AVIVA INVESTORS LONDON LIMITED

Registered in England and Wales No. 2152949

Annual report and financial statements 2015

Contents

Directors and officers

Directors
G Cass
T Howard

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

Independent auditors
PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
7 More London Riverside
London
SE1 2RT

Registered office
1 Poultry
London
EC2R 8EJ

Company Number
Registered in England and Wales: No.2152949

Other Information
Aviva Investors London Limited ('The Company') is a 100% subsidiary of Aviva Investors Holdings Limited ('the Group' or 'Aviva Investors') and is a member of the Aviva plc group of companies ('Aviva Group').

Strategic Report

For the year ended 31 December 2015

The directors present their Strategic Report for the Company for the year ended 31 December 2015.

Review of the Company's Business

Principal Activities

The principal activity of the Company, and its branch in Boston, USA, was to provide investment advisory services in respect of a range of actively managed, higher margin investment products ('the High Alpha Business') operated by the Group on behalf of certain clients of Aviva Investors Global Services Limited ('AIGSL'), a fellow subsidiary of the Group.

The Company no longer provides investment advisory services and has ceased to trade, and has no plans to re-commence trading activities.

Financial Position and Performance

The financial position of the Company at 31 December 2015 is shown in the statement of financial position on page 12, with trading results shown in the income statement on page 10 and the statement of cash flows on page 13.

The Company's pre-tax result decreased by £8.7 million compared to the prior year as a result of the cessation of investment advisory business effective 30 September 2014.

As discussed in the Directors' Report the Company reduced its Share Capital during the year.

Future Outlook

The Company expects to continue to be able to meet its liabilities as they fall due. The directors intend to settle or transfer the remaining assets and liabilities of the Company to fellow subsidiaries within the Group and close out its tax affairs, following which the directors intend to place the Company into voluntary liquidation.

Principal Risks and Uncertainties

A description of the principal operational and financial risks and uncertainties facing the Company and the Company's risk and capital management policies are set out in note 15 to the financial statements.

Key Performance Indicators ('KPIs')

As the Company's has ceased trading and the directors plan to liquidate the Company within the foreseeable future, the key performance indicator is the ability to meet liabilities as they fall due which it continues to do.

On behalf of the Board, 4 May 2016

G Cass
Director

Directors' Report

For the year ended 31 December 2015

The directors present their annual report and financial statements for the Company, for the year ended 31 December 2015.

Directors

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

C J Abrahams (appointed 6 July 2015, ceased 31 December 2015)
G Cass (appointed 15 March 2016)
T Howard (appointed 15 March 2016)
E G Munro (ceased 16 March 2016)
P J Neville (ceased 30 June 2015)
I B Womack (ceased 30 June 2015)

Future Outlook

Likely future developments in the business of the Company are discussed in the Strategic Report.

Dividend

Interim dividends of £28.0 million were paid in 2015 (2014: £6.0 million). The directors do not recommend a final dividend for the year.

Going Concern

The Company's business activities, together with the factors likely to affect its future development, performance and position are discussed in the Strategic Report.

In addition, note 15 to the financial statements include the Company's capital and financial risk management objectives and policies; details of its financial instrument exposures; and its exposures to credit and liquidity risk.

The directors believe that the Company has an appropriate level of financial resources to manage its business risks successfully.

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future, however, the Company has ceased to operate and will be placed into voluntary liquidation in foreseeable future (see Future Outlook in the Strategic Report). As such, the directors have continued to adopt a basis of preparation other than that of a going concern in the annual financial statements.

Changes in share capital

On 11 November 2015 the Company passed a special resolution to cancel and extinguish 23,499,999 fully paid ordinary shares of £1 each registered in the name of its parent undertaking, Aviva Investors Holding Limited. The amount by which the share capital was reduced was credited to retained earnings, and was subsequently distributed as an interim dividend. As at the date of this report, the Company's issued share capital consisted of 1 Ordinary Share of £1.

Events after the reporting period

There have been no events after the reporting period.

Overseas Branches

The Company had a branch office outside the UK in the United States of America. On 17 December 2014, the directors obtained approval for the deregistration of the branch as a Foreign Corporation in the state of Massachusetts as the Branch ceased to provide investment advisory services.

Directors' Report (continued)

Employees

The Company had no employees in 2015 (2014: nil).

Disclosure of Information to the Auditors

Each person who was a director of the Company on the date that this report was approved confirms that:

(a) so far as the director is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing their report, of which the auditors are unaware; and

(b) 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 auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with section 418 of the Companies Act 2006.

Independent Auditors

It is the intention of the directors to reappoint the auditors under the deemed appointment rules of Section 487 of the Companies Act 2006.

Qualifying Indemnity Provisions

The directors have the benefit of an indemnity provision contained in the Company's Articles of Association, subject to the conditions set out in the Companies Act 2006. This is a 'qualifying third party indemnity' provision as defined in section 234 of the Companies Act 2006.

Aviva plc, the Company's ultimate parent, granted in 2004 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 (which continue to apply in relation to any provision made before 1 October 2007). This indemnity is a 'qualifying third party indemnity' 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 paragraph 15, Schedule 3 of The Companies Act 2006 (Commencement No. 3, Consequential Amendments, Transitional Provisions and Savings) Order 2007.

Directors' Report (continued)

Statement of Directors' responsibilities

The directors are responsible for preparing the Strategic Report, Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with International Financial Reporting Standards ('IFRSs') as adopted by the European Union. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that year. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable International Financial Reporting Standards ('IFRSs') as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

By order of the Board, 4 May 2016

G Cass
Director

Independent auditors' report to the members of Aviva Investors London Limited

Report on the financial statements

Our opinion

In our opinion, Aviva Investors London Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 December 2015 and of its loss and cash flows for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Emphasis of matter - Basis of preparation

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1 to the financial statements concerning the basis of preparation. The Directors plan to liquidate the company in the foreseeable future. Accordingly, the going concern basis of preparation is no longer appropriate and the financial statements have been prepared on a basis other than going concern as described in note 1 to the financial statements. No adjustments were necessary in these financial statements to reduce assets to their realisable values, to provide for liabilities arising from the decision or to reclassify fixed assets and long-term liabilities as current assets and liabilities.

What we have audited

The financial statements, included within the Annual report and financial statements (the "Annual Report") comprise:

- the Statement of financial position as at 31 December 2015;
- the Income statement and Statement of comprehensive income for the year then ended;
- the Statement of cash flows for the year then ended;
- the Statement of changes in equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is IFRSs as adopted by the European Union and applicable law.

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matter prescribed by the Companies Act 2006

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

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Independent auditors' report to the members of Aviva Investors London Limited (continued)

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of Directors' responsibilities set out on page 7, 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 and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). 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.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Sandra Dowling (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
4 May 2016

Income statement

For the year ended 31 December 2015

	Note	2015	2014
		£'000	£'000
Revenue		-	8,029
Administrative expenses	2	(46)	558
Operating (loss)/profit		(46)	8,587
Net investment income	5	5	13
(Loss)/profit before tax		(41)	8,600
Tax expense	6	(21)	(2,348)
(Loss)/profit for the year		(62)	6,252

All amounts reported in the income statement relate to discontinued operations.

Statement of comprehensive income

For the year ended 31 December 2015

	2015	2014
	£'000	£'000
(Loss)/profit for the year	(62)	6,252
Unrealised gain on re-translation of foreign branch	50	40
Total comprehensive income for the year	(12)	6,292

The accounting policies on pages 14 to 17 and notes on pages 18 to 26 are an integral part of these financial statements.

Statement of changes in equity

For the years ended 31 December 2014 and 2015

	Ordinary share capital	Retained earnings	Currency translation reserve	Total equity
	£'000	£'000	£'000	£'000
Balance at 1 January 2014	23,500	5,240	(567)	28,173
Profit for the year	-	6,252	-	6,252
Unrealised gains on re-translation of foreign branch	-	-	40	40
Dividends	-	(6,000)	-	(6,000)
Balance at 31 December 2014	23,500	5,492	(527)	28,465
Loss for the year	-	(62)	-	(62)
Unrealised gains on re-translation of foreign branch	-	-	50	50
Capital reduction	(23,500)	23,500	-	-
Dividends	-	(28,000)	-	(28,000)
Balance at 31 December 2015	-	930	(477)	453

The accounting policies on pages 14 to 17 and notes on pages 18 to 26 are an integral part of these financial statements.

Statement of financial position

As at 31 December 2015

	Note	2015	2014
		£'000	£'000
Current assets			
Trade and other receivables	9	77	27,964
Cash and cash equivalents	14(b)	438	1,283
Total current assets		515	29,247
Total assets		515	29,247
EQUITY AND LIABILITIES			
Equity			
Ordinary Share Capital	13	-	23,500
Retained Earnings		930	5,492
Currency translation reserve		(477)	(527)
Total Equity		453	28,465
Current liabilities			
Trade and other payables	10	62	744
Provisions	11	-	38
Total Current liabilities		62	782
Total liabilities		62	782
Total equity and liabilities		515	29,247

The financial statements on pages 10 to 26 were approved by the Board of directors on 4 May 2016 and signed on its behalf by

G Cass
Director

Statement of cash flows

For the year ended 31 December 2015

	Note	2015	2014
		£'000	£'000
Cash flows generated from operating activities			
Cash generated from operations	14(a)	27,869	8,711
Tax paid		-	(2,235)
Tax recovered		25	-
Group relief paid		(744)	(447)
Net cash generated from operating activities		27,150	6,029
Cash flows generated from investing activities			
Interest received		5	13
Net cash generated from investing activities		5	13
Cash flows used in financing activities			
Dividends paid		(28,000)	(6,000)
Net cash used in financing activities		(28,000)	(6,000)
Net (decrease)/increase in cash and cash equivalents		(845)	42
Cash and cash equivalents at 1 January		1,283	1,241
Cash and cash equivalents at 31 December	14(b)	438	1,283

The accounting policies on pages 14 to 17 and notes on pages 18 to 26 are an integral part of these financial statements.

Notes to the financial statements

1. Accounting policies

The Company is a limited liability company incorporated and domiciled in the United Kingdom. The principal accounting policies adopted in the preparation of the Company's financial statements are set out below and have been applied consistently throughout the financial statements.

(A) Basis of presentation

The financial statements are prepared on an other than going concern basis with assets and liabilities recognised at their net realisable value. Items included in the financial statements are measured in the currency of the primary economic environment in which the Company operates ('the functional currency'). The Company's presentational currency is pounds sterling. Unless otherwise noted, the amounts shown in these financial statements are in thousands of pounds sterling ('£'000').

Statement of compliance

The Company's financial statements have been prepared and approved by the directors in accordance with the International Financial Reporting Standards ('IFRSs') issued by the International Accounting Standards Board (IASB) and adopted by the European Union ('EU'), the Companies Act 2006 that applies to companies reporting under IFRS and International Financial Reporting Standards Interpretation Committee ('IFRS IC') interpretations.

The Company has ceased to trade (as discussed in the Strategic Report). As required by IAS 1 Presentation of Financial Statements, the financial statements continued to be prepared on the basis that the entity is no longer a going concern. A provision for future liquidation costs was not considered to be appropriate under IAS 37 Provisions, Contingent Liabilities and Contingent Assets as there is no present obligation as at the year end date.

The carrying amount of all assets and liabilities has been assessed and no material adjustments arose as a result of ceasing to apply the going concern basis. All assets and liabilities will be settled or transferred to a fellow subsidiary at their carrying amounts.

New standards, interpretations and amendments to published standards that have been adopted by the Company

The Company has adopted the following new amendments to standards which became effective for financial years beginning on or after 1 January 2015.

(i) ***Annual Improvements to IFRSs 2011-2013***

These improvements to IFRSs consist of amendments to four IFRSs including IFRS 3 *Business Combination* and IFRS 13 *Fair Value Measurement*. The amendments clarify existing guidance and there is no impact on the Company's financial statements.

1. Accounting policies (continued)

(A) Basis of presentation (continued)

Standards, interpretations and amendments to published standards that are not yet effective and have not been adopted early by the Company

The following applicable new standards, amendments to existing standards and interpretations have been issued, are not yet effective and have not been adopted early by the Company:

(i) ***IFRS 9, Financial Instruments***

In July 2014, the IASB published IFRS 9 *Financial Instruments* which will replace IAS 39, *Financial instruments – Recognition and Measurement*. The standard incorporates new classification and measurements requirements for financial assets, the introduction of an expected credit loss impairment model which will replace the incurred loss model of IAS 39, and new hedge accounting requirements. Under IFRS 9, all financial assets will be measured at either amortised cost or fair value. The basis of classification will depend on the business model and the contractual cash flow characteristics of the financial assets. The standard retains most of IAS 39's requirements for financial liabilities except for those designated at fair value through profit or loss whereby that part of the fair value changes attributable to own credit is to be recognised in other comprehensive income instead of the income statement. The hedge accounting requirements are more closely aligned with risk management practices and follow a more principle based approach. The adoption of these amendments is not expected to have an impact on the Company's financial statements. The Standard has a mandatory effective date for annual periods beginning on or after 1 January 2018, with earlier application permitted, and has yet to be endorsed by the EU.

(ii) ***Annual Improvements to IFRSs 2012-2014***

These improvements consist of amendments to five IFRSs including IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*, IFRS 7 *Financial Instruments: Disclosures* and IAS 19 *Employee Benefits*. The amendments clarify existing guidance. The adoption of these amendments is not expected to have an impact on the Company's financial statements. The amendments are effective for the annual reporting periods beginning on or after 30 June 2016 and have yet to be endorsed by the EU.

(B) Critical accounting policies and use of estimates

The preparation of the financial statements requires the directors of the Company to select accounting policies and make estimates and assumptions that affect items reported in the statement of financial position and income statement, other primary statements and notes to the financial statements.

All estimates are based on management's knowledge of current facts and circumstances, assumptions based on that knowledge and their predictions of future events and actions. Actual results may differ from those estimates, possibly significantly. There are not considered to be any major areas of judgement on policy application.

The directors do not consider any items particularly susceptible to changes in estimates and assumptions.

(C) Foreign currency translation

Foreign currency transactions are accounted for at the exchange rates prevailing at the date of the transactions or at average rates if they are a suitable proxy. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the statement of financial position date. Gains and losses resulting from the settlement of such transactions, and from the translation of monetary assets and liabilities denominated in foreign currencies, are recognised in the income statement. Translation differences on non-monetary financial assets are reported as part of the fair value gain or loss arising in respect of such assets.

Exchange differences arising from the translation of the net investment in foreign branches are recognised in the statement of comprehensive income and taken to the currency translation reserve within equity. On closure or disposal of foreign branches, such exchange differences are transferred out of this reserve and recognised in the income statement as part of closure cost or the gains and losses on disposal. The results and cash flows of the branch operations have been translated into sterling at an average rate for the year of £1 = $1.53 (2014: £1 = $1.65). Assets and liabilities have been translated at the year-end rate of £1 = $1.47 (2014: £1 = $1.56).

1. Accounting policies (continued)

(D) Revenue recognition

Income for investment advisory services is recognised on an accruals basis as it is earned and is recognised net of VAT or any rebates. Income from performance fees is recognised when entitlement to receive income is crystallised.

(E) Expense allocation

The majority of expenses of the Company relate to expenses that are initially incurred by a fellow subsidiary and are transferred to the Company, under a cost allocation agreement. These amounts are shown on an accruals basis.

(F) Net investment income

Investment income consists of interest receivable (arising from cash deposits). Interest receivable is recognised on an accrual basis.

(G) Trade and other receivables

Trade and other receivables are measured at net realisable value. The Company reviews the carrying value and recoverability of its receivables on a regular basis. If the carrying value of a receivable is greater than the recoverable amount, the carrying value is reduced through a charge to the income statement in the period of impairment.

Reversals of impairments are only recognised where the decrease in the impairment can be objectively related to an event occurring after the write-down (i.e. improvement in the counterparty's credit rating).

(H) Cash and cash equivalents

Cash and cash equivalents consist of cash at bank and on hand, deposits held at call with banks, treasury bills and other short-term highly liquid investments, all of which have less than 90 days maturity from the date of acquisition that are readily convertible to known amounts of cash, and are subject to an insignificant risk of change in value. For the purposes of the cash flow statement, cash and cash equivalents also include bank overdrafts, which are included within trade and other payables in the statement of financial position.

(I) Trade and other payable

Trade and other payables are recognised initially at fair value and subsequently measured at net realisable value.

(J) Provisions and contingent liabilities

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. Where the Company expects a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Contingent liabilities are disclosed if there is a possible future obligation as a result of a past event, or if there is a present obligation as a result of a past event but either a payment is not probable or the amount cannot be reasonably estimated.

1. Accounting policies (continued)

(K) Leases

Leases, where substantially all of the risks and rewards of ownership are retained by the lessor, are classified as operating leases. Payments made by the Company as lessees under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

(L) Income taxes

The current tax expense is based on the taxable profits 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.

(M) Share capital

An equity instrument is a contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Accordingly, a financial instrument is treated as equity if the instrument does not commit the Company to any contractual obligation to deliver cash or other financial assets or to exchange financial assets or liabilities with the holder of the instrument.

All of the share capital of the Company has been treated as an equity instrument.

(N) Dividends

Interim dividends on ordinary shares are recognised in equity in the period in which they are paid. Final dividends on ordinary shares are recognised in equity in the year in which the Company's obligation to make the dividend payment arises.

2. Administrative expenses

	2015	2014
	£'000	£'000
Administrative expenses include the following:		
Property lease expenses	26	51
Foreign exchange loss/(gain)	20	(300)

Auditors' remuneration is charged in the financial statements of Aviva Investors Global Services Limited, a fellow subsidiary company of the Group and not recharged to the Company. Auditors' remuneration in relation to the Company for 2015 was £14,800 (2014: £59,500).

Fees paid to the auditors for services other than the statutory audit of the Company are not disclosed in these financial statements since the consolidated financial statements of the Company's ultimate parent company, Aviva plc, are required to disclose other non-audit services on a consolidated basis.

In 2013, AIGSL allocated a share of a provision for possible costs in relation to the closure of a fund for which the Company acted as a sub-advisor. The provision of £4.9 million was charged to administrative expenses in 2013. In 2014, £3.2 million of the provision was released unutilised, offsetting administrative expenses resulting in overall income rather than a charge for the year.

3. Employee information

The Company has no employees (2014: nil). In prior years certain costs associated with the activities of the Company by the employees of the Group were recharged to the Company and were included in administrative expenses.

4. Directors' emoluments

All directors are remunerated for their roles as an employee across the Aviva Group. They are not remunerated directly for their services as a director of the Company and the amount of time spent performing their duties is incidental to their role across the Aviva Group.

5. Net investment income

	2015	2014
	£'000	£'000
Bank interest receivable	5	13
	5	13

6. Tax

(a) Tax charged to the income statement

(i) The total tax charge comprised:

	2015	2014
	£'000	£'000
Current tax		
Tax charge for the current year	1	2,310
Adjustments in respect of prior years	20	38
Total tax charged to the income statement (note 6b)	21	2,348

(ii) The tax charge can be analysed as follows:

	2015	2014
	£'000	£'000
United Kingdom	29	429
Overseas	(8)	1,919
Total tax charged to the income statement (note 6b)	21	2,348

(b) Tax reconciliation

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

	2015	2014
	£'000	£'000
(Loss)/profit before tax	(41)	8,600
Tax calculated at standard UK corporation tax rate of 20.25% (2014: 21.5%)	(8)	1,849
Adjustments in respect of prior years	20	38
Movement on deferred tax not recognised	-	(12)
Non-deductible expenses	9	-
Impact of different local overseas tax rates on overseas profits	-	473
Total tax charged to the income statement (note 6a)	21	2,348

UK legislation was substantively enacted in July 2013 to reduce the UK corporation tax rate from 21% to 20% from 1 April 2015, resulting in an effective rate for the year ended 31 December 2015 of 20.25%. The 20.25% corporation tax rate has been used in the calculation of the UK's current tax liability for the year ended 31 December 2015.

UK legislation was substantively enacted on 26 October 2015 to reduce the UK corporate rate further to 19% from 1 April 2017 and to 18% from 1 April 2020. There is no impact on the Company's net assets from the reductions in the rates as the Company does not have any recognised or unrecognised deferred tax balances.

Further changes to the UK corporation tax rate were announced in the Chancellor's Budget on 16 March 2016. These include reductions in the main rate to 17% from 1 April 2020. As the changes had not been substantively enacted at the statement of financial position date, their effects are not included in these financial statements. If the changes had applied at the statement of financial position date, there would be no material impact on the Company's net assets.

7. Dividends

This note analyses the total dividends paid during the year.

	2015	2014
	£'000	£'000
Interim 2014 – 19.1 pence per share, paid on 5 September 2014	-	4,500
Interim 2014 – 6.4 pence per share, paid on 19 December 2014	-	1,500
Interim 2015 – 19.1 pence per share, paid on 9 November 2015	4,500	-
Interim 2015 – £23,499,999 per share, paid on 12 November 2015	23,500	-
	28,000	6,000

8. Tax assets and liabilities

(a) General

Liabilities for current year UK tax of £1,009 (2014: £693,319) are settled through group relief payments and are ordinarily payable in more than one year. As the Company ceased to trade on the 30th September 2014 it is anticipated that the group relief due will be settled within one year, and as such the liability of £1,009 has been classified as due in less than one year.

Other tax assets and liabilities, receivable and payable (including group relief payments) in less than one year are £71,614 (2014: £92,146) and £28,331 (2014: £51,387) respectively.

(b) Deferred taxes

The Company has no deferred tax balances at the year end.

9. Trade and other receivables

Current	2015	2014
	£'000	£'000
Amounts due from fellow subsidiaries	5	27,870
Tax receivable	72	92
Other receivables	-	2
	77	27,964

All trade and other receivables are expected to be collected in less than one year. They are categorised as loans and receivables under *IFRS 7, Financial Instruments: Disclosures.*

Trade and other receivables are non-interest bearing and are generally recoverable in 30-90 days terms. The balances greater than 90 days are considered to be past due but not impaired. See note 16 for details of related party receivable balances. These amounts are repayable on demand.

At 31 December 2015, and 2014, there were no trade and other receivables that have been impaired, or trade and other receivables that are past due but not impaired.

Concentrations of credit risk with respect to receivables are limited to related party companies within the Company's client trading base. The Company only trades with reputable companies.

10. Trade and other payables

Current	2015	2014
	£'000	£'000
Accrued expenses and other payables	33	-
Group relief payable	28	51
Tax payable	1	693
	62	744

Trade and other payables are non-interest bearing and normally settled within 30 days of when they fall due. Financial liabilities, which include all trade and other payables, are carried at net realisable value.

As a result of the financial statements being prepared on an other than going concern basis, all trade and other payables balances are expected to be settled within 12 months of the reporting date.

11. Provisions

	2015	2014
	£'000	£'000
At 1 January 2015	38	-
Additions	-	38
Utilised	(38)	-
At 31 December 2015	-	38

In 2014, an onerous lease provision was recognised in relation to a property in Boston due to the premises being vacant following the cessation of trade out of the Boston branch. During the year, an amount to cover the shortfall between lease payments and income was paid to a related party company which has assumed the future lease liability and receivables. The fees associated with the sublease are included in accrued expenses and other payables (see Note 10).

12. Contingent liabilities and commitments

The Operating lease commitments and Sub-lease receivables in 2014 shown in (a) and (b) below relate to a property in Boston that was vacated following the cessation of trade. During the year an amount to cover the shortfall between lease payments and income was paid to a related party company which has assumed the future lease liabilities and receivables.

(a) Operating lease commitments

Future aggregate minimum lease payments under non-cancellable operating leases are as follows:

	2015	2014
	£'000	£'000
Within 1 year	-	24
Later than 1 year and not later than 5 years	-	95
	-	119

12. Contingent liabilities and commitments (continued)

(b) Sub-lease receivables

Future contractual aggregate minimum lease rentals receivable under non-cancellable operating leases are as follows:

	2015 £'000	2014 £'000
Within 1 year	-	15
Later than 1 year and not later than 5 years	-	80
	-	95

(c) Contingent liabilities

There were no contingent liabilities at the statement of financial position date (2014: nil).

13. Ordinary share capital

	Number of ordinary shares of £1 each	£'000
Allotted, called up and fully paid		
At 1 January 2015	23,500,000	23,500
Cancelled on 11 November 2015	(23,499,999)	(23,500)
At 31 December 2015	1	-

All ordinary shares rank equally with regard to voting rights and dividend entitlements declared, made or paid by the Company. All shareholders are entitled to all of the residual assets of the Company on winding up.

14. Additional cash flow information

(a) Reconciliation of profit before tax to the net cash inflow from operating activities

	2015 £'000	2014 £'000
(Loss)/profit before tax	(41)	8,600
Adjustments for:		
Interest received	(5)	(13)
Foreign exchange gains	50	40
Changes in working capital		
Decrease in trade and other receivables	27,870	1,498
Increase/(decrease) in trade and other payables	33	(1,452)
(Decrease)/increase in provisions	(38)	38
Cash flows generated from operating activities	27,869	8,711

14. Additional cash flow information (continued)

(b) Cash and cash equivalents in the cash flow statement at 31 December

	2015	2014
	£'000	£'000
Cash at bank and on hand	438	1,283
	438	1,283

Cash at bank earns interest at floating rates based on daily bank deposit rates. The net realisable value of cash and cash equivalents equates to the carrying value. There are no restrictions on the use of this cash for the Company's own account for both the current and prior year.

Cash and cash equivalents are categorised as loans and receivables under *IFRS 7, Financial Instruments: Disclosures.*

15. Risk and capital management policies

(a) Overview

The Risk Management Framework incorporates the Aviva Group's Risk Management Framework which has been implemented globally to optimise Group performance whilst remaining within the overall Group risk appetite. The Risk Management Framework has been adapted to the needs and requirements of Aviva Investors.

All employees are responsible for the identification of those risks which could prevent the delivery of the Company's strategic objectives including those which could result in poor client outcomes and inherent in the end-to-end processes Aviva Group manages. Senior management are responsible for ensuring that those risks are adequately measured through the Risk and Control Self-Assessment process and that controls (or other mechanisms such as insurance) are in place to adequately mitigate exposure to within risk tolerance. Indicators, based on business risk appetite are used to monitor the risk exposure. Employees are required to escalate control failures (risk events), changes in risk exposure through the introduction of new processes, systems, people or external events to senior management and support functions that in turn monitor, analyse and escalate to the Board.

The Aviva Investors Risk Management Framework ('RMF') includes the strategies, policies, tools, governance arrangements, processes and reporting procedures to manage its risks. This framework outlines the risk strategy, risk policy categorisation and approach to managing risk, including how it identifies, measures, manages, monitors and reports on the risks to which it is, or could be, exposed. This Framework includes the accountabilities of management, the risk function and internal audit in relation to the enterprise-wide risk management.

A description of the RMF; core governance committees; risk appetites; risk management processes, roles and responsibilities; and the key risks faced by Aviva Investors is documented in Aviva Investors' Pillar 3 Disclosures document available at www.avivainvestors.com.

Further information on the types and management of specific risk types is given below:

(b) Operational risk

Operational risk is the risk of direct or indirect loss arising from inadequate or failed internal processes, people and systems, or external events, including changes in the regulatory environment. We have limited appetite for operational risk and aim to reduce these risks as far as is commercially sensible.

Line management of business areas are primarily responsible for identifying and managing the Company's operational risks, in line with the Aviva group-wide operational risk framework that includes the Risk and Control Self-Assessment process. Management must be satisfied that all material risks falling outside risk tolerances are being mitigated, monitored and reported in accordance with the Aviva Investors' governance structure. Any risks with a high potential impact are monitored centrally on a regular basis. Businesses use key risk indicator data to help monitor the status of the risk and control environment. They also identify and capture loss events, taking appropriate action to address actual control breakdowns and promote internal learning. Activities undertaken to ensure the practical operation of controls over financial risks, such as market, credit and liquidity; are treated as operational risk.

15. Risk and capital management policies (continued)

(c) Market risks

Market risk is the risk of adverse financial impact resulting directly or indirectly from fluctuations in interest rates, foreign currency exchange rates, equity prices and property prices.

The Company has no exposure to market risks.

(i) Foreign currency exchange risk

Foreign currency exchange risk is the risk of an adverse impact on the Company's results due to changes in fair values of financial instruments and cash flows from fluctuations in foreign currency exchange rates. The Company's operations are predominantly in the UK, but it has some exposure to inter-company receivables and trade receivables denominated in USD.

Net financial assets by principal currency at 31 December were:

	2015 £'000	2014 £'000
Sterling (GBP)	399	27,282
US dollar (USD)	54	1,183
	453	28,465

The Company's exposure to movements in foreign currency is illustrated in the table below:

	10% Increase in rates	10% Decrease in rates
(Decrease)/increase in net assets at 31 December 2015	(5)	6
(Decrease)/increase in net profit as at 31 December 2015	(5)	6
(Decrease)/increase in net assets at 31 December 2014	(108)	131
(Decrease)/increase in net profit as at 31 December 2014	(108)	131

(ii) Interest rate risk

The Company has exposure to fluctuations in interest rates on its bank balances. The Company's exposure to movements in interest rates is illustrated in the table below.

A change of 50bps in interest rates would have had the following impact on the Company:

	Increase by 50bps	Decrease by 50bps
Increase/(decrease) in net assets at 31 December 2015	2	(2)
Increase/(decrease) in profit at 31 December 2015	2	(2)
Increase/(decrease) in net assets at 31 December 2014	6	(6)
Increase/(decrease) in profit at 31 December 2014	6	(6)

15. Risk and capital management policies (continued)

(d) Credit risk

Credit risk is the risk of financial loss as a result of the default or failure of third parties to meet their payment obligations to the Company. We manage and monitor all exposures across our business units on a consolidated basis, and operate a Group limit framework that must be adhered to by all entities.

The Company's maximum exposure to credit risk is associated with its trade and other receivables and cash and cash equivalents. The Company's exposure to credit risk from trade and other receivables is mainly influenced by the default risk of its customer base. A significant amount of business relates to the Aviva group of companies and exposure is managed through regular payments on account. Credit risk associated with trade and other receivables is considered to be low.

The Company pools its cash and cash equivalents with its fellow subsidiary, AIGSL. AIGSL follows the Aviva Group Credit & Collateral Business Standard in managing the credit risk associated with cash and cash equivalents, notably through management placement of funds with high credit ratings assigned by international credit agencies. Credit exposures are identified, evaluated and managed in accordance with best practice and agreed risk appetite, so as to ensure that risks are managed within bounds acceptable to clients, the Aviva Investors UK Credit Officer and, where appropriate, the Aviva Group Credit Risk Director. Credit risk on cash and cash equivalents is considered low.

(e) Liquidity risk

Liquidity risk is the risk of not being able to make payments as they become due because there are insufficient assets in cash form. The Company seeks to ensure that it maintains sufficient financial resources to meet its obligations as they fall due through the application of the Aviva Group liquidity risk policy and business standard. At Group and Company level, there is a liquidity risk appetite which requires that sufficient liquid resources be maintained to cover net outflows in a stress scenario.

The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching maturity profiles of financial assets and financial liabilities.

16. Related party transactions

The Company previously provided investment advisory services to fellow subsidiaries in the Group. In addition, costs were incurred on behalf of the Company by fellow subsidiaries in the Group and Aviva Group, and recharged to it.

(a) Services provided to related parties	2015		2014	
	Income Receivable	Receivable at year end	Income Receivable	Receivable at year end
Fee income	**£'000**	**£'000**	**£'000**	**£'000**
Aviva Investors Global Services Limited	-	5	7,985	2,870
Aviva Investors Holdings Limited	-	-	-	25,000
	-	5	7,985	27,870

The receivable from AIGSL is not secured, no guarantees were received by the Company and it is not interest-bearing and will be settled in accordance with normal credit terms. The £25 million due from Aviva Investors Holdings Limited at 31 December 2014 was not interest-bearing and was settled during the year.

16. Related party transactions (continued)

(b) Services provided by related parties	2015		2014	
	Expense Payable	Payable at year end	Expense Payable	Payable at year end
Fee expense	£'000	£'000	£'000	£'000
Aviva Investors Global Services Limited	-	28	2,759	51
Aviva Investors Americas LLC	-	-	22	-
	-	28	2,781	51

The Company's payables are not secured and non-interest bearing and no guarantees were made by the Company in respect thereof. The payables will be settled in accordance with normal credit terms.

Certain directors and their related parties purchased insurance, asset management services and pensions products from Aviva Investors and the Aviva Group. Such transactions were undertaken in the ordinary course of business on the same terms as those prevailing at the time for comparable transactions with other persons.

(c) Key management compensation

The members of the Board of directors are listed on page 3 of these financial statements. There are no amounts receivable from or payments due to members of the Board of directors. The directors are considered to be the Company's only key management personnel. Details of remuneration arrangements of the directors are included in note 4.

(d) Ultimate controlling party

The immediate parent undertaking of the Company is Aviva Investors Holdings Limited.

The ultimate parent undertaking and controlling party of the Company is Aviva plc, a company incorporated in the United Kingdom.

Aviva plc is the parent undertaking of both the largest and the smallest group of undertakings to consolidate these financial statements at 31 December 2015. The consolidated financial statements of Aviva plc are available on application to the:

Group Company Secretary
Aviva plc
St Helen's
1 Undershaft
London, EC3P 3DQ