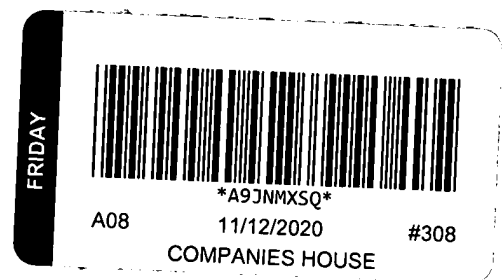


**QUARRYVALE ONE LIMITED**  
**Registered in England and Wales No. 3118888**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**2019**



**Quarryvale One Limited**  
**Registered in England and Wales: No 3118888**

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**Quarryvale One Limited**  
**Registered in England and Wales: No 3118888**

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## **Directors, Officers and Other Information**

### **Director**

A-S C Eveno

### **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  
Chase side  
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').

**Quarryvale One Limited**  
**Registered in England and Wales: No 3118888**

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## **Director's Report for the year ended 31 December 2019**

The directors present their annual report and audited financial statements for the Company for the year ended 31 December 2019.

### **Directors**

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

AS C Eveno appointed 6 October 2019  
L N Weaver appointed 13 November 2019, resigned 31 August 2020  
B S Hill resigned 11 October 2019  
A Christie resigned 18 September 2019

### **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 20 Gracechurch Unit Trust, The Designer Retail Outlet Centres Unit Trust, Designer Retail Outlet Centres (Mansfield) Unit Trust, Designer Retail Outlet Centres (York) Unit Trust, Quarryvale Three Limited and CCPF No.4 Unit Trust.

On 10 December 2020 the directors Quarryvale Three Limited, the Company's subsidiary undertaking, entered into a statutory declaration of solvency with any remaining inter-company balances and dividends paid over to the Company in 2019. On 3 September 2020 Quarryvale Three entered liquidation.

On 17 June 2019 the Company subscribed for 1 £1 Ordinary Share in Station Road General Partner LLP with the Company then subsequently selling this share for par value on 15 October 2020.

On 13 November 2019 the Company acquired 112,557 shares in CCPF No.4 Unit Trust for a consideration of £121,335.

On 12 December 2019 the Company increased its share subscription in 20 Gracechurch Unit Trust by £2,885.

On 13 December 2019 the Company acquired 168,615 shares in The Designer Retail Outlets Centre Unit Trust for a consideration of £250,000.

On 13 December 2019 the Company acquired 1,000 shares in Designer Retail Outlets Centre (Mansfield) Unit Trust for a consideration of £1,461.

On 13 December 2019 the Company acquired 1,000 shares in Designer Retail Outlets Centre (York) Unit Trust for a consideration of £2,095.

### **Financial Position and Performance**

The financial position of the Company at 31 December 2019 is shown in the Statement of Financial Position on page 11, with the results shown in the Statement of Comprehensive Income on page 10 and the Statement of Cash Flows on page 13.

The Company's total comprehensive loss for the year ended 31 December 2019 was £240,734 (2018: profit £587,148).

The director does not recommend the payment of a distribution for the financial year ending 31 December 2019 (2018: £nil).

### **Future Outlook**

The director has reviewed the activities of the Company for the year and the position as at 31 December 2019 and expect the level of activity to continue for the foreseeable future.

**Quarryvale One Limited**  
**Registered in England and Wales: No 3118888**

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## **Director's Report for the year ended 31 December 2019 (continued)**

### **Risk Management Policies**

The outbreak of the novel coronavirus (also known as COVID 19) in many countries is rapidly evolving and the socio-economic impact is unprecedented. It has been declared as a global pandemic and is having a major impact on economies and financial markets. The efficacy of government measures will materially influence the length of economic disruption, but it is probable we will see a period of slow economic growth or even recession.

Whilst it is not possible to fully assess the impact on specific industries or their constituents at this stage, the Director believe that the Company has the right strategy in place to mitigate against the worst consequences of the outbreak. Business continuity plans have been enacted for itself and service providers, so the Director expect the Company to be in a position to continue operations throughout this period.

However, there is unlikely to be an entity that is completely immune from the consequences of the outbreak and the Director consider that the novel coronavirus presents increased uncertainty and risk with respect to the Company's performance and financial results. The Director will continue to monitor the COVID-19 situation closely and act accordingly to protect the interests of investors.

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 2019, available at <https://www.aviva.com/investors/reports/>.

### **Employees**

The Company has no employees (2018: none). The key management personnel have been identified as the director of the Company. The directors received no remuneration (2018: £nil).

### **Events since the date of financial position**

On January 30, 2020, the World Health Organisation declared the coronavirus (COVID-19) a public health emergency. There are no comparable recent events which may provide guidance as to the effect of the spread of COVID-19 and a potential pandemic, and, as a result, the ultimate impact of the COVID-19 outbreak or a similar health epidemic is highly uncertain and subject to change.

Given the Company's principal activity is to act as an investment holding company holding minority units the Company isn't materially expected to be exposed to material uncertainty from COVID-19.

On 3 April 2020 the Company sold its shares in 20 Gracechurch Unit Trust for a consideration of £179,788.

On 3 September 2020 Quarryvale Three entered into liquidation.

### **Going Concern**

The director has reviewed the current and projected financial position of the Company, making reasonable assumptions about future trading performance. After making enquiries, the director has 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.

**Quarryvale One Limited**  
**Registered in England and Wales: No 3118888**

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## **Director's Report for the year ended 31 December 2019 (continued)**

### **Independent Auditors**

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

### **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.

### **Qualifying Indemnity Provisions**

The director has 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 Director's Report by virtue of paragraph 15, Schedule 3 of The Companies Act 2006 (Commencement No. 3, Consequential Amendments, Transitional Provisions and Savings) Order 2007.

Quarryvale One Limited  
Registered in England and Wales: No 3118888

## Director's Report for the year ended 31 December 2019 (continued)

### Statement of Director's Responsibilities

The director is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has prepared the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law the director 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 the financial statements, the director is 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.

The director is 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 director is 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 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 financial statements on pages 10 to 36 were approved by the Board of Director on and signed on its behalf by

DocuSigned by:



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A-S C Eveno

Director

Date: 7 December 2020

# Independent auditors' report to the members of Quarryvale One Limited

## Report on the audit of the financial statements

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### 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 2019 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.

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 2019; 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.

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### 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.

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### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you where:

- the director's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the director 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.

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.

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### 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 director is 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 Director's 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)

### *Director's Report*

In our opinion, based on the work undertaken in the course of the audit, the information given in the Director's Report for the year ended 31 December 2019 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 Director's Report.

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### **Responsibilities for the financial statements and the audit**

#### *Responsibilities of the director for the financial statements*

As explained more fully in the Statement of the Director's Responsibilities set out on page 6, the director is 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 director is 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 director is 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 director 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](http://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.

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## **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 director's remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

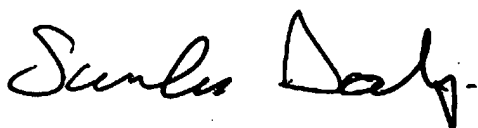
We have no exceptions to report arising from this responsibility.

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

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### Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the director was not entitled to: take advantage of the small companies exemption in preparing the Director's 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  
7 December 2020

Quarryvale One Limited  
Registered in England and Wales: No 3118888

## Statement of Comprehensive Income

For the year ended 31 December 2019

	Notes	2019 £	2018 £
<b>Revenue</b>			
Fair value (loss)/gain on investments	9,10	(9,062,319)	461,224
Other investment income	6	8,817,836	7,261
Other receipts		12,828	-
<b>Total Revenue</b>		<b>(231,655)</b>	<b>468,485</b>
<b>Operating Expenses</b>			
Administrative expenses	7	(8,522)	(5,380)
<b>Total Operating Expenses</b>		<b>(8,522)</b>	<b>(5,380)</b>
<b>Net Operating (Loss)/Profit</b>		<b>(240,177)</b>	<b>463,105</b>
<b>Interest receivable and similar income</b>		<b>295</b>	<b>1</b>
<b>(Loss)/profit on ordinary activities before tax</b>		<b>(239,882)</b>	<b>463,106</b>
Income tax (charge)/credit	8	(852)	124,042
<b>(Loss)/profit and total comprehensive (expense)/income for the year</b>		<b>(240,734)</b>	<b>587,148</b>

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

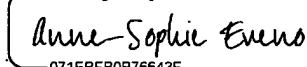
Notes on pages 14 to 36 are an integral part of these financial statements.

Quarryvale One Limited  
Registered in England and Wales: No 3118888

## Statement of Financial Position As at 31 December 2019

		2019	2018
	Note	£	£
<b>Assets</b>			
<b>Non-current assets</b>			
Investments	9	531,520	146,623
<b>Total non-current assets</b>		<b>531,520</b>	<b>146,623</b>
<b>Current assets</b>			
Non-current asset classified as held-for-sale	10	2	9,069,442
Receivables and financial assets	12	4,284	2,284
Amounts owed by group companies	19(c)	9,813,891	1,467,569
Cash and cash equivalents		200,133	428
<b>Total current assets</b>		<b>10,018,310</b>	<b>10,539,723</b>
<b>Total assets</b>		<b>10,549,830</b>	<b>10,686,346</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Payables and financial liabilities	13	(5,868)	(4,704)
Amounts owed to group companies	19(d)	(121,335)	(19,133)
<b>Total current liabilities</b>		<b>(127,203)</b>	<b>(23,837)</b>
<b>Non-current liabilities</b>			
Deferred tax liabilities	14(b)	(7,944)	(6,734)
Tax liabilities	14(a)	-	(358)
<b>Total non-current liabilities</b>		<b>(7,944)</b>	<b>(7,092)</b>
<b>Total liabilities</b>		<b>(135,147)</b>	<b>(30,929)</b>
<b>Net assets</b>		<b>10,414,683</b>	<b>10,655,417</b>
<b>Equity</b>			
Ordinary share capital	15	2	2
Retained earnings		10,414,681	10,655,415
<b>Total equity</b>		<b>10,414,683</b>	<b>10,655,417</b>

The financial statements on pages 10 to 36 were approved by the board of directors on 7 December 2020 and signed on its behalf by.

DocuSigned by:  
  
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 A-S C Eveno  
 Director

Notes on pages 14 to 36 are an integral part of these financial statements.

Quarryvale One Limited  
Registered in England and Wales: No 3118888

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## Statement of Changes in Equity

### For the year ended 31 December 2019

	Ordinary share capital £	Retained earnings £	Total equity £
<b>Balance at 1 January 2018</b>	2	10,068,267	10,068,269
Profit and total comprehensive income for the year	-	587,148	587,148
<b>Balance at 31 December 2018</b>	2	10,655,415	10,655,417
Loss and total comprehensive expense for the year	-	(240,734)	(240,734)
<b>Balance at 31 December 2019</b>	2	10,414,681	10,414,683

Notes on pages 14 to 36 are an integral part of these financial statements.

Quarryvale One Limited  
Registered in England and Wales: No 3118888

## Statement of Cash Flows

### For the year ended 31 December 2019

	2019 £	2018 £
<b>Cash flows from operating activities</b>		
(Loss)/profit on ordinary activities before tax	(239,882)	463,106
<b>Adjustments:</b>		
Fair value gain/(loss) on investments	9,062,319	(461,224)
Increase in receivables	(2,000)	(409)
Increase/(decrease) in payable	1,164	(3,868)
Increase in amounts owed by the group companies	(8,346,322)	(2,652)
Increase/ in amounts owed to group companies*	102,202	5,377
Decrease in working capital	817,363	(462,776)
<b>Net cash inflow from operating activities</b>	<b>577,481</b>	<b>330</b>
<b>Cash flows from investing activities</b>		
Capital expenditure on the purchase of units in investments	(377,776)	-
<b>Net cash inflow from investing activities</b>	<b>(377,776)</b>	<b>-</b>
<b>Net increase in cash</b>	<b>199,705</b>	<b>330</b>
Cash at the start of the year	428	98
Cash at the end of the year	<b>200,133</b>	<b>428</b>

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

Notes on pages 14 to 36 are an integral part of these financial statements.

## Notes to the Financial Statements for the year ended 31 December 2019

### 1. General Information

The principal activity of the Company is act as a holding company.

The Company is incorporated in the United Kingdom under The Companies Act 2006. The address of the registered office is St Helen's, 1 Undershaft, London, United Kingdom, EC3P 3DQ. The Company is incorporated and domiciled in the United Kingdom and its principal activity is to act as an investment holding company for 20 Gracechurch Unit Trust, The Designer Retail Outlet Centres Unit Trust, Designer Retail Outlet Centres (Mansfield) Unit Trust, Designer Retail Outlet Centres (York) Unit Trust, Quarryvale Three Limited and CCPF No.4 Unit Trust.

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.

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

#### (a) New and amended standards adopted by the Partnership and interpretations

The following standards have been adopted by the Company for the first time for the financial year beginning on 1 January 2019:

- IFRS 16, *Leases*

The Company did not have to change its accounting policies following the adoption of IFRS 16.

The adoption did not have an impact on the financial statements as the Company is neither a lessee nor a lessor.

#### (b) New standards, amendments and interpretations effective after 1 January 2019 and have not been early adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2019, and have not been early adopted in preparing these financial statements. None of these are expected to have a material effect on the financial statements of the Company.

### 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 the Statement of Comprehensive Income.

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.

## Notes to the Financial Statements for the year ended 31 December 2019

### 3. Significant accounting policies (continued)

#### (b) Strategic report and Director's 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 Director'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 Director's report. The financial position of the Company and its liquidity position are set out in these financial statements

The director has reviewed the current and projected financial position of the Company, making reasonable assumptions about future trading performance. After making enquiries, the director has 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.

Where the Company disposes non-current asset held for sale, carrying value immediately prior to the sale is adjusted to the transaction process, and the adjustment is recorded as Fair value (loss)/gain on investments within statement of comprehensive income.



## Notes to the Financial Statements for the year ended 31 December 2019

### 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 assets measured at amortised cost less impairment and assets measured at fair value through profit and loss.

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 the statement of comprehensive income.

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

## **Notes to the Financial Statements for the year ended 31 December 2019**

### **3. Significant accounting policies (continued)**

#### **(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 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.

#### **(j) Other investment income**

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

#### **(k) Administrative expenses**

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

#### **(l) Other investment income and other receipts**

Other investment income and other receipts are income received from investments through distributions which are recognised when right to receive payment is established by the Company.

## Notes to the Financial Statements for the year ended 31 December 2019

### 3. Significant accounting policies (continued)

#### (m) 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 Director do not consider any particular item susceptible to changes in judgements and key sources of estimating uncertainty.

### 5. Director's emoluments

The Company has no employees (2018: none). None of the directors received any emoluments in respect of services as a director of the Company (2018: £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 2019	Year ended 31 December 2018
	£	£
20 Gracechurch Unit Trust	6,289	7,261
The Designer Retail Outlet Centres Unit Trust	687	-
Designer Retail Outlet Centres (Mansfield) Unit Trust	4	-
Designer Retail Outlet Centres (York) Unit Trust	6	-
Dividends received from non-current investment	8,810,850	-
	<u>8,817,836</u>	<u>7,261</u>

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## Notes to the Financial Statements for the year ended 31 December 2019

### 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.

	<u>Year ended 31 December 2019</u>	<u>Year ended 31 December 2018</u>
	£	£
Audit fees	6,839	4,725
Operating charges	1,683	655
	<u>8,522</u>	<u>5,380</u>

Auditors' remuneration in relation to the Company for 2019 was £6,839 (2018: £4,725).

### 8. Income Tax (charge) / credit

#### a) The tax charged to the income statement

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

	<u>Year ended 31 December 2019</u>	<u>Year ended 31 December 2018</u>
	£	£
<b>Current tax:</b>		
For this year	-	(358)
Group tax relief	-	131,430
Adjustments in respect of prior year	358	(6,998)
Total current tax credit	<u>358</u>	<u>124,074</u>
<b>Deferred tax:</b>		
Origination and reversal of temporary differences	(1,352)	(36)
Tax rate changes	142	4
Total deferred tax charge	<u>(1,210)</u>	<u>(32)</u>
Total tax (charge)/credit to the statement of comprehensive income	<u>(852)</u>	<u>124,042</u>

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## Notes to the Financial Statements for the year ended 31 December 2019

### 8. Income Tax (charge) / credit (continued)

#### b) Tax reconciliation

The tax on the Company's (loss)/profit on ordinary activities before taxation differs (2018 differs) from the tax calculated at the standard UK corporation tax rate as follows:

	Year ended 31 December 2019	Year ended 31 December 2018
	£	£
(Loss)/profit on ordinary activities before taxation	(239,882)	463,106
Tax calculated at standard UK corporation tax rate of 19% (2018: 19%)	45,578	(87,990)
Group tax relief	-	131,430
Adjustments in respect of prior year	358	(6,998)
Impact of tax rate changes	142	4
Non assessable dividends	1,674,062	-
Disallowable expenses	229	-
Movement in unrecognised deferred tax	(1,723,194)	87,596
Surrender of losses from group undertakings for no charge	1,973	-
Total tax (charge)/credit to the income statement	(852)	124,042

Finance Act 2016 introduced legislation reducing the UK corporation tax rate from 1 April 2020 to 17%. In the Budget of 11 March 2020 the UK Government reversed this rate reduction, announcing that the UK corporation tax rate will remain at 19% from 1 April 2020 and this was substantively enacted on 17 March 2020.

As of 31 December 2019, this measure had not been substantively enacted and therefore no impact is reflected in the calculation of the Company's deferred tax assets and liabilities as at 31 December 2019.

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## Notes to the Financial Statements for the year ended 31 December 2019

### 9. Investments

	2019	2018
	£	£
<b>At 1 January</b>	146,623	146,432
Additions	377,776	-
Fair value gains taken to the Statement of Comprehensive Income	7,121	191
<b>At 31 December</b>	531,520	146,623

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		Principal activity
	2019	2018	
20 Gracechurch Unit Trust	0.100%	0.10%	Investment
CCPF No.4 Unit Trust	0.238%	n/a	Investment
The Designer Retail Outlet Centres Unit Trust	0.070%	n/a	Investment
Designer Retail Outlet Centres (Mansfield) Unit Trust	0.001%	n/a	Investment
Designer Retail Outlet Centres (York) Unit Trust	0.001%	n/a	Investment

The above named unit trusts are established in Jersey, Channel Islands

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

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

#### 20 Gracechurch Unit Trust

	2019	2018
	£	£
<b>At 1 January</b>	146,623	146,432
Additions	2,885	-
Fair value gains taken to the Statement of Comprehensive Income	12,330	191
<b>At 31 December</b>	161,838	146,623

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## Notes to the Financial Statements for the year ended 31 December 2019

### 9. Investments (continued)

#### 20 Gracechurch Unit Trust

	20 Gracechurch Unit Trust
	2019 £
Net assets of unit trust	161,839,048
Proportion of the Company's ownership interest in the trust	0.100%
Carrying amount of the Company's interest in the trust	<u>161,838</u>

	20 Gracechurch Unit Trust
	2018 £
Net assets of unit trust	146,623,466
Proportion of the Company's ownership interest in the trust	0.100%
Carrying amount of the Company's interest in the trust	<u>146,623</u>

#### CCPF No.4 Unit Trust

	2019 £
At 1 January	-
Additions	121,335
Fair value losses taken to the Statement of Comprehensive Income	(1,032)
At 31 December	<u>120,303</u>

#### CCPF No.4 Unit Trust

	CCPF No.4 Unit Trust
	2019 £
Net assets of unit trust	50,526,942
Proportion of the Company's ownership interest in the trust	0.238%
Carrying amount of the Company's interest in the trust	<u>120,303</u>

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## Notes to the Financial Statements for the year ended 31 December 2019

### 9. Investments (continued)

#### The Designer Retail Outlet Centres Unit Trust

	2019
	£
At 1 January	-
Additions	250,000
Fair value losses taken to the Statement of Comprehensive Income	(4,102)
At 31 December	245,898

#### The Designer Retail Outlet Centres Unit Trust

	The Designer Retail Outlet Centres Unit Trust 2019 £
Net assets of unit trust	349,479,924
Proportion of the Company's ownership interest in the trust	0.070%
Carrying amount of the Company's interest in the trust	245,898

#### The Designer Retail Outlet Centres (Mansfield) Unit Trust

	2019
	£
At 1 January	-
Additions	1,461
Fair value losses taken to the Statement of Comprehensive Income	(70)
At 31 December	1,391



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## Notes to the Financial Statements for the year ended 31 December 2019

### 9. Investments (continued)

#### The Designer Retail Outlet Centres (Mansfield) Unit Trust (continued)

	The Designer Retail Outlet Centres (Mansfield) Unit Trust 2019 £
Net assets of unit trust	100,523,960
Proportion of the Company's ownership interest in the trust	0.001%
Carrying amount of the Company's interest in the trust	<u>1,391</u>

#### The Designer Retail Outlet Centres (York) Unit Trust

	2019 £
At 1 January	-
Additions	2,095
Fair value losses taken to the Statement of Comprehensive Income	(6)
At 31 December	<u>2,089</u>

#### The Designer Retail Outlet Centres (York) Unit Trust

	The Designer Retail Outlet Centres (York) Unit Trust 2019 £
Net assets of unit trust	248,973,652
Proportion of the Company's ownership interest in the trust	0.001%
Carrying amount of the Company's interest in the trust	<u>2,089</u>

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## Notes to the Financial Statements for the year ended 31 December 2019

### 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 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.

On 10 December 2020 the directors Quarryvale Three Limited, the Company's subsidiary undertaking, entered into a statutory declaration of solvency with any remaining inter-company balances and dividends paid over to the Company in 2019. On 3 September 2020 Quarryvale Three entered liquidation.

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

	2019	2018
	£	£
<b>At 1 January</b>	9,069,442	8,608,409
Fair value (losses)/gains taken to the Statement of Comprehensive Income	(9,069,440)	461,033
<b>At 31 December</b>	2	9,069,442

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 2019

### 11. Financial instruments

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

#### 31 December 2019

	Assets at amortised cost	Assets at fair value through profit and loss	Available for sale	Total
	£	£	£	£
<b>Assets as per statement of financial position</b>				
Investments	-	531,520	-	531,520
Non-current asset classified as held-for-sale	-	2	-	2
Receivables and financial assets	4,284	-	-	4,284
Amounts owed by group companies	9,813,891	-	-	9,813,891
Cash and cash equivalents	200,133	-	-	200,133
<b>Total</b>	<b>10,018,308</b>	<b>531,522</b>	<b>-</b>	<b>10,549,830</b>

#### 31 December 2018

	As sets at amortised cost	Assets at fair value through profit and loss	Available for sale	Total
	£	£	£	£
<b>Assets as per statement of financial position</b>				
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
<b>Total</b>	<b>1,470,281</b>	<b>9,216,065</b>	<b>-</b>	<b>10,686,346</b>

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## Notes to the Financial Statements for the year ended 31 December 2019

### 11. Financial instruments (continued)

31 December 2019

	Liabilities at fair value through profit and loss	Derivatives used for hedging	Other financial liabilities at amortised cost	Total
	£	£	£	£
<b>Liabilities as per statement of financial position</b>				
Payables and financial liabilities	-	-	5,868	5,868
Amounts owed to group companies	-	-	121,335	121,335
Total	-	-	127,203	127,203

31 December 2018

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

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## Notes to the Financial Statements for the year ended 31 December 2019

### 12. Receivables and financial assets

	2019	2018
	£	£
Dividend receivable	4,284	2,284
Total	<u>4,284</u>	<u>2,284</u>

There were no material past due or impaired receivables as at 31 December 2019 (2018: nil), other than those already provided against.

### 13. Payables and financial liabilities

	2019	2018
	£	£
Other payables	5,868	4,704
Total	<u>5,868</u>	<u>4,704</u>

### 14. Tax liabilities

#### a) General

Tax liabilities expected to be payable in more than one year are £nil (2018: £358).

#### b) Deferred taxes

The balance at 31 December comprises:

	2019	2018
	£	£
Unrealised gains on other investments	7,944	6,734
Net deferred tax liability	<u>7,944</u>	<u>6,734</u>

The movement in the deferred tax liability was as follows:

	2019	2018
	£	£
Opening liability at 1 January	6,734	6,702
Amounts charged to the Statement of Comprehensive Income	1,210	32
Closing liability at 31 December	<u>7,944</u>	<u>6,734</u>

At the year end the Company had temporary differences amounting to £nil (2018: £9,069,440) 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 years on realisation, no deferred tax liability has been recognised.

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## Notes to the Financial Statements for the year ended 31 December 2019

### 15. Ordinary share capital

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

	2019	2018
	£	£
The allotted, called up and fully paid share capital of the Company at 31 December was:		
2 (2018: 2) Ordinary shares of £1 each	2	2

### 16. Dividends

The dividends paid in the year ended 31 December 2019 and 31 December 2018 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 priority framework of the Aviva Group. 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). The Aviva Group has an Audit Committee, which includes shareholder representatives.

The Director is 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 Director is obligated to escalate the matter to the Company's shareholders.

## Notes to the Financial Statements for the year ended 31 December 2019

### 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 2019, available at <https://www.aviva.com/investors/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 2019, Aviva Life & Pensions UK Limited held money market funds of £9,813,891 (2018: £ 1,467,569) on behalf of the Company that are expected to readily generate cash inflows for managing liquidity risk.

During the year the Company received a final dividend of £ 8,816,700 from its investment in Quarryvale Three Limited, amounting to a receipt of £6,869,878 (2018: £nil) and assignment debtors of £1,946,882 (2018: £nil) to the Company.

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

## Notes to the Financial Statements for the year ended 31 December 2019

### 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 2019, available at <https://www.aviva.com/investors/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 2019 and 31 December 2018 were as follows:

#### 31 December 2019

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	-	-	2	2
Related parties : Aviva Life & Pensions UK Limited	-	9,813,891	-	9,813,891
Receivables and financial assets	-	4,284	-	4,284
Cash and cash equivalents	200,133	-	-	200,133
	200,133	9,818,175	2	10,018,310

#### 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



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## Notes to the Financial Statements for the year ended 31 December 2019

### 17. Risk and capital management policies (continued)

#### (ii) Liquidity risk (continued)

31 December 2019				
Financial liabilities	On demand	1 to 3 months	More than 3 months less than 12 months	Total
	£	£	£	£
Related parties : Aviva Life & Pensions UK Limited		121,335	-	121,335
Payables and financial liabilities	-	5,868	-	5,868
	-	127,203	-	127,203

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

#### (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 Aa2 by Moody's as at 31 December 2019 (2018: Aa3 Moody's).

## Notes to the Financial Statements for the year ended 31 December 2019

### 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.

#### (v) Fair value

The fair value of the Company's financial instruments are as follows:

	2019	2018
	£	£
Financial assets at fair value through profit or loss	161,840	9,216,065

The fair value of the financial assets at fair value through profit or loss, which comprise the Trust's investment in the Limited Partnership, is estimated to be equal to the net asset value of the Limited Partnership as determined by the General Partner as at the Statement of Financial Position date.

The fair value of all other financial assets and financial liabilities approximates their carrying value.

#### Fair value hierarchy

IFRS 13 establishes a fair value hierarchy that categorises into three levels the inputs to valuation techniques used to measure fair value. The fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs). Market price observability is impacted by a number of factors, including the type of investment and the characteristics specific to the investment. Investments with a readily available active quoted price, either for the identical instrument or similar instruments, generally will have a higher degree of market price observability and a lesser degree of judgement used in measuring fair value.

Investments measured and reported at fair value are classified and disclosed utilising inputs from one or more of the following categories:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and

Level 3 - Inputs for the asset or liability that are not based on observable market data.

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

## Notes to the Financial Statements for the year ended 31 December 2019

### 17. Risk and capital management policies (continued)

#### (v) Fair value (continued)

##### Fair value hierarchy (continued)

All financial instruments measured at fair values as at Statement of Financial Position date are categorised in Level 3 of fair value hierarchy.

In the opinion of the Director there are no observable inputs relating to the valuation of the financial instruments hence Level 3 is the appropriate classification of the investment.

The Company's valuation of its Level 3 financial instruments has been based on the NAV of the Investments and Non-current assets classified as held-for-sale.

### 18. Contingent liabilities and commitments

There were no commitments or contingent liabilities at the statement of financial position date (2018: £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 (2018: £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 (2018: £nil).

#### (c) Amounts owed by group companies

At 31 December 2019, as part of the Company's cash management process £9,813,891 (2018: £1,467,569) 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.

	2019		2018	
	Expense for the year	Receivable at year end	Expense for the year	Receivable at year end
	£	£	£	£
Aviva Life & Pensions UK Limited	-	9,813,891	-	1,467,569
	-	9,813,891	-	1,467,569

Quarryvale One Limited  
Registered in England and Wales: No 3118888

## Notes to the Financial Statements for the year ended 31 December 2019

### 19. Related party transactions (continued)

#### (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 the company received group tax relief of £nil (2018: £131,430) and as at 31 December 2019, £nil (2018: £3,494) was payable to Aviva Life Holdings Limited.

In the year the Company acquired units in CCPF No.4 Unit Trust which were paid for as part of the overall purchase consideration by Aviva Life & Pensions UK Limited. The units acquired by the Company amounted to £121,335.

	2019		2018	
	Income/ (Expense) for the year	(Payable) at year end	Income/ (Expense) for the year	(Payable) at year end
	£	£	£	£
Aviva Life & Pensions UK Limited	-	(121,335)	-	(1,204)
Aviva Life Holdings UK Limited	-	-	131,430	(3,494)
Quarryvale Three Limited	-	-	-	(14,435)
	-	(121,335)	131,430	(19,133)

#### (e) Dividend receivable from group company

During the year the Company received a final dividend from its investment in Quarryvale Three Limited, this amounting to a receipt of £8,816,700 (2018: £nil).

### 20. 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 2019. 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](http://www.aviva.com)

## Notes to the Financial Statements for the year ended 31 December 2019

### 21. Events since the date of financial position

On January 30, 2020, the World Health Organisation declared the coronavirus (COVID-19) a public health emergency. There are no comparable recent events which may provide guidance as to the effect of the spread of COVID-19 and a potential pandemic, and, as a result, the ultimate impact of the COVID-19 outbreak or a similar health epidemic is highly uncertain and subject to change.

Given the Company's principal activity is to act as an investment holding company holding minority units the Company isn't materially expected to be exposed to material uncertainty from COVID-19.

On 3 April 2020 the Company sold its shares in 20 Gracechurch Unit Trust for a consideration of £179,788.

On 3 September 2020 Quarryvale Three entered liquidation.