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Directors' report

The directors submit their report and accounts for General Accident plc ("the Company") for the year ended 31 December 2007.

Directors

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

J D Ainley
R J Harvey (retired 11 July 2007)
M S Hodges (appointed 18 May 2007)
E G Jones (appointed 8 August 2007)
A J Moss
P G Scott
P J R Snowball (resigned 8 May 2007)
A Sahay (appointed 18 May 2007)
T C Thiam (resigned 21 September 2007)
R A Whitaker (retired 8 August 2007)

M S Hodges, E G Jones and A Sahay were appointed by the Board as directors in accordance with the Company's Articles of Association. They will retire at the forthcoming Annual General Meeting and, being eligible, will offer themselves for election by shareholders. 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.

Business review and principal activities

The Company is a wholly-owned subsidiary of Aviva plc. During 2007, 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 £120 million (2006: increase/decrease of £125 million).

Key Performance Indicators ("KPIs")

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

- Effective interest rate earned on the loans. In the current year this was 6.38% (2006: 5.2%).
- 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 2007 (2006: 100%).

Going concern

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.

Results

The Company's results for the year are shown in the income statement on page 7.

Dividend

The directors are proposing a final ordinary dividend for 2007 of £71 million, payable in 2008 (2006: £80 million, settled in 2007). An interim dividend for 2007 of £439 million (2006: £520 million) was declared and paid on 3 December 2007. The total cost of dividends paid in 2007, including preference dividends, amounted to £538 million (2006: £6,921 million).

Directors' interests

The table below shows the interests of directors at the end of the financial year in the ordinary shares of 25 pence each in Aviva plc. With the exception of the directors whose details appear below, all of the other directors are also directors of the Company's parent company, Aviva plc, and under the Companies (Disclosure of Directors' Interests) (Exceptions) Regulations 1985 (SI 1985/802), are not required to disclose their share interests in Aviva plc in the Company's financial statements. Their interests can be found in the report and accounts of Aviva plc.

	At 1 January 2007 or date of appointment Number	At 31 December 2007 Number
J D Ainley	11,814	12,409
M S Hodges	4,519	44,990
E G Jones	16,402	38,333
A Sahay	17	91

None of the directors who held office at 31 December 2007 had an interest in the share capital of the Company. 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.

Directors' report continued

Incentive plans

Details of Messrs Ainley, Hodges, Jones and Sahay's options to subscribe for ordinary shares of Aviva plc or awards over shares in Aviva plc, pursuant to Aviva plc's share based incentive plans, are set out below.

Share awards

	At 1 January 2007 or date of appointment Number	Awards granted during year Number	Awards vested during year Number	Awards lapsed during year Number	At 31 December 2007 Number
J D Ainley					
Aviva Long-Term Incentive Plan ¹	39,923	–	25,910	14,013	–
Aviva Long-Term Incentive Plan 2005 ²	75,268	39,011	–	–	114,279
Aviva Deferred Bonus Plan ³	34,678	–	18,364	–	16,314
Aviva Annual Bonus Plan 2005 ⁴	17,784	32,464	–	–	50,248
M S Hodges					
Aviva Long-Term Incentive Plan ¹	39,347	–	25,536	13,811	–
Aviva Long-Term Incentive Plan 2005 ²	79,253	56,892	–	–	136,145
Aviva Deferred Bonus Plan ³	71,330	–	36,986	–	34,344
Aviva Annual Bonus Plan 2005 ⁴	32,725	37,366	–	–	70,091
E G Jones					
Aviva Long-Term Incentive Plan ¹	16,602	–	10,774	5,828	–
Aviva Long-Term Incentive Plan 2005 ²	25,291	13,003	–	–	38,294
Aviva Deferred Bonus Plan ³	42,386	–	22,646	–	19,740
Aviva Annual Bonus Plan 2005 ⁴	15,422	17,182	–	–	32,604
Saving related options ⁵	1,593	–	–	–	1,593
A Sahay					
Aviva Long-Term Incentive Plan 2005 ²	–	41,612	–	–	41,612
Saving related options ⁵	–	1,705	–	–	1,705

1. The "Aviva Long-Term Incentive Plan" was approved by shareholders at Aviva plc's 2001 Annual General Meeting and awards were made on an annual basis up to and including 2004. The last awards, which were made in 2004, vested in 2007.
2. The "Aviva Long-Term Incentive Plan 2005" was approved by shareholders at Aviva plc's 2005 Annual General Meeting. This "2005 Plan" replaced the Aviva Long-Term Incentive Plan described above.
3. The "Aviva Deferred Bonus Plan" was approved by shareholders at Aviva plc's 2001 Annual General Meeting. The awards disclosed include those made in lieu of some or all of the cash bonus earned and deferred under Aviva plc's Annual Bonus Plan and also the matching awards granted on a "one for one" basis. The vesting of the awards on the third anniversary of their grant is not subject to performance conditions.
4. The "Aviva Annual Bonus Plan 2005" was approved by shareholders at Aviva plc's 2005 Annual General Meeting. This plan replaced the Aviva deferred Bonus Plan described above.
5. The "Savings related options" are options granted under the HMRC approved Savings Related Share Option Scheme. Options are normally exercisable during the six month period following the relevant (three, five or seven year) savings contract.

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%% preference shares and up to 110 million 7%% preference shares. This authority remains in place until 24 April 2011. This authority was not used during the year.

Creditor payment policy and practice

The Company has no trade creditors.

Auditor and the 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 its 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. This confirmation is given and should be interpreted in accordance with the provisions of Section 234ZA of the Companies Act 1985.

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.

Directors' liabilities

Aviva plc, the parent company, has granted an indemnity to the Company's directors against liability in respect of any 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. Such qualifying third-party indemnity provision remains in force as at the date of approving the directors' report.

The Combined Code on Corporate Governance

The Combined Code on Corporate Governance sets out guidance 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 United Kingdom to disclose, in relation to Section 1 of the Combined Code, how they have applied its principles.

The Company is a wholly-owned subsidiary of Aviva plc, a company listed on the London Stock Exchange. In terms of the governance structure of the Aviva group, it is the view of the Board of that company that Aviva plc has been fully compliant throughout the accounting period with the provisions set down in Section 1 of the Combined Code.

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.

By order of the Board

Graham Jones

Company Secretary

26 March 2008

Registered Office
Pitheavlis, Perth, Scotland PH2 0NH
Registered in Scotland No. 119505

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 and of 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 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 its assets, and for the prevention and detection of fraud and other irregularities.

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

We have audited the Company's financial statements for the year ended 31 December 2007 which comprise Income Statement, the Statement of Recognised Income and Expense, the Reconciliation of Movements in Shareholders' Equity, the Balance Sheet, the Cash Flow Statement and the related notes 1 to 10. 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 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

The directors' responsibilities for preparing the financial statements in accordance with applicable United Kingdom law and International Financial Reporting Standards (IFRSs) as adopted by the European Union are 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 whether the information given in the directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 2007 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the directors' report is consistent with the financial statements.

Ernst & Young LLP

Registered Auditor
London
28 March 2008

Accounting policies

General Accident plc (the "Company"), is a public limited company incorporated and domiciled in the United Kingdom ("UK") and, until 20 December 2005, was a holding company for some of the Aviva Group's subsidiaries. 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 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 balance sheet 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) Foreign currency translation

Translation differences on monetary financial assets and liabilities are included in foreign exchange gains and losses in the income statement.

(D) Investment income

Investment income consists of interest receivable for the year. Interest income is recognised as it accrues.

(E) Finance costs

Finance costs consist of interest payable for the year. Interest payable is recognised as it accrues under the effective interest method.

(F) 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.

(G) Cash and cash equivalents

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

(H) 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.

(I) 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 declared 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.

Income statement

For the year ended 31 December 2007

	Note	2007 £m	2006 £m
Income			
Investment income	D & 9	787	891
Expenses			
Net foreign exchange gains		–	7
Finance costs	E & 9	(20)	(34)
Profit before tax		767	864
Tax expense	H & 3	(230)	(253)
Profit for the year		537	611

Statement of recognised income and expense

For the year ended 31 December 2007

	2007 £m	2006 £m
Profit for the year	537	611
Total recognised income and expense for the year	537	611

Reconciliation of movements in shareholders' equity

For the year ended 31 December 2007

	2007 £m	2006 £m
Balance as at 1 January	13,988	20,298
Total recognised income and expense for the year	537	611
Dividends (note 7)	(540)	(6,921)
Balance as at 31 December	13,985	13,988

Balance sheet

At 31 December 2007

	Note	2007 £m	2006 £m
Assets			
Non-current assets			
Amounts owed by parent company	9	12,047	12,566
		12,047	12,566
Current assets			
Amounts owed by parent company	9	2,417	924
Amounts owed by fellow Group companies	9	–	1,320
Cash and cash equivalents	G	16	13
Total assets		14,480	14,823
Equity			
Ordinary share capital	I & 4	4,781	4,781
Preference share capital	5	250	250
Called up capital		5,031	5,031
Share premium account		8,859	8,859
Retained earnings	6	95	98
Total equity		13,985	13,988
Liabilities			
Non-current liabilities			
Amounts owed to parent company	9	–	445
		–	445
Current liabilities			
Amounts owed to parent company	9	–	121
Amounts owed to fellow Group companies	9	259	2
Corporation tax payable	3	230	259
Other creditors		6	8
Total liabilities		495	835
Total equity and liabilities		14,480	14,823

Approved by the Board on 26 March 2008.

Philip Scott
Director

Cash flow statement

For the year ended 31 December 2007

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 pass through the Company's own bank account.

	2007 £m	2006 £m
Cash flows from financing activities		
Funding provided by fellow Group companies	3	8
Net cash from financing activities	3	8
Net increase in cash and cash equivalents	3	8
Cash and cash equivalents at 1 January	13	5
Cash and cash equivalents at 31 December	16	13

Cash and cash equivalents in the cash flow statement at 31 December comprised

	2007 £m	2006 £m
Cash at bank and in hand	16	13
	16	13

Notes to the financial statements

For the year ended 31 December 2007

1 – 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.

2 – Auditor's remuneration

Fees for the audit of the Company were £10,000 for 2007 (2006: £15,000) which were borne by Aviva plc in both years.

3 – Tax

a) Tax expensed to income statement:

	2007 £m	2006 £m
Current tax		
For this year	(230)	(259)
Prior year adjustments	–	(6)
Total current tax	(230)	(253)

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:

	2007 £m	2006 £m
Profit before tax	767	864
Tax calculated at standard UK corporation tax rate of 30% (2006: 30%)	(230)	(259)
Adjustment to tax charge in respect of prior years	–	6
Total tax expensed to income statement	(230)	(253)

Notes to the financial statements continued

4 – Ordinary share capital

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

	2007 £m	2006 £m
The authorised share capital of the Company at 31 December was: 19,920,572,490 (2006: 19,920,572,490) ordinary shares of 25 pence each	4,980	4,980
The allotted, called up and fully paid share capital of the Company at 31 December was: 19,125,600,632 (2006: 19,125,600,632) ordinary shares of 25 pence each	4,781	4,781

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.

5 – Preference share capital

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

	2007 £m	2006 £m
Authorised 300,000,000 cumulative irredeemable preference shares of £1 each	300	300
	300	300
Issued and paid up		
140,000,000 8% cumulative irredeemable of £1 each	140	140
110,000,000 7% cumulative irredeemable of £1 each	110	110
	250	250

The Company's preference shares are listed on the London Stock Exchange. They are irredeemable but, subject to the provisions of the Companies Act 1985, the Company may at any time purchase any preference shares upon such terms as the Board shall determine.

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.

6 – Retained earnings

	2007 £m	2006 £m
Balance at 1 January	98	6,408
Arising in the year:		
Profit for the year	537	611
Dividends and appropriations	(540)	(6,921)
Balance at 31 December	95	98

7 – Dividends

	2007 £m	2006 £m
Ordinary dividends declared and charged to equity in the year		
Final 2005 – declared and settled on 25 April 2006	–	6,380
Interim 2006 – declared and settled on 30 November 2006	–	520
Final 2006 – declared and settled on 28 March 2007	80	–
Interim 2007 – declared and settled on 3 December 2007	439	–
	519	6,900
Preference dividends declared in the year	21	21
Total dividends	540	6,921

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.

During the year the opening inter-company loan payable of US \$75 million was repaid. As such, at the balance sheet date the Company did not have any exposure to currency risk.

Cash flow interest rate risk arises from the inter-company loans payable and receivable (see note 9). The effect of a 100 basis point increase/decrease in interest rates would be an increase/decrease in net interest income/expense of £120 million (2006: increase of £125 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.

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 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 2007, the Company had £13,985 million (2006: £13,988 million) of total capital employed.

9 – Related party transactions

Apart from inter-company dividends receivable and payable, the only related party transactions are loans to and from the Aviva Group companies related parties made on normal arm's length contractual terms. The related party loans can be settled by either party at any point. During 2007, some of the related party loans payable were settled. The maturity analysis of the related party loans at the balance sheet date and interest payable on those are as follows:

Receivables	Denominated currency	Loans – Contractual repricing or maturity dates			Total £m
		Within 1 year £m	1-5 years £m	5-10 years £m	
2007	£	12,047	–	–	12,047
2006	£	–	12,566	–	12,566

The related party loans of £12,047 million, with the parent company, are due to mature within 1 year. However, the Company has agreed to extend the period of the loans prior to maturity. Consequently, these loans are reported in the balance sheet as non current assets.

Payables	Denominated currency	Loans – Contractual repricing or maturity dates			Total £m
		Within 1 year £m	1-5 years £m	5-10 years £m	
2007	£/\$	–	–	–	–
2006	£/\$	38	80	445	563

Loans – Contractual Undisclosed Interest Payments	Denominated currency	Loans – Contractual repricing or maturity dates			Total £m
		Within 1 year £m	1-5 years £m	5-10 years £m	
2007	£/\$	–	–	–	–
2006	£/\$	30	111	111	252

The Company's maximum exposure to credit risk is equal to the carrying value of assets in the balance sheet.

The fair values of loans to, and receivables from, the parent company are equal to their carrying value.

Notes to the financial statements continued

9 – Related party transactions continued

Services provided to related parties (including dividend income)

	2007		2006	
	Income earned in year £m	Receivable at year end £m	Income earned in year £m	Receivable at year end £m
Parent company	787	14,464	891	13,490
Fellow Group companies	–	–	–	1,320
	787	14,464	891	14,810

Services provided by related parties (including dividends declared)

	2007		2006	
	Expense incurred in year £m	Payable at year end £m	Expense incurred in year £m	Payable at year end £m
Parent company	524	–	6,930	566
Fellow Group companies	15	259	4	2
	539	259	6,934	568

The services provided to related parties in the year 2007 related to interest income of £787 million (2006: £891 million) from Aviva plc. The services provided by related parties in the year related to fellow Group company interest of £20 million (2006: £34 million) and dividends paid of £519 million (2006: £6,900 million).

£11,640 million, out of £14,464 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.

10 – Parent company's details

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.

General Accident plc

Pitheavlis, Perth

Scotland PH2 0NH