REGISTERED NUMBER: 05876009 (England and Wales)

AVIVA INVESTORS GR SPV 15 LIMITED

ANNUAL REPORT AND

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

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FOR THE YEAR ENDED 31 DECEMBER 2016

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AVIVA INVESTORS GR SPV 15 LIMITED

DIRECTORS, OFFICERS AND OTHER INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2016

DIRECTORS:	Mr B S Hill Mr C J Urwin Mr M Monkhouse
SECRETARY:	Mainstay (Secretaries) Limited
REGISTERED OFFICE:	Whittington Hall Whittington Road Worcester WR5 2ZX
REGISTERED NUMBER:	05876009 (England and Wales)
INDEPENDENT AUDITORS:	PricewaterhouseCoopers LLP 7 More London Riverside London SE1 2RT
OTHER INFORMATION:	The company is a member of the Aviva Plc group of companies (the “Group”)

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2016

The directors present their report with the audited financial statements of the Company for the year ended 31 December 2016.

DIRECTORS
The directors shown below have held office during the whole of the year from 1 January 2016 to the date of this report.

Mr B S Hill
Mr C J Urwin

Other changes in directors holding office are as follows:

Mr M Monkhouse - appointed 28 April 2016
Mr D K Perry - resigned 28 April 2016

PRINCIPAL ACTIVITY AND REVIEW OF BUSINESS
The principal activity of the Company is that of investment in ground rent properties. The portfolio has been performing in line with expectation. There have been no significant additions or disposals in the year.

FUTURE DEVELOPMENTS
The directors have reviewed the activities of the business for the year and the position as at 31 December 2016 and consider them to be satisfactory. The directors expect the level of activity to be maintained in the foreseeable future.

DIVIDEND
The directors do not recommend the payment of a dividend for the financial year ending 31 December 2016 (period to 31 December 2015: £Nil).

GOING CONCERN
At the balance sheet date the Company had net current liabilities. The Company is supported by Aviva Investors Ground Rent Holdco Limited and the directors are confident that funding will be made available to enable the Company to meet its obligations as they fall due. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

EMPLOYEES
The Company has no employees (2015: none).

PRINCIPAL RISKS AND UNCERTAINTIES

The key risks arising in the Company are market, credit, operational, interest rate and liquidity risks which are discussed in more detail below.

RISK MANAGEMENT POLICIES

Approach to risk and capital management
The Company operates within the governance structure and priority framework of the Aviva Group ('Aviva').

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) Market risk

The Company's 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.

(ii) Credit risk

The Company does not have a significant exposure to credit risk as receivables are mainly short-term trading items and related party receivables. The Company's investments are managed by agents who have responsibility for the prompt collection of amounts due.

(iii) Operational risk

Operational risk arises as a result of inadequate or failed internal processes, people or systems; or from external events. Details of the Aviva Group approach to operational risk are set out in the financial statements of Aviva Investors Global Services Limited, which manages and administers the Company's investments.

(iv) Interest rate risk

Interest rate risk arises as a result of the Company borrowing from its parent undertaking. Interest rate risk is managed by the Company borrowing at a fixed rate of interest.

(v) Liquidity risk

Liquidity risk arises as a result of property assets being inherently illiquid. Liquidity risk is managed by ensuring that there is always sufficient headroom available to meet the working capital requirements of the business.

QUALIFYING INDEMNITY PROVISION

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 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 1st October 2007). The 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO 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.

POST BALANCE SHEET EVENTS

There are no post balance sheet events.

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.

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law). 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, 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 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.

In preparing their report, the directors have taken advantage of the exemption for small companies in accordance with section 415(A) of the Companies Act 2006.

ON BEHALF OF THE BOARD:

....
Mr C J Urwin - Director

Date: 30 March 2017

Independent auditors' report to the members of Aviva Investors GR SPV15 Limited

Report on the financial statements

Our opinion

In our opinion, Aviva Investors GR SPV15 Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 December 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

What we have audited

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

- the Statement of Financial Position as at 31 December 2016;
- the Statement of Comprehensive Income for the year then ended;
- the Statement of Changes in Equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice).

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

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

In addition, in light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Directors' Report. We have nothing to report in this respect.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

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

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

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

Independent auditors' report to the members of Aviva Investors GR SPV15 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 from preparing a strategic report. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

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

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

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report. With respect to the Directors' Report, we consider whether those reports include the disclosures required by applicable legal requirements.

Sandra Dowling (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
30 March 2017

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2016

	Note	Year Ended 31.12.16 £	Period 1.7.15 to 31.12.15 £
TURNOVER		161,665	4,000
Administrative expenses		(13,054)	(17,160)
Change in fair value of investment properties	5	541,022	(423,823)
OPERATING PROFIT/(LOSS)	4	689,633	(436,983)
Finance costs	6	(329,019)	(9,740)
PROFIT/(LOSS) BEFORE TAXATION		360,614	(446,723)
Tax on profit/(loss)	7	(19,924)	-
PROFIT/(LOSS) FOR THE FINANCIAL YEAR/PERIOD		340,690	(446,723)
OTHER COMPREHENSIVE INCOME FOR THE YEAR		-	-
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR/PERIOD		340,690	(446,723)

Continuing Operations

All amounts reported in the Statement of Comprehensive Income for the years ended 31 December 2016 and period ended 31 December 2015 relate to continuing operations.

AVIVA INVESTORS GR SPV 15 LIMITED (REGISTERED NUMBER: 05876009)

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016

	Note	2016 £	2016 £	2015 (restated) £	2015 (restated) £
FIXED ASSETS					
Investment property	8		6,437,975		5,925,150
CURRENT ASSETS					
Debtors	9	107,536		402,430	
CREDITORS:					
Amounts falling due within one year	10	(307,559)		(190,617)	
Intercompany borrowings	11	(4,293,612)		(6,583,684)	
NET CURRENT LIABILITIES			(4,493,635)		(6,371,871)
TOTAL ASSETS LESS CURRENT LIABILITIES			1,944,340		(446,721)
DEFERRED TAX LIABILITIES	12		(19,924)		-
NET ASSETS/(LIABILITIES)			1,924,416		(446,721)
CAPITAL AND RESERVES					
Called up share capital	13		2,030,449		2
Revaluation reserve	14		97,275		(423,823)
Accumulated losses	14		(203,308)		(22,900)
TOTAL SHAREHOLDERS' FUNDS			1,924,416		(446,721)

The financial statements were approved by the Board of Directors on 30 March 2017 and were signed on its behalf by:

....

Mr C J Urwin - Director

The notes form part of these financial statements

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2016

	Called up share capital £	Accumulated losses £	Revaluation reserve £	Total shareholders' funds £
Balance at 1 July 2015	2	-	-	2
Changes in equity				
Loss and total comprehensive loss	-	(446,723)	-	(446,723)
Transfer for the period	-	423,823	(423,823)	-
Balance at 31 December 2015	2	(22,900)	(423,823)	(446,721)
Changes in equity				
Issue of share capital	2,030,447	-	-	2,030,447
Profit and total comprehensive income	-	340,690	-	340,690
Transfer for the year	-	(521,098)	521,098	-
Balance at 31 December 2016	2,030,449	(203,308)	97,275	1,924,416

The revaluation reserve arose on the revaluation of the investment properties. Amounts representing the revaluation and deferred tax are transferred from retained earnings each year.

Accumulated losses represent total comprehensive income for the year and prior periods less transfers to the revaluation reserve.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

1. GENERAL INFORMATION

Aviva Investors GR SPV 15 Limited ("The Company") maintains a portfolio of investment in ground rent properties in the UK.

The Company is a private company limited by shares and is incorporated and domiciled in England. The address of its registered office is Whittington Hall, Whittington Road, Worcester WR5 2ZX.

2. STATEMENT OF COMPLIANCE

The financial statements of the Company have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, The Financial Reporting Standards applicable in the United Kingdom and the Republic of Ireland ("FRS 102") and the Companies Act 2006.

3. ACCOUNTING POLICIES

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and the preceding year.

Basis of preparation
The Financial Statements have been prepared under the historical cost convention as modified by the revaluation of investment properties, in compliance with UK accounting standards including Financial Reporting Standard 102 ("FRS 102"), the Financial Reporting Standards applicable in the United Kingdom and Republic of Ireland, and the Companies Act 2006.

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 operate.

The preparation of financial statements 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 of complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed within these accounting policies.

Strategic 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 382 of the Companies Act 2006 relating to small entities.

Going concern basis
At the balance sheet date the Company had net current liabilities. The Company is supported by Aviva Investors Ground Rent Holdco Limited and the directors are confident that funding will be made available to enable the Company to meet its obligations as they fall due. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

Cash flow statement
The Company has taken advantage of the exemption, under FRS 102, from preparing a statement of cash flows, on the basis that it is a qualifying entity and the Company's cash flows are included within the consolidated statement of cash flows of its parent entity, Aviva Investors REaLM Ground Rent Limited Partnership.

3. ACCOUNTING POLICIES- continued

Turnover
Turnover represents amounts receivable from ground rents and other services, in all cases excluding value added tax, and all in the UK.

Administrative expenses
Administrative expenses include all costs not directly incurred in the operation of the Company's Portfolio. This includes administration, finance and management expenses.

Interest payable
Interest payable is recognised on an accruals basis.

Investment property
Investment properties are carried at fair value determined annually by external valuers and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the statement of comprehensive income.

Debtors and other current assets
Receivables are recognised and carried at the lower of their originally invoiced value and recoverable amount. Where the time value of money is material the receivables are carried at amortised cost. Provisions are made where there is objective evidence that the amount will not be recovered in full.

Current liabilities
Other payables are recognised on an accruals basis.

Current tax
Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date. Management periodically evaluates positions taken in tax returns with respect to situations in which the applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax
Deferred tax is provided in full, using the liability method on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax assets are recognised only to the extent that it is probable that taxable profit will be available against which deductible temporary differences, carried forward tax credits or tax losses can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date.

Deferred tax relating to items recognised directly in changes in equity is recognised in the Statement of Changes in Equity and not in the Statement of Comprehensive Income.

3. ACCOUNTING POLICIES - continued

Financial instruments
The Company has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

i. Financial assets
Financial assets are recognised when the Company becomes a party to the contractual provisions of the instrument.

Basic Financial Assets, including trade and other receivables, cash and bank balances, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the statement of comprehensive income.

If there is decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount have been had the impairment not previously been recognised. The impairment reversal is recognised in the statement of comprehensive income.

Other financial assets are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in the statement of comprehensive income.

Financial assets that are classified as receivable within one year are measured at the undiscounted amount of the cash or other consideration expected to be received, net of impairment.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

ii. Financial liabilities
Financial liabilities are recognised when the Company becomes a party to the contractual provision of the instrument.

Basic financial liabilities are initially measured at transaction price (including transactions costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs).

Commitments to make which meet the conditions above are measured at cost (which may be nil) less impairment.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

iii. Offsetting
Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

3. **ACCOUNTING POLICIES - continued**

Financial instruments disclosure exemption

The Company has taken advantage of the exemption, under FRS 102, from disclosure of its financial instruments, on the basis that it is a qualifying entity and the Company's financial instruments are disclosed within the consolidated financial statements of its parent entity, Aviva Investors REaLM Ground Rent Limited Partnership.

Loans and borrowings

Loans and borrowings are recognised initially at their issue proceeds less transaction costs incurred. Subsequently, borrowings are stated at amortised cost with interest being accrued cyclically as defined in the facility agreements. Borrowing costs have been capitalised and are being amortised using the effective interest rate method over the life of the loan. Interest expense associated with loans and borrowings is accounted for on an accruals basis.

Related party transactions

The Company discloses transactions with related parties which are not wholly owned within the same Group. Where appropriate, transactions of a similar nature are aggregated unless, in the opinion of the directors, separate disclosure is necessary to understand the effect of the transactions on the Company financial statements.

The Company has taken advantage of the exemption, under FRS 102, from disclosure of transactions with related parties who are wholly owned within the same Group. The Group includes the Company, its parent undertakings and its fellow subsidiary undertakings.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Critical accounting judgements and key sources of estimation uncertainty

The preparation of the Company's financial statements requires the directors to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the reporting date. The estimates and associated assumptions are based on historical experience, expectations of future events and other factors that are considered to be relevant. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the assets or liabilities affected.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

In the process of applying the Company's accounting policies, the directors have made the following judgements which have the most significant effect on the amounts recognised in the Financial Statements:

i. Valuation of investment properties

   The fair value of the Company's investment properties represents an estimate by independent professional valuers of the open market value of that property as at the balance sheet date. The determination of the fair value of investment properties requires the use of estimates such as future cash flows from assets (such as lettings, tenants profiles, future revenue streams, capital values of fixtures and fittings, plant and machinery, any environmental matters and the overall repair and condition of the property) and discount rates applicable to those assets. The valuers also make reference to market evidence of transaction prices for similar properties. Fair value disclosures in relation to investment property are given in Note 8.

4. OPERATING PROFIT/(LOSS)

The operating profit (2015 - operating loss) is stated after charging:

	Year Ended 31.12.16	Period 1.7.15 to 31.12.15
	£	£
Auditors' remuneration	9,088	10,800

The Company did not have any employees during the current year or previous period.
The directors received no emoluments for services to the Company for the year (period to 31 December 2015: £Nil).

5. CHANGE IN FAIR VALUE OF INVESTMENT PROPERTIES

	Year Ended 31.12.16	Period 1.7.15 to 31.12.15
	£	£
Change in fair value of investment properties	541,022	(423,823)

6. FINANCE COSTS

	Year Ended 31.12.16	Period 1.7.15 to 31.12.15
	£	£
Loan interest payable to parent undertaking	329,019	9,740

7. TAX ON PROFIT/(LOSS)

Tax on profit/(loss) on ordinary activities
The tax charge on the profit/(loss) for the year/period was as follows:

	Year Ended 31.12.16	Period 1.7.15 to 31.12.15
	£	£
Current tax:		
UK corporation tax at 20% (2015 – 20.25%)	-	-
Total current tax	-	-
Deferred tax charge for the year/period	19,924	-
Tax on profit/(loss)	19,924	-

7. TAX ON PROFIT/(LOSS) - continued

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is lower (2015: lower) than the standard rate of corporation tax in the UK. The difference is explained below:

	Year Ended 31.12.16 £	Period 1.7.15 to 31.12.15 £
Profit/(loss) before taxation	360,614	(446,723)
Profit/loss multiplied by the standard rate of corporation tax in the UK of 20% (2015 - 20%)	72,123	(89,345)
Effects of:		
Losses carried forward	36,082	4,580
Deferred tax on revaluation loss not recognised	(84,765)	84,765
Re-measurement of deferred tax - change in UK tax rate	(3,516)	-
Total tax charge	19,924	-

Factors that may affect future tax charges

Finance (No 2) Act 2015 introduced legislation reducing the rate of corporation tax from 20% at 1 April 2016 to 19% from 1 April 2017 and to 18% from 1 April 2020. Finance Act 2016, which received Royal Assent on 15 September 2016, will further reduce the corporation tax rate to 17% from 1 April 2020.

The reductions in rate from 20% to 19% and then to 17% have been used in the calculation of the Company's deferred tax assets and liabilities as at 31 December 2016.

8. INVESTMENT PROPERTY

	Total £
FAIR VALUE	
At 1 January 2016	5,925,150
Additions	(28,197)
Revaluations	541,022
At 31 December 2016	6,437,975
NET BOOK VALUE	
At 31 December 2016	6,437,975
At 31 December 2015	5,925,150

The historical cost of the investment properties as at 31 December 2016 was £6,348,973 (2015: £6,348,973). The investment properties were valued to fair value, in accordance with the Appraisal and Valuation Manual of the Royal Institute of Chartered Surveyors, as at 31 December 2016 by CBRE Limited, professionally qualified chartered surveyors. The valuer has significant experience in the location and class of the investment property being valued.

8. INVESTMENT PROPERTY - continued

Cost or valuation at 31 December 2016 is represented by:

	£
Valuation of freehold property in 2016	6,437,975

Significant assumptions used in valuation:

The valuations performed by the independent valuer for financial reporting processes have been reviewed by the Fund Manager. Discussions of valuation processes and results are held between the Fund Manager and the independent valuers at least once every quarter. At each year end the Fund Manager:

- Verifies all major inputs to the independent valuation report
- Assesses property valuation movements when compared to the prior year valuation report
- Holds discussions with the independent valuer

Investment properties are valued by using the investment method which involves applying capitalisation yields to current and estimated future rental streams net of income voids arising from vacancies or rent-free periods and associated running costs. These capitalisations yields and rental values are based on comparable property and leasing transactions in the market, using the valuers' professional judgement and market observation. Other factors taken into account in the valuations include the tenure of the property, tenancy details and ground and structural conditions, being assumptions applied by the valuers and information provided by the General Partner which is derived from the Partnership's financial and property management systems and is subject to the Partnership's overall control environment.

9. DEBTORS

	2016	2015
	£	£
Trade debtors	100,202	19,445
Amounts owed by group undertakings	-	382,985
Other debtors	7,334	-
	107,536	402,430

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016	2015
	£	£
Amounts owed to group undertakings	49,315	-
Other creditors	205,078	-
Accruals and deferred income	53,166	190,617
	307,559	190,617

11. INTERCOMPANY BORROWINGS

	2016	2015 (restated)
	£	£
Loan from parent undertaking	4,293,612	6,583,684

The loan from parent undertaking is unsecured, bears interest at 6% per annum and is repayable on demand. Previous year amounts are reclassified as current to conform with the current year presentation.

12. DEFERRED TAX LIABILITIES

	2016	2015
	£	£
Deferred tax		
Revaluation of investment properties	19,924	-

	Deferred tax
	£
Provided during year	19,924
Balance at 31 December 2016	19,924

There is a potential deferred tax asset of £Nil (2015: £76,288) relating to investment properties which were revalued in the year.

Deferred tax assets of £34,562 (2015: £4,122) relating to losses carried forward have not been recognised on the basis that there is not expected to be taxable profits against which to utilise them in the foreseeable future.

13. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2016 £	2015 £
2,030,449	Ordinary Shares	£1	2,030,449	2

2,030,447 Ordinary Shares of £1 each were allotted and fully paid for cash at par during the year.

14. RESERVES

	Accumulated losses	Revaluation reserve	Total
	£	£	£
At 1 January 2016	(22,900)	(423,823)	(446,723)
Profit for the year	340,690	-	340,690
Transfer for the year	(521,098)	521,098	-
At 31 December 2016	(203,308)	97,275	(106,033)

15. OPERATING LEASES

The company had the following minimum lease receivables under non-cancellable operating leases:

	31/12/16
	£
No later than one year	160,650
Later than one year and no later than five years	642,600
Later than five years	18,441,247
Total	19,244,497

16. ULTIMATE PARENT COMPANY

The General Partner of the Aviva Investors REaLM Ground Rent Limited Partnership is the Aviva Investors Ground Rent GP Limited, a company incorporated in Great Britain and registered in England and Wales.

The Company's immediate parent undertaking is the Aviva Investors Ground Rent HoldCo Limited and it's ultimate parent undertaking is Aviva Investors REaLM Ground Rent Unit Trust, which is registered in Jersey.

The Aviva Investors REaLM Ground Rent Limited Partnership, which indirectly has 100% interest of the Company, is both the largest and the smallest group of undertakings to consolidate these financial statements at 31 December 2016. The consolidated financial statements of Aviva Investors REaLM Ground Rent Limited Partnership are available on application to:

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

AVIVA INVESTORS GR SPV 15 LIMITED (REGISTERED NUMBER: 05876009)

DETAILED PROFIT AND LOSS ACCOUNT (UNAUDITED)
FOR THE YEAR ENDED 31 DECEMBER 2016

	Year Ended 31.12.16		Period 1.7.15 to 31.12.15	
	£	£	£	£
Gross rental and ancillary income		161,665		4,000
Expenditure				
Managing agents costs	1,691		-	
Irrecoverable VAT	2,175		2,860	
Accountancy	100		3,500	
Auditors' remuneration	9,088		10,800	
		(13,054)		(17,160)
		148,611		(13,160)
Finance costs				
Loan interest payable to parent undertaking		(329,019)		(9,740)
		(180,408)		(22,900)
Exceptional items				
Change in fair value of investment properties		541,022		(423,823)
PROFIT/(LOSS) BEFORE TAXATION		360,614		(446,723)

This page does not form part of the statutory financial statements