Limited
K A Cooper (Appointed 31 December 2010)
T W Harris
A J Moss (Resigned 31 December 2010)

Principal activities

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

Going concern

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in this report. In addition the financial statements include notes on its capital structure (note 5)

The Company and its ultimate holding company, Aviva plc, have considerable financial resources. 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

Financial position and performance

The financial position of the Company at 31 December 2010 is shown in the statement of financial position on page 5 and the results shown in the income statement on page 6

Dividend

The directors do not recommend the payment of any dividend for the year (2009 £Nil)

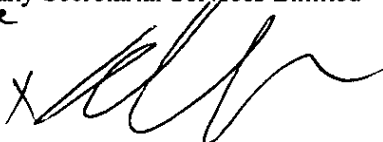
Employee

The company has no employees

Approved by the Board on 12 September 2011

X 
Aviva Company Secretarial Services Limited
M Anscombe

K A Cooper

X 

X 
T W Harris

UNDERSHAFT (NO.2) B.V

Statement of financial position
As at 31 December 2010

	Notes	2010 £	2009 £
Current assets			
Debtors	3	34,059,409	37,268,411
Total assets		<u>34,059,409</u>	<u>37,268,411</u>
Current liabilities			
Creditors	4	-	3,209,002
Total current liabilities		<u>-</u>	<u>3,209,002</u>
Shareholder's equity			
Called up share capital	5	39,516,902	40,973,989
Legal reserve	6	236,999	236,999
Translation reserve	7	(12,396,049)	(13,853,136)
Retained earnings	8	6,701,557	6,701,557
Total shareholder's equity		<u>34,059,409</u>	<u>34,059,409</u>
Total equity and liabilities		<u>34,059,409</u>	<u>37,268,411</u>

The notes on pages 7 to 11 form an integral part of these accounts. The auditor's report is on page 12

UNDERSHAFT (NO.2) B.V.

Income statement

For the year ended 31 December 2010

	Notes	<u>2010</u> £	<u>2009</u> £
Operating expenses			
Administrative expenses		-	<u>(1,050)</u>
(Loss) before tax		-	(1,050)
Tax credit	2(e) & 9	-	1,819,665
Profit for the year	8	<u>-</u>	<u>1,818,615</u>

The notes on pages 7 to 11 form an integral part of these accounts. The auditor's report is on page 12.

UNDERSHAFT (NO.2) B.V.

Notes to the financial statements

1. General

Undershaft (No 2) BV (formerly Norwich Union Overseas Holdings BV) (the "Company") was incorporated in Amsterdam, The Netherlands in April 1990. The Company is a wholly-owned subsidiary of Aviva Overseas Holdings Limited, whose ultimate parent undertaking is Aviva plc which is listed on the London Stock Exchange and the NYSE. The Company has acted as an intermediate holding company for other Aviva plc Group subsidiaries and associated undertakings in previous years, although it now has no such investments.

The functional currency of the Company is the Pound Sterling as the majority of transactions are conducted in this currency.

2. Significant accounting policies

(a) Basis of preparation

The financial statements have been prepared in accordance with accounting principles generally accepted in the Netherlands and the financial reporting requirements included in Part 9, Book 2 of the Netherlands Civil Code.

(b) Revenue recognition

Income is recognised in the accounting year to which it relates.

(c) Exchange gains or losses

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange prevailing at the statement of financial position 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 income statement. Translation differences on non-monetary items are reported as part of the currency translation reserve.

(d) Expenses

Costs and expenses are allocated to the year to which they relate. Losses are recognised in the year in which they are identified.

(e) Tax

The Company is subject to UK corporate income tax at the rate of 28% (2009 28%) on its taxable profit, calculated in accordance with UK legislation.

3. Debtors

	2010 £	2009 £
Amounts due from fellow Group companies	34,059,409	37,268,411
	<u>34,059,409</u>	<u>37,268,411</u>

Amounts due from related parties are interest-free.

UNDERSHAFT (NO 2) B.V.

Notes to the financial statements (continued)

4. Creditors

	2010 £	2009 £
Group relief liability	-	3,209,002
	<u>-</u>	<u>3,209,002</u>

Amounts due to related parties are interest-free

5. Share capital

	2010 £	2009 £
Authorised		
2,000,000 (2009 2,000,000) ordinary shares of EUR45 each	77,120,823	79,964,460
100,000 (2009 100,000) Australian convertible redeemable preference shares of EUR45 each	3,856,041	3,998,223
200,000 (2009 200,000) New Zealand convertible redeemable preference shares of EUR45 each	7,712,082	7,996,446
	<u>88,688,946</u>	<u>91,959,129</u>
Allotted and fully paid		
926,992 (2009 926,992) ordinary shares of EUR45 each	35,745,192	37,063,207
52,015 (2009 52,015) Australian convertible redeemable preference shares of EUR45 each	2,005,720	2,079,676
45,798 (2009 45,798) New Zealand convertible redeemable preference shares of EUR45 each	1,765,990	1,831,106
Closing ordinary shares allotted and fully paid	<u>39,516,902</u>	<u>40,973,989</u>
	€	€
Closing ordinary shares allotted and fully paid (EUR)	<u>46,116,225</u>	<u>46,116,225</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.

UNDERSHAFT (NO 2) B.V.

Notes to the financial statements (continued)

5. Share capital (continued)

The movement in paid up capital can be summarised as follows

	2010 £	2009 £
Opening balance	40,973,989	44,586,894
Foreign exchange rate movements (see below)	(1,457,087)	(3,612,905)
Closing balance	<u>39,516,902</u>	<u>40,973,989</u>

The paid up capital balance has been retranslated at the statement of financial position date using the euro/sterling exchange rate at that date of 1 1670 (2009 1 1255) The unfavorable movement in the year of £1,457,087 (2009 £3,612,905) has been taken to the translation reserve (see note 7)

6. Legal reserve

In 2001, the Company changed the nominal value of the shares from 100 Dutch guilders (euro 45 37802) to euro 45 The difference arising is treated as a non-distributable component of shareholders' equity

7. Translation reserve

	2010 £	2009 £
Opening balance	(13,853,136)	(17,466,041)
Foreign exchange movement on paid up capital (see note 5)	1,457,087	3,612,905
Closing balance	<u>(12,396,049)</u>	<u>(13,853,136)</u>

The translation reserve was established at 31 December 2001, when the Company became UK-resident and its functional and presentation currency changed from Euros to Sterling The balance on the reserves comprises all translation movements in share capital since then, offsetting the movement shown in note 5, together with a debit of £1,092,358 arising on the December 2001 retranslation of the opening comparative retained earnings at 1 January 2001

The debit of £1,092,358 is considered to be a realised loss and is offset against the retained earnings balance when considering the Company's distributable reserves position The balance of £11,303,691 as at 31 December 2010 is offset by equivalent cumulative movements in the sterling equivalent of the share capital This balance is a distributable component of shareholders' equity under Dutch GAAP and should be considered together with other components of the distributable reserves such as retained income

UNDERSHAFT (NO.2) B.V.

Notes to the financial statements (continued)

8. Retained earnings

	2010	2009
	£	£
At 1 January	6,701,557	4,882,942
Profit for the year	-	1,818,615
At 31 December	<u>6,701,557</u>	<u>6,701,557</u>

9. Tax

(a) Tax credited to the income statement

The total tax credited to the income statement comprises

	2010	2009
	£	£
Prior year adjustment	-	1,819,665
Total tax credited to the income statement	<u>-</u>	<u>1,819,665</u>

(b) Tax reconciliation

The tax on the Company's profit before tax differs from the theoretical amount that would arise using the UK corporation tax rate as follows -

	2010	2009
	£	£
Loss before tax	-	(1,050)
Tax calculated at standard UK corporation tax rate of 28% (2009 28%)	-	294
Adjustment to tax charge in respect of prior years	-	1,819,665
Disallowable expenses	-	(294)
Total tax credited to the income statement	<u>-</u>	<u>1,819,665</u>

A tax credit of £1,820,147 was recognised within the 2009 adjustment to tax charge in respect of prior years under s171A of the Taxation of Chargeable Gains Act 1992 which allows losses in the Company to be set against the chargeable gains in another group company for capital gains purposes

A gradual reduction in the UK corporation tax rate from 28% to 24% over four years was announced in the Emergency Budget of 22 June 2010. The first 1% rate reduction was enacted in the Finance (No 2) Act 2010. This was augmented in the Finance Act 2011 to include an additional 1% reduction from April 2011. A further 1% rate reduction to 25%, with effect from 1 April 2012, was substantively enacted on 5 July 2011. Subsequent reductions will be dealt with by future legislation.

UNDERSHAFT (NO.2) B.V.

Notes to the financial statements (continued)

9. Tax (continued)

(b) Tax reconciliation (continued)

As the Company does not have any recognised or unrecognised deferred tax balances, the rate reductions are not expected to have an impact on its financial position as at 31 December 2010

10. Employee information

The Company does not have any employees

11. Auditor's remuneration

Fees for the audit of the financial statements of the Company were Euro 6,000 (2009 Euro 6,000) which have been borne by Aviva plc

12. Parent undertakings

The Company is a wholly-owned subsidiary of Aviva Overseas Holdings Limited, which is registered in England

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

13. Directors' remuneration

The members of the Board of Directors did not receive any payment from the Company in respect of their management services in the current or prior year

14. Related party transactions

There are no related party transactions other than the amounts due from the Company's parent Aviva Overseas Holdings Limited

Approved by the Board on *12 September* 2011

The Board of Directors

X

M Anscombe
Aviva Company Secretarial Services Limited
M Anscombe

K A Cooper X

[Signature]

[Signature]
T W Harris

ERNST & YOUNG
ACCOUNTANTS LLP
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Independent auditor's report

To The Management of Undershaft (No 2) B V

Report on the financial statements

We have audited the accompanying financial statements 2010 of Undershaft (No 2) B V , Amsterdam, which comprise the statement of financial position as at December 31, 2010, the income statement and related notes 1 to 14 for the year then ended

Management's responsibility

Management is responsible for the preparation and fair presentation of these financial statements and for the preparation of the management board report, both in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore management is responsible for such internal control as it determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about 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 entity'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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

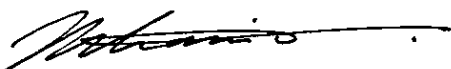
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Undershaft (No 2) B.V. as at December 31, 2010 and of its result for the year then ended in accordance with Part 9 of Book 2 of the Dutch Civil Code

Amsterdam, September 12, 2011

Ernst & Young Accountants LLP

A handwritten signature in black ink, appearing to read 'M. Koning'.

M Koning

100090/40

In accordance with Regulation 32 of the Overseas Companies Regulations 2009

OS AA01

Statement of details of parent law and other information for an overseas company



What this form is for
You may use this form to accompany your accounts disclosed under parent law

What this form is NOT for
You cannot use this form to accompany an alteration of manner of incorporation with accounting requirements

A34

03/11/2011
COMPANIES HOUSE

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Part 1 Corporate company name

Corporate name of overseas company ①

UNDERSHAFT (NO 2) B V

If the company has already been registered in the UK, please enter the establishment number below

UK establishment number ②

B R 0 0 6 4 4 8

→ **Filling in this form**
Please complete in typescript or in bold black capitals

All fields are mandatory unless specified or indicated by *

① This is the name of the company in its home state

② This should only be completed if the company has already been registered in the UK

Part 2 Statement of details of parent law and other information for an overseas company

A1 Legislation

Please give the legislation under which the accounts have been prepared and, if applicable, the legislation under which the accounts have been audited

① This means the relevant rules or legislation which regulates the preparation and, if applicable, the audit of accounts.

Legislation ①

In accordance with Part 9 of Book 2 of the Dutch Civil Code

A2 Accounting principles

Accounts

Have the accounts been prepared in accordance with a set of generally accepted accounting principles?

Please tick the appropriate box

No Go to Section A3

Yes Please enter the name of the organisation or other body which issued those principles below, and then go to Section A3

① Please insert the name of the appropriate accounting organisation or body

Name of organisation or body ①

Dutch Law, including the Dutch Standards on Auditing

A3 Accounts

Accounts

Have the accounts been audited? Please tick the appropriate box

No. Go to Section A5

Yes. Go to Section A4

OS AA01

Statement of details of parent law and other information for an overseas company

A4

Audited accounts

Audited accounts

Have the accounts been audited in accordance with a set of generally accepted auditing standards?

Please tick the appropriate box

No Go to Part 3 'Signature'

Yes. Please enter the name of the organisation or other body which issued those standards below, and then go to Part 3 'Signature'

① Please insert the name of the appropriate accounting organisation or body

Name of organisation or body ①

Dutch Law, including the Dutch Standards on Auditing

A5

Unaudited accounts

Unaudited accounts

Is the company required to have its accounts audited?

Please tick the appropriate box

No

Yes

Part 3

Signature

I am signing this form on behalf of the overseas company

Signature

Signature

X

X

This form may be signed by
Director, Secretary, Permanent Representative
K A COOPER

OS AA01

Statement of details of parent law and other information for an overseas company

Presenter information

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name	Lyla Spencer
Company name	Aviva plc
Address	St Helen's 1 Undershaft
Post town	London
County/Region	
Postcode	E C 3 P 3 D Q
Country	UNITED KINGDOM
DX	
Telephone	+44(0)20 7662 8137

Checklist

We may return forms completed incorrectly or with information missing

Please make sure you have remembered the following

- The company name and, if appropriate, the registered number, match the information held on the public Register
- You have completed all sections of the form, if appropriate
- You have signed the form

Important information

Please note that all this information will appear on the public record.

Where to send

You may return this form to any Companies House address

England and Wales

The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ
DX 33050 Cardiff

Scotland

The Registrar of Companies, Companies House,
Fourth floor, Edinburgh Quay 2,
139 Fountainbridge, Edinburgh, Scotland, EH3 9FF
DX ED235 Edinburgh 1
or LP - 4 Edinburgh 2 (Legal Post)

Northern Ireland:

The Registrar of Companies, Companies House,
Second Floor, The Linenhall, 32-38 Linenhall Street,
Belfast, Northern Ireland, BT2 8BG
DX 481 N R Belfast 1

Further information

For further information, please see the guidance notes on the website at www.companieshouse.gov.uk or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.companieshouse.gov.uk