

Registered in England and Wales: No. 07680828

**AVIVA INVESTORS COMMERCIAL ASSETS GP
LIMITED**

**ANNUAL REPORT AND FINANCIAL
STATEMENTS**

31 DECEMBER 2022



AVIVA INVESTORS COMMERCIAL ASSETS GP LIMITED

Registered in England and Wales: No. 07680828

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AVIVA INVESTORS COMMERCIAL ASSETS GP LIMITED

Registered in England and Wales: No. 07680828

DIRECTORS, OFFICERS AND OTHER INFORMATION

Directors

E Fuller
A M Coles

Company Secretary

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

Registered office

St Helen's
1 Undershaft
London
EC3P 3DQ

Company Number

Registered in England and Wales: No. 07680828

Independent Auditors

PricewaterhouseCoopers LLP
7 More London Riverside
London
SE1 2RT

Other Information

Aviva Investors Commercial Assets GP Limited (the "Company") is a wholly owned subsidiary of Aviva Investors Real Estate Limited and is a member of the Aviva plc group of companies (the "Aviva Group")

AVIVA INVESTORS COMMERCIAL ASSETS GP LIMITED

Registered in England and Wales: No. 07680828

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

The Directors present their annual report and audited financial statements for Aviva Investors Commercial Assets GP Limited (the "Company") for the year ended 31 December 2022.

Directors

The Directors of the Company who were in office during the year and up to the date of signing the financial statements were as follows:

M Borello (resigned 6 January 2023)

A M Coles

E Fuller (appointed 6 January 2023)

Principal activities

The principal activity of the Company is to act as the General Partner of Aviva Investors REaLM Commercial Assets Limited Partnership (the "Partnership") which is engaged in the business of property investment. The Company does not hold any capital investment in the Partnership but is entitled to a priority distribution of 0.01% of the net income available for distribution from the Partnership.

The Directors have reviewed the activities of the Company for the year and the position as at 31 December 2022 and consider them to be satisfactory.

Results

The loss for the financial year amounted to £16,845 (2021: £15,696).

Future developments

The Directors expect the level of activity to be maintained in the foreseeable future.

Going concern

At the year end date the Company had net current liabilities and net liabilities of £123,356 (2021: £106,511). This is primarily comprised of £98,952 (2021: £97,253) owed to the Partnership with the remainder being accrued expenses relating to the current year. The Directors have received confirmation that the Partnership intends to support the company to enable it to meet its obligations as they fall due and it will not seek repayment of part or all of any intercompany debt, where to do so would place this company in an insolvent position. A letter of support has been provided by the Partnership.

Therefore, the Directors have a reasonable expectation that the Company will have access to adequate resources to continue in operational existence for the foreseeable future and for this reason they have continued to adopt the going concern basis in preparing the financial statements.

Events after the reporting date

Events after the reporting period have been evaluated up to the date the audited financial statements were approved and authorised for issue by the members and there are no material events to be disclosed or adjusted for in these financial statements, except those noted above.

Employees

The Company has no employees (2021: Nil).

AVIVA INVESTORS COMMERCIAL ASSETS GP LIMITED

Registered in England and Wales: No. 07680828

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

Independent Auditors

PricewaterhouseCoopers LLP has been reappointed as the auditors of the Company and has indicated its willingness to continue in office.

Qualifying indemnity provisions

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

Aviva plc, the Company's ultimate parent, granted in 2004 an indemnity to the Directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 1985 (which continue to apply in relation to any provision made before 1 October 2007). This indemnity is a 'qualifying third party indemnity' for the purposes of Sections 309A to 309C of the Companies Act 1985. These qualifying third party indemnity provisions remain in force as at the date of approving the Directors' Report by virtue of paragraph 15, Schedule 3 of The Companies Act 2006 (Commencement No. 3, Consequential Amendments, Transitional Provisions and Savings) Order 2007.

AVIVA INVESTORS COMMERCIAL ASSETS GP LIMITED

Registered in England and Wales: No. 07680828

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

Risk and capital management policies

(a) 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.

(b) 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:

Covid-19, Ukraine/Russia conflict and inflationary pressures

Whilst the Covid-19 pandemic continued to impact on certain parts of the global economy during 2022, restrictions are now lifted in all major economies. There was no material Covid-19 related impact on the Company during 2022 nor is any anticipated for 2023.

The ongoing conflict between Ukraine and Russia, which commenced in February 2022, together with the economic sanctions placed on Russia has had a material impact to many economies with elevated level of inflation leading to central banks swiftly increasing interest rates. Whilst this is expected to moderate in 2023, there is some uncertainty around this, due to the continued high levels of core inflation within western economies. The Directors continue to closely monitor the associated geo-political risks in relation to inflation, rising interest rates, volatile markets and any potential adverse impact on the Company and its investment. However, as at the date of approval of these financial statements, based on its assessment of the current situation and information available, the Directors do not envisage that this will have a material impact on the Company.

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's approach to operational risk are set out in the Aviva Group's Risk Management Framework ("RMF") and in the financial statements of Aviva Investors Global Services Limited, which manages and administers the Company's activities.

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 ongoing costs of the Company are settled by the Partnership.

AVIVA INVESTORS COMMERCIAL ASSETS GP LIMITED

Registered in England and Wales: No. 07680828

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

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 regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the financial statements in accordance with 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, as applied to qualifying partnerships, 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 for Aviva Investors Commercial Assets GP Limited (the "Company") on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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.

The Directors are also 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.

Director's confirmations

In the case of each member in office at the date the Director's report is approved:


- so far the member is aware, there is no relevant audit information of which the Company's auditors are unaware of; and
- they have taken all the steps that they ought to have taken as a member in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

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.

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

The financial statements on pages 9 to 20 were approved by the Board of Directors on 15/09/2023 and signed on its behalf by:

A M Coles
Director

DocuSigned by:

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AVIVA INVESTORS COMMERCIAL ASSETS GP LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AVIVA INVESTORS COMMERCIAL ASSETS GP LIMITED FOR THE YEAR ENDED 31 DECEMBER 2022

Report on the audit of the financial statements

Opinion

In our opinion, Aviva Investors Commercial Assets GP Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); 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 2022; the Statement of Comprehensive Income and the Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

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

Independence

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

Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Reporting on other information

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

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

AVIVA INVESTORS COMMERCIAL ASSETS GP LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AVIVA INVESTORS COMMERCIAL ASSETS GP LIMITED (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

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

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the year ended 31 December 2022 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

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

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

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

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

Auditors' responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to the Companies Act 2006, and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to increase revenue. Audit procedures performed by the engagement team included:

- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Reviewing relevant Board meeting minutes;
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations, entries posted containing unusual account descriptions, and entries posted with unusual amounts; and
- Designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

AVIVA INVESTORS COMMERCIAL ASSETS GP LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AVIVA INVESTORS COMMERCIAL ASSETS GP LIMITED (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

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

Use of this report

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

Other required reporting

Companies Act 2006 exception reporting

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

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

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

Victoria Music

Victoria Music (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
20 September 2023

AVIVA INVESTORS COMMERCIAL ASSETS GP LIMITED

Registered in England and Wales: No. 07680828

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022**

		1 Jan 2022 to 31 Dec 2022 £	1 Jan 2021 to 31 Dec 2021 £
	Note		
Turnover		1,027	946
Administrative expenses	5	(17,872)	(16,642)
Loss before taxation		(16,845)	(15,696)
Tax on loss	6	-	-
Loss for the financial year and total comprehensive expense for the year		(16,845)	(15,696)

All amounts reported in the Statement of Comprehensive Income for the years ended 31 December 2022 and 31 December 2021 relate to continuing operations.

The notes on pages 12 to 20 form an integral part of these financial statements.

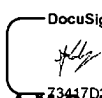
AVIVA INVESTORS COMMERCIAL ASSETS GP LIMITED

Registered in England and Wales: No. 07680828

**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022**

	Note	31 Dec 2022 £	31 Dec 2021 £
Current assets			
Debtors: amounts falling due within one year	7	8,171	7,144
Current liabilities			
Creditors: amounts falling due within one year	8	(131,527)	(113,655)
Net current liabilities		<u>(123,356)</u>	<u>(106,511)</u>
Net liabilities		<u>(123,356)</u>	<u>(106,511)</u>
Capital and reserves			
Called up share capital	9	1	1
Profit and loss account		<u>(123,357)</u>	<u>(106,512)</u>
Total Shareholders' deficit		<u>(123,356)</u>	<u>(106,511)</u>

The financial statements on pages 9 to 20 were approved by the Board of Directors on 15/09/2023 and signed on its behalf by:

DocuSigned by:

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A M Coles
 Director

The notes on pages 12 to 20 form an integral part of these financial statements..

AVIVA INVESTORS COMMERCIAL ASSETS GP LIMITED

Registered in England and Wales: No. 07680828

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Called up share capital	Profit and loss account	Total Shareholders' deficit
	£	£	£
Balance as at 1 January 2021	1	(90,816)	(90,815)
Loss for the financial year and total comprehensive expense for the year	-	(15,696)	(15,696)
Balance as at 31 December 2021 and 1 January 2022	1	(106,512)	(106,511)
Loss for the financial year and total comprehensive expense for the year	-	(16,845)	(16,845)
Balance as at 31 December 2022	1	(123,357)	(123,356)

The notes on pages 12 to 20 form an integral part of these financial statements.

AVIVA INVESTORS COMMERCIAL ASSETS GP LIMITED

Registered in England and Wales: No. 07680828

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1. General information

Aviva Investors Commercial Assets GP Limited (the "Company") is registered as a private company limited by its shares and its registered address is St Helen's, 1 Undershaft, London, EC3P 3DQ.

The Company acts as the General Partner of Aviva Investors REaLM Commercial Assets Limited Partnership (the "Partnership") which is engaged in the business of property investment..

2. Statement of compliance

The individual financial statements of the Company have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard 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.

3.1 Basis of preparation

The financial statements have been prepared under the historical cost convention and on a going concern basis. The accounting policies have been consistently applied throughout the year and are consistent with those applied in previous years.

These financial statements have been presented in Pound Sterling (£) as this is the Company's functional currency, being the primary economic environment in which it operates.

3.2 Going concern

At the year end date the company had net current liabilities and net liabilities of £123,356 (2021: £106,511). This is primarily comprised of £98,952 (2021: £97,523) owed to the Partnership with the remainder being accrued expenses relating to the current year. The Directors have received confirmation that the Partnership intends to support the company to enable it to meet its obligations as they fall due and it will not seek repayment of part or all of any intercompany debt, where to do so would place this company in an insolvent position. A letter of support has been provided by the Partnership.

Therefore, the Directors have a reasonable expectation that the Company will have access to adequate resources to continue in operational existence for the foreseeable future and for this reason they have continued to adopt the going concern basis in preparing the financial statements.

3.3 Consolidation exemption

The Company acts as the General Partner to the Partnership. The Company therefore exercises a dominant influence over the Partnership. The economic interest of the Company in the Partnership is small and restricted and is principally derived in the form of the General Partner share provided for under the terms of the Limited Partnership Agreement. As the Company's influence is fiduciary in nature, the Partnership is not treated as a subsidiary undertaking.

AVIVA INVESTORS COMMERCIAL ASSETS GP LIMITED

Registered in England and Wales: No. 07680828

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

3. Accounting policies (continued)

3.4 Strategic report and Directors' report

A strategic report has not been included in these audited financial statements as the Company qualifies for exemption as a small entity under Section 414B of the Companies Act 2006 relating to small entities. The Directors' 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.

3.5 Use of estimates

The preparation of financial statements requires the Company to make estimates and assumptions that affect items reported in the Statement of Financial Position and Statement of Comprehensive Income and the disclosure of contingent assets and liabilities at the date of the financial statements. Although, these estimates are based on management's best knowledge of current facts, circumstances and, to some extent, future events and actions, actual results ultimately may differ from those estimates, possibly significantly.

3.6 Turnover

Turnover, which excludes value added tax, represents income receivable from the Partnership, recognised on an accruals basis.

3.7 Cash flow

The Company has taken advantage of the exemption from preparing a Statement of cash flows, on the basis that it is a qualifying entity under FRS 102 and the Company's cash flows are included in the consolidated Statement of cash flows of Aviva plc. The Company intends to continue availing of the above exemption in future periods.

3.8 Taxation

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 asset, 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.

The principal temporary differences arise from the creation of current year tax losses. The rates enacted or substantively enacted at the Statement of Financial Position date are used to determine the deferred tax.

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.

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 is not provided on revaluations of investments in subsidiaries as under current tax legislation no tax will arise on their disposal.

AVIVA INVESTORS COMMERCIAL ASSETS GP LIMITED

Registered in England and Wales: No. 07680828

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

3. Accounting policies (continued)

3.9 Provisions and contingent liabilities

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. Where the Company expects a provision to be reimbursed, 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 either if there is a possible obligation to transfer economic benefits, or if a present obligation exists where it is not probable that a transfer of economic benefits will be required to settle the obligation or a sufficiently reliable estimate of the amount of the obligation cannot be made.

There were no contingent liabilities or commitments at the Statement of Financial Position date (2021: £Nil).

3.10 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 other receivables, 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.

Such assets are subsequently carried at amortised costs using the effective interest method.

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 a 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 would have been had the impairment not previously been recognised. The impairment reversal is 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.

AVIVA INVESTORS COMMERCIAL ASSETS GP LIMITED

Registered in England and Wales: No. 07680828

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

3. Accounting policies (continued)

3.10 Financial instruments (continued)

(ii) Financial liabilities

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

Basic financial liabilities are initially measured at transaction price (including transaction costs), except for those financial liabilities classified as at fair value through the Statement of Comprehensive Income, which are initially measured at fair value (which is normally the transaction price excluding transaction costs).

Commitments to make payments 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.

4. 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.

The Directors confirm that no critical accounting judgements and estimates have been made in relation to the 2022 financial statements.

AVIVA INVESTORS COMMERCIAL ASSETS GP LIMITED

Registered in England and Wales: No. 07680828

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022****5. Administrative expenses**

	1 Jan 2022 to 31 Dec 2022 £	1 Jan 2021 to 31 Dec 2021 £
Fees payable to the auditors for the audit for the Company's financial statements*	6,862	5,920
Administration fees	10,000	10,000
Tax advisors fee	1,010	722
	17,872	16,642

*During the year no non-audit fees were paid to statutory auditors (2021: £Nil).

The Directors received no emoluments from the Company for services to the Company for the financial year (2021: £Nil).

The Company had no employees during the financial year (2021: Nil).

6. Tax on loss

	1 Jan 2022 to 31 Dec 2022 £	1 Jan 2021 to 31 Dec 2021 £
Analysis of tax charge in the year		
UK corporation tax on loss for the year	-	-
Tax on loss for the year	-	-

AVIVA INVESTORS COMMERCIAL ASSETS GP LIMITED

Registered in England and Wales: No. 07680828

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022****6. Tax on loss (continued)****(a) Tax reconciliation**

The tax on the Company's loss before taxation is higher than (2021: higher than) the theoretical amount that would arise using the tax rate in the United Kingdom as follows:

	2022 £	2021 £
Loss before taxation	(16,845)	(15,696)
Loss before taxation multiplied by standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	(3,201)	(2,982)
Non-taxable distribution from Partnership	(195)	(180)
Taxable allocation from Partnership	149	193
Deferred tax assets not recognised	3,177	2,969
Other differences	70	-
Total tax charge for the year	-	-

(b) Deferred tax

At 31 December the Company has the following unrecognised deferred tax assets to carry forward indefinitely against future taxable income:

	2022 £	2021 £
Unutilised management expenses	16,718	15,627
Deferred tax rate	25%	25%
Deferred tax asset not recognised	4,180	3,906

The total outstanding amount of unrecognised deferred tax asset was as follows:

	2022 £	2021 £
Opening balance of unrecognised deferred tax assets	26,998	17,863
Deferred tax losses for the year	4,180	3,906
Adjustments to deferred tax in respect to prior periods	(190)	(313)
Effect of change of tax rate on opening balances	-	5,542
Balances at 31 December	30,988	26,998

The above deferred tax asset has not been provided for as there is insufficient evidence under FRS 102, Section 29 as to the availability of suitable taxable profits in the foreseeable future.

AVIVA INVESTORS COMMERCIAL ASSETS GP LIMITED

Registered in England and Wales: No. 07680828

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022****6. Tax on loss (continued)****(c) Factors affecting current tax charge for the year**

The UK Government has enacted an increase in the UK corporation tax rate to 25% to take effect from 1 April 2023. This rate has been used in the calculation of the Company's deferred tax assets as at 31 December 2021 and 31 December 2022. There is no impact on the Company's net assets as a consequence of this amendment.

The Company has unrecognised temporary differences of £31,000 (2021: £27,000) to carry forward indefinitely against future taxable income. This comprises £31,000 (2021: £27,000) of management expenses.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

7. Debtors: amounts falling due within one year

	31 Dec 2022 £	31 Dec 2021 £
Amounts owed by Group undertakings	1	1
Amounts owed by Partnership	8,170	7,143
	<u>8,171</u>	<u>7,144</u>

Amounts owed by Group undertakings and Partnership are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

8. Creditors: amounts falling due within one year

	31 Dec 2022 £	31 Dec 2021 £
Amounts owed to Partnership	107,122	104,396
Accruals and deferred income	24,405	9,259
	<u>131,527</u>	<u>113,655</u>

Amounts owed to Partnership are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

AVIVA INVESTORS COMMERCIAL ASSETS GP LIMITED

Registered in England and Wales: No. 07680828

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022****9. Called up share capital**

	31 Dec 2022 £	31 Dec 2021 £
Allotted, called up and unpaid share capital of the Company: 1 (31 December 2021:1) ordinary share of £1 each	<u>1</u>	<u>1</u>

10. Contingent liabilities and capital commitments

There were no contingent liabilities or commitments at the Statement of Financial Position date (2021: £Nil).

11. Related party transactions

	2022 Income earned / (expenses incurred) in the year £	2022 Receivable / (payable) at year end £	2021 Income earned / (expenses incurred) in the year £	2021 Receivable / (payable) at year end £
Aviva Investors REaLM Commercial Assets Limited Partnership - priority distribution	1,027	8,170	946	7,143
Aviva Investors Real Estate Limited - share capital	-	1	-	1
Aviva Investors REaLM Commercial Assets Limited Partnership - payment on behalf of the Company	(2,726)	(107,122)	(14,604)	(104,396)
	<u>(1,699)</u>	<u>(98,951)</u>	<u>(13,658)</u>	<u>(97,252)</u>

The Company is entitled to a priority distribution of 0.01% (2021: 0.01%) of the net income available for distribution from the Partnership.

During the year distribution income amounting to £1,027 (2021: £946) was receivable from the Partnership, £8,170 (2021: £7,143) remained outstanding at the year end.

Included within the £107,122 (2021: £104,396) amounts owed to the Partnership £2,726 (2021: £14,604) relate to expenses incurred in the year by the Company that were paid for by the Partnership on behalf of the Company. At the Statement of Financial Position date the cumulative amounts owed to the Partnership in relation to these expenses paid was £15,146 (2021: £2,038).

The Directors received no emoluments for services to the Partnership for the financial year (2021: £Nil).

AVIVA INVESTORS COMMERCIAL ASSETS GP LIMITED

Registered in England and Wales: No. 07680828

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

12. Financial instruments

The carrying value of the Company's financial assets and liabilities are summarised by category below:

	31 Dec 2022	31 Dec 2021
	£	£
Financial assets measured at undiscounted amount:		
Debtors: amounts falling due within one year (see Note 7)	8,171	7,144

	31 Dec 2022	31 Dec 2021
	£	£
Financial liabilities measured at undiscounted amount:		
Creditors: amounts falling due within one year (see Note 8)	(131,527)	(113,655)

13. Immediate parent and ultimate controlling party

The Company is owned by Aviva Investors Real Estate Limited.

Aviva Investors Real Estate Limited is a wholly owned subsidiary of Aviva Investors Holdings Limited, whose ultimate controlling entity is Aviva plc.

Aviva plc is the parent undertaking of both the largest and the smallest group of undertakings to consolidate the financial statements at 31 December 2022. The consolidated financial statements of Aviva plc are available on the application to the Group Company Secretary, Aviva plc, St Helen's, 1 Undershaft, London, EC3P 3DQ.

14. Events after the reporting financial year

Events after the reporting period have been evaluated up to the date the audited financial statements were approved and authorised for issue by the members and there are no material events to be disclosed or adjusted for in these financial statements, except those noted above.

Registered in England No: LP014525

**AVIVA INVESTORS REaLM COMMERCIAL ASSETS
LIMITED PARTNERSHIP
ANNUAL REPORT AND FINANCIAL STATEMENTS
31 DECEMBER 2022**

AVIVA INVESTORS REaLM COMMERCIAL ASSETS LIMITED PARTNERSHIP

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AVIVA INVESTORS REaLM COMMERCIAL ASSETS LIMITED PARTNERSHIP

PARTNERS, ADVISORS AND OTHER INFORMATION

Partners

Limited Partner

Aviva Investors REaLM Commercial Assets Unit Trust

General Partner

Aviva Investors Commercial Assets GP Limited

St Helen's

1 Undershaft

London

EC3P 3DQ

Fund Manager

Aviva Investors UK Fund Services Limited

St Helen's

1 Undershaft

London

EC3P 3DQ

Portfolio Manager

Aviva Investors Global Services Limited

St Helen's

1 Undershaft

London

EC3P 3DQ

Asset Manager

Aviva Investors Global Services Limited

St Helen's

1 Undershaft

London

EC3P 3DQ

Independent Auditors

PricewaterhouseCoopers LLP

7 More London Riverside

London

SE1 2RT

Bankers

Royal Bank of Scotland

London City Office

PO Box 412

62/63 Threadneedle Street

London

EC2R 8LA

Registered Office

St Helen's

1 Undershaft

London

EC3P 3DQ

Registered Number

Registered in England and Wales: No. LP014525

AVIVA INVESTORS REaLM COMMERCIAL ASSETS LIMITED PARTNERSHIP

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

The directors of the General Partner (the "Directors") present their strategic report of Aviva Investors REaLM Commercial Assets Limited Partnership (the "Partnership") for the year ended 31 December 2022.

THE PARTNERSHIP

The Partnership was established on 5 July 2011 and is registered as a limited partnership in England and Wales under the Limited Partnerships Act 1907. The Partnership is governed by Company law, as applied to qualifying partnerships by the Partnerships (Accounts) Regulations 2008. The total commitment of the Partners as at 31 December 2022 is £584,064,144 (31 December 2021: £539,064,144) of which £571,309,625 (31 December 2021: £534,169,789) has been drawn down. During the year, £7,860,164 (31 December 2021: £3,908,741) of capital contributions were repaid to the Limited Partner.

PRINCIPAL ACTIVITIES OF THE PARTNERSHIP

The principal activity of the Partnership is to invest, directly or indirectly, in UK based commercial assets. This will continue to be the principal activity of the Partnership for the foreseeable future.

REVIEW OF THE PARTNERSHIP'S BUSINESS

Objective and strategy

The objective of the Partnership is to achieve investment returns in excess of 200 basis points per annum (net of costs and expenses) above the rate of return generated by long dated index-linked gilts over the long term by investing in commercial assets based in the UK.

To achieve the Partnership's objective, the Partnership has adopted the following strategy for its portfolio:

- (a) Acquiring or investing in (including by way of loans, debt arrangements or funding) (either directly or indirectly) existing or new commercial assets in the UK either as freehold or let on long leases (intended to generally be 25 years+) that meet the Partnership's specific investment criteria with the purpose of enhancing returns and/or reducing risk; and
- (b) Devising and implementing business plan initiatives that improve projected investment returns and meet defined risk/reward criteria.

The Partnership may acquire commercial assets from any sector of the UK market, including alternative sectors such as healthcare and education as well as mainstream sectors such as offices and retail. Typically, investments in which the Partnership has an interest (either directly or indirectly) will have the following characteristics:

- (a) Freehold and long leasehold interests in respect of commercial assets;
- (b) Investments in or originating debt arrangements with third parties on commercial terms whether secured or unsecured on or granted in respect of commercial assets;
- (c) Long term leases or loans, usually with terms of at least 25 years (more typically 35 years+);
- (d) Lessee/borrower will typically be a public sector body or an investment grade corporate occupier;
- (e) Leases will be fully repairing and insuring;
- (f) Investments may include investment into completed investments (assets that are already built or occupied) or, more likely, providing funding or forward funding to acquire developments; and
- (g) Assets expected to deliver a net margin (after fees and expenses) of between 100 and 300bps over long dated index-linked gilts, with an overall target of 200bps.

AVIVA INVESTORS REaLM COMMERCIAL ASSETS LIMITED PARTNERSHIP

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

Objective and strategy (continued)

The Partnership will operate within the following broad constraints:

- (a) Properties will be located in the UK and denominated in Pound Sterling;
- (b) At the point the Partnership invests into a Commercial Asset, no single Commercial Asset will exceed 20 per cent of the aggregate of the most recently determined Gross Asset Value and the total capital committed by the Partnership for the acquisition of the relevant Commercial Asset;
- (c) If the most recently determined Gross Asset Value of the Partnership Assets exceeds £500 million, then the gross rental income receivable by the Partnership for the first full calendar year of ownership of a Commercial Asset (or in the case of construction of an asset, the first full calendar year following forecast completion of such construction) from a single counterparty (or counterparties within the same Group) shall not exceed 20 per cent of the total gross rental income receivable by the Partnership for that calendar year. This restriction shall not apply in respect of any counterparty which is part of the Government or a quasi-Government entity; and
- (d) No more than 10 percent of the most recently determined Gross Asset Value of the Partnerships Assets will be held in index linked gilts, index linked investment grade corporate bonds, money market instruments and derivatives. Such instruments will be held for efficient portfolio management and liquidity management.

PARTNERSHIP PERFORMANCE

The financial position of the Partnership as at 31 December 2022 is shown in the Statement of Financial Position on page 16 with the results shown in the Statement of Comprehensive Income on page 15 and the Cash Flow Statement on page 18.

The business review is required to contain financial and where applicable, non-financial key performance indicators ("KPIs"). The General Partner considers that, in line with the activities and objectives of the business, the financial KPIs set out below are those which communicate the performance of the Partnership as a whole. These KPIs comprise of:

	31 December 2022	31 December 2021
Partnership total return	-19.06%	3.43%
Net asset value (NAV)	£477,065,615	£516,485,102
Carrying value of assets	£473,951,792	£510,159,011
Number of assets	16	15

The above KPIs consist of the results of the Partnership and Aviva Investors REaLM Commercial Assets Unit Trust, as reported in the Investor Report.

The Partnership return, as reported to the investors in the investor report which is based on the fair value, was -19.06% (31 December 2021: 3.43%) against a Benchmark return of -26.95% (31 December 2021: 4.05%). The Benchmark is comprised of a composite of three index linked gilts, equally weighted, that most closely match the duration of the Partnership. The correlation between the total return and the benchmark has been low historically owing mainly to funding transactions.

AVIVA INVESTORS REaLM COMMERCIAL ASSETS LIMITED PARTNERSHIP

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

CAPITAL MANAGEMENT AND OBJECTIVES

The Partnership operates as an ungeared fund.

During the year ended 31 December 2022, £45,000,000 of new equity in the form of capital contributions and advances, was injected into the Partnership (31 December 2021: £97,500,000).

During the year to 31 December 2022 there was a capital repayment of £7,860,164 (31 December 2021: £3,908,741).

PURCHASES AND DISPOSALS

There were no purchases or disposals during the year.

EVENTS AFTER THE REPORTING PERIOD

Events after the reporting period have been evaluated up to the date the audited financial statements were approved and authorised for issue by the General Partner and there are no events to be disclosed or adjusted for in these audited financial statements.

FUTURE DEVELOPMENTS

The Directors expect the general level of activity to remain consistent with 2022.

PRINCIPAL RISKS AND UNCERTAINTIES

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

The Aviva Group's approach to risk and capital management

The Aviva plc and subsidiaries ("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.

AVIVA INVESTORS REaLM COMMERCIAL ASSETS LIMITED PARTNERSHIP

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

PRINCIPAL RISKS AND UNCERTAINTIES (CONTINUED)

Management of financial and non-financial risks

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

Covid-19, Ukraine/Russia conflict and inflationary pressures

Whilst the Covid-19 pandemic continued to impact on certain parts of the global economy during 2022, restrictions are now lifted in all major economies. There was no material Covid-19 related impact on the Partnership during 2022 nor is any anticipated for 2023.

The ongoing conflict between Ukraine and Russia, which commenced in February 2022, together with the economic sanctions placed on Russia has had a material impact to many economies with elevated level of inflation leading to central banks swiftly increasing interest rates. Whilst this is expected to moderate in 2023, there is some uncertainty around this, due to the continued high levels of core inflation within western economies. The General Partner continues to closely monitor the associated geo-political risks in relation to inflation, rising interest rates, volatile markets and any potential adverse impact on the Partnership and its investment. However, as at the date of approval of these financial statements, based on its assessment of the current situation and information available, the The General Partner does not envisage that this will have a material impact on the Partnership.

Market risk

The Partnership's investment in finance leases was measured at amortised cost. However, the Partnership is indirectly exposed to market risk as the market value of its investment in finance leases can fluctuate due to the changes in interest rates. Interest rate risk is explained below.

Interest rate risk

The Partnership's exposure to interest rate risk arises from the fluctuation of the long-term interest rates as measured by the yield on UK gilts that could impact the value of its investments. Interest rates do not have a direct impact on the amount that will be collected from the Partnership's investment in finance leases. Consequently, the General Partner believes that the risk to the overall return is minimal as the fluctuation in interest rates are independent of the receivables to be collected, which are matched to an inflation index.

Credit risk

The Partnership's investments are managed by property agents who have responsibility for the prompt collection of amounts due. The Partnership manages the risk of tenants defaulting on their rent demands by ensuring that a dedicated credit control team is engaged in collecting in advance the quarterly rent from tenants as soon as it falls due.

For finance agreement with councils, the key risk underlying these agreements is the recoverability of the amounts due from the councils. This risk on default on repayments is deemed limited due to the counter parties being public bodies supported by the government.

The two biggest tenants represent 39% of the Partnership's income for the year to 31 December 2022 (31 December 2021: 42%) and 56.21% of the tenant receivables balance at 31 December 2022 (31 December 2021: 11.76%). Management conducted further analysis on the two largest tenants to address the concentration of credit risk, which includes monitoring the recovery of cash and their credit ratings post year end. The tenant receivables balance were settled post year end.

AVIVA INVESTORS REaLM COMMERCIAL ASSETS LIMITED PARTNERSHIP

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

PRINCIPAL RISKS AND UNCERTAINTIES (CONTINUED)

Management of financial and non-financial risks (continued)

Credit risk (continued)

Loan commitments are made under the Limited Partnership Agreement ("LPA") that is signed by all parties so that the members of the Partnership is aware of their commitment. The General Partner communicates regularly with the members of the Partnership to make them aware of likely future capital requirements and provide explanations for investment performance to manage the risk of default.

Cash at bank is held with financial institutions with good credit ratings.

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 financial statements of Aviva Investors UK Fund Services Limited, which manages and administers the Partnership's investments.

Liquidity risk

The Partnership does not have a significant exposure to 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 General Partner monitors the maturity of the Partnership's obligations as and when they fall due.

The maturity analysis of the Partnership's financial assets and liabilities as at 31 December 2022 was as follows:

As at 31 December 2022

	On demand	1-3 months	4-12 months	More than 12 months	Total
	£	£	£	£	£
Financial assets					
Net investment in finance leases	-	-	-	397,176,792	397,176,792
Loan receivable	-	549,124	1,665,345	74,560,530	76,775,000
Trade debtors	2,690,372	-	-	-	2,690,372
Amounts owed by third party	310,665	-	-	-	310,665
Amounts owed by General Partner	446,310	-	-	-	446,310
Other trade receivables	24,325	-	-	-	24,325
Cash in hand and at bank	12,606,638	-	-	-	12,606,638
	16,078,310	549,124	1,665,345	471,737,322	490,030,102
Financial liabilities					
Finance costs: distributions payable to Limited Partner	4,960,421	-	-	-	4,960,421
Finance costs: distributions payable to General Partner	8,170	-	-	-	8,170
Accrued capital expenditure	1,733,085	-	-	-	1,733,085
Amounts owed to group undertakings	457,110	-	439,729	-	896,839
Accruals	162,624	-	-	-	162,624
Other creditors	69,762	-	-	-	69,762
	7,391,172	-	439,729	-	7,830,901

AVIVA INVESTORS REaLM COMMERCIAL ASSETS LIMITED PARTNERSHIP

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

PRINCIPAL RISKS AND UNCERTAINTIES (CONTINUED)

Management of financial and non-financial risks (continued)

Liquidity risk (continued)

The maturity analysis of the Partnership's financial assets and liabilities as at 31 December 2021 was as follows:

As at 31 December 2021

	On demand	1-3 months	4-12 months	More than 12 months	Total
	£	£	£	£	£
Financial assets					
Net investment in finance leases	-	-	-	344,217,091	344,217,091
Loan receivable	-	708,071	2,166,524	99,444,497	102,319,092
Trade debtors	1,806,643	-	-	-	1,806,643
Amounts owed by third party	68,303	-	-	-	68,303
Amounts owed by General Partner	104,396	-	-	-	104,396
Other trade receivables	474,829	-	-	-	474,829
Cash in hand and at bank	13,271,711	-	-	-	13,271,711
	15,725,882	708,071	2,166,524	443,661,588	462,262,065
Financial liabilities					
Finance costs: distributions payable to Limited Partner	3,020,445	-	-	-	3,020,445
Finance costs: distributions payable to General Partner	7,143	-	-	-	7,143
Accrued capital expenditure	1,525,549	-	460,339	-	1,985,888
Amounts owed to group undertakings	494,879	-	439,729	-	934,608
Accruals	140,451	-	-	-	140,451
Other creditors	112,108	-	-	-	112,108
	5,300,575	-	900,068	-	6,200,643

EMPLOYEES

The Partnership has no employees (31 December 2021: Nil). The key management personnel have been identified as the Directors of Aviva Investors Commercial Assets GP Limited. The Directors received no remuneration for the year ended 31 December 2022 (31 December 2021: £Nil).

AVIVA INVESTORS REaLM COMMERCIAL ASSETS LIMITED PARTNERSHIP

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

ENVIRONMENTAL

Our approach to responsible investment in real assets

Our duty as long-term stewards of our clients' assets is the responsible allocation and management of capital. We do this to create stable income and capital growth for our clients, contributing to long-term value creation. To create and protect value, we must balance the needs of our clients with the needs of our stakeholders: customers, partners, communities and wider society. We do this by understanding material environmental, social and governance (ESG) factors and sustainability risks that can impact investment returns and assessing investments for their potential to adversely impact our stakeholders.


Governance and oversight of our responsible investment activity is led by our real assets stewardship forum, which is chaired by the chief investment officer and has membership from our senior leadership team as well as the chief responsible investment officer. The stewardship forum oversees the direction of our ESG and stewardship activities, as well as the delivery of our sustainability goals and external stakeholder matters. Our real assets investment oversight committee retains oversight of ESG integration in our investment activities and is supported by our origination forum, which guides ESG integration in our investment strategy.

We encourage a culture of team and individual accountability through integrating ESG in asset planning and review meetings. Our reporting on ESG metrics through these meetings allows us to hold our teams to account for delivering our responsible investment goals. The integration of ESG factors in investment decisions is part of the pay criteria of our main investment desk heads. In addition, through our global reward framework, all investment employees are expected to support our responsible investment activities and integrate ESG issues into their investment processes.

Find out more about our approach to responsible investment at <https://www.avivainvestors.com/en-gb/about/responsible-investment/>.

For and on behalf of the Partnership:

DocuSigned by:



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A M Coles

Director of Aviva Investors Commercial Assets GP Limited

Date: 27 April 2023

AVIVA INVESTORS REaLM COMMERCIAL ASSETS LIMITED PARTNERSHIP

GENERAL PARTNER'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

The Directors of the General Partner present their annual report and the audited financial statements of the Partnership for the year ended 31 December 2022.

RESULTS AND DISTRIBUTIONS

The total comprehensive expense for 2022 was £76,559,323 (31 December 2021: £6,289,984). Distributions to the Partners were £10,271,043 (31 December 2021: £9,455,676).

DIRECTORS

The current Directors of Aviva Investors Commercial Assets GP Limited and those in office throughout the year, except as noted, are as follows:

A M Coles
M Borello (resigned 6 January 2023)
E Fuller (appointed 6 January 2023)

FUTURE DEVELOPMENTS

The future development of the Partnership is set out in the Strategic Report.

EVENTS AFTER THE REPORTING PERIOD

Events after the reporting period are set out in the Strategic Report.

PARTNERS' ACCOUNTS

Partners' accounts consist of capital contributions and non interest bearing advances. The Partnership has classified the Partners' accounts as a financial liability based on the contractual arrangements within the LPA which require repayment of the net assets/liabilities upon winding up of the Partnership.

The Partners' accounts include capital contributions and Partners' advance as follows:

As at 31 December 2022

	Capital Contributions £	Capital Advance £
Aviva Investors REaLM Commercial Assets Unit Trust	10	571,309,615
Aviva Investors Commercial Assets GP Limited	-	-
Total	<u>10</u>	<u>571,309,615</u>

As at 31 December 2021

	Capital Contributions £	Capital Advance £
Aviva Investors REaLM Commercial Assets Unit Trust	10	534,169,779
Aviva Investors Commercial Assets GP Limited	-	-
Total	<u>10</u>	<u>534,169,779</u>

AVIVA INVESTORS REaLM COMMERCIAL ASSETS LIMITED PARTNERSHIP

GENERAL PARTNER'S REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

AMOUNTS ATTRIBUTABLE TO THE GENERAL PARTNER

The General Partner is entitled to a priority profit share in accordance with the LPA for its services as General Partner.

The General Partner's allocations are expensed through the Statement of Comprehensive Income.

The General Partner's priority profit share entitlement for the year was £1,027 (31 December 2021: £946).

GOING CONCERN

As at 31 December 2022 the Partnership had net current assets of £3,113,823 (31 December 2021: £69,948,919). The directors have prepared a going concern assessment which includes cash flow forecasts for a period of 12 months from the date of approval of these financial statements. The cash flow forecasts have been prepared on both an expected and a worst case scenario and indicate that, even after taking account of a reasonably possible worst case scenario, the Partnership will have sufficient funds to meet its liabilities as they fall due for that period.

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

FINANCIAL INSTRUMENTS

The business of the Partnership includes use of financial instruments. Details of the Partnership's risk management objectives and policies, and exposures to market risk, credit, liquidity and operational risk relating to financial instruments are set out in pages 4 to 7 and Note 20 of the financial statements.

INDEPENDENT AUDITORS

PricewaterhouseCoopers LLP ("PwC") have been reappointed as the auditors of the Limited Partnership and have indicated their willingness to continue in office.

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the person who was a Director of the General Partner on the date that this report was approved confirms that:

- so far as the Director is aware, there is no relevant audit information, being information needed by the auditors in connection with preparing their report, of which the Partnership's auditors are unaware; and
- each Director has taken all the steps that ought to have been taken as a Director in order to make himself aware of any relevant audit information and to establish that the Partnership's 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.

AVIVA INVESTORS REaLM COMMERCIAL ASSETS LIMITED PARTNERSHIP

GENERAL PARTNER'S REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

STATEMENT OF GENERAL PARTNER'S RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The General Partner is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company Law, as applied to qualifying partnerships by the Partnerships (Accounts) Regulations 2008 (the "Regulations"), requires the General Partner to prepare financial statements for each financial year. Under that law the General Partner has prepared the qualifying partnership 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, as applied to qualifying partnerships, the General Partner 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 qualifying partnership and of the profit or loss of the qualifying partnership for that period. In preparing the financial statements, the General Partner is 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 qualifying partnership will continue in business.

The General Partner is also responsible for safeguarding the assets of the qualifying partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The General Partner is responsible for keeping adequate accounting records that are sufficient to show and explain the qualifying partnership's transactions and disclose with reasonable accuracy at any time the financial position of the qualifying partnership and enable them to ensure that the financial statements comply with the Companies Act 2006 as applied to qualifying partnerships by the Regulations.


General Partner's confirmations

In the case of each member in office at the date the General Partner's report is approved:

- so far as the member is aware, there is no relevant audit information of which the qualifying partnership's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a member in order to make themselves aware of any relevant audit information and to establish that the qualifying partnership's auditors are aware of that information.

For and on behalf of the Partnership:

DocuSigned by:



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A M Coles

Director of Aviva Investors Commercial Assets GP Limited

Date: 27 April 2023

AVIVA INVESTORS REaLM COMMERCIAL ASSETS LIMITED PARTNERSHIP

INDEPENDENT AUDITORS' REPORT TO THE PARTNERS OF AVIVA INVESTORS REaLM COMMERCIAL ASSETS LIMITED PARTNERSHIP FOR THE YEAR ENDED 31 DECEMBER 2022

Report on the audit of the financial statements

Opinion

In our opinion, Aviva Investors REaLM Commercial Assets Limited Partnership's financial statements:

- give a true and fair view of the state of the partnership's affairs as at 31 December 2022 and of its profit and cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to qualifying partnerships by the Partnerships (Accounts) Regulations 2008.

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 2022; the Statement of Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Net Assets Attributable to Partners for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

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

Independence

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

Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the partnership's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the general partner's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the partnership's ability to continue as a going concern.

Our responsibilities and the responsibilities of the general partner with respect to going concern are described in the relevant sections of this report.

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 general partner 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.

AVIVA INVESTORS REaLM COMMERCIAL ASSETS LIMITED PARTNERSHIP

INDEPENDENT AUDITORS' REPORT TO THE PARTNERS OF AVIVA INVESTORS REaLM COMMERCIAL ASSETS LIMITED PARTNERSHIP (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

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 Strategic report and General Partner's Report, we also considered whether the disclosures required by the UK Companies Act 2006 as applied to qualifying partnerships have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 as applied to qualifying partnerships requires us also to report certain opinions and matters as described below.

Strategic report and General Partner's Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and General Partner's Report for the year ended 31 December 2022 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 partnership and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and General Partner's Report.

Responsibilities for the financial statements and the audit

Responsibilities of the general partner for the financial statements

As explained more fully in the Statement of General Partner's Responsibilities in Respect of the Financial Statements, the general partner 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 general partner 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 general partner is responsible for assessing the partnership'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 general partner either intends to liquidate the partnership or to cease operations, or has 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

AVIVA INVESTORS REaLM COMMERCIAL ASSETS LIMITED PARTNERSHIP

INDEPENDENT AUDITORS' REPORT TO THE PARTNERS OF AVIVA INVESTORS REaLM COMMERCIAL ASSETS LIMITED PARTNERSHIP (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

Based on our understanding of the partnership and industry, we identified that the principal risks of non-compliance with laws and regulations related to the Companies Act 2006 as applied to qualifying partnerships by the Partnerships (Accounts) Regulations 2008, and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to manipulation of financial data to present more favourable financial results and management bias in accounting estimates and judgemental areas of the financial statements such as net investment in finance leases. Audit procedures performed by the engagement team included:

- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Reviewing relevant Board meeting minutes;
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations, entries posted containing unusual account descriptions, and entries posted with unusual amounts;
- Designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing; and
- Challenging assumptions and judgements made by management in their significant accounting estimates, in particular in relation to the impairment of finance leases and loan receivable balances.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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

Use of this report

This report, including the opinions, has been prepared for and only for the partners of the qualifying partnership as a body in accordance with the Companies Act 2006 as applied to qualifying partnerships by the Partnerships (Accounts) Regulations 2008 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

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

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the partnership, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of general partner'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.



Thomas Norrie (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
27 April 2023

AVIVA INVESTORS REaLM COMMERCIAL ASSETS LIMITED PARTNERSHIP

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2022

	Note(s)	1 Jan 2022 to 31 Dec 2022 £	1 Jan 2021 to 31 Dec 2021 £
Turnover	5	14,318,312	13,106,329
Amount receivable written off	6	-	(429,400)
Impairment of investment in finance leases	10	(51,587,466)	-
Impairment of loan receivables	11	(26,356,373)	-
Gross (loss)/profit		(63,625,527)	12,676,929
Administrative expenses	7	(2,693,755)	(2,624,345)
Loss on disposal		-	(6,892,434)
Operating (loss)/profit		(66,319,282)	3,160,150
Finance income		31,002	5,542
Finance costs - distribution to partners	8	(10,271,043)	(9,455,676)
Total comprehensive expense for the year		(76,559,323)	(6,289,984)

Continuing operations

All amounts reported in the Statement of Comprehensive Income for the years ended 31 December 2022 and 31 December 2021 relate to continuing operations.

The notes on pages 19 to 34 form an integral part of these financial statements.

AVIVA INVESTORS REaLM COMMERCIAL ASSETS LIMITED PARTNERSHIP

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2022

	Note	31 Dec 2022 £	31 Dec 2021 £
Fixed assets			
Net investment in finance leases	10	397,176,792	344,217,091
Loan receivable	11	76,775,000	102,319,092
		<u>473,951,792</u>	<u>446,536,183</u>
Current assets			
Inventory	12	-	63,622,828
Debtors: Amounts falling due within one year	13	3,516,936	3,441,814
Cash at bank and in hand	14	12,606,638	13,271,711
		<u>16,123,574</u>	<u>80,336,353</u>
Creditors: Amounts falling due within one year	15	(13,009,751)	(10,387,434)
Net current assets		<u>3,113,823</u>	<u>69,948,919</u>
Total assets less current liabilities		<u>477,065,615</u>	<u>516,485,102</u>
Net assets attributable to Partners	18	<u>477,065,615</u>	<u>516,485,102</u>

These audited financial statements were approved and authorised for issue by the Board of Directors of Aviva Investors Commercial Assets GP Limited, the General Partner and were signed on its behalf by:

DocuSigned by:

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A M Coles
 Director of Aviva Investors Commercial Assets GP Limited

Date: 27 April 2023

The notes on pages 19 to 34 form an integral part of these financial statements

AVIVA INVESTORS REaLM COMMERCIAL ASSETS LIMITED PARTNERSHIP

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO PARTNERS FOR THE YEAR ENDED 31 DECEMBER 2022

	Proceeds from Partners £	Profit and loss account £	Total £
Balance as at 1 January 2021	440,578,530	(11,394,703)	429,183,827
Total comprehensive expense for the year	-	(6,289,984)	(6,289,984)
Capital repayment	(3,908,741)	-	(3,908,741)
Partners' capital contribution advances received during the year	97,500,000	-	97,500,000
Balance as at 31 December 2021	534,169,789	(17,684,687)	516,485,102
Total comprehensive income for the year	-	(76,559,323)	(76,559,323)
Capital repayment	(7,860,164)	-	(7,860,164)
Partners' capital contribution advances received during the year	45,000,000	-	45,000,000
Balance as at 31 December 2022	571,309,625	(94,244,010)	477,065,615

The notes on pages 19 to 34 form an integral part of these financial statements.

AVIVA INVESTORS REaLM COMMERCIAL ASSETS LIMITED PARTNERSHIP

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2022

	1 Jan 2022 to 31 Dec 2022	As Restated 1 Jan 2021 to 31 Dec 2021
	£	£
Cash flows from operating activities		
Income/(expense) for the financial year	(76,559,323)	(6,289,984)
Adjustments for:		
Paid for net investment in finance lease	7,087,796	11,972,897
Impairment of investment in finance lease	51,587,466	-
Impairment of investment in loan receivables	26,356,373	-
Amount receivable written off	-	429,400
(Increase)/decrease in debtors	(75,123)	741,924
Decrease in creditors	(1,193,355)	(5,801,891)
Increase in inventory	(48,264,938)	(22,584,575)
Finance income	(31,001)	(5,542)
Finance costs - distributions to partners	10,271,017	9,454,730
Net cash used in operating activities	(30,821,088)	(12,083,041)
Cash flows from investing activities		
Disposal of investment in finance lease	-	21,225,000
Acquisition of investment in finance lease	-	(93,873,685)
Investments in loan receivables	(812,280)	(961,834)
Finance income	31,001	5,542
Net cash generated from/(used in) investing activities	(781,279)	(73,604,977)
Cash flows from financing activities		
Partners' capital advances	45,000,000	97,500,000
Payment of finance costs - distributions	(8,330,014)	(9,899,147)
Capital repayment	(5,732,692)	(3,908,741)
Net cash generated from financing activities	30,937,294	83,692,112
Net decrease in cash at bank	(665,073)	(1,995,906)
Cash at bank and in hand at beginning of year	13,271,711	15,267,617
Cash at bank and in hand at end of year	12,606,638	13,271,711

The notes on pages 19 to 34 form an integral part of these financial statements.

AVIVA INVESTORS REaLM COMMERCIAL ASSETS LIMITED PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1. General information

The Partnership is registered as a limited partnership in England and Wales under the Limited Partnership Act 1907 and its registered address is St Helen's, 1 Undershaft, London, EC3P 3DQ. The Partnership is governed by Company Law, as applied to qualifying partnerships by the Partnerships (Accounts) Regulations 2008.

The principal activity of Aviva Investors REaLM Commercial Assets Limited Partnership (the "Partnership") is to invest, directly or indirectly, in UK based commercial assets. This will continue to be the principal activity of the Partnership for the foreseeable future.

2. Statement of compliance

The Partnership's financial statements have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard 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 preceding year.

3.1 Basis of preparation

These Partnership's financial statements are prepared on a going concern basis, under the historical cost convention.

The functional currency of the Partnership is considered to be Pound Sterling (£) because that is the currency of the primary economic environment in which the Partnership operates.

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 Partnership's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 4.

3.2 Going concern basis

As at 31 December 2022 the Partnership had net current assets of £3,113,823 (31 December 2021: £69,948,919). The directors have prepared a going concern assessment which includes cash flow forecasts for a period of 12 months from the date of approval of these financial statements. The cash flow forecasts have been prepared on both an expected and a worst case scenario and indicate that, even after taking account of a reasonably possible worst case scenario, the Partnership will have sufficient funds to meet its liabilities as they fall due for that period.

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

AVIVA INVESTORS REaLM COMMERCIAL ASSETS LIMITED PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

3. General information (continued)

3.3 Inventory

The Partnership has an arrangement in place with a developer to develop an asset that will then be leased to an unrelated party upon completion of the asset under a finance lease agreement. The costs associated with this development have been treated as inventory on the Statement of Financial Position as and when they are incurred by the developer. Inventory are stated at lower of cost and estimated selling price less costs to sell. At the end of each reporting period, inventory is assessed for impairment. Once the project is completed, the asset is transferred to investment in finance lease at cost (refer to note 3.5). Refer to Note 4 for further information on this classification.

3.4 Financial instruments

The Partnership 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 Partnership becomes a party to the contractual provisions of the instrument.

Basic financial assets, including debtors, and Cash at bank and in hand, are 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 its estimated recoverable amount. Any impairment would be 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 would have been had the impairment not previously been recognised. The impairment reversal is 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 Partnership becomes a party to the contractual provisions of the instrument.

Basic financial liabilities are initially measured at transaction price (including transaction costs), except for those financial liabilities classified on a fair value basis through the Statement of Comprehensive Income, which are initially measured at fair value (which is normally the transaction price excluding transaction costs).

AVIVA INVESTORS REaLM COMMERCIAL ASSETS LIMITED PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

3. General information (continued)

3.4 Financial instruments (continued)

(ii) Financial liabilities (continued)

Commitments to make payments 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.

(iv) Net investments in finance leases

Investments in finance leases are initially recognised at purchase price plus any directly attributable transaction costs. Subsequent to initial recognition, investments in finance leases are accounted for at amortised cost.

(v) Loan receivable

The Partnership enters into financing agreement with various counterparties for the development of properties which are subsequently held as finance leases. The Partnership advances the loan before the development starts and will receive the repayments based on the terms and conditions of the underlying agreement. The Partnership does not take on any additional risk or benefits of the development of these investment properties as:

- a. The Partnership does not benefit other than repayments for this financing as per the terms of the agreement.
- b. The Partnership is not exposed to any development risk and additional cost above the fixed commitment for financing the development of investment properties.
- c. In the event that development of investment properties is cancelled or stalled, then the Partnership and / or the counter party have, under the terms of the relevant agreement, the ability to step-in and complete the development.

Loan receivable is stated at amortised cost, less impairment provision for permanent diminution in value. The General Partner assesses at each period end whether there is objective evidence that the loan receivable is impaired. Impairment provisions are calculated based on the difference between the carrying amount of the asset and its estimated recoverable amount. Any impairment would be 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 would have been had the impairment not previously been recognised. The impairment reversal is recognised in the Statement of Comprehensive Income.

Loan interest income is recognised on an accruals basis using the effective interest rate method. At the beginning of the finance term, the repayments received are lower than the principal and income returns as per effective interest rate. As such, the loan receivable balance increases over the first half of the finance term. Rental income received on a quarterly basis in advance are distributed as income distribution for the period they related to.

AVIVA INVESTORS REaLM COMMERCIAL ASSETS LIMITED PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

3. General information (continued)

3.5 Leases

Assets held under finance leases that transfer substantially all the risks and benefits incidental to ownership of the leased item from the Partnership to lessee are classified as finance lease. These leases are capitalised at the inception of the lease. The capitalised lease debtor is amortised over the shorter of estimated useful life or life of the lease using the interest rate implicit in the lease. The rental payments earned on the lease, excluding any contingent rent which is recognised in line with accounting policy 3.9 (below), are split between amortisation of the lease debtor and lease income in the Statement of Comprehensive Income.

The rental payments received on the lease are distributed to investors every quarter. The distribution is split between capital repayment and income distribution in accordance with the lease model.

At the end of each reporting period finance leased 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 its estimated recoverable amount 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.

3.6 Partners' accounts

Partners' accounts consist of capital contributions and non interest bearing loans. The Partnership has classified the Partners' accounts as a financial liability based on the contractual arrangements within the Limited Partnership Agreement ("LPA") which require repayment of the net assets/liabilities upon winding up of the Partnership.

3.7 Cash at bank and in hand

Cash at bank and in hand comprise of cash and cash on deposit with banks, both of which are immediately available.

3.8 Cash flow

The Partnership reports cash flows from operating activities using the indirect method. Capital repayment and income distributions are presented within cash flows from financing activities. The acquisition of investments in finance leases, loan receivables and disposals of are disclosed as cash flows from investing activities because this most appropriately reflects the Partnership's business activities.

3.9 Turnover

Turnover comprises of finance lease income, other income and interest on loan receivable.

Finance lease income is recognised using the effective interest rate method. Contingent rents received are recognised in the year incurred on an accruals basis and are presented within finance lease income.

Other income represents insurance commission that is recognised on an incurred basis.

Interest on loan receivable is recognised using the effective interest rate method.

AVIVA INVESTORS REaLM COMMERCIAL ASSETS LIMITED PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

3. General information (continued)

3.10 Administrative expenses

Administrative expenses include administration, professional and management expenses which are recognised on an accruals basis.

3.11 Finance income

Interest receivable on cash at bank is recognised using the effective interest method.

3.12 Distributions

Income produced by the Partnership's investments is distributed to the Partners to the extent that the Partnership's income exceeds expenses, on a quarterly basis in accordance with the LPA. Where the distribution has been determined for the period, the amount is accounted for as a finance cost.

The General Partner is required to ensure that no distribution is made that would render the Partnership insolvent or unable to pay its expenses for the six month period following a distribution, having regard to the expected receipts of the Partnership.

3.13 Related party transactions

The Partnership discloses transactions with related parties which are not wholly owned within the same Partnership. 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 Partnership financial statements.

3.14 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Partnership but are presented separately due to their size or incidence.

3.15 Restatement of prior year presentation

In order to appropriately reflect the cash flows derived from net investment in finance lease, the principal activity of the Partnership, the prior year balance of 'Paid for net investment in finance lease' of £11,972,897 on the Statement of Cash Flows has been restated to reclassify the cash flows from investing activities to cash flows from operating activities. There is no impact on the Statement of Financial Position as of 31 December 2021, Statement of Comprehensive Income, and Statement of Changes in Net Assets Attributable to Partners for the year ended 31 December 2021.

AVIVA INVESTORS REaLM COMMERCIAL ASSETS LIMITED PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

4. Critical accounting judgements and key sources of estimation uncertainty

The preparation of the Partnership's financial statements requires the General Partner 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.

4.1 Critical accounting estimates and assumptions

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

a. Impairment assessments for net investment in finance lease and loan receivables

The General Partner reviews Net investment in finance lease on the reporting date to assess whether an allowance for impairment should be recorded in the financial statements. An impairment loss is recognised if there are indicators of any impairment i.e. defaults in repayments or receipts from tenants when due or when comparing the value of the amortised cost against the market value as provided by the independent valuer (see note 10). Credit ratings are assessed initially pre-acquisitions and are then monitored on an annual basis by an independent credit analysis team. In determining the required level of impairment provisions, the General Partner reviews any history of past defaults of lease and loan repayments when due. Judgement is required to assess the robustness of the analysis and, where necessary, make appropriate assessment of credit ratings.

b. Impairment of inventory

Inventory is reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount.

c. Determination on whether costs in relation to property under development are classified as inventory or loan receivables/finance lease

The Partnership enters into arrangements to fund the development of an asset that will then be leased to a third party under a finance lease arrangement. The Directors have considered the following factors within the development and lease agreement which are considered to determine how costs in relation to the property under development should be treated. Based on the terms of the agreements, if the contracted developer fails to complete the asset, the Partnership would be liable to complete the development and as such the Partnership to bear the development risk. Due to this exposure to development risk, the Directors have treated these costs as inventory on the Partnership's Balance Sheet. The Partnership has considered that if it did not bear these risks of development, the asset would be classified as a loan receivable or finance lease on the balance sheet.

AVIVA INVESTORS REaLM COMMERCIAL ASSETS LIMITED PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

5. Turnover

	1 Jan 2022 to 31 Dec 2022 £	1 Jan 2021 to 31 Dec 2021 £
Finance lease income	10,620,199	9,364,725
Interest on loan receivable	3,689,930	3,737,716
Other income	8,183	3,888
	<u>14,318,312</u>	<u>13,106,329</u>

6. Amount receivable written off

	1 Jan 2022 to 31 Dec 2022 £	1 Jan 2021 to 31 Dec 2021 £
Amount receivable written off	-	429,400
	<u>-</u>	<u>429,400</u>

7. Administrative expenses

	1 Jan 2022 to 31 Dec 2022 £	1 Jan 2021 to 31 Dec 2021 £
Auditors' fees*	31,165	32,830
Fund Manager fees	2,040,355	1,887,100
Depositary fees	98,204	79,656
Other operating expenses	387,594	449,879
Bank charges	873	984
Professional fees	121,564	159,896
Other administrative expenses	14,000	14,000
	<u>2,693,755</u>	<u>2,624,345</u>

The Partnership had no employees in the current or prior year. The Directors of the General Partner received no emoluments for services to the Partnership for the financial year (31 December 2021: £Nil).

*During the year no non-audit fees were paid to statutory auditors (31 December 2021: £Nil).

AVIVA INVESTORS REaLM COMMERCIAL ASSETS LIMITED PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

8. Finance costs - distributions to Partners

	1 Jan 2022 to 31 Dec 2022 £	1 Jan 2021 to 31 Dec 2021 £
Finance costs - distributions declared and paid	7,429,924	6,434,285
Proposed distributions at 31 December	2,841,119	3,021,391
Total amounts available for distribution as per Statement of Comprehensive Income	10,271,043	9,455,676

In accordance with the LPA, distributions of net income have been allocated to the Partners in proportion to their ownership percentage for the year to which the distribution relates. At the year end the percentage holdings were:

Aviva Investors REaLM Commercial Assets Unit Trust	99.99%
Aviva Investors Commercial Assets GP Limited	0.01%

9. Taxation

The Partnership is not subject to taxation and no provision for taxation on Partnership's profits has been made in the financial statements. Any tax on income or capital is the responsibility of each individual partner.

10. Net investment in finance leases

	31 Dec 2022 £	31 Dec 2021 £
Opening balance	344,217,091	282,779,252
Transaction costs	77,718	10,000
Interest income	10,620,199	9,364,725
Transfer from inventory	111,887,766	-
Net cashflows from the lessees	(18,038,516)	(13,977,890)
Impairment of investment in finance leases	(51,587,466)	-
Disposals	-	(27,832,681)
Acquisition	-	93,873,685
Net investment in finance leases	397,176,792	344,217,091

At the reporting date, the General Partner assessed all finance lease receivables for any indicators of impairment by monitoring, on an annual basis, these being: both the credit ratings of each tenant and any history of past defaults in lease payments they fall due along with the carrying value (amortised cost) of each finance lease against the market value of the asset as provided by the independent valuer, CBRE. Based on this assessment, an impairment provision has been made in the Statement of Comprehensive Income for the year ended 31 December 2022 was £51,587,466 (31 December 2021: £Nil).

AVIVA INVESTORS REaLM COMMERCIAL ASSETS LIMITED PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

10. Net investment in finance leases (continued)

Below is the reconciliation of gross and net investment in finance leases:

31 December 2022

	Total amounts receivable on finance lease (Gross)	Interest allocated to future periods	Impairment	Net investment in finance leases
	£	£	£	£
Not later than 1 year	19,502,176	(11,163,095)	(1,534,591)	6,804,490
Later than 1 year and not later than 5 years	78,478,381	(42,355,421)	(6,175,321)	29,947,639
Later than 5 years	557,613,024	(153,310,807)	(43,877,554)	360,424,663
Total	655,593,581	(206,829,323)	(51,587,466)	397,176,792

31 December 2021

	Total amounts receivable on finance lease (Gross)	Interest allocated to future periods	Impairment	Net investment in finance leases
	£	£	£	£
Not later than 1 year	16,404,811	(9,876,031)	-	6,528,780
Later than 1 year and not later than 5 years	65,929,401	(37,506,449)	-	28,422,952
Later than 5 years	439,547,821	(130,282,462)	-	309,265,359
Total	521,882,033	(177,664,942)	-	344,217,091

AVIVA INVESTORS REaLM COMMERCIAL ASSETS LIMITED PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

11. Loan receivable

	31 Dec 2022	31 Dec 2021
	£	£
No later than 1 year	2,974,684	2,874,595
Later than 1 year	100,156,689	99,444,497
Impairment of loan receivables	(26,356,373)	-
	<u>76,775,000</u>	<u>102,319,092</u>

The impairment charge included in the Statement of Comprehensive Income for the year ended 31 December 2022 was £26,356,373 (31 December 2021: £Nil).

On 11 June 2018 the Partnership entered into a £51,441,625 financing agreement, relating to the redevelopment of St George's Shopping Centre, Gravesend, (the "Agreement") with Gravesham Borough Council (the "Borrower") and REEF Real Estate Regen 1 Limited (the "Developer"). The term with the Borrower is for 50 years, at the end of which they have the option to acquire the asset for £1. As per the terms of the Agreement, all funds have been spent or advanced to either the Borrower or the Developer for the acquisition of the asset. Under the terms of the Agreement the Borrower has a lease with the Partnership with quarterly rental payments, which increase annually by the applicable RPI Index Factor. An amount of £ 34,148 (31 December 2021: £Nil) representing RPI adjustment on the loans was capitalised during the year. The loan is unsecured and repayable in full on 10 June 2068.

On 5 December 2018 the Partnership entered into a £47,080,506 financing agreement, relating to the redevelopment of Queensway Stevenage (the "Agreement") with Stevenage Borough Council (the "Borrower") and REEF Real Estate Regen 1 Limited (the "Developer"). The term with the Borrower is for 37 years, at the end of which they have the option to acquire the asset for £1. As per the terms of the Agreement, all funds have been spent or advanced to either the Borrower or the Developer for the acquisition of the asset. Under the terms of the Agreement the Borrower has a lease with the Partnership with quarterly rental payments, which increase annually by the applicable RPI Index Factor. As at 31 December 2018, £18,777,233 was advanced and the balance of £28,303,273 was advanced on 31 January 2019. An amount of £ 57,570 (31 December 2021: £Nil) representing RPI adjustment on the loans was capitalised during the year. The loan is unsecured and repayable in full on 5 December 2055.

12. Inventory

	31 Dec 2022	31 Dec 2021
	£	£
Opening balance	63,622,828	40,983,885
Capital expenditure	48,264,938	22,638,943
Transfer to investment in finance leases	(111,887,766)	-
Balance at 31 December	<u>-</u>	<u>63,622,828</u>

There are no significant differences between the replacement cost of the inventory and its carrying amount.

During the year, the Partnership completed on the development at Oregano Drive and the balance was transferred from inventory to net investments in finance leases.

AVIVA INVESTORS REaLM COMMERCIAL ASSETS LIMITED PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

13. Debtors: Amounts falling due within one year

	31 Dec 2022 £	31 Dec 2021 £
Trade debtors	2,690,372	1,806,643
VAT recoverable	-	987,643
Other trade receivables	69,589	474,829
Amounts owed by third party	310,665	68,303
Amounts owed by entities under common holding (see Note 19)	446,310	104,396
	<u>3,516,936</u>	<u>3,441,814</u>

14. Cash at bank and in hand

	31 Dec 2022 £	31 Dec 2021 £
Cash at bank and in hand	<u>12,606,638</u>	<u>13,271,711</u>

15. Creditors: Amounts falling due within one year

	31 Dec 2022 £	31 Dec 2021 £
Finance costs - distributions payable to Limited Partner (see Note 19)	4,960,421	3,020,445
Finance costs - distributions payable to General Partner (see Note 19)	8,170	7,143
Accrued capital expenditure	1,733,085	1,985,888
Rental deposit payable	439,729	439,729
Accruals	162,624	140,451
Deferred finance lease	4,866,584	4,186,791
VAT payable	312,266	-
Other creditors	69,762	112,108
Fund manager fees (see Note 19)	457,110	494,879
	<u>13,009,751</u>	<u>10,387,434</u>

AVIVA INVESTORS REaLM COMMERCIAL ASSETS LIMITED PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

16. Analysis of net debt

	At 1 January 2022 £	Cash flows £	At 31 December 2022 £
Cash at bank and in hand	13,271,711	(665,073)	12,606,638

17. Contingent liabilities and commitments

The Partnership had the following commitments to its property held in the course of construction:

Properties held in the course of construction	Total drawn down to date £	Total commitment £
Oregano Drive, London	96,287,000	96,287,000
Transfer to investment in finance leases	(96,287,000)	(96,287,000)
	-	-

There are no undrawn commitment as at the year end (31 December 2021: £32,664,172). During the year ended 31 December 2022, the property held in the course of construction was completed and transferred to investment in finance lease.

There were no commitments or contingent liabilities at the balance sheet date (31 December 2021: £Nil), other than those noted above.

AVIVA INVESTORS REaLM COMMERCIAL ASSETS LIMITED PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

18. Net assets attributable to Partners

	Limited Partner 100.00%	Total 100.00%
	£	£
Proceeds from Partners		
At 1 January 2022	534,169,789	534,169,789
Proceeds received	45,000,000	45,000,000
Capital repayment	(7,860,164)	(7,860,164)
At 31 December 2022	<u>571,309,625</u>	<u>571,309,625</u>
Income account		
At 1 January 2022	(17,684,687)	(17,684,687)
Total comprehensive income for the year before distributions to the Partners	11,655,559	11,655,559
Finance costs - distribution to Partners	(10,271,043)	(10,271,043)
At 31 December 2022	<u>(16,300,171)</u>	<u>(16,300,171)</u>
Net assets attributable to Partners at 31 December 2022	<u>555,009,454</u>	<u>555,009,454</u>
Proceeds from Partners		
At 1 January 2021	440,578,530	440,578,530
Proceeds received	97,500,000	97,500,000
Capital repayment	(3,908,741)	(3,908,741)
At 31 December 2021	<u>534,169,789</u>	<u>534,169,789</u>
Income account		
At 1 January 2021	(11,394,703)	(11,394,703)
Total comprehensive income for the year before distributions to the Partners	3,165,692	3,165,692
Finance costs - distribution to Partners	(9,455,676)	(9,455,676)
At 31 December 2021	<u>(17,684,687)</u>	<u>(17,684,687)</u>
Net assets attributable to Partners at 31 December 2021	<u>516,485,102</u>	<u>516,485,102</u>

The General Partner is entitled to 0% of the net assets.

AVIVA INVESTORS REaLM COMMERCIAL ASSETS LIMITED PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

19. Related party transactions

	2022 (Expense paid) / income earned in year £	2022 (Payable) / receivable at year end £	2021 (Expense paid) / income earned in year £	2021 (Payable) / receivable at year end £
Aviva Investors UK Fund Services Limited - fund manager fees	(2,040,355)	(457,110)	(1,887,100)	(494,879)
Aviva Investors Commercial Assets GP Limited - priority distribution	(1,027)	(8,170)	(946)	(7,143)
Aviva Investors Commercial Assets GP Limited	2,726	107,122	14,304	104,396
Aviva Investors Commercial Assets Unit Trust - Paid for expenses	(339,188)	339,188	-	-
Aviva Investors REaLM Commercial Assets Unit Trust - distributions	(10,270,016)	(4,960,421)	(9,454,730)	(3,020,445)
	<u>(12,647,860)</u>	<u>(4,979,391)</u>	<u>(11,328,472)</u>	<u>(3,418,071)</u>

Aviva Investors UK Fund Services Limited is entitled to management fees in its capacity as Fund Manager of the Partnership.

The General Partner is entitled to a priority distribution of 0.01% of the net income from the Partnership. Expenses of the General Partner totalling £2,726 have been paid out of the bank accounts of the Partnership and recharged to the General Partner (31 December 2021: £14,304).

For the year ended 31 December 2022, the General Partner was entitled to distributions of £1,027 (31 December 2021: £946). At year end, £8,170 (31 December 2021: £7,143) was still payable.

The Directors of Aviva Investors Commercial Assets GP Limited received no emoluments for services to the Partnership for the financial year (31 December 2021: £Nil).

AVIVA INVESTORS REaLM COMMERCIAL ASSETS LIMITED PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

20. Financial Instruments

The carrying values of the Partnership's financial assets and liabilities are summarised by category below:

Financial assets measured at amortised cost:

	31 Dec 2022 £	31 Dec 2021 £
Net investment in finance leases (see Note 10)	397,176,792	344,217,091
Loan receivable (see Note 11)	76,775,000	102,319,092
Debtors	3,471,671	2,454,171
Cash at bank and in hand (see Note 14)	12,606,638	13,271,711
	<u>490,030,101</u>	<u>462,262,065</u>

Financial liabilities measured at amortised cost:

	31 Dec 2022 £	31 Dec 2021 £
Creditors	<u>(7,830,901)</u>	<u>(6,200,643)</u>

The Partnership's finance income is summarised as below:

	1 Jan 2022 to 31 Dec 2022 £	1 Jan 2021 to 31 Dec 2021 £
Finance income		
Bank and other interest received	<u>31,002</u>	<u>5,542</u>

21. Parent and ultimate controlling undertaking

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

The Partnership's ultimate parent undertaking is Aviva Investors Commercial Assets Unit Trust, which is registered in Jersey.

The financial statements of Aviva Investors Commercial Assets Limited Partnership are available on application to:

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

AVIVA INVESTORS REaLM COMMERCIAL ASSETS LIMITED PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

22. Events after the reporting period

Events after the reporting financial year have been evaluated up to the date the audited financial statements were approved and authorised for issue by the General Partner and there are no material events to be disclosed or adjusted for in these audited financial statements.

AVIVA INVESTORS REaLM COMMERCIAL ASSETS LIMITED PARTNERSHIP

ADDITIONAL AIFMD DISCLOSURES - UNAUDITED FOR THE YEAR ENDED 31 DECEMBER 2022

AIFMD Remuneration Disclosure

In line with the requirements of the Alternative Investment Fund Managers Directive ("AIFMD"), Aviva Investors UK Fund Services Limited ("AIUKFSL") is subject to a remuneration policy which is reviewed annually and is consistent with the principles outlined in the European Securities and Markets Authority guidelines on sound remuneration policies under AIFMD.

Aviva Investors' remuneration framework is based on a total reward approach and is designed to reflect the success or failure against a range of personal and company performance objectives.

Remuneration Governance

Aviva Investors Remuneration Committee

The Aviva Investors Remuneration Committee is responsible for reviewing and making recommendations to the Aviva Group Remuneration Committee and Aviva Investors Holdings Limited Board regarding the Remuneration Policy of Aviva Investors including AIGSL. This Committee reviews individual remuneration packages for all employees to which the Remuneration Code applies and considers the remuneration policy and structures for all Aviva Investors employees.

The Aviva Investors Remuneration Committee is comprised of Non-Executive Director Mike Craston and Independent Non-Executive Directors Jeffrey Weingarten (Chair), Sue Amies-King, Alexa Coates, Andrew Kirton and Mark White. The majority of the members were also members of the Aviva Investors Risk Committee during 2022. The Aviva Investors Remuneration Committee met on 5 occasions in 2022.

Aviva Group Remuneration Committee

The Aviva Group Remuneration Committee oversees Aviva's remuneration policies and practices. The Committee considers alignment between Group strategy and the remuneration of Directors and Material Risk Takers (MRTs) within Aviva Investors. The Committee also works with the Board Risk Committee to ensure that risk and risk appetite are properly considered in setting the remuneration policy. The full roles and responsibilities of the Aviva Group Remuneration Committee are available on the Investor Relations website, found here:

<http://www.aviva.com/investor-relations/corporate-governance/board-of-directors/board-committees/remuneration-committee/>

The Aviva Group Remuneration Committee is comprised of Independent Non-Executive Directors Pippa Lambert (Chair), Andrea Blance and Patrick Flynn. Andrea Blance and Patrick Flynn were also members of the Board Risk Committee during 2022. The Aviva Group Remuneration Committee met on 7 occasions in 2022.

When setting remuneration policy, the relevant Remuneration Committees take account of the company's strategic objectives and take into account the long-term interests of shareholders and other stakeholders.

During 2022 the Aviva Investors Remuneration Committee and Aviva Group Remuneration Committee received independent advice on executive remuneration matters from Deloitte LLP which is a member of the Remuneration Consultants Group and adheres to its Code of Conduct.

AVIVA INVESTORS REaLM COMMERCIAL ASSETS LIMITED PARTNERSHIP

ADDITIONAL AIFMD DISCLOSURES - UNAUDITED FOR THE YEAR ENDED 31 DECEMBER 2022

Remuneration Policy

The Aviva Investors remuneration policy is consistent with Aviva's remuneration principles which support the execution of Aviva Investor's strategy, rewarding sustained performance and growth aligned with our values:

- **Performance aligned:** We differentiate reward based on performance. Outcomes are aligned with Aviva, business-line and individual performance, both financial and non-financial
- **Competitive:** We focus on the total reward package, ensuring that reward programme design and outcomes are market aligned and competitive, enabling the attraction, motivation and retention of high-quality colleagues.
- **Simple, transparent and consistent:** We operate a 'one Aviva' approach to reward. Our reward programmes are only as complex as necessary. They are easily understood.
- **Fair:** Our reward programmes and decision-making support Aviva's commitment to create a diverse and inclusive organisation, ensuring that all colleagues are rewarded fairly in view of the results achieved and individual contributions. Our reward approach is designed to attract, motivate and retain high quality colleagues, regardless of gender, ethnicity, age, disability or any other factor unrelated to performance, contribution or experience.
- **Doing the right thing:** We do the right thing through reward programmes that support Aviva's values, behaviours and sustainability objectives. Outcomes consider expectations of Customers, Colleagues and Shareholders.
- **Risk aligned:** Reward is designed to promote sound and effective risk management, within a robust internal governance framework.

Link Between Pay and Performance

Performance is measured against a combination of:

- **Aviva Investors and Group performance:**
 - A rounded assessment of performance against financial key performance indicators (including, but not limited to operating profit, investment performance and net flows). The assessment of financial performance includes reference to actual results versus prior period results, agreed plans, relativity to competitors and progress towards our long-term target ambition; and
 - Non-financial considerations including management of risk (including the integration of sustainability risks in the investment process, where applicable), diversity and inclusion, employee engagement metrics and alignment with value created for our shareholders.
- **Business Unit Performance:** Contribution of each business area to the overall success of the Aviva Investors, year on year growth and execution of its strategy; and
- **Individual Performance:** Delivery against individual goals and relative performance in comparison to peers, as well as the extent to which individuals have demonstrated the Aviva values.

The Performance assessment does not encourage risk taking outside the Aviva Investors stated risk appetite and includes mechanisms by which performance against risk and conduct related measures has a significant impact on the availability and size of business and individual variable awards.

The Risk function provide an independent assessment of risk and control effectiveness to the Aviva Group Remuneration Committee for consideration in setting the bonus pool. The assessment is based on a balanced scorecard with metrics designed to drive and reward good risk management behaviours and outcomes, and measures to ensure appropriate independent challenge and review. The assessment includes consideration of both current and likely future risks facing the business.

AVIVA INVESTORS REaLM COMMERCIAL ASSETS LIMITED PARTNERSHIP

ADDITIONAL AIFMD DISCLOSURES - UNAUDITED FOR THE YEAR ENDED 31 DECEMBER 2022

Link Between Pay and Performance (continued)

The Risk function also input on any risk and conduct breaches occurring during the year that could impact variable remuneration outcomes on an individual basis. Future risks identified that have a likelihood of materialising may result in withholding or reduction in variable remuneration.

Through Aviva Investors' Global Reward Framework, all investment employees should support responsible investment and integrate ESG considerations into their investment processes, including the consideration of Sustainability Risk (as defined by the EU Sustainable Finance Disclosure Regulation). ESG research is integrated into the investment process and forms part of the investment scorecard and annual risk attestation. The Chief Investment Officers and investment desk heads consider how investment employees demonstrate their commitment to ESG processes as part of the determination of annual performance and pay outcomes.

The remuneration of employees in Control Functions (defined as Risk, Compliance and Audit) is determined independently of the financial results of Aviva Investors in order to reinforce the independence of these functions. To avoid conflicts of interest, no individual is involved in decisions relating to his or her own remuneration.

Structure of Remuneration

Fixed Remuneration

Basic Salary – set within an appropriate market range and reflecting a colleague's professional experience and organisational responsibilities. Fixed pay is set at a level which is sufficient to allow the possibility, where performance warrants, that an employee may receive no variable pay.

Benefits – standard benefits are provided that are appropriate to the market, compliant with all legal requirements and intended to provide choice and flexibility to meet individual needs.

Variable Remuneration

Annual Bonus – a discretionary short-term incentive plan where individuals may receive a bonus based on business and individual performance against targets. All Aviva Investors colleagues who are permanent employees or Fixed Term Contractors are eligible to be considered for an annual bonus.

Annual bonuses are typically received in cash but awards above certain thresholds are deferred to align the interests of employees with those of the company, its customers, and shareholders and to aid retention. A three-year deferral with pro-rata vesting in Aviva funds and/or Aviva Group Plc shares applies. MRTs are subject to additional deferral requirements, further detail is included below in the section 'MRT Deferrals and Retention Periods'.

Long Term Incentive Awards (LTIA) – discretionary long-term incentive plan to align reward with long-term investment performance, Aviva Group and Shareholders, and with the additional intention to help retain key talent. All Aviva Investors colleagues who are permanent employees are eligible to receive an LTIA, although LTIA's are typically awarded to a select number of senior colleagues.

LTIA's vest after three years; part in Aviva Investors and part in Aviva Restricted Share Units (RSUs). For colleagues in the Real Assets business, Aviva funds are subject to a two-year holding period post vesting to align with the longer-term nature of investments in the Real Assets business. For the Aviva Investors CEO, due to his role as a member of the Aviva Executive Committee the award of RSUs is subject to additional Aviva Group performance conditions. For MRTs, vesting is subject to a pre-vesting assessment of individual performance, behaviours, and alignment with the company values of Aviva Investors throughout the three-year performance period.

Variable remuneration is discretionary and fully flexible, including the possibility of zero if performance thresholds are not met.

AVIVA INVESTORS REaLM COMMERCIAL ASSETS LIMITED PARTNERSHIP

ADDITIONAL AIFMD DISCLOSURES - UNAUDITED FOR THE YEAR ENDED 31 DECEMBER 2022

Structure of Remuneration (continued)

MRT Deferrals and Retention Periods:

In line with regulatory requirements, MRTs are subject to additional deferral requirements:

- MRTs who have also been identified under the Alternative Investment Fund Managers Directive (AIFMD) and Undertakings for Collective Investment in Transferable Securities V (UCITS) Directive are subject to the AIFMD/UCITS V remuneration requirements. The requirements are applied on an apportioned basis, based on the % of Assets Under Management (AUM) of the AIFMD/UCITS regulated firm versus total AUM of Aviva Investors. The apportioned variable remuneration is subject to the following requirements: 40% of variable remuneration under £500,000 is deferred over three years. This increases to 60% for variable pay over £500,000. A minimum of 50% of total variable remuneration is delivered in Aviva funds and/or Aviva Group Plc shares, this applies to both the deferred element and the upfront element (the element that is not subject to deferral).

When setting deferral schedules and retention periods for MRTs, Aviva Investors take into account:

- The firm's business cycle (including length), the nature of its business and its risk profile;
- The activities and responsibilities of MRTs and how these may impact the risk profile of the firm or the assets the firm manages;
- Whether the deferred variable remuneration is paid out in instruments or cash;
- The amount of the variable remuneration and the ratio of variable to fixed remuneration; and
- How long it could take for the risks underlying the staff member's performance to crystallise.

Aviva Investors considers, based on market practice and in consideration that all variable awards are subject to clawback post vesting, that: the proportion of variable remuneration that is deferred is appropriate to align the interest of colleagues with the risk profile of the regulated entities; the retention period is of suitable length post release of the deferred awards (or in the case of an upfront component the award); and, the deferral period and vesting schedule is of an appropriate length.

For all MRTs, malus provisions and leaver conditions will apply during the vesting period. However, these will not apply during the six-month holding period. Clawback provisions continue to apply after the vesting period, including during the holding period.

Colleagues are not permitted to undertake personal hedging strategies in respect of any variable remuneration.

Malus and Clawback:

All variable pay granted or paid to any Aviva Investors employee is subject to the Aviva's Malus and Clawback Policy. This includes the cash and deferred elements of the annual bonus plan and any LTIA. The circumstances when Malus and Clawback may apply are documented in the Directors Remuneration Policy section of the Annual Report and Accounts, found here:

<https://www.aviva.com/investors/annual-report/>

AVIVA INVESTORS REaLM COMMERCIAL ASSETS LIMITED PARTNERSHIP

ADDITIONAL AIFMD DISCLOSURES - UNAUDITED FOR THE YEAR ENDED 31 DECEMBER 2022

Guarantees

Guaranteed awards are only offered for the year of hire in exceptional circumstances and provided the legal entity has a sound and strong capital base. In line with Aviva's policy, guarantees must:

- Not be more generous than necessary and only offered if alternate approaches, such as full year bonus opportunity, are not considered appropriate.
- Not be offered to Executive Directors.
- Be subject to a minimum standard of personal performance, behaviour and conduct.

Guarantees are subject to appropriate governance and approvals and are subject to Aviva's Malus and Clawback Policy.

Severance

Any severance payment above and beyond statutory or existing contractual entitlements is at the company's absolute discretion. There is no automatic right to a pro-rata bonus payment in the event of termination of employment by the company or individual. Any bonus payments related to early termination of contracts are at the company's discretion and will reflect performance achieved over time and designed in a way which does not reward poor conduct or failure. Treatment of any unvested share, fund or bonus awards are governed by the relevant plan rules. There is no automatic entitlement to any payment under these plans other than where expressly stated in the plan rules.

The maximum severance pay is based on Aviva applicable policies; in the event of redundancy the maximum severance pay is calculated based on year of service, with each year of service representing a proportion of salary as per Aviva Discretionary Redundancy policies, plus a discretionary pro-rata lost bonus opportunity.

In non-redundancy exits the criteria used to determine maximum severance pay is linked to the reason for the exit, the employees' length of service and the requirement to reach settlement weighted against the legal risk of litigation. In the event of legal proceedings, the maximum severance payment may exceed the calculated and determined approach above.

Material Risk Taker Identification

Aviva Investors identified MRTs in accordance with the FCA Remuneration rules and guidance as set out in SYSC 19B.

The MRT population is reviewed at least annually by the Remuneration Committees and individuals are notified of their status.

Quantitative remuneration disclosures

AIUKFSL has no employees but is a wholly owned subsidiary of Aviva Investors Holdings Limited. For the year to 31 December 2022, apportioned remuneration based on the time assessed to be spent on AIUKFSL AIFMD activity paid by Aviva Plc, the ultimate parent of AIUKFSL, to its senior management team, and MRTs:

	Senior Management	Other Code Staff
Total Remuneration	£1.3m	£1.1m
Of which: Fixed Remuneration	36%	42%
Of which: Variable Remuneration	59%	51%
Of which: Pension/Benefits	5%	7%
Number of Code staff	23	24

AVIVA INVESTORS REaLM COMMERCIAL ASSETS LIMITED PARTNERSHIP

NAV VALUATION - UNAUDITED FOR THE YEAR ENDED 31 DECEMBER 2022

NAV Valuation

As per the Trust Instrument, the NAV per unit, which investors acquire units at, is based on the valuations performed by the independent valuer (the "CBRE valuations"). The NAV stated in these financial statements, however, does not use the CBRE valuations for the investments in finance leases and loan receivables. The valuations included in the financial statements for the investments in finance leases and loan receivables ("investments") are in accordance with FRS 102.

FRS 102 states methodology how an investment should be accounted at cost less impairment over its lease or finance term which is further detailed in notes 3.5 and 3.4 (iv). This methodology will only change if there is a significant change to inflation rates, which contributes to the discount rate and therefore the rate the investment is amortised. Unlike the CBRE valuations, this methodology does not therefore take account of the market value of that investment. The Partnership therefore has two NAVs per quarter: one which is valuing the investments at the CBRE valuations and one which is valuing them as per FRS102.