Registered in England and Wales: No. 07680828

AVIVA INVESTORS COMMERCIAL ASSETS GP LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

31 DECEMBER 2020

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	M Borello C J Urwin 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 2020

The Directors present their annual report and audited financial statements for the year ended 31 December 2020.

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:

G P Mills (resigned on 15 December 2020)
M Borello (appointed on 27 May 2020)
C J Urwin
A M Coles

Principal activity

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 2020 and consider them to be satisfactory.

Results

The loss for the financial year amounted to £18,869 (2019: £14,603).

Future developments

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

Going Concern

At the balance sheet date the company had net current liabilities of £90,815 (2019: £71,946). This is primarily comprised of £83,595 (2019: £68,438) 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. In addition, 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 (2019: Nil).

Disclosure of information to the Independent Auditors

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

- so far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- the Director has taken all the steps that ought to have been taken as a Director to be aware of any relevant audit information and to establish that the Company'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.

Independent Auditors

It is the intention of the Directors to reappoint the auditors, PricewaterhouseCoopers LLP, under the deemed appointment rules of Section 487 of the Companies Act 2006.

Qualifying indemnity provisions

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

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

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

On January 30, 2020, the World Health Organisation ('WHO') declared the coronavirus (COVID-19) a public health emergency, shortly followed by declaring a Global Pandemic on 11 March 2020. This had an unprecedented impact on economies and real estate markets globally. The UK Government response to this being to initiate various emergency measures to protect occupiers and support businesses, such as the introduction of a furlough scheme and the government moratorium. In addition, the UK Government imposed various lockdowns throughout the year with the introduction of social distancing requirements and a ban on foreign travel, all of which added further stresses and demands to the economy.

Post entering into the third lockdown in late December 2020 the Government has put in place a roadmap to ease restrictions which included the roll out of the vaccination plan.

Whilst it is still not possible to fully assess the longer-term impact on specific industries or their constituents at this stage, the Directors believe the Company has a strong balance sheet and the right strategy in place to mitigate against the worst consequences of the outbreak. The Directors will continue to monitor the COVID-19 situation closely and act accordingly to protect the interests of investors given the upcoming liquidation.

Market risk

The Company's principal exposure to market risk takes the form of property values, which have a direct impact on the value of the Company's investments. The management of this risk falls within the mandate of Aviva Investors Global Services Limited, which manages the investments on behalf of the Partnership.

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.

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 Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS102"), and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006.

The Directors are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

The financial statements on pages 9 to 20 were approved by the Board of Directors on 27 August 2021 and signed on its behalf by:

DocuSigned by:
Chris Urwin
4E2A682B94FA4DD
C J Urwin
Director

Date: 27 August 2021

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AVIVA INVESTORS COMMERCIAL ASSETS GP LIMITED
FOR THE YEAR ENDED 31 DECEMBER 2020

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 2020 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, comprising 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 2020; 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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AVIVA INVESTORS COMMERCIAL ASSETS GP LIMITED (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

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 2020 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements

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

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of the Directors' responsibilities 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 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.

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.

Thomas Norrie

Thomas Norrie (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
27 August 2021

AVIVA INVESTORS COMMERCIAL ASSETS GP LIMITED

Registered in England and Wales: No. 07680828

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	**1 Jan 2020 to 31 Dec 2020 £**	1 Jan 2019 to 31 Dec 2019 £
Turnover		**1,331**	1,359
Administrative expenses	5	**(20,200)**	(15,962)
Loss before taxation		**(18,869)**	(14,603)
Tax on loss	6	-	-
Loss for the financial year and total comprehensive expense for the year		**(18,869)**	(14,603)

All amounts reported in the Statement of Comprehensive Income for the years ended 31 December 2020 and 31 December 2019 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 2020

	Note	31 Dec 2020 £	31 Dec 2019 £
Current assets			
Debtors: amounts falling due within one year	7	**6,198**	7,914
Current liabilities			
Creditors: amounts falling due within one year	8	**(97,013)**	(79,860)
Net current liabilities		**(90,815)**	(71,946)
Net liabilities		**(90,815)**	(71,946)
Capital and reserves			
Called up share capital	9	**1**	1
Profit and loss account		**(90,816)**	(71,947)
Total Shareholders' deficit		**(90,815)**	(71,946)

The financial statements on pages 9 to 20 were approved by the Board of Directors on 27 August 2021 and signed on its behalf by

DocuSigned by:
Chris Urwin
4E2A682B94FA4DD
C J Urwin
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 2020

	Called up share capital	Profit and loss account	Total Shareholders' deficit
	£	£	£
Balance as at 1 January 2019	1	(57,344)	(57,343)
Loss for the financial year and total comprehensive expense for the year	-	(14,603)	(14,603)
Balance as at 31 December 2019 and 1 January 2020	1	(71,947)	(71,946)
Loss for the financial year and total comprehensive expense for the year	-	(18,869)	(18,869)
Balance as at 31 December 2020	1	(90,816)	(90,815)

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1. General information

Aviva Investors Commercial Assets GP Limited (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.

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.

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 pounds sterling as this is the Company's functional currency, being the primary economic environment in which it operates.

3.2 Going concern

At the balance sheet date the company had net current liabilities of £90,815 (2019: £71,946). This is primarily comprised of £83,595 (2019: £68,438) 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. In addition, 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.

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 statement

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.

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 (2019: £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.

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 2020 accounts.

5. Administrative expenses

	1 Jan 2020 to 31 Dec 2020	1 Jan 2019 to 31 Dec 2019
	£	£
Fees payable to the auditors for the audit for the Company's financial statements*	**7,979**	5,359
Administration fees	**10,900**	10,000
Tax advisors fee	**1,321**	603
	20,200	15,962

*During the year no non-audit fees were paid to statutory auditors (2019: £Nil).

The Directors received no emoluments from the Company for services to the Company for the financial year (2019: £Nil).

The Company had no employees during the financial year (2019: Nil).

6. Tax on loss

	1 Jan 2020 to 31 Dec 2020	1 Jan 2019 to 31 Dec 2019
	£	£
Analysis of tax charge in the year		
UK corporation tax on loss for the year	-	-
Tax on loss for the year	-	-

6. Tax on loss (continued)

(a) Tax reconciliation

The tax on the Company's loss before taxation is higher than (2019: higher than) the theoretical amount that would arise using the tax rate in the United Kingdom as follows:

	31 Dec 2020 £	31 Dec 2019 £
Loss before taxation	**(18,869)**	(14,603)
Loss before taxation multiplied by standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	**(3,585)**	(2,775)
Non-taxable distribution from Partnership	**(253)**	(258)
Taxable allocation from Partnership	**(2)**	212
Deferred tax assets not recognised	**3,840**	2,821
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:

	31 Dec 2020 £	31 Dec 2019 £
Unutilised management expenses	**20,213**	14,845
Deferred tax rate	**19%**	17%
Deferred tax asset not recognised	**3,840**	2,524

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

	31 Dec 2020 £	31 Dec 2019 £
Opening balance of unrecognised deferred tax assets	**12,547**	10,023
Deferred tax losses for the year	**3,840**	2,524
Adjustments to deferred tax in respect to prior periods	**1,476**	-
Balances at 31 December	**17,863**	12,547

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.

6. Tax on loss (continued)

(c) Factors affecting current tax charge for the year

During 2020, the reduction in the UK corporation tax rate that was due to take effect from 1 April 2020 was cancelled and as a result, the rate has remained at 19%. There is no impact on the Company's net assets as a consequence of this amendment.

In the Budget of 31 March 2021 the UK Government announced that the UK corporation tax rate will increase to 25% from 1 April 2023. As of 31 December 2020, this measure had not been substantively enacted and therefore no impact is reflected in the calculation of the Company's deferred tax assets and liabilities as at 31 December 2020. There is no impact on the Company's net assets as a consequence of this amendment.

7. Debtors: amounts falling due within one year

	31 Dec 2020	31 Dec 2019
	£	£
Amounts owed by Group undertakings	**1**	1
Amounts owed by Partnership	**6,197**	7,913
	6,198	7,914

Amounts owed by the 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 2020	31 Dec 2019
	£	£
Amounts owed to Partnership	**89,792**	76,351
Accruals	**7,221**	3,509
	97,013	79,860

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

9. Called up share capital

	31 Dec 2020	31 Dec 2019
	£	£
Allotted, called up and unpaid share capital of the Company: - ordinary share of £1 each	**1**	1

10. Contingent liabilities and capital commitments

There were no contingent liabilities or commitments at the Statement of Financial Position date (2019: £Nil).

11. Related party transactions

	2020 Income earned / (expenses incurred) in the year £	**2020 Receivable / (payable) at year end £**	2019 Income earned / (expenses incurred) in the year £	2019 Receivable / (payable) at year end £
Aviva Investors REaLM Commercial Assets Limited Partnership - priority distribution	**1,331**	**6,197**	1,359	7,913
Aviva Investors Real Estate Limited - share capital	**-**	**1**	-	1
Aviva Investors REaLM Commercial Assets Limited Partnership - payment on behalf of the Company	**(20,200)**	**(89,792)**	(15,962)	(76,351)
	(18,869)	**(83,594)**	(14,603)	(68,437)

The Company is entitled to a priority distribution of 0.01% (2019: 0.01%) of the net income available for distribution from the Partnership.

During the year distribution income amounting to £1,331 (2019: £1,359) was receivable from the Partnership. £6,197 (2019: £7,913) remained outstanding at the year end.

During the year administration fees of £10,900 (2019: £10,000), audit fees of £7,979 (2019: £5,359) and tax adviser fees of £1,321 (2019: £603) were paid by the Partnership on behalf of the Company. At the statement of financial position date the Company owed £89,792 (2019: £76,351) to the Partnership.

The Directors received no emoluments for services to the Partnership for the financial year (2019: £Nil).

12. Financial instruments

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

	31 Dec 2020	31 Dec 2019
	£	£
Financial assets measured at undiscounted amount:		
Debtors: amounts falling due within one year (see Note 7)	**6,198**	7,914

	31 Dec 2020	31 Dec 2019
	£	£
Financial liabilities measured at undiscounted amount:		
Creditors: amounts falling due within one year (see Note 8)	**(97,013)**	(79,860)

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 2020. 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 2020

AVIVA INVESTORS REaLM COMMERCIAL ASSETS LIMITED PARTNERSHIP

CONTENTS

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 2020

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 2020.

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 2020 is £441,564,144 (31 December 2019: £435,624,144) of which £440,578,530 (31 December 2019: £400,143,119) has been drawn down. During the year, £504,589 (31 December 2019: £481,027) of capital contributions were repaid to the Limited Partner.

PRINCIPAL ACTIVITY 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.*

Objective and strategy (continued)

The Partnership will operate within the following broad constraints:

(a) Properties will be located in the UK and denominated in 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 at 31 December 2020 is shown in the Statement of Financial Position on page 15 with the results shown in the Statement of Comprehensive Income on page 14 and the Cash Flow Statement on page 17.

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 2020	(as restated) 31 December 2019
Fund total return	4.17%	6.27%
Net asset value (NAV)	429,183,827	390,965,731
Carrying value of assets	425,120,395	387,574,195
Number of assets	18	18

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 Fund return reported to the investors was 4.17% (31 December 2019: 6.27%) against a Benchmark return of 4.02% (31 December 2019: 4.31%). The Benchmark is comprised of a composite of three index linked gilts, equally weighted, that most closely match the duration of the Fund. The correlation between the total return and the benchmark has been low historically owning mainly to funding transactions.

CAPITAL MANAGEMENT AND OBJECTIVES

The Partnership operates as an ungeared fund.

£40,940,000 of new equity, in the form of capital contributions and advances, was injected into the Partnership during the year ended 31 December 2020 (31 December 2019: £11,300,000).

During the year to 31 December 2020 there was a capital repayment of £504,589 (31 December 2019: £481,027).

PURCHASES AND DISPOSALS

On 15 May 2020, the Partnership completed the acquisition of Oregano Drive for £23,200,000. The Partnership will fund the development of a hotel. This will be a single let on an income strip basis to London Borough of Barking and Dagenham for a 50-year period from Practical Completion; underlet to Travelodge Hotels Limited for a 35-year period. The delivery date for the project is 31 August 2022 and the Partnership has committed to providing future development costs of £55,303,115.

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 2020.

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.

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

On January 30, 2020, the World Health Organisation ('WHO') declared the coronavirus (COVID-19) a public health emergency, shortly followed by declaring a Global Pandemic on 11 March 2020. This had an unprecedented impact on economies and markets globally. The UK Government response to this being to initiate various emergency measures to protect and support businesses, such as the introduction of a furlough scheme and the government moratorium. In addition, the UK Government imposed various lockdowns throughout the year with the introduction of social distancing requirements and a ban on foreign travel, all of which added further stresses and demands to the economy.

Post entering into the third lockdown in late December 2020 the Government has put in place a roadmap to ease restrictions which included the roll out of the vaccination plan.

Whilst it is still not possible to fully assess the longer-term impact on specific industries or their constituents at this stage, the General Partner believes the partnership has a strong balance sheet and the right strategy in place to mitigate against the worst consequences of the outbreak. The General Partner will continue to monitor the COVID-19 situation closely and act accordingly to protect the interests of investors.

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 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 investments are managed by property agents who have responsibility for the prompt collection of amounts due. The Partnership manages this risk of tenant defaulting on their rent demands by ensuring that a dedicated credit control team is engaged in collecting the advance 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 41% of the Partnership's income for the year to 31 December 2020 (31 December 2019: 42%) and 66% of the tenant receivables balance at 31 December 2020 (31 December 2019: 0%). Management conducted further analysis on the two largest tenants to address the concentration credit risk, which includes monitoring the recovery of cash and their credit ratings post the year end. Subsequently, the amount outstanding at 31 December 2020 for the two largest tenants have been received in January 2021.

AVIVA INVESTORS REaLM COMMERCIAL ASSETS LIMITED PARTNERSHIP

STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

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 member of the Partnership is aware of their commitment. The General Partner communicates regularly with the member 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 in hand and at bank are 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 2020 was as follows:

As at 31 December 2020

	On demand	1-3 months	4-12 months	More than 12 months	Total
Financial assets	**£**	**£**	**£**	**£**	**£**
Net investment in finance leases	-	-	-	282,779,252	282,779,252
Loan receivable	-	524,365	2,130,220	98,702,673	101,357,258
Trade debtors	3,557,480	-	-	-	3,557,480
Amounts owed by third party	65,320	-	-	-	65,320
Amounts owed by General Partner	89,792	-	-	-	89,792
Other trade receivables	900,546	-	-	-	900,546
Cash in hand and at bank	15,267,617	-	-	-	15,267,617
	19,880,755	**524,365**	**2,130,220**	**381,481,925**	**404,017,265**
Financial liabilities					
Finance costs: distributions payable to Limited Partner	3,465,808	-	-	-	3,465,808
Finance costs: distributions payable to General Partner	6,197	-	-	-	6,197
Accrued capital expenditure	1,169,469	-	-	-	1,169,469
Amounts owed to group undertakings	6,698,989	-	-	-	6,698,989
Accruals	624,076	-	-	-	624,076
Other creditors	27,634	-	-	-	27,634
	11,992,173	**-**	**-**	**-**	**11,992,173**

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 2019 was as follows:

As at 31 December 2019 (as restated)

	On demand	1-3 months	4-12 months	More than 12 months	Total
Financial assets	£	£	£	£	£
Net investment in finance leases	-	-	-	287,172,363	287,172,363
Loan receivable	-	497,182	1,733,482	98,171,167	100,401,831
Trade debtors	243,981	-	-	-	243,981
Amounts owed by third party	460,216	-	-	-	460,216
Amounts owed by General Partner	76,351	-	-	-	76,351
Other trade receivables	964,105	-	-	-	964,105
Cash in hand and at bank	11,599,834	-	-	-	11,599,834
	13,344,487	**497,182**	**1,733,482**	**385,343,530**	**400,918,681**
Financial liabilities					
Finance costs: distributions payable to Limited Partner	3,463,221	-	-	-	3,463,221
Finance costs: distributions payable to General Partner	4,866	-	-	-	4,866
Accrued capital expenditure	2,190,682	-	-	-	2,190,682
Accruals	1,004,027	-	-	-	1,004,027
Trade creditors	960	-	-	-	960
Other creditors	35,571	-	-	-	35,571
	6,699,327	**-**	**-**	**-**	**6,699,327**

EMPLOYEES

The Partnership has no employees (31 December 2019: Nil). The key management personnel have been identified as the Directors of Aviva Investors Commercial Assets GP Limited. The Directors received no remuneration (31 December 2019: £Nil).

AVIVA INVESTORS REaLM COMMERCIAL ASSETS LIMITED PARTNERSHIP

STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

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/engb/about/responsible-investment/.

For and on behalf of the Partnership:

DocuSigned by:
Chris Urwin
4E2A682B94F44DD
C J Urwin
Director of Aviva Investors Commercial Assets GP Limited

Date: 28 June 2021

The Directors of the General Partner present their annual report and the audited financial statements of the Partnership for the year ended 31 December 2020.

RESULTS AND DISTRIBUTIONS

The total comprehensive expense for 2020 was £2,217,315 (31 December 2019: (as restated) £2,258,861). Distributions to the Partners were £13,314,908 (31 December 2019: £13,589,156).

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 (appointed 27 May 2020)
G P Mills (resigned 15 December 2020)
C J Urwin

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 2020	Capital Contributions £	Capital Advance £
Aviva Investors REaLM Commercial Assets Unit Trust	10	440,578,520
Aviva Investors Commercial Assets GP Limited	-	-
Total	10	440,578,520

As at 31 December 2019	Capital Contributions £	Capital Advance £
Aviva Investors REaLM Commercial Assets Unit Trust	10	400,143,109
Aviva Investors Commercial Assets GP Limited	-	-
Total	10	400,143,109

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 £1,331 (31 December 2019: £1,359).

GOING CONCERN

As at 31 December 2020 the Partnership had net current assets of £45,047,317 (31 December 2019: (as restated) £3,391,537). 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, through support from its investors 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 including the potential ongoing impact of COVID-19 on that performance. Whilst it is not possible to fully assess the impact on specific industries or their constituents at this stage, the General Partner believes the Partnership has a strong balance sheet and the right strategy in place. Accordingly, the General Partner has a reasonable expectation that the Partnership has adequate resources to continue in operational existence for the foreseeable future and on this basis the General Partner has adopted the going concern in preparing these 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 price risk, credit risk, liquidity risk and cash flow risk relating to financial instruments are set out in pages 4 to 7 and Note 21 of the financial statements.

INDEPENDENT AUDITORS

PricewaterhouseCoopers LLP ("PwC") have indicated their willingness to continue in office and a resolution to consider their appointment will be proposed at the board meeting of the General Partner.

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 2020

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 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.

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.

This report was approved by the board and signed on its behalf.

DocuSigned by:

Chris Urwin

4E2A682B94FA4DD

C J Urwin

Director of Aviva Investors Commercial Assets GP Limited

Date: 28 June 2021

AVIVA INVESTORS REaLM COMMERCIAL ASSETS LIMITED PARTNERSHIP
INDEPENDENT AUDITOR'S REPORT TO THE PARTNERS OF AVIVA INVESTORS REaLM COMMERCIAL ASSETS LIMITED PARTNERSHIP
FOR THE YEAR ENDED 31 DECEMBER 2020

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 2020 and of its loss 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, comprising 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 2020; 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

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 2020 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.

Based on our understanding of the partnership and industry, we identified that the principal risks of non-compliance with laws and regulations related to those that have a direct impact on the preparation of the financial statements such as 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 posting inappropriate journal entries to increase revenue and management bias in accounting estimates and judgemental areas of the financial statements such as finance lease and loan receivable balances.. 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 determining the carrying value of finance lease 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
28 June 2021

AVIVA INVESTORS REaLM COMMERCIAL ASSETS LIMITED PARTNERSHIP

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	**1 Jan 2020 to 31 Dec 2020 £**	(as restated) 1 Jan 2019 to 31 Dec 2019 £
Turnover	6	**13,445,819**	13,360,410
Amount receivable written off	7	**(52,061)**	-
Gross profit		**13,393,758**	13,360,410
Administrative expenses	8	**(2,345,688)**	(2,106,644)
Operating profit		**11,048,070**	11,253,766
Finance income		**49,523**	76,529
Finance costs - distribution to partners	9	**(13,314,908)**	(13,589,156)
Total comprehensive expense for the year		**(2,217,315)**	(2,258,861)

Continuing operations

All amounts reported in the Statement of Comprehensive Income for the years ended 31 December 2020 and 31 December 2019 relate to continuing operations.

The notes on pages 18 to 33 form an integral part of these financial statements.

AVIVA INVESTORS REaLM COMMERCIAL ASSETS LIMITED PARTNERSHIP

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

	Note	31 Dec 2020 £	(as restated) 31 Dec 2019 £
Fixed assets			
Net investment in finance leases	11	**282,779,252**	287,172,363
Loan receivable	12	**101,357,258**	100,401,831
		384,136,510	387,574,194
Current assets			
Inventory	13	**40,983,885**	-
Debtors	14	**4,613,138**	2,196,351
Cash at bank and in hand	15	**15,267,617**	11,599,834
		60,864,640	13,796,185
Creditors: Amounts falling due within one year	16	**(15,817,323)**	(10,404,648)
Net current assets		**45,047,317**	3,391,537
Total assets less current liabilities		**429,183,827**	390,965,731
Net assets attributable to Partners	19	**429,183,827**	390,965,731

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
Chris Urwin
4E2A682B94FA4DD
C J Urwin
Director of Aviva Investors Commercial Assets GP Limited

Date: 28 June 2021

The notes on pages 18 to 33 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 2020

	Proceeds from Partners	(as restated) Profit and loss account	(as restated) Total
	£	£	£
Balance as at 1 January 2019	**389,324,146**	**4,185,605**	**393,509,751**
Prior year adjustment	-	(11,104,132)	(11,104,132)
At 1 January 2019 (as restated)	**389,324,146**	**(6,918,527)**	**382,405,619**
Total comprehensive expense for the year (as restated)	-	(2,258,861)	(2,258,861)
Capital repayment	(481,027)	-	(481,027)
Partners' loan advances received during the year	11,300,000	-	11,300,000
Balance as at 31 December 2019 (as restated)	**400,143,119**	**(9,177,388)**	**390,965,731**
Total comprehensive expense for the year	-	**(2,217,315)**	**(2,217,315)**
Capital repayment	**(504,589)**	-	**(504,589)**
Partners' loan advances received during the year	**40,940,000**	-	**40,940,000**
Balance as at 31 December 2020	***440,578,530***	**(11,394,703)**	**429,183,827**

The notes on pages 18 to 33 form an integral part of these financial statements.

AVIVA INVESTORS REaLM COMMERCIAL ASSETS LIMITED PARTNERSHIP

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2020

	1 Jan 2020 to 31 Dec 2020	(as restated) 1 Jan 2019 to 31 Dec 2019
	£	£
Cash flows from operating activities		
Profit for the financial year	**(2,217,315)**	(2,258,861)
Adjustments for:		
Amount receivable written off	**52,061**	-
(Increase)/decrease in debtors	**(2,468,848)**	604,577
Increase/(decrease) in creditors	**6,429,970**	(3,318,019)
Increase in inventory	**(40,885,598)**	-
Finance income	**(49,523)**	(76,529)
Finance costs - distributions to partners	**13,314,908**	13,589,156
Net cash (used in)/generated from operating activities	**(25,824,345)**	8,540,324
Cash flows from investing activities		
Paid for net investment in finance lease	**3,273,611**	(16,967,873)
Investments in loan receivables	**(955,427)**	(29,062,707)
Finance income	**49,523**	76,529
Net cash used in investing activities	**2,367,707**	(45,954,051)
Cash flows from financing activities		
Partners' capital advances	**40,940,000**	11,300,000
Payment of finance costs - distributions	**(13,310,990)**	(13,239,603)
Capital repayment	**(504,589)**	(481,027)
Net cash generated from/(used in) financing activities	**27,124,421**	(2,420,630)
Net increase/(decrease) in cash at bank and in hand	**3,667,783**	(39,834,357)
Cash at bank and in hand at beginning of year	**11,599,834**	51,434,191
Cash at bank and in hand at end of year	**15,267,617**	11,599,834

The notes on pages 18 to 33 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 2020

1. General information

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.

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.

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

The functional currency of the Partnership is considered to be pounds 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 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 2020 the Partnership had net current assets of £45,047,317 (31 December 2019: (as restated) £3,391,537). 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, through support from its investors 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 including the potential ongoing impact of COVID-19 on that performance. Whilst it is not possible to fully assess the impact on specific industries or their constituents at this stage, the General Partner believes the Partnership has a strong balance sheet and the right strategy in place. Accordingly, the General Partner has a reasonable expectation that the Partnership has adequate resources to continue in operational existence for the foreseeable future and on this basis the General Partner has adopted the going concern in preparing these financial statements.

3. Accounting policies (continued)

3.3 Inventories

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. Inventories are stated at lower of cost and estimated selling price less costs to sell. At the end of each reporting period, inventories are assessed for impairment. Once the project is completed, the asset is transferred to a 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 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.

3. Accounting policies (continued)

3.4 Financial instruments (continued)

(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 as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs).

Commitments to make 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. 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.

3. Accounting policies (continued)

3.5 Leases

Assets held under finance leases that transfer substantially all the risks and benefits incidental to ownership of the leased item to the Partnership by lessee are classified as finance lease. These leases are capitalised at the inception of the lease, with a corresponding liability being recognised for the fair value of the leased asset or, if lower, the present value of the minimum lease payments, excluding any contingent rent, which is recognised in line with accounting policy 3.8 (below). 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 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 a return of capital and income 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. Any impairment would be 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. Interest paid is 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 finance lease income and interest on loan receivable.

Finance lease income is recognised using the effective interest rate method.

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

3. Accounting policies (continued)

3.10 Administrative expenses

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

3.11 Finance income

Interest receivable on cash at bank is recognised on an accruals basis.

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.

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 and loan receivables 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 and borrowers when due. Credit ratings are assessed initially pre-acquisitions and are then monitored on a quarterly 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. 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. We 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, we 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 2020

5. *Prior year restatement*

In the current year financial statements, the prior year balances have been restated in order to correct the investments in finance lease balance by removing future contingent rents from the calculation of the present value of the minimum lease payments. In accordance with accounting policy 3.4, investments in finance leases are recorded at the lower of the fair value of the leased asset or the present value of the minimum lease payments. FRS 102 defines minimum lease payments as being payments over the lease term that the lessee is or can be required to make, excluding contingent rent. In the 2019 financial statements and in previous periods, future contingent rents were included in the minimum lease payments thereby increasing the value of the finance lease that was recorded on the Statement of Financial Position in a way which was not in accordance with FRS 102. As such the 2019 Statement of Comprehensive Income and Statement of Financial Position were overstated by the present value of these future contingent rents.

The below tables set out the restatements made within these Financial Statements:

Statement of Comprehensive Income

	2019		
	As previously stated (GBP)	Adjustment (GBP)	Restated (GBP)
Turnover	20,431,310	(7,070,900)	13,360,410
Gross profit	20,431,310	(7,070,900)	13,360,410
Operating profit	18,324,666	(7,070,900)	11,253,766
Total comprehensive income/(expense) for the year	4,812,039	(7,070,900)	(2,258,861)

Statement of Financial Position

	2019		
	As previously stated (GBP)	Adjustment (GBP)	Restated (GBP)
Net investments in finance leases	304,668,561	(17,496,198)	287,172,363
Debtors: Amounts falling due within one year	2,875,185	(678,834)	2,196,351
Net assets attributable to Partners	409,140,763	(18,175,032)	390,965,731

Statement of changes in net assets attributable to Partners

	2019		
	As previously stated (GBP)	Adjustment (GBP)	Restated (GBP)
Profit and loss account	409,140,763	(18,175,032)	390,965,731
Total comprehensive income/(expense) for the year	4,812,039	(7,070,900)	(2,258,861)
Profit and loss account (1 January 2019)	393,509,751	(11,104,132)	382,405,619

6. Turnover

	1 Jan 2020 to 31 Dec 2020 £	(as restated) 1 Jan 2019 to 31 Dec 2019 £
Finance lease income	**9,714,697**	9,617,593
Interest on loan receivable	**3,720,540**	3,718,054
Other income	**10,582**	24,763
	13,445,819	13,360,410

7. Amount receivable written off

	1 Jan 2020 to 31 Dec 2020 £	1 Jan 2019 to 31 Dec 2019 £
Amount receivable written off	**52,061**	-

8. Administrative expenses

	1 Jan 2020 to 31 Dec 2020 £	1 Jan 2019 to 31 Dec 2019 £
Auditors' fees*	**32,716**	30,636
Fund Manager fees	**1,793,257**	1,667,324
Depositary fees	**80,746**	76,931
Other operating expenses	**263,357**	181,871
Bank charges	**716**	734
Professional fees	**160,896**	135,148
Other administrative expenses	**14,000**	14,000
	2,345,688	2,106,644

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 2019: £Nil).

*During the year no non-audit fees were paid to statutory auditors (31 December 2019: £Nil).

AVIVA INVESTORS REaLM COMMERCIAL ASSETS LIMITED PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

9. Finance costs - distributions to Partners

	1 Jan 2020 *to* **31 Dec 2020** **£**	1 Jan 2019 *to* 31 Dec 2019 £
Finance costs - distributions declared and paid	**9,847,769**	10,243,820
Proposed distributions at 31 December	**3,467,139**	3,345,336
Total amounts available for distribution as per Statement of Comprehensive Income	**13,314,908**	13,589,156

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%

10. Taxation

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

11. Net investment in finance leases

	31 Dec 2020	(as restated) 31 Dec 2019
	£	£
Opening balance	**287,172,363**	268,013,808
Additions during the year	**-**	23,089,395
Transaction costs during the year	**1,820**	171,130
Interest income for the year	**9,714,697**	9,617,593
Net cashflows from the lessees	**(14,109,628)**	(13,719,563)
Net investment in finance leases	**282,779,252**	287,172,363

At the reporting date General Partner assessed all finance lease receivables for any indicators of impairment by monitoring, on a quarterly basis, both the credit ratings of each tenant and any history of past defaults in lease payments they fall due. Based on this assessment no impairment provision has been made in these financial statements.

Below is the reconciliation of Gross investment in the lease and net investment in finance lease:

31 December 2020

	Total amounts receivable on finance lease (Gross)	Interest allocated to future periods	Net investment in finance leases
	£	£	£
Not later than 1 year	14,185,674	(9,556,895)	4,628,779
Later than 1 year and not later than 5 years	57,498,580	(36,603,407)	20,895,173
Later than 5 years	391,149,560	(133,894,260)	257,255,300
Total	**462,833,814**	**(180,054,562)**	**282,779,252**

31 December 2019 (as restated)

	Total amounts receivable on finance lease (Gross)	Interest allocated to future periods	Net investment in finance leases
	£	£	£
Not later than 1 year	14,105,558	(9,710,627)	4,394,931
Later than 1 year and not later than 5 years	57,182,113	(37,272,646)	19,909,467
Later than 5 years	405,649,880	(142,781,915)	262,867,965
Total	**476,937,551**	**(189,765,188)**	**287,172,363**

AVIVA INVESTORS REaLM COMMERCIAL ASSETS LIMITED PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

12. *Loan receivable*

	31 Dec 2020	31 Dec 2019
	£	£
No later than 1 year	**2,654,585**	2,230,664
Later than 1 year	**98,702,673**	98,171,167
	101,357,258	100,401,831

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.

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.

13. Inventory

	31 Dec 2020	31 Dec 2019
	£	£
Opening balance	**-**	-
Acquisition of property	**23,200,000**	-
Capital expenditure during the year	**17,783,885**	-
Balance at 31 December	**40,983,885**	-

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

On 15 May 2020, the Partnership completed the acquisition of Oregano Drive for £23,200,000. The Partnership will fund the development of a hotel. This will be a single let on an income strip basis to London Borough of Barking and Dagenham for a 50-year period from Practical Completion; underlet to Travelodge Hotels Limited for a 35-year period. The delivery date for the project is 31 August 2022.

14. Debtors: Amounts falling due within one year

	31 Dec 2020 £	(as restated) 31 Dec 2019 £
Trade debtors	**3,557,480**	243,981
VAT recoverable	-	451,698
Other trade receivables	**900,546**	964,105
Amounts owed by third party	**65,320**	460,216
Amounts owed by General Partners (see Note 20)	**89,792**	76,351
	4,613,138	2,196,351

Trade debtors are stated after provisions for impairment of £52,061 (31 December 2019: £Nil).

15. Cash at bank and in hand

	31 Dec 2020 £	31 Dec 2019 £
Cash at bank and in hand	**15,267,617**	11,599,834

16. Creditors: Amounts falling due within one year

	31 Dec 2020 £	31 Dec 2019 £
Finance costs - distributions payable to Limited Partner (see Note 20)	**3,465,808**	3,463,221
Finance costs - distributions payable to General Partner (see Note 20)	**6,197**	4,866
Accrued capital expenditure	**1,169,469**	2,190,682
Amounts owed to group undertakings (see Note 20)	**6,698,989**	-
Accruals	**161,086**	163,531
Deferred finance lease	**3,731,888**	3,705,321
Trade creditors	-	960
VAT Payable	**93,262**	-
Other creditors	**27,634**	35,571
Fund manager fees (see Note 20)	**462,990**	840,496
	15,817,323	10,404,648

The amounts owed to group undertakings are unsecured, interest free, have no fixed date of repayments and are payable on demand.

AVIVA INVESTORS REaLM COMMERCIAL ASSETS LIMITED PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

17. Analysis of net debt

	At 1 January 2020 £	Cash flows £	At 31 December 2020 £
Cash at bank and in hand	**11,599,834**	**3,667,783**	**15,267,617**

18. *Contingent liabilities and commitments*

As at the year end the Partnership has the following commitments to its properties held in the course of construction:

Properties held in the course of construction	***Total drawn down to date*** £	***Total commitment*** £
Oregano Drive, London	40,983,885	96,287,000

The total commitment undrawn at the year end is £55,303,115 (31 December 2019: £Nil).

There were no commitments or contingent liabilities at the balance sheet date (31 December 2019: £Nil), other than those noted above.

19. Net assets attributable to Partners

	Limited Partner 100.00% £	Total 100.00% £
Proceeds from Partners		
At 1 January 2020	400,143,119	400,143,119
Proceeds received	40,940,000	40,940,000
Capital repayment	(504,589)	(504,589)
At 31 December 2020	440,578,530	440,578,530
Income account		
At 1 January 2020	(9,177,388)	(9,177,388)
Total comprehensive income for the year before distributions to the Limited Partner	11,097,593	11,097,593
Finance costs - distribution to Limited Partner	(13,314,908)	(13,314,908)
At 31 December 2020	(11,394,703)	(11,394,703)
Net assets attributable to Partners at 31 December 2020	**429,183,827**	**429,183,827**
Proceeds from Partners		
At 1 January 2019	389,324,146	389,324,146
Proceeds received	11,300,000	11,300,000
Capital repayment	(481,027)	(481,027)
At 31 December 2019	400,143,119	400,143,119
Income account (as restated)		
At 1 January 2019	(6,918,527)	(6,918,527)
Total comprehensive income for the year before distributions to the Limited Partner	11,330,295	11,330,295
Finance costs - distribution to Limited Partner	(13,589,156)	(13,589,156)
At 31 December 2019	(9,177,388)	(9,177,388)
Net assets attributable to Partners at 31 December 2019 (as restated)	**390,965,731**	**390,965,731**

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

20. Related party transactions

	2020 (Expense paid) / income earned in year £	**2020 (Payable) / receivable at year end £**	2019 (Expense paid) / income earned in year £	2019 (Payable) / receivable at year end £
Aviva Investors UK Fund Services Limited - *fund manager fees*	**(1,793,257)**	**(462,990)**	(1,667,324)	(840,496)
Aviva Investors Commercial Assets GP Limited - priority distribution	**(1,331)**	**(6,197)**	(1,359)	(4,866)
Aviva Investors Commercial Assets GP Limited	**13,441**	**89,792**	26,075	76,351
Aviva Investors REaLM Commercial Assets Unit Trust - distributions	**(13,313,577)**	**(3,465,808)**	(13,587,797)	(3,463,221)
Aviva Investors REaLM Commercial Assets Unit Trust - loan	**-**	**(6,698,989)**	-	-
	(15,094,724)	**(10,544,192)**	(15,230,405)	(4,232,232)

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 £12,263 have been paid out of the bank accounts of the Partnership and recharged to the General Partner (31 December 2019: £26,075).

The Directors of Aviva Investors Commercial Assets GP Limited received no emoluments for services to the Partnership for the financial year (31 December 2019: £Nil).

21. 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 2020 £	(as restated) 31 Dec 2019 £
Net investment in finance leases (see Note 11)	**282,779,252**	287,172,363
Loan receivable (see Note 12)	**101,357,258**	100,401,831
Debtors (see Note 14)	**4,613,138**	2,196,351
Cash at bank and in hand (see Note 15)	**15,267,617**	11,599,834
	404,017,265	401,370,379

21. Financial Instruments (continued)

Financial liabilities measured at amortised cost:

	31 Dec 2020	31 Dec 2019
	£	£
Creditors: Amounts falling due within one year (see Note 16)	**(11,992,173)**	(6,699,327)

The Partnership's income, expense, gains and losses in respect of financial instruments are summarised below:

	1 Jan 2020 to 31 Dec 2020	1 Jan 2019 to 31 Dec 2019
	£	£
Finance income		
Total interest income for financial assets at amortised costs	**49,523**	76,529

22. 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

23. 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 2020

Remuneration

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.

There are four components of pay:

- Basic Salary – set within an appropriate market range, which is sufficient to allow the possibility, where performance so warrants, that an employee may receive no variable pay.

- Annual bonus – a discretionary short-term incentive plan where individuals may receive a bonus based on business and individual performance against targets. Where bonuses are equal to or greater than £75,000, a 3 year deferral with pro-rata vesting in Aviva funds and/or Aviva Group Plc shares occurs, following this a further holding period applies where regulation requires.

  The extent to which each aspect of performance affects the overall payment level depends on the role and responsibilities of the individual. Performance is measured against a combination of individual, business unit, Aviva Investors and Group performance over an appropriate period.

  - A rounded assessment of financial performance is made accounting for a range of financial considerations, including, but not limited to operating profit, investment performance and net flows. The assessment of Aviva Investors' financial performance is formed with reference to -:

    - Actual results vs. prior period results

    - Actual results vs. agreed plans

    - Actual results relative to competitors

    - Actual results vs., and progress towards, our long-term target ambition.

  - 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.

  - The non-financial considerations include consideration of risk, conduct, culture, customer and employee engagement metrics, with Aviva values clearly underpinning all our decisions.

  - 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.

Remuneration (continued)

- ° 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. ESG metrics and research are embedded in the investment process and form 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 performance and pay outcomes.

- 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. Part of the long-term incentive plan is in Aviva Investors Funds and part is in Aviva Restricted Share Units (RSUs), for the AI CEO the RSUs have additional performance conditions of Total Shareholder Return and Solvency II Return on Equity. Vesting is after 3 years and awards for Identified Staff will be 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.

- Benefits in Kind – standard benefits are provided that are appropriate to the market.

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

Aviva Investors believes in rewarding strong performance and achievement of our business and individual goals; however, the manner in which these goals are achieved is also important. We do not consider it appropriate to reward people who have engaged in inappropriate behaviour or conduct which is not in line with Aviva's values and variable pay awards are subject to the Aviva Group Malus and Clawback Policy. As such, Aviva may decide that a Deferred Award which has not vested will lapse wholly or in part if they consider that:

- the participant or their team has, in the opinion of the Directors, engaged in misconduct which ought to result in the complete or partial forfeit or repayment of their award;

- there has been, in the opinion of the Directors, a material failure of risk management by reference to Group risk management standards, policies and procedures, taking into account the proximity of the participant to the failure of risk management in question and the level of the participant's responsibility;

- there is, in the opinion of the Directors, a materially adverse misstatement of Aviva's or the participant's relevant business unit's financial statements for which the participant has some responsibility;

- the participant participated in or was responsible for conduct which resulted in significant, or potentially significant, loss(es) to their relevant business unit, Aviva or any member of the Aviva Group;

- the participant failed to meet appropriate standards of fitness and propriety;

- there is evidence of misconduct or material error that would justify, or would have justified, had the participant still been employed, summary termination of their contract of employment; or

- any other circumstances required by local regulatory obligations to which any member of the Group or business unit is subject.

Remuneration (continued)

The remuneration policies are designed to ensure that any relevant conflicts of interest can be managed appropriately at all times and that the remuneration of its senior staff is in line with the risk policies and objectives of the Alternative Investment Funds ("AIF's") it manages, and takes into account the promotion of sound and effective risk management and the achievement of fair outcomes for all customers.

AIUKFSL has no employees but is a wholly owned subsidiary of Aviva Investors Holdings Limited. For the year to 31 December 2020, 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 Code Staff:

	Senior Management	Other Code Staff
Total Remuneration:	£1.4m	£1.3m
Of which, Fixed Remuneration:	31%	37%
Variable Remuneration:	63%	58%
Pension/Benefits:	6%	5%
Number of Code staff:	21	25

Leverage

Leverage as required to be calculated by the AIFM Directive.

Pursuant to its regulatory obligations, the General Partner is required to express the level which the Partnership's leverage will not exceed. For the purposes of this disclosure, leverage is any method by which the Partnership's exposure is increased beyond its holding of securities and cash. A partnership's exposure may be increased by using derivatives, by reinvesting cash borrowings, through securities lending or securities borrowing arrangements, or by such other means as may be permitted to be used pursuant to that Partnership's investment objectives and strategy (such increase referred to herein as the "Incremental Exposure"). The AIFM Directive prescribes two methodologies for calculating overall exposure of a partnership: the "gross methodology" and the commitment methodology". These methodologies are briefly summarised below but are set out in full detail in the AIFM Directive.

The commitment methodology takes account of the hedging and netting arrangements employed by a partnership at any given time (purchased and sold derivative positions will be netted where both relate strictly to the same underlying asset). This calculation of exposure includes all Incremental Exposure as well as the Partnership's own physical holdings and cash. By contrast, the gross methodology does not take account of the netting or hedging arrangements employed by a partnership. This calculation of exposure under the gross methodology includes all Incremental Exposure as well as the Partnership's own physical holdings, excluding cash.

The AIFM Directive requires that each leverage ratio to be expressed as the ratio between a partnership's total exposure (including securities and cash) and its net asset value. Using the methodologies prescribed under the AIFM Directive, the Partnership is generally expected to be leveraged at the ratio of 1:1 using the commitment methodology and 1:1 using the gross methodology. The Partnership may, however, have higher levels of leverage, including in atypical and volatile market conditions. In such circumstances, leverage will not exceed the ratio of 1.5:1 using the commitment methodology and 1.5:1 using the gross methodology.

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 3.6 and 3.5 (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.