QUARRYVALE ONE LIMITED
Registered in England and Wales No. 3118888

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

Contents

Directors, Officers and Other Information

Directors

A Christie
B S Hill

Officer - Company Secretary

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

Independent Auditors

PricewaterhouseCoopers LLP
7 More London Riverside
London
SE1 2RT

Bankers

JPMorgan Chase
Chaseside
Hampshire Building
Bournemouth
BH7 7DA

Registered Office

St Helen's
1 Undershaft
London
EC3P 3DQ

Company Number

Registered in England and Wales: No. 3118888

Other Information

Quarryvale One Limited (the 'Company') is a wholly-owned subsidiary of Aviva Life & Pensions UK Limited and is member of the Aviva plc group of companies (the 'Aviva Group').

Directors' Report for the year ended 31 December 2018

The directors present their annual report and audited financial statements for the Company for the year ended 31 December 2018.

Directors

The current directors and those in office throughout the year, except as noted, are as follows:

B S Hill
A Christie

Principal Activities of the Company

The Company is incorporated and domiciled in the United Kingdom. Its principal activity is to act as an investment holding company for Quarryvale Three Limited and 20 Gracechurch Unit Trust. Although Quarryvale Three Limited, the Company's subsidiary undertaking, is expected to be liquidated in the near future, the Company is expected to continue with its other investment activity.

Review of the Company's Business

Financial Position and Performance

The financial position of the Company at 31 December 2018 is shown in the Statement of Financial Position on page 10, with the results shown in the Statement of Comprehensive Income on page 9 and the Statement of Cash Flows on page 12.

The Company's total comprehensive income for the year ended 31 December 2018 was £587,148 (2017: £40,360).

The directors do not recommend the payment of a distribution for the financial year ending 31 December 2018 (2017: £nil).

Future Outlook

The company act as an investment holding company for Quarryvale Three Limited and 20 Gracechurch Unit Trust. Although Quarryvale Three Limited, the Company's subsidiary undertaking, is expected to be liquidated in the near future, the Company is expected to continue with its other investment activity for the foreseeable future.

Risk Management Policies

The Aviva Group operates within its own governance structure and priority framework. It also has its own established governance framework, with clear terms of reference for the Board and the Aviva Executive Committee and a clear organisation structure, with documented delegated authorities and responsibilities (largely through role profiles). Aviva has an Audit Committee, which includes shareholder representatives.

A description of the principal risks and uncertainties facing the Company and the Company's risk and capital management policies are set out in note 17 to the financial statements. The Company is subject to the governance and risk management framework of the Aviva Group, details of which are contained in the Aviva plc Annual Report and Accounts 2018, available at http://www.aviva.com/investor-relations/results-and-reports/reports/

Directors' Report for the year ended 31 December 2018 (continued)

Subsequent events

On 17 June 2019 the Company subscribed for 1 £1 Ordinary Share in Station Road General Partner LLP. At the date of the financial statements, no further shares had been issued.

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. It is their assessment that the Company is a going concern. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

Employees

The Company has no employees (2017: none). The key management personnel have been identified as the directors of the Company. The directors received no remuneration (2017: £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 auditors 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 the provisions of 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 for the year ended 31 December 2018 (continued)

Statement of Directors' Responsibilities

The directors are responsible for preparing the Annual 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 period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable IFRSs as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

They 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.

The directors 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

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption in section 415A of the Companies Act 2006. A strategic report has not been included inthese audited financial statements as the Company qualifies for exemption as a small entity under Section 414B of the Companies Act 2006 relating to small entities.

The financial statements on pages 9 to 32 were approved by the Board of Directors on and signed on its behalf by

....

B S Hill
Director
Date: 13/09/2019

Independent auditors' report to the members of Quarryvale One Limited

Report on the audit of the financial statements

Opinion

In our opinion, Quarryvale One Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its profit 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.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the statement of financial position as at 31 December 2018; the statement of comprehensive income, the statement of cash flows and the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and the wider economy.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Independent auditors' report to the members of Quarryvale One Limited (continued)

Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the year ended 31 December 2018 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of the Directors' Responsibilities set out on page 5, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

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.

Other required reporting

Companies Act 2006 exception reporting

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 by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; 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 Quarryvale One Limited (continued)

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to: take advantage of the small companies exemption in preparing the Directors' Report; and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

Sandra Dowling (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
13 September 2019

Statement of Comprehensive Income
For the year ended 31 December 2018

	Note	2018 £	2017 £
Revenue			
Fair value gain on investments	9,10	461,224	10,378
Profit on sale of investment		-	12,435
Other investment income	6	7,261	6,506
Total Revenue		**468,485**	**29,319**
Operating Expenses			
Administrative expenses	7	(5,380)	(3,998)
Total Operating expenses		**(5,380)**	**(3,998)**
Net Operating Profit		**463,105**	**25,321**
Interest receivable and similar income		1	55
Profit on ordinary activities before tax		**463,106**	**25,376**
Tax on profit	8	124,042	14,984
Profit for the financial year and total comprehensive income for the year		**587,148**	**40,360**

All amounts reported in the Statement of Comprehensive Income relate to continuing operations.

Notes on pages 13 to 32 are an integral part of these financial statements.

Statement of Financial Position
As at 31 December 2018

	Note	2018 £	2017 £
Assets			
Non-current assets			
Investments	9	146,623	146,431
Total non-current assets		**146,623**	**146,431**
Current assets			
Non-current asset classified as held-for-sale	10	9,069,442	8,608,409
Receivables and financial assets	12	2,284	1,875
Amounts owed by group companies	19(c)	1,467,569	1,464,917
Cash and cash equivalents		428	98
Total current assets		**10,539,723**	**10,075,299**
Total assets		**10,686,346**	**10,221,730**
Liabilities			
Current liabilities			
Payables and financial liabilities	13	(4,704)	(8,570)
Amounts owed to group companies	19(d)	(19,133)	(10,261)
Total current liabilities		**(23,837)**	**(18,831)**
Non–current liabilities			
Deferred tax liabilities	14(b)	(6,734)	(6,702)
Tax liabilities	14(a)	(358)	(127,928)
Total non- current liabilities		**(7,092)**	**(134,630)**
Total liabilities		**(30,929)**	**(153,461)**
Net assets		**10,655,417**	**10,068,269**
Equity			
Ordinary share capital	15	2	2
Retained earnings		10,655,415	10,068,267
Total equity		**10,655,417**	**10,068,269**

The financial statements on pages 9 to 32 were approved by the board of directors on 13 September 2019 and signed on its behalf by.

....

B S Hill
Director

Notes on pages 13 to 32 are an integral part of these financial statements.

Statement of Changes in Equity
For the year ended 31 December 2018

	Ordinary share capital £	Retained earnings £	Total equity £
Balance at 1 January 2017	2	10,027,907	10,027,909
Profit for the financial year and total comprehensive income for the year	-	40,360	40,360
Balance at 31 December 2017	**2**	**10,068,267**	**10,068,269**
Profit for the financial year and total comprehensive income for the year	-	587,148	587,148
Balance at 31 December 2018	**2**	**10,655,415**	**10,655,417**

Notes on pages 13 to 32 are an integral part of these financial statements.

Statement of Cash Flows
For the year ended 31 December 2018

	2018 £	2017 £
Cash flows from operating activities		
Profit on ordinary activities before tax	463,106	25,376
Adjustments:		
Realised gains on investments	-	(12,435)
Fair value (gains) on investments	(461,224)	(10,378)
(Increase)/decrease in receivables	(409)	22,902
(Decrease)/increase in payable	(3,868)	3,954
Increase in amounts owed by the group companies	(2,652)	(653,912)
Increase/(Decrease) in amounts owed to group companies*	5,377	(111,006)
Decrease in working capital	(462,776)	(735,499)
Cash used in operations:		
Decrease in loan payable	-	(577,852)
	-	(577,852)
Net cash inflow/(outflow) from operating activities	**330**	**(1,313,081)**
Cash flows from investing activities		
Net proceeds from sale of investment	-	1,312,790
Net cash inflow from investing activities	-	1,312,790
Net increase/(decrease) in cash	330	(291)
Cash at the start of the year	98	389
Cash at the end of the year	428	98

*Non-cash transaction - During the year company settled Tax credit of £124,042 through group tax relief via amounts owed to group companies

Notes on pages 12 to 32 are an integral part of these financial statements.

Notes to the Financial Statements for the year ended 31 December 2018

1. General Information

The Company is incorporated and domiciled in the United Kingdom. The address of the registered office is St. Helens 1 Undershaft London EC3P 3DQ. Its principal activity is to act as an investment holding company for Quarryvale Three Limited and 20 Gracechurch Unit Trust. Although Quarryvale Three Limited, the Company's subsidiary undertaking, is expected to be liquidated in the near future, the Company is expected to continue with its other investment activity for the foreseeable future.

2. New and amended standards adopted by the Company and interpretations

The following standards have been adopted by the Company for the first time for the financial year beginning on 1 January 2018:

- IFRS 9, Financial instruments
- IFRS 15, Revenue from Contracts with Customers

The Company had to change its accounting policies following the adoption of IFRS 9.

IFRS 9 Financial instruments

IFRS 9 replaces the provisions of IAS 39 that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting.

(a) Classification and measurement

The adoption of IFRS 9, Financial instruments, from 1 January 2018 did not result in any significant impact in the classification and measurement of financial instruments in the financial statements. Under IFRS 9, financial assets are subsequently measured at fair value through profit or loss, amortised cost, or at fair value through other comprehensive income.

The company's financial assets include mainly trade and other receivables which are measured at amortised cost and investments which are measured at fair value. The classification of financial liabilities remains the same as under IAS 39.

(b) Impairment

The adoption of IFRS 9 has changed the Company's accounting for impairment losses for financial assets by replacing IAS 39's incurred loss approach with a forward-looking expected credit loss ("ECL") approach.

For trade receivables, the Company has applied the standard's simplified approach and has calculated ECLs based on lifetime expected credit losses. The Company has applied the expected credit loss model that is based on the Partnership's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Company considers that no provision is required as at 31 December under the rules of the new standard.

Notes to the Financial Statements for the year ended 31 December 2018

2. New and amended standards adopted by the Company and interpretations (continued)

IFRS 15 Revenue from Contracts with Customers

IFRS 15 Revenue from Contracts with Customers, effective from 1 January 2018, has no impact on the Company's financial statements. The Company has performed an assessment and it has concluded that the Financial statements are not under the scope of IFRS 15 as the Company does not have any revenue.

New standards and interpretations not yet adopted

At the date of authorisation of these financial statements, the following Standards and Interpretations which have not been applied in these Financial Statements were in issue but not effective:

Standard/interpretation	Content	Applicable for financial years beginning on/after
IFRS 16	Leases	1 January 2019

The Directors anticipate that the adoption of these Standards and Interpretations in the future periods will have no impact on the Financial Statements of the Company, as the Company has no leases.

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed below.

3. Significant accounting policies

(a) Basis of preparation

The financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRSs) as adopted by the European Union (IFRS as adopted by the EU), IFRS Interpretations Committee (IFRS IC) interpretations and the Companies Act 2006 applicable to companies reporting under IFRS, using the accounting policies as set out below which have been applied consistently throughout the year and the preceding year except where noted.

The financial statements have been prepared on a going concern basis, in accordance with the Companies Act 2006 as applicable to companies using IFRS and under the historic cost modified by revaluation or financial assets held at fair value through profit and loss (as applicable).

As permitted under IAS 27, Consolidated and Separate financial statements, the Company has elected in accordance with paragraph 10 not to present consolidated financial statements. These financial statements present information about the Company as an individual undertaking and not about its Group.

The functional currency of the Company is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates.

Notes to the Financial Statements for the year ended 31 December 2018

3. Significant accounting policies (continued)

(b) Strategic report and Directors' report

A strategic report has not been included in these audited financial statements as the Company qualifies for exemption as a small entity under Section 414B of the Companies Act 2006 relating to small entities. The Directors's report has been prepared with reduced disclosures in accordance with the provisions applicable to companies entitled to the small companies exemption in Section 415A of the Companies Act 2006.

(c) Going concern basis

The business activity of the Company, together with the factors likely to affect its future development, performance and position are set out in the Directors' report. The financial position of the Company and its liquidity position are set out in these financial statements

The directors have reviewed the current and projected financial position of the Company, making reasonable assumptions about future trading performance. After making enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. It is their assessment that the Company is a going concern. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

(d) Investments

Investments in unit trusts are held at fair value, which is determined by reference to the stated net asset value per share at year end, since they are also carried at fair value. Changes in fair value are recognised in the Statement of Comprehensive Income.

Investments in unit trusts are initially recognised at cost and subsequently carried at fair value. Fair value is determined by reference to market-based evidence, where available, which is the amount for which the asset could be exchanged in an orderly transaction between market participants at the reporting date.

On disposal of investments the difference between the net disposal proceeds and carrying amount of the investment is recognised in the Statement of Comprehensive Income in the year the item is derecognised. Net disposal proceeds consist of consideration less directly attributable selling costs.

Realised and unrealised gains on investments have been presented within the Statement of Comprehensive Income. The movement in unrealised gains/losses is the change in the cumulative increase/decrease in fair value of investments over their original cost relative to the previous period.

(e) Non-current asset classified as held-for-sale

Shares in the Company's subsidiary undertaking are classified under non-current asset as held-for-sale and are stated at their net realisable value, which is determined by reference to the subsidiary's sale price less costs to sell, in accordance with IFRS 5. Changes in fair value of non-current asset classified as held-for-sale are recorded in the Statement of Comprehensive Income within Fair value gain on investments.

Notes to the Financial Statements for the year ended 31 December 2018

3. Significant accounting policies (continued)

(f) Financial assets

In accordance with IFRS 9, 'Financial Instruments', financial assets are classified as financial assets at fair value through profit or loss, receivables, held-to-maturity financial assets and available-for-sale financial assets, as appropriate. The Company determines the classification of its financial assets at initial recognition.

The Company's financial assets consists of financial assets held at fair value and at amortised cost. The Financial assets held at fair value include investments.The Company's financial assets at amortised cost include receivables, amounts owed by group companies and cash and cash equivalents.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.
Financial assets are derecognised only when the contractual rights to the cash flows from the financial asset expire or the Company transfers substantially all risks and rewards of ownership.
The Company's financial assets consist of loans and receivables.

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. Receivables include receivables and other financial assets, amounts owed by group company and cash and cash equivalents.

Receivables and other financial assets, amounts owed by Group company
Receivables and other financial assets as well as amounts owed by group company are recognised initially at fair value and subsequently measured at amortised cost less provision for impairment.

Cash and cash equivalents
Cash and cash equivalents are subsequently measured at amortised cost. Cash and cash equivalents includes cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less. For the purposes of the Statement of Cash Flows, cash and cash equivalents also include any bank overdrafts, which are included within payables and other financial liabilities on the Statement of Financial Position.

Impairment
The Company assesses at each financial position date whether there is objective evidence that a financial asset or group of financial assets is impaired. If there is objective evidence (such as significant financial difficulty of the obligor, breach of contract, or it becomes probable that the debtor will enter bankruptcy), the asset is tested for impairment using expected credit loss model. The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (that is, the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced through use of an allowance account. The amount of the loss is recognised in income statement.

Notes to the Financial Statements for the year ended 31 December 2018

3. Significant accounting policies (continued)

Impairment (continued)

In relation to trade receivables, a provision for impairment is made when there is objective evidence (such as the probability of insolvency or significant financial difficulties of the debtor) that the Company will not be able to collect all of the amounts due under the original terms of the invoice. Impaired debts are derecognised when they are assessed as uncollectible.

If in a subsequent period the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed, to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date. Any subsequent reversal of an impairment loss is recognised in income statement

(g) Financial liabilities

Liabilities within the scope of IFRS 9 are classified as financial liabilities at fair value through profit or loss or other liabilities, as appropriate. A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

The Company's financial liabilities consist of payables and other financial liabilities, amounts owed to group companies. They are classified as other liabilities.

Financial liabilities included in payables and other financial liabilities, amounts owed to Group Companies are recognised initially at fair value and subsequently at amortised cost. The fair value of a non-interest bearing liability is its discounted repayment amount. If the due date of the liability is less than one year, discounting is omitted.

(h) Provisions and contingent liabilities

Provisions are recognised when the Partnership has a present legal or constructive obligation as a result of past events, it is probably 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 Partnership expects a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is more probable than not.

Contingent liabilities are disclosed if the future obligation is probable and the amount cannot be reasonably estimated.

(i) Cash and cash equivalents

Cash and cash equivalents consist of cash at bank and deposits held at call with banks. For the purposes of the Statement of Cash Flows, cash and cash equivalents also include any bank overdrafts, which are included within payables and other financial liabilities on the Statement of Financial Position.

(j) Cash flow statement

The Company reports cash flows from operating activities using the indirect method. Interest received and paid is presented within finance income and included in investing cash flows. The acquisitions of investment properties are disclosed as cash flows from investing activities because this most appropriately reflects the Company's business activities.

(k) Other investment income

Dividends and other investment income from other entities are recognised on an accrual basis.

Notes to the Financial Statements for the year ended 31 December 2018

3. Significant accounting policies (continued)

(l) Administrative expenses

Administrative expenses are non-property related costs such as audit fees and bank charges, which arose from its operations and administrative activities. Administrative expenses are recognised on an accrual basis.

(m) Interest expenses

Interest expenses relate to interest payable on intercompany loan and are included in current liabilities as amounts owed to group companies. All interest expense is recognised on an accrual basis.

(n) Current and deferred income tax

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 is provided on temporary differences arising from investments in subsidiaries, associates and joint ventures, except where the timing of the reversal of the temporary difference can be controlled and it is probable that the difference will not reverse in the foreseeable future.

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.

4. Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements requires the Company to select accounting policies and make estimates and assumptions that affect items reported in the financial statements. The accounting policies have been applied consistently in the current and preceding year. The Directors do not consider any particular item susceptible to changes in judgements and key sources of estimating uncertainty.

5. Directors' emoluments

The Company has no employees (2017: none). None of the directors received any emoluments in respect of services as a director of the Company (2017: £nil). There was no compensation from the Company for any of the directors for loss of office.

6. Other investment income

During the year, the Company received the quarterly distributions from its investments in unit trusts:

	Year ended 31 December 2018	Year ended 31 December 2017
	£	£
20 Gracechurch Unit Trust	7,261	6,506
Bank interest receivable	1	-
	7,262	6,506

Notes to the Financial Statements for the year ended 31 December 2018

7. Administrative expenses

Administrative expenses include amounts invoiced in respect of audit fees, professional fees, operating charges and other expenses incurred on an accruals basis.

	Year ended 31 December 2018	Year ended 31 December 2017
	£	£
Audit fees	4,725	3,954
Operating charges	655	44
	5,380	3,998

Auditors' remuneration in relation to the Company for 2018 was £4,725 (2017: £3,954). Fees paid to the Company's auditors for services other than the statutory audit are disclosed on a consolidated basis in the financial statements of Aviva plc.

8. Tax charge

a) The tax charged to the income statement

The tax credit/(charge) on the profit on ordinary activities before taxation is as follows:

	Year ended 31 December 2018	Year ended 31 December 2017
	£	£
Current tax:		
For this year	(358)	(127,928)
Group tax relief	131,430	
Adjustments in respect of prior year	(6,998)	8,040
Total current tax credit/(charge)	124,074	(119,888)
Deferred tax:		
Origination and reversal of temporary differences	(36)	152,723
Tax rate changes	4	(17,851)
Total deferred tax (charge)/credit	(32)	134,872
Total tax credit to the income statement	124,042	14,984

Notes to the Financial Statements for the year ended 31 December 2018

b) Tax reconciliation

The tax on the Company's profit on ordinary activities before taxation differs (2017: differs) from the tax calculated at the standard UK corporation tax rate as follows:

	Year ended 31 December 2018	Year ended 31 December 2017
	£	£
Profit on ordinary activities before taxation	463,106	25,376
Tax calculated at standard UK corporation tax rate of 19% (2017: 19.25%)	(87,990)	(4,885)
Movement in unrecognised deferred tax	87,596	923
Group tax relief	131,430	
Adjustments in respect of prior year	(6,998)	8,040
Impact of tax rate changes	4	(17,851)
Indexation relief on sale of investments	-	28,757
Total tax credit to the income statement	124,042	14,984

The standard rate of UK corporation tax for the year ended 31 December 2018 is 19.00% (2017: 19.25%). From 1 April 2017, the main rate of corporation tax was reduced to 19%. Further reductions to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015, and an additional reduction to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016.

This will reduce the company's future current tax charge accordingly. Any deferred tax at 31 December 2018 has been calculated based on the rate of 17% being the rate substantively enacted at the balance sheet date.

The Company's deferred tax ssets and liabilities liabilities have been calculated at 17%. The reduction in the future tax rate has provided a net credit to the income statement of £4 (2017: £17,851 charge).

Notes to the Financial Statements for the year ended 31 December 2018

9. Investments

Details of the Company's investments in unit trusts at year end are as follows:

Name of unit trust	Proportion of ownership interest/voting rights held by the Company 2018	2017	Principal activity
20 Gracechurch Unit Trust	0.10000%	0.10000%	Investment

The above named unit trust was established in Jersey, Channel Islands

The above investments in associates are valued at Net Asset Value in these financial statements as set out in the Company's accounting policies in note 3(d).

The Company has a 0.10% holding of 20 Gracechurch Unit Trust which is managed by 20 Gracechurch (General Partner) Limited.

Below is summarised financial information of the carrying amount of the interests recognised in the financial statements:

	2018 £	2017 £
At 1 January	146,432	140,848
Fair value gains/(losses) taken to the Statement of Comprehensive Income	191	5,584
At 31 December	146,623	146,432

	20 Gracechurch Unit Trust 2018 £
Net assets of unit trust	146,623,466
Proportion of the Company's ownership interest in the trust	0.10000%
Carrying amount of the Company's interest in the trust	**146,623**

	20 Gracechurch Unit Trust 2017 £
Net assets of trust	146,432,063
Proportion of the Company's ownership interest in the trust	0.10000%
Carrying amount of the Company's interest in the trust	**146,431**

Notes to the Financial Statements for the year ended 31 December 2018

10. Non-current assets classified as held-for-sale

The sole property asset of the Company's investment in subsidiary undertaking, Quarryvale Three Limited, was sold in February 2014 and it is the intention of the directors to liquidate the company in the near future. Accordingly, the Company's investment in subsidiary undertaking has been stated in the Company's Statement of Financial Position as 'Non-current asset classified as held-for-sale' within current assets at net realisable value.

The fair value of the non-current asset classified as held-for-sale is as follows:

	2018 £	2017 £
At 1 January	8,608,409	8,603,615
Fair value gains/(losses) taken to the Statement of Comprehensive Income	461,033	4,794
At 31 December	9,069,442	8,608,409

Name of subsidiary undertaking	**% ownership**	**Country of Incorporation**
Quarryvale Three Limited	100.00	United Kingdom

Quarryvale Three Limited's registered address is St Helen's 1 Undershaft London EC3P 3DQ.

Notes to the Financial Statements for the year ended 31 December 2018

11. Financial instruments

The carrying amounts of financial instruments at year end were categorised as follows:

31 December 2018

	Loans and receivables	Assets at fair value through profit and loss	Available for sale	Total
	£	£	£	£
Assets as per statement of financial position				
Investments	-	146,623	-	146,623
Non-current asset classified as held-for-sale	-	9,069,442	-	9,069,442
Receivables and financial assets	2,284	-	-	2,284
Amounts owed by group companies	1,467,569	-	-	1,467,569
Cash and cash equivalents	428	-	-	428
Total	1,470,281	9,216,065	-	10,686,346

31 December 2017

	Loans and receivables	Assets at fair value through profit and loss	Available for sale	Total
	£	£	£	£
Assets as per statement of financial position				
Investments	-	146,431	-	146,431
Non-current asset classified as held-for-sale	-	8,608,409	-	8,608,409
Receivables and financial assets	1,875	-	-	1,875
Amounts owed by group companies	1,464,917	-	-	1,464,917
Cash and cash equivalents	98	-	-	98
Total	1,466,890	8,754,840	-	10,221,730

Notes to the Financial Statements for the year ended 31 December 2018

11. Financial instruments (continued)

31 December 2018

	Liabilities at fair value through profit and loss	Derivatives used for hedging	Other financial liabilities at amortised cost	Total
	£	£	£	£
Liabilities as per statement of financial position				
Payables and financial liabilities	-	-	4,704	4,704
Amounts owed to group companies	-	-	19,133	19,133
Total	-	-	23,837	23,837

31 December 2017

	Liabilities at fair value through profit and loss	Derivatives used for hedging	Other financial liabilities at amortised cost	Total
	£	£	£	£
Liabilities as per statement of financial position				
Payables and financial liabilities	-	-	8,570	8,570
Amounts owed to group companies	-	-	10,261	10,261
Total	-	-	18,831	18,831

Notes to the Financial Statements for the year ended 31 December 2018

12. Receivables and financial assets

	2018	2017
	£	£
Dividend receivable	2,284	1,875
Total	2,284	1,875

There were no material past due or impaired receivables as at 31 December 2018 (2017: nil), other than those already provided against.

13. Payables and financial liabilities

	2018	2017
	£	£
Other payables	4,704	8,570
Total	4,704	8,570

14. Tax liabilities

a) General

Tax liabilities expected to be payable in more than one year are £358 (2017: £127,928).

b) Deferred taxes

The balance at 31 December comprises:

	2018	2017
	£	£
Unrealised gains on other investments	6,734	6,702
Net deferred tax liability	6,734	6,702

The movement in the deferred tax liability was as follows:

	2018	2017
	£	£
Opening liability at 1 January	6,702	141,574
Amounts charged/(credited) to the Statement of Comprehensive Income	32	(134,872)
Closing liability at 31 December	6,734	6,702

At the year end the Company had temporary differences amounting to £9,069,440 (2017: £8,608,408) in respect of unrealised gains on investments in wholly owned subsidiaries. As the Company can control the timing of the realisation of the gains, and also the nature of the income that may be received in future

Notes to the Financial Statements for the year ended 31 December 2018

years on realisation, no deferred tax liability has been recognised.

15. Ordinary share capital

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

	2018 £	2017 £
The allotted, called up and fully paid share capital of the Company at 31 December was:		
2 (2017:2) Ordinary shares of £1 each	2	2

16. Dividends

The dividends paid in the year ended 31 December 2018 and 31 December 2017 were £nil and £nil respectively.

17. Risk and capital management policies

Approach to risk and capital management

The Company operates within the governance structure and risk management framework of the Aviva Group. Aviva's risk management framework, which applies to all Aviva Group companies, includes the strategies, policies, tools, governance arrangements, processes and reporting procedures necessary to support its objectives.

The Directors are responsible for risk management of the Company and for taking reasonable steps to prevent and detect fraud and other irregularities. In the event that one of the following principle risks should materialise, the Directors are obligated to escalate the matter to the Company's shareholders.

Notes to the Financial Statements for the year ended 31 December 2018

17. Risk and capital management policies (continued)

Capital Management and Objectives

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for its shareholder and benefits for other stakeholders and to optimise the balance between return and risk.

In managing capital the Company seeks to:

- Maintain sufficient, but not excessive, financial strength in accordance with risk appetite, to support new developments and investments and satisfy the requirements of its regulators and other stakeholders giving both its customers and shareholders assurance of its financial strength;
- Optimise its overall capital structure to enhance returns to its shareholder, subject to its capital risk appetite and balancing the requirements of the different stakeholders;
- Retain financial flexibility by maintaining strong liquidity, including significant unused credit facilities and access to a range of capital markets; and
- Declare dividends with reference to factors including growth in cash flows and earnings.

Details of the Group approach to capital management are set out in the Aviva plc Annual Report and Accounts 2018, available at http://www.aviva.com/investor-relations/results-and-reports/reports/

Aviva Group treasury invests surplus cash in interest bearing current accounts, time deposits, money market deposits and marketable securities, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient headroom as determined by cash flow forecasts. As at 31 December 2018, Aviva Life & Pensions UK Limited held money market funds of £1,467,569 (2017:£ 1,464,917) on behalf of the Company that are expected to readily generate cash inflows for managing liquidity risk.

There was no dividend received during the year by the Company (2017:£nil) from its Quarryvale Three Limited.

The Company has sufficient cash to meet its all its current commitments.

Notes to the Financial Statements for the year ended 31 December 2018

17. Risk and capital management policies (continued)

Management of financial and non-financial risks

The Company's exposure to different types of risk is limited by the nature of its business as follows:

(i) Operational risk

Operational risk arises as a result of inadequate or failed internal processes, people or systems; or from external events. Details of the Group approach to operational risk are set out in the Aviva plc Annual Report and Accounts 2018, available at http://www.aviva.com/investor-relations/results-and-reports/reports/

(ii) Liquidity risk

Liquidity risk is managed by ensuring that there is always sufficient headroom available to meet the working capital requirements of the business. The maturity analysis of the Company's financial assets and liabilities as at 31 December 2018 and 31 December 2017 were as follows:

31 December 2018

Financial assets	On demand	1 to 3 months	More than 3 months less than 12 months	Total
	£	£	£	£
Non-current asset classified as held-for-sale	-	-	9,069,442	9,069,442
Related parties : Aviva Life & Pensions UK Limited	-	1,467,569	-	1,467,569
Receivables and financial assets	-	2,284	-	2,284
Cash and cash equivalents	428	-	-	428
	428	1,469,854	9,069,442	10,539,724

31 December 2017

Financial assets	On demand	1 to 3 months	More than 3 months less than 12 months	Total
	£	£	£	£
Non-current asset classified as held-for-sale	-	-	8,608,409	8,608,409
Related parties : Aviva Life & Pensions UK Limited	-	1,464,917	-	1,464,917
Receivables and financial assets	-	1,875	-	1,875
Cash and cash equivalents	98	-	-	98
	98	1,466,792	8,608,409	10,075,299

Notes to the Financial Statements for the year ended 31 December 2018
17. Risk and capital management policies (continued)

(ii) Liquidity risk (continued)

31 December 2018

Financial liabilities	On demand	1 to 3 months	More than 3 months less than 12 months	Total
	£	£	£	£
Related parties : Aviva Investors Global Services Limited	-	1,204	-	1,204
Related parties : Aviva Life Holdings UK Limited	-	3,494	-	3,494
Related parties: Quarryvale Three Limited	-	14,435	-	14,435
Payables and financial liabilities	-	4,704	-	4,704
	-	23,837	-	23,837

31 December 2017

Financial liabilities	On demand	1 to 3 months	More than 3 months less than 12 months	Total
	£	£	£	£
Related parties : Aviva Investors Global Services Limited	-	1,204	-	1,204
Related parties : Aviva Life Holdings UK Limited	-	8,145	-	8,145
Related parties: Quarryvale Three Limited	-	912	-	912
Payables and financial liabilities	-	8,570	-	8,570
	-	18,831	-	18,831

(iii) Credit risk

Credit risk is the risk of financial loss as a result of the failure of third parties to pay their obligations to the Company. The Company's exposure to credit risk is associated with its trade and other receivables, cash and cash equivalents which are considered to be low.

The Company deposits its cash with a reputable credit institution with a high credit rating.

Cash and cash equivalent are held by JPMorgan Chase which is rated Aa3 by Moody's as at 31 December 2018 (2017: Aa3).

Notes to the Financial Statements for the year ended 31 December 2018

17. Risk and capital management policies (continued)

(iv) Market risk

Market risk is the risk of adverse financial impact resulting, directly or indirectly from fluctuations in interest rates, foreign currency exchange rates, and equity prices. The Company's main exposure to market risk takes the form of property valuations, which have a direct impact on the value of investments. The management of this risk falls within the mandate of Aviva Investors Global Services Limited, which makes and manages investments on behalf of the Company.

The Company is also exposed to foreign currency exchange risk which is the risk of adverse impact on the Company's result due to changes in fair values of the property and cash flows from fluctuations in foreign currency exchange rates. The operation of the Company's main subsidiary undertaking, Quarryvale Three Limited, is based in Ireland and almost all of the transactions are in euros, which is Quarryvale Three Limited's functional currency. Since Quarryvale Three Limited's presentational currency is sterling, there is therefore some exposure to foreign currency exchange risk.

18. Contingent liabilities and commitments

There were no commitments or contingent liabilities at the statement of financial position date (2017: £nil).

19. Related party transactions

(a) Key management compensation

There were no transactions during the year and any accounts receivable from or payments due to members of the Board of Directors.

(b) Services provided to related parties

The Company acts as the holding company of Quarryvale Three Limited. No services were provided to or remuneration received from Quarryvale Three Limited (2017: £nil).

Under a management agreement Aviva Life Services UK Limited, a fellow Aviva Group undertaking, supplies and makes charges for the provision of operational assets and staff to the Company as appropriate. Any amounts payable in respect of these expenses is determined by this agreement.

During the year the management fees charged to the Company by Aviva Life Services UK Limited was £nil (2017: £nil).

(c) Amounts owed by group companies

At 31 December 2018, as part of the Company's cash management process £1,467,569 (2017: £1,464,917) of the Company's cash was in a deposit account held by Aviva Life & Pensions UK Limited. This represented the transfer of excess cash held by the Company at year end and is recognised as an intercompany debtor.

Notes to the Financial Statements for the year ended 31 December 2018

19. Related party transactions (continued)

(c) Amounts owed by group companies (continued)

	2018		2017	
	Expense for the year	Receivable at year end	Expense for the year	Receivable at year end
	£	£	£	£
Aviva Life & Pensions UK Limited	-	1,467,569	653,912	1,464,917
	-	1,467,569	653,912	1,464,917

(d) Amounts owed to group companies

Corporation tax assets/liabilities of the Company are settled annually with Aviva Life Holdings UK Limited, a fellow group undertaking, by way of group tax relief. During the year company received group tax relief of £131,430 and as at 31 December 2018, £3,494 (2017: £8,145) was payable to Aviva Life Holdings Limited.

	2018		2017	
	Income/ (Expense) for the year	Receivable/ (Payable) at year end	Income/ (Expense) for the year	Receivable/ (Payable) at year end
	£	£	£	£
Aviva Investors Global Services Limited	-	(1,204)	-	(1,204)
Aviva Life Holdings UK Limited	131,430	(3,494)	-	(8,145)
Quarryvale Three Limited	-	(14,435)	-	(912)
	131,430	(19,133)	-	(10,261)

Notes to the Financial Statements for the year ended 31 December 2018

20. Related party transactions (continued)

(e) Dividend receivable from group company

Cash receipts of £nil (2017: £nil) are included in the Company's financial statements in respect of dividends from its whole-owned subsidiary undertaking, Quarryvale Three Limited.

21. Parent and ultimate controlling entity

The immediate parent undertaking is Aviva Life & Pensions UK 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 the financial statements at 31 December 2018. 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

and are available on the Aviva plc website at www.aviva.com

22. Subsequent events

On 17 June 2019 the Company subscribed for 1 £1 Ordinary Share in Station Road General Partner LLP. At the date of the financial statements, no further shares had been issued.