

Registered in England and Wales: No. 07739651

**AMENDING ACCOUNTS FOR AVIVA
INVESTORS INFRASTRUCTURE GP LIMITED –
31 DECEMBER 2016**

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Registered in England and Wales: No. 07739651

**AVIVA INVESTORS INFRASTRUCTURE GP
LIMITED
ANNUAL REPORT AND FINANCIAL
STATEMENTS
31 DECEMBER 2016**

AVIVA INVESTORS INFRASTRUCTURE GP LIMITED

Registered in England and Wales: No. 07739651

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AVIVA INVESTORS INFRASTRUCTURE GP LIMITED

Registered in England and Wales: No. 07739651

DIRECTORS, OFFICERS AND OTHER INFORMATION

Directors	A C Appleyard B S Hill D S Skinner
Company Secretary	Aviva Company Secretarial Services Limited St Helen's 1 Undershaft London EC3P 3DQ United Kingdom
Registered office	St Helen's 1 Undershaft London EC3P 3DQ United Kingdom
Company Number	Registered in England and Wales: No. 07739651
Independent Auditor	PricewaterhouseCoopersLLP Chartered Accountants and Statutory Auditor 7 More London Riverside London SE1 2RT United Kingdom
Trademark	REaLM® is a registered trademark of Aviva Investors Global Services Limited.
Other Information	The company is a member of the Aviva plc group of companies (the group')

AVIVA INVESTORS INFRASTRUCTURE GP LIMITED

Registered in England and Wales: No. 07739651

DIRECTOR'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2016

The Directors present their annual report and audited financial statements for the year ended 31 December 2016.

Directors

The current Directors of the Company who served throughout the year were:

A C Appleyard
B S Hill
D S Skinner

Principal activities

The principal activity of the Company is to act as the General Partner of Aviva Investors Infrastructure Income 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 2016 and consider them to be satisfactory.

Results

The loss for the year, after taxation, amounted to £10,149 (2015: £5,958).

Future developments

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

Dividend

During the year no dividends were paid (2015: £nil).

The Directors do not recommend the payment of a dividend for the financial year ended 31 December 2016 (2015: £nil).

Going concern

The Company is reliant on the support of the Partnership to be able to meet its liabilities as they fall due. The Partnership has confirmed that it will provide such financial support as might be necessary to ensure that the Company is a going concern for at least twelve months from the date signing of these financial statements.

After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

Events after the reporting date

There have been no significant events affecting the Company since the year end.

Employees

The Company has no employees (2015: nil).

AVIVA INVESTORS INFRASTRUCTURE GP LIMITED

Registered in England and Wales: No. 07739651

DIRECTOR'S REPORT (continued) FOR THE YEAR ENDED 31 DECEMBER 2016

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
- each Director has taken all the steps that ought to have been taken as a Director in order 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 auditor, 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.

AVIVA INVESTORS INFRASTRUCTURE GP LIMITED

Registered in England and Wales: No. 07739651

DIRECTOR'S REPORT (continued) FOR THE YEAR ENDED 31 DECEMBER 2016

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). Aviva 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:

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 Partnership'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') the RMF and in the financial statements of Aviva Investors UK Fund Services Limited, which manages and administers the Company's activities.

Liquidity risk

Liquidity risk is managed by ensuring that there is always sufficient headroom available to meet the working capital requirements of the business. The ongoing costs of the Company are settled by the Partnership.

AVIVA INVESTORS INFRASTRUCTURE GP LIMITED

Registered in England and Wales: No. 07739651

DIRECTOR'S REPORT (continued) FOR THE YEAR ENDED 31 DECEMBER 2016

Statement of Directors' responsibilities

The Directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

UK Company law requires the Directors to prepare financial statements for each financial year. Under that law, the Directors have elected to prepare the financial statements in accordance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" and the Companies Act 2006. Under UK 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 Statement of Comprehensive Income of the Company.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

By order of the Board:



A C Appleyard
Director

16th July 2017

AVIVA INVESTORS INFRASTRUCTURE GP LIMITED

Independent auditors' report to the members of Aviva Investors Infrastructure GP Limited

Report on the financial statements

Our opinion

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

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

What we have audited

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

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

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

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

Opinions on other matters prescribed by the Companies Act 2006

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

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

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

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

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

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

We have no exceptions to report arising from this responsibility.

AVIVA INVESTORS INFRASTRUCTURE GP LIMITED

Independent auditors' report to the members of Aviva Investors Infrastructure GP Limited (continued)

Directors' remuneration

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

Entitlement to exemptions

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

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

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

What an audit of financial statements involves

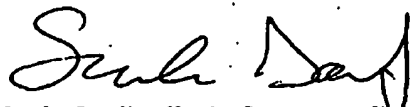
We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error.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

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

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

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

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



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

AVIVA INVESTORS INFRASTRUCTURE GP LIMITED

Registered in England and Wales: No. 07739651

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	2016 £	2015 £
Expenses			
Administrative expenses	5	(10,149)	(5,958)
Loss on ordinary activities before taxation		(10,149)	(5,958)
Tax on loss on ordinary activities	6	-	-
Total comprehensive loss for the financial year		(10,149)	(5,958)

All activities are derived from continuing operations.

The notes on pages 11 to 19 form part of these financial statements.

AVIVA INVESTORS INFRASTRUCTURE GP LIMITED

Registered in England and Wales: No. 07739651

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2016

	Notes	2016 £	2015 £
Current assets			
Debtors: amounts falling due within one year	7	90	90
Creditors: amounts falling due within one year	8	(38,590)	(28,441)
Net liabilities		<u>(38,500)</u>	<u>(28,351)</u>
Capital and reserves			
Called up share capital	9	1	1
Profit and loss account		(38,501)	(28,352)
Total Shareholder's deficit		<u>(38,500)</u>	<u>(28,351)</u>

These Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

These financial statements were approved and authorised for issue by the Board and were signed on its behalf on



A C Appleyard

Director

6th July 2017

The notes on pages 11 to 19 form part of these financial statements.

AVIVA INVESTORS INFRASTRUCTURE GP LIMITED

Registered in England and Wales: No. 07739651

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

	Called up share capital	Profit and loss account	Total equity
	£	£	£
Balance as at 1 January 2016	1	(22,394)	(22,393)
Total comprehensive loss for the financial year	-	(5,958)	(5,958)
Balance as at 31 December 2015 and 1 January 2016	1	(28,352)	(28,351)
Total comprehensive loss for the financial year	-	(10,149)	(10,149)
Balance as at 31 December 2016	1	(38,501)	(38,500)

The notes on pages 11 to 19 form part of these financial statements

AVIVA INVESTORS INFRASTRUCTURE GP LIMITED

Registered in England and Wales: No. 07739651

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

1. General Information

Aviva Investors Infrastructure GP Limited (the "Company") acts as the General Partner of Aviva Investors Infrastructure Income 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 applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The Company has applied FRS 102 in these financial statements.

3.1 Basis of accounting

The financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

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

3.2 Going concern

The Company is reliant on the support of the Partnership to be able to meet its liabilities as they fall due. The Partnership has confirmed that it will provide such financial support as might be necessary to ensure that the Company is a going concern for at least twelve months from the date of signing of these financial statements.

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 Strategic report

A strategic report has not been included in these audited financial statements as the Company qualifies as a small company under section 382 of the Companies Act 2006.

AVIVA INVESTORS INFRASTRUCTURE GP LIMITED

Registered in England and Wales: No. 07739651

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

3. Accounting policies (continued)

3.4 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.

3.5 Turnover

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

3.6 Cash

The Company has no bank accounts and its expenses are settled on its behalf by the Partnership, therefore no statement of cash flows has been presented in the financial statements.

3.7 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.

3.8 Provisions and contingent liabilities

There were no contingent liabilities or commitments at the statement of financial position date (2015: £nil).

AVIVA INVESTORS INFRASTRUCTURE GP LIMITED

Registered in England and Wales: No. 07739651

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

3. Accounting policies (continued)

3.9 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 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.

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

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

(ii) Financial liabilities

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

Basic financial liabilities are initially measured at transaction price (including transaction costs), except for those financial assets 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 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.

AVIVA INVESTORS INFRASTRUCTURE GP LIMITED

Registered in England and Wales: No. 07739651

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

3. Accounting policies (continued)

3.9 Financial instruments (continued)

Registered in England and Wales: No. 07739651

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.

5. Administrative expenses

	2016 £	2015 £
Fees payable to the auditors for the audit of the Company's financial statements	3,799	3,258
Administration fees	1,350	2,700
Professional fees	5,000	-
	<u>10,149</u>	<u>5,958</u>

The Directors received no emoluments from the Company for services to the Company for the financial year (2015: £nil).

The Company had no employees during the financial year (2015: nil).

AVIVA INVESTORS INFRASTRUCTURE GP LIMITED

Registered in England and Wales: No. 07739651

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

6. Tax on loss on ordinary activities

	2016 £	2015 £
Analysis of tax charge in the year		
UK corporation tax on loss for the year	-	-
Tax on loss on ordinary activities	-	-

(a) Tax reconciliation

The tax on the Company's loss before tax is the same as the theoretical amount that would arise using the tax rate 20% in the United Kingdom as follows:

	2016 £	2015 £
Loss on ordinary activities before taxation	(10,149)	(5,958)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (31 December 2015: 20.25%)	(2,030)	(1,206)
Deferred tax assets not recognised	2,030	1,206
Current tax charge for the period	-	-

(b) Deferred tax

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

	2016 £	2015 £
Tax loss for the year	10,149	5,958
Deferred tax rate	17%	18%
Deferred tax asset not recognised	1,725	1,072

AVIVA INVESTORS INFRASTRUCTURE GP LIMITED

Registered in England and Wales: No. 07739651

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

6. Tax on loss on ordinary activities (continued)

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

	2016 £	2015 £
Opening balance of unrecognised deferred tax assets	5,129	4,505
Prior year adjustment	-	3
Deferred tax losses for the year	1,725	1,072
Reduction in tax rate	(285)	(451)
Closing balance of unrecognised deferred tax assets	6,569	5,129

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.

(c) Factors affecting current tax charge for the year

Finance (No.2) Act 2015 introduced legislation reducing the rate of corporation tax from 20% at 1 April 2016 to 19% from 1 April 2017 and to 18% 1 April 2020. Finance Act 2016, which received Royal Assent on 15 September 2016, will further reduce the corporation tax rate to 17% from 1 April 2020. There is no impact on the Company's net assets from the reductions in the rates as the company does not have any recognised deferred tax balances.

7. Debtors: amounts falling due within one year

	2016 £	2015 £
Amounts owed by group undertakings (see note 12)	1	1
Amounts owed by Partnership (see note 12)	89	89
	90	90

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

AVIVA INVESTORS INFRASTRUCTURE GP LIMITED

Registered in England and Wales: No. 07739651

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

8. Creditors: amounts falling due within one year

	2016 £	2015 £
Amounts owed to the Partnership (see note 12)	24,184	13,713
Amount owed to group undertakings (see note 12)	10,769	10,795
Accruals and deferred income	3,637	3,933
	<u>38,590</u>	<u>28,441</u>

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

9. Called up share capital

	2016 £	2015 £
Allotted, called up and unpaid share capital of the Company at 31 December		
1 (2015: 1) Ordinary share of £1	<u>1</u>	<u>1</u>

10. Contingent liabilities and capital commitments

There were no contingent liabilities or commitments at the statement of financial position date (2015: £nil).

11. Events after the reporting financial year

Events after the end of the reporting period have been evaluated up to the date the financial statements were approved and authorised for issue by the Directors and there were no significant events after the reporting period that have a bearing on the understanding of these financial statements, except as already disclosed or adjusted in these financial statements.

AVIVA INVESTORS INFRASTRUCTURE GP LIMITED

Registered in England and Wales: No. 07739651

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

12. Related party transactions

	2016	2016	2015	2015
	Income earned / (expenses incurred) in the year £	(Payable) / receivable at year end £	Income earned / (expenses incurred) in the year £	(Payable) / receivable at year end £
Aviva Investors Infrastructure Income Limited Partnership - priority distribution	-	89	-	89
Norwich Union (Shareholder GP) Limited - share capital	-	1	-	1
Aviva Investors Infrastructure Income Limited Partnership - payment on behalf of the Company	-	(24,157)	-	(13,713)
Aviva Investors No.1 (Holdco) Limited - payment on behalf of the Company	(5,149)	(10,796)	(5,313)	(10,795)
	<u>(5,149)</u>	<u>(34,863)</u>	<u>(5,313)</u>	<u>(24,418)</u>

The Company is entitled to a priority distribution of 0.01% (2015: 0.01%) of the Net Income available for distribution from the Partnership.

At the statement of financial position date the Company owed £24,157 (2015: £13,713) to the Partnership.

During the year professional fees of £5,000 (2015: £nil), administration fees of £1,350 (2015: £2,700) and audit fees of £3,799 (2015: £3,258) were paid by Aviva Investors No.1 (Holdco) Limited on behalf of the Company. At the statement of financial position date the Company owed £10,796 (2015: £10,795) to the Company.

AVIVA INVESTORS INFRASTRUCTURE GP LIMITED

Registered in England and Wales: No. 07739651

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

13. Financial instruments

	2016 £	2015 £
Financial liabilities measured at undiscounted amount:		
Debtors: amounts falling due within one year (see note 7)	<u>90</u>	<u>90</u>
	2016 £	2015 £
Financial liabilities measured at undiscounted amount:		
Creditors: amounts falling due within one year (see note 8)	<u>38,590</u>	<u>28,441</u>

14. 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.

The Company was previously owned by Norwich Union (Shareholder GP) Limited which is a wholly owned subsidiary of Aviva Life & Pensions UK Limited, whose ultimate controlling entity is Aviva plc. The transfer was effective as at 27 April 2017.

Copies of the financial statements of Aviva plc are publicly available from Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ.

**AVIVA INVESTORS INFRASTRUCTURE
INCOME LIMITED PARTNERSHIP
(FORMERLY AVIVA INVESTORS REaLM
INFRASTRUCTURE LIMITED PARTNERSHIP)
ANNUAL REPORT AND FINANCIAL
STATEMENTS
31 DECEMBER 2016**

**AVIVA INVESTORS INFRASTRUCTURE INCOME LIMITED PARTNERSHIP
(FORMERLY AVIVA INVESTORS REaLM INFRASTRUCTURE LIMITED PARTNERSHIP)
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**AVIVA INVESTORS INFRASTRUCTURE INCOME LIMITED PARTNERSHIP
(FORMERLY AVIVA INVESTORS REaLM INFRASTRUCTURE LIMITED PARTNERSHIP)
PARTNERS, ADVISERS AND OTHER INFORMATION**

Partners:

Limited Partner

Aviva Investors Infrastructure Income Unit Trust

General Partner

Aviva Investors Infrastructure GP Limited

St Helen's

1 Undershaft

London

EC3P 3DQ

Portfolio Manager

Aviva Investors Global Services 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

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. LP014638

**AVIVA INVESTORS INFRASTRUCTURE INCOME LIMITED PARTNERSHIP
(FORMERLY AVIVA INVESTORS REaLM INFRASTRUCTURE LIMITED PARTNERSHIP)
STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2016**

The directors of the General Partner (the "Directors") present their Strategic Report of Aviva Investors Infrastructure Income Limited Partnership (formerly Aviva Investors REaLM Infrastructure Limited Partnership) (the "Partnership") and its subsidiary undertakings (together referred to as the "Group") for the year ended 31 December 2016.

The Partnership

The Partnership was established on 6 September 2011 and is registered as a limited partnership in England and Wales under the Limited Partnerships Act 1907. The total commitment of the Partners as at 31 December 2016 is £180,000,000 (31 December 2015: £130,000,000) of which £35,052,730 (31 December 2015: £21,459,703) had been drawn down.

Principal Activity of the Group

The principal activity of the Group is to invest, directly or indirectly, into infrastructure in the United Kingdom. The Partnership owns a 100% equity interest in Aviva Investors REaLM Infrastructure No.1 Limited (the "Holdco 1"), Aviva Investors REaLM Infrastructure No.2 Limited (the "Holdco 2"), Aviva Investors REaLM Infrastructure No.3 Limited (the "Holdco 3"), Aviva Investors REaLM Infrastructure No.4A Limited and Aviva Investors REaLM Infrastructure No.4B, Aviva Investors REaLM Infrastructure No.5 Limited (the "Holdco 5") and a 50% equity interest in Aviva Investors Energy Centres No.1 Limited Partnership.

The principal activity of the Holdcos are to act as holding company for infrastructure investments. These infrastructure investments generate income from the operation of solar panels installed on residential properties and the construction and operation of medium and utility scale wind turbines and biomass assets. The Group has also invested in infrastructure leases and receives rental income from renewable energy projects. This will continue to be the principal activity of the Group for the foreseeable future.

REVIEW OF THE GROUP'S BUSINESS

Objective and strategy

The objective of the Group is to achieve investment returns in excess of two hundred (200) basis points per annum (net of costs and expenses) above the rate of return generated by long-dated (15 years or more) indexed-linked gilts over the long term.

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

1. The Group will focus its investment activities on United Kingdom assets which offer:

- (a) Primary exposure to (i) the availability of underlying eligible infrastructure assets and/or (ii) the operation of the underlying eligible infrastructure assets within regulatory regimes; and
- (b) No exposure or limited exposure to the economic use of the underlying eligible infrastructure assets (other than exposure resulting from the operation of the underlying eligible infrastructure assets within regulatory regimes, where any anticipated exposure shall be limited).

2. The Group will own, acquire or invest in (whether directly or indirectly) rights under contracts (including concession based contracts (such as private finance initiative, public private partnership or similar structures) and/or through debt investments) in relation to the eligible infrastructure assets and/or own, acquire or invest in (whether directly or indirectly) the eligible infrastructure assets (or the rights to operate such eligible infrastructure assets).

**AVIVA INVESTORS INFRASTRUCTURE INCOME LIMITED PARTNERSHIP
(FORMERLY AVIVA INVESTORS ReaLM INFRASTRUCTURE LIMITED PARTNERSHIP)**

STRATEGIC REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2016

REVIEW OF THE GROUP'S BUSINESS - (CONTINUED)

Objective and strategy - (continued)

3. The Group may acquire or invest in infrastructure investments from any sub-sector in the United Kingdom market, including:

3.1 Renewable energy, including:

- (a) solar photovoltaics (i.e. the production of electricity by solar panels);
- (b) hydroelectric (excluding any material construction activities); and
- (c) geothermal (excluding any material construction activities).

3.2 Public buildings:

- (a) schools or other educational facilities;
- (b) hospitals or other medical facilities;
- (c) prisons or detention centres;
- (d) libraries, court building or other municipal buildings;
- (e) central or local government offices buildings;
- (f) offices or other facilities for the emergency services;
- (g) military housing, other military buildings or military training facilities; and
- (h) student accommodation.

3.3 Transportation:

- (a) street lighting;
- (b) roads (availability and other revenue structures where there is limited expected exposure to the economic use of the road only); and
- (c) rail or light rail (availability and other revenue structures where there is limited expected exposure to the economic use of the rail asset only).

3.4 Utility assets:

- (a) electricity transmission and distribution;
- (b) electricity interconnectors;
- (c) gas transmission and distribution;
- (d) gas interconnectors;
- (e) water and wastewater;
- (f) water treatment; and
- (g) telecommunications (where there is limited expected exposure to the economic use of the telecommunications asset).

4. The Group may acquire or invest in infrastructure investments in the following sub-sector:

4.1 Renewable Energy:

- (a) wind.

4.2 Transportation:

- (a) airports (economically regulated assets only); and
- (b) ports (economically regulated assets only).

AVIVA INVESTORS INFRASTRUCTURE INCOME LIMITED PARTNERSHIP
(FORMERLY AVIVA INVESTORS REaLM INFRASTRUCTURE LIMITED PARTNERSHIP)
STRATEGIC REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2016

REVIEW OF THE GROUP'S BUSINESS - (CONTINUED)

Objective and strategy - (continued)

5. The Group shall not acquire or invest in assets (including by way of debt investment) in the following subsectors unless as an ancillary part of any acquisition of or investment into an infrastructure investment, in which case such ancillary part shall not constitute more than 10 per cent of the net asset value of the total infrastructure investment being acquired or invested in and shall be disposed of as soon as reasonably practicable after completion of the acquisition or investment:

5.1 Renewable energy (feedstock risk):

- (a) biomass (including biogas); and
- (b) energy from waste.

5.2 Public buildings:

- (a) tourist facilities; and
- (b) municipal waste.

5.3 Transportation (material usage risk):

- (a) economically unregulated airports;
- (b) economically unregulated ports;
- (c) road (material usage risk); and
- (d) rail (material usage risk).

5.4 Utility assets (material usage risk):

- (a) telecommunications.

6. Infrastructure investments may include investment into or acquisition of eligible infrastructure assets that are operational or in the construction phase.

7. Infrastructure investments will be denominated (or have contractual obligations denominated) in Sterling.

8. Upon acquisition of or investment into an infrastructure investment, the effective acquisition price of each single underlying eligible infrastructure asset shall not exceed the higher of (i) £100,000,000 and (ii) 20 per cent of the gross asset value of all Partnership assets.

9. If the gross asset value of all Group assets exceeds £500,000,000, then upon acquisition of or investment into an infrastructure investment, effective cash flows of each single underlying eligible infrastructure investment shall be forecast to account for no more than 20 per cent of the total cash flows of the Group.

10. The Group will not:

- (a) undertake speculative developments or speculative funding; or
- (b) invest in other funds managed by any entity which is not an associate of, or connected with, the Fund Manager.

11. No more than 10 per cent of the gross asset value of all Group 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 only.

**AVIVA INVESTORS INFRASTRUCTURE INCOME LIMITED PARTNERSHIP
(FORMERLY AVIVA INVESTORS REaLM INFRASTRUCTURE LIMITED PARTNERSHIP)**

**STRATEGIC REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2016**

GROUP PERFORMANCE

The consolidated financial position of the Group at 31 December 2016 is shown in the Consolidated Statement of Financial Position on page 17, with the results shown in the Consolidated Statement of Comprehensive Income on page 16 and the consolidated Cash Flow Statement on page 19.

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 Group as a whole. These KPIs comprise of:

	31 December 2016	31 December 2015
Fund return per unit per price	10.93%	8.25%
Distribution yield	7.61%	7.96%
Net asset value (NAV)	£96,627,581	£57,118,541
Market value of assets	£565,211,925	£356,991,715
Number of assets	35	22

The Group produced a total return of 10.9% against a benchmark return of 12.5%. The benchmark is calculated using 3 equally weighted inflation linked gilts which have a comparable duration to that of the Fund.

CAPITAL MANAGEMENT AND OBJECTIVES

£17,600,000 in the form of capital contribution was injected into Aviva Investors Energy Centres No.1 Limited Partnership during the year ended 31 December 2016 (£8,800,000 from Aviva Investors REaLM Energy Centres Limited Partnership and £8,800,000 from Aviva Investors Infrastructure Income Limited Partnership) (31 December 2015: £3,993,043).

£2,309,187 in the form of return of capital was paid by Aviva Investors Infrastructure Income Limited Partnership to Aviva Investors Infrastructure Income Unit Trust during the year ended 31 December 2016 (31 December 2015: £887,854).

PURCHASES AND DISPOSALS

On 13 June 2016, Holdco 5 acquired the entire issued share capital of Jacks Lane Limited, Woolley Hill Electrical Limited, Turncole Wind Farm Limited and Den Brook Energy Limited.

In December 2016, the Partnership, through its nominee companies, Aviva Investors REaLM Infrastructure 4A Limited and Aviva Investors REaLM Infrastructure 4B Limited, acquired the lease payments paid by a project company that owns and control a wood gasification plant located in Tysely.

Between February and April 2016, Medium Scale Wind No. 1 Limited, a wholly owned subsidiary of Holdco 2 acquired the entire issued share capital of CE01 PEP Limited, CE07 PEP Limited, SE06 PEP Limited and AD06 PEP Limited.

EVENTS AFTER THE REPORTING PERIOD

The General Partner can confirm that there are no events to report after the reporting period.

PRINCIPAL RISKS AND UNCERTAINTIES

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

AVIVA INVESTORS INFRASTRUCTURE INCOME LIMITED PARTNERSHIP
(FORMERLY AVIVA INVESTORS REaLM INFRASTRUCTURE LIMITED PARTNERSHIP)
STRATEGIC REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2016

PRINCIPAL RISKS AND UNCERTAINTIES - (CONTINUED)

The Aviva Group's approach to risk and capital management

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

Management of financial and non-financial risks

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

Market risk

The Group's exposure to market risk takes the form of property valuations, which have a direct impact on the value of investments. Market risk is managed by ongoing proactive asset management.

Interest rate risk

The Group's principal exposure to interest rate risk comes from its loan borrowings from Aviva Investors Infrastructure Income Unit Trust ("the Unit Trust"). The loan borrowings are index linked and issued at fixed rates which expose the Partnership to fair value interest rate risk. However, the Directors believe that there is minimal interest rate risk as the loan borrowings are with a related party and that the borrowings are accordingly managed on a group basis.

The table below sets out the carrying amounts, by maturity, of the Group's financial instruments.

	Effective interest rate %	Less than 1 year £	1-5 years £	More than 5 years £	Total £
As at 31 December 2016					
Floating rate					
Cash at bank and in hand	0.50	37,976,583	-	-	37,976,583
Index linked					
Loan Payable - Senior Loan	4.90	-	-	(338,475,726)	(338,475,726)
Loan Payable - Mezzanine Loan	6.99	-	-	(181,316,850)	(181,316,850)
		-	-	(519,792,576)	(519,792,576)
As at 31 December 2015					
Floating rate					
Cash at bank and in hand	0.50	21,726,957	-	-	21,726,957
Index linked					
Loan receivable	3.00	1,800,000	-	-	1,800,000
Loan payable - Senior Loan	4.52	-	-	(211,762,760)	(211,762,760)
Loan Payable - Mezzanine Loan	8.68	-	-	(119,835,325)	(119,835,325)
		1,800,000	-	(331,598,085)	(329,798,085)

**AVIVA INVESTORS INFRASTRUCTURE INCOME LIMITED PARTNERSHIP
(FORMERLY AVIVA INVESTORS REaLM INFRASTRUCTURE LIMITED PARTNERSHIP)
STRATEGIC REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2016**

PRINCIPAL RISKS AND UNCERTAINTIES - (CONTINUED)

Management of financial and non-financial risks - (continued)

Interest rate risk - (continued)

At 31 December 2016, if interest rates on borrowings had been 10 basis points higher/lower with all other variables held constant, the calculated post-tax profit for the year would have been £519,793 (2015: £331,598) lower/higher.

Credit risk

The Group does not have a significant exposure to credit risk as receivables are mainly short-term trading items and related party receivables.

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

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

Operational risk

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

Liquidity risk

The Group 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 Group's obligations as and when they fall due.

AVIVA INVESTORS INFRASTRUCTURE INCOME LIMITED PARTNERSHIP
(FORMERLY AVIVA INVESTORS REaLM INFRASTRUCTURE LIMITED PARTNERSHIP)
STRATEGIC REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2016

PRINCIPAL RISKS AND UNCERTAINTIES - (CONTINUED)

Management of financial and non- financial risks - (continued)

Liquidity risk - (continued)

The maturity analysis of the Group's financial assets and liabilities as at 31 December 2016 was as follows:

	On demand	1-3 months	4-12 months	More than 12 months	Total
	£	£	£	£	£
Financial Assets					
Trade debtors	2,678,291	-	-	-	2,678,291
Amounts owed by group undertakings	147,840	-	-	-	147,840
VAT receivable	3,697,797	-	-	-	3,697,797
Other debtors	1,300,212	-	-	-	1,300,212
Prepayments and accrued income	8,624,714	-	-	-	8,624,714
Cash at bank in hand	37,976,583	-	-	-	37,976,583
	<u>54,425,437</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>54,425,437</u>

	On demand	1-3 months	4-12 months	More than 12 months	Total
	£	£	£	£	£
Financial Liabilities					
Accounts payable	2,753,530	-	-	-	2,753,530
Interest payable	8,578,427	-	-	-	8,578,427
Finance costs - distributions payable	21,633	-	-	-	21,633
Over billing	481,928	-	-	-	481,928
Accruals and deferred income	10,467,978	-	-	-	10,467,978
Other creditors	900,290	-	-	-	900,290
Intercompany borrowings	-	-	-	519,792,576	519,792,576
	<u>23,203,786</u>	<u>-</u>	<u>-</u>	<u>519,792,576</u>	<u>542,996,362</u>

AVIVA INVESTORS INFRASTRUCTURE INCOME LIMITED PARTNERSHIP
(FORMERLY AVIVA INVESTORS REaLM INFRASTRUCTURE LIMITED PARTNERSHIP)
STRATEGIC REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2016

PRINCIPAL RISKS AND UNCERTAINTIES - (CONTINUED)

Management of financial and non- financial risks - (continued)

Liquidity risk - (continued)

The maturity analysis of the Group's financial assets and liabilities as at 31 December 2015 was as follows:

	On demand	1-3 months	4-12 months	More than 12 months	Total
	£	£	£	£	£
Financial Assets					
Loan receivable	1,800,000	-	-	-	1,800,000
Trade debtors	134,144	-	-	-	134,144
Amounts owed by group undertakings	62,546	-	-	-	62,546
VAT receivable	4,962,595	-	-	-	4,962,595
Other debtors	1,693,826	-	-	-	1,693,826
Prepayments and accrued income	3,375,074	-	-	-	3,375,074
Cash at bank in hand	21,726,957	-	-	-	21,726,957
	<u>33,755,142</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>33,755,142</u>

	On demand	1-3 months	4-12 months	More than 12 months	Total
	£	£	£	£	£
Financial Liabilities					
Accounts payable	524,247	-	-	-	524,247
Interest payable	4,554,989	-	-	-	4,554,989
Finance costs - distributions payable	21,633	-	-	-	21,633
Accruals and deferred income	2,775,352	-	-	-	2,775,352
Intercompany borrowings	-	-	-	331,598,085	331,598,085
	<u>7,876,221</u>	<u>-</u>	<u>-</u>	<u>331,598,085</u>	<u>339,474,306</u>

**AVIVA INVESTORS INFRASTRUCTURE INCOME LIMITED PARTNERSHIP
(FORMERLY AVIVA INVESTORS REaLM INFRASTRUCTURE LIMITED PARTNERSHIP)**

**STRATEGIC REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2016**

EMPLOYEES

The Partnership has no employees (31 December 2015: Nil). The key management personnel have been identified as the Directors of Aviva Investors Infrastructure GP Limited. The Directors received no remuneration (31 December 2015: £Nil).

ENVIRONMENTAL

The Partnership is managed by Aviva Investors for whom a key component of being a responsible business is ensuring environmental, social and corporate governance (ESG) issues are considered throughout the investment process. Aviva Investors regards the consideration of ESG issues and their impact on infrastructure investment as an essential part of the Partnership's fiduciary duty to our clients. This philosophy is firmly embedded within the Partnership's decision-making processes, from initial acquisition through to disposal.

Further information on the Partnership's approach to Responsible Property Investment (RPI) is set out in Aviva Investors Responsible Property Investment Policy. This policy applies to all Aviva Investors Real Estate's global activities and funds under management.

The Partnership benefits from Aviva Investors' membership of the Better Buildings Partnership (BBP). Aviva Investors is also a founding signatory of the Principles for Responsible Investment (PRI).

For and on behalf of the Partnership:



A C Appleyard
Director of Aviva Investors Infrastructure GP Limited

Date:

**AVIVA INVESTORS INFRASTRUCTURE INCOME LIMITED PARTNERSHIP
(FORMERLY AVIVA INVESTORS REaLM INFRASTRUCTURE LIMITED PARTNERSHIP)**

**GENERAL PARTNER'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2016**

The Directors of the General Partner present their annual report and the audited financial statements of the Group and Partnership for the year ended 31 December 2016.

On 30 September 2016 the Limited Partnership changed name from Aviva Investors REaLM Infrastructure Limited Partnership to Aviva Investors Infrastructure Income Limited Partnership.

RESULTS AND DISTRIBUTIONS

The total comprehensive income for the Group, after minority interest, for 2016 was £19,111,877 (2015: £7,533,399). Distributions to the Partners were £nil (2015: £nil).

DIRECTORS

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

A C Appleyard
B S Hill
D S Skinner

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 wind up of the Partnership.

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

	Capital Contributions £	Capital Advance £
As at 31 December 2016		
Aviva Investors REaLM Infrastructure Unit Trust	10	31,855,679
Aviva Investors Infrastructure GP Limited	-	-
	<u>10</u>	<u>31,855,679</u>
	Capital Contributions £	Capital Advance £
As at 31 December 2015		
Aviva Investors REaLM Infrastructure Unit Trust	10	20,571,839
Aviva Investors Infrastructure GP Limited	-	-
	<u>10</u>	<u>20,571,839</u>

**AVIVA INVESTORS INFRASTRUCTURE INCOME LIMITED PARTNERSHIP
(FORMERLY AVIVA INVESTORS REaLM INFRASTRUCTURE LIMITED PARTNERSHIP)
GENERAL PARTNER'S REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2016**

Amounts Attributable to the General Partner

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

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

The General Partner's priority profit share entitlement for the year was £2,673 (2015: £8,721).

Going concern

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

Financial instruments

The business of the Group and Partnership includes use of financial instruments. Details of the Group and 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 on pages 5 to 9 and note 20 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 person who was a Director of the General Partner on the date that this report was approved confirms that:

- so far as each 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 he ought to have 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 INFRASTRUCTURE INCOME LIMITED PARTNERSHIP
(FORMERLY AVIVA INVESTORS REaLM INFRASTRUCTURE LIMITED PARTNERSHIP)
GENERAL PARTNER'S REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2016**

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 have prepared the group and 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 group and qualifying partnership and of the profit or loss of the group and 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 group and qualifying partnership will continue in business.

The General Partner is responsible for keeping adequate accounting records that are sufficient to show and explain the group and qualifying partnership's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and qualifying partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

For and on behalf of the Partnership:



A C Appleyard
Director of Aviva Investors Infrastructure GP Limited

Date:

Independent auditors' report to the members of Aviva Investors Infrastructure Income Limited Partnership (Formerly Aviva Investors REaLM Infrastructure Limited Partnership)

Report on the financial statements

Our opinion

In our opinion, Aviva Investors Infrastructure Income Limited Partnership (Formerly Aviva Investors REaLM Infrastructure Limited Partnership)'s group financial statements and qualifying partnership financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the qualifying partnership's affairs as at 31 December 2016 and of the group's loss, the qualifying partnership's loss and the group's and the qualifying partnership's cash flows for the year then ended;
 - have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
 - have been prepared in accordance with the requirements of the Companies Act 2006 as applied to qualifying partnerships by the Partnerships (Accounts) Regulations 2008.
-

What we have audited

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

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

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

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

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

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

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

We have no exceptions to report arising from this responsibility.

General Partner's remuneration

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

Responsibilities for the financial statements and the audit

Our responsibilities and those of the general partner

As explained more fully in the Statement of general partner's responsibilities in respect of the financial statements set out on page 13, the general partner is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

This report, including the opinion, has been prepared for and only for the members 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 this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

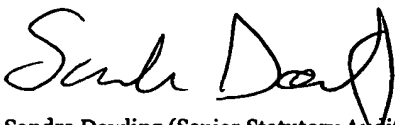
We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error.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

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

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

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

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



Sandra Dowling (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

London

20th April 2017

AVIVA INVESTORS INFRASTRUCTURE INCOME LIMITED PARTNERSHIP
(FORMERLY AVIVA INVESTORS REaLM INFRASTRUCTURE LIMITED PARTNERSHIP)
CONSOLIDATED AND PARTNERSHIP STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2016

		Group 1 Jan 16 to 31 Dec 16 £	Group 1 Jan 15 to 31 Dec 15 (As restated) £	Partnership 1 Jan 16 to 31 Dec 16 £	Partnership 1 Jan 15 to 31 Dec 15 £
	Note				
Turnover	6	37,786,071	31,809,067	1,201,566	294,201
Gross profit		37,786,071	31,809,067	1,201,566	294,201
Impairment of investment	12	-	-	(1,003,601)	-
Administrative expenses	7	(9,213,678)	(6,534,508)	(757,455)	(154,010)
Depreciation for the year	10	(15,288,687)	(14,393,356)	-	-
Change in fair value of fixed assets	10	3,737,902	(3,803,145)	-	-
Change in fair value of investment property	10	(100,460)	3,017,738	(100,460)	3,017,738
Realised gain on disposal of fixed asset		231,731	-	-	-
Operating profit		17,152,879	10,095,796	(659,950)	3,157,929
Interest receivable and similar income		66,311	23,088	899	213
Interest payable and expenses	8	(38,703,396)	(19,930,674)	-	-
Loss on ordinary activities before taxation		(21,484,206)	(9,811,790)	(659,051)	3,158,142
Taxation	9	-	-	-	-
Loss on ordinary activities after taxation		(21,484,206)	(9,811,790)	(659,051)	3,158,142
Other comprehensive income for the year					
Change in fair value of fixed assets	10, 11	41,009,406	17,325,858	-	-
Total comprehensive income for the year		19,525,200	7,514,068	(659,051)	3,158,142
Attributable to:					
Limited Partners		19,111,877	7,533,399	(659,051)	3,158,142
Non-controlling interests		413,323	(19,331)	-	-
		19,525,200	7,514,068	(659,051)	3,158,142

Continuing operations

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

The notes on pages 20 to 46 form an integral part of these financial statements.

AVIVA INVESTORS INFRASTRUCTURE INCOME LIMITED PARTNERSHIP
(FORMERLY AVIVA INVESTORS REaLM INFRASTRUCTURE LIMITED PARTNERSHIP)
CONSOLIDATED AND PARTNERSHIP STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016

		Group 31 Dec 16 £	Group 31 Dec 15 £	Partnership 31 Dec 16 £	Partnership 31 Dec 15 £
Fixed assets	Note				
Fixed assets	10	548,573,715	342,405,081	-	-
Investment property	10	16,638,210	14,586,634	16,638,210	14,586,634
Net investment in finance leases	11	19,986,581	5,845,990	-	-
Investment in subsidiaries	12	-	-	16,447,539	6,834,140
		585,198,506	362,837,705	33,085,749	21,420,774
Current assets					
Debtors: amounts falling due within one year	13	16,448,854	12,028,185	42,997	2,115,246
Cash at bank and in hand		37,976,583	21,726,957	2,038,003	849,597
		54,425,437	33,755,142	2,081,000	2,964,843
Creditors: amounts falling due within one year	14	(23,203,786)	(7,876,221)	(1,429,514)	(1,273,170)
Net current assets		31,221,651	25,878,921	651,486	1,691,673
Total assets less current liabilities		616,420,157	388,716,626	33,737,235	23,112,447
Creditors: amounts falling due after more than one year	15	(519,792,576)	(331,598,085)	-	-
		96,627,581	57,118,541	33,737,235	23,112,447
Represented by:					
Partners' interest		84,114,498	53,718,781	33,737,235	23,112,447
Non-controlling interests	16	12,513,083	3,399,760	-	-
Net assets attributable to Partners		96,627,581	57,118,541	33,737,235	23,112,447

These audited financial statements were approved and authorised for issue by the Board of Directors of Aviva Investors Infrastructure GP Limited, the General Partner on 2017 and were signed on its behalf by:


A C Appleyard
 Director of Aviva Investors Infrastructure GP Limited

The notes on pages 20 to 46 form an integral part of these financial statements.

AVIVA INVESTORS INFRASTRUCTURE INCOME LIMITED PARTNERSHIP
(FORMERLY AVIVA INVESTORS REALM INFRASTRUCTURE LIMITED PARTNERSHIP)
CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO
PARTNERS
FOR THE YEAR ENDED 31 DECEMBER 2016

	Proceeds from partner £	Profit and loss account £	Total £	Non- controlling interests £	Total £
Balance at 1 January 2015	5,174,852	24,725,679	29,900,531	1,422,545	31,323,076
Total income/(loss) for the year	-	7,533,399	7,533,399	(19,331)	7,514,068
Partners' capital contributions during the year	-	-	-	1,996,546	1,996,546
Partners' loan advances during the year	16,284,851	-	16,284,851	-	16,284,851
Repayment of Partners' loan advances during the year	(887,854)	887,854	-	-	-
Balance at 31 December 2015	20,571,849	33,146,932	53,718,781	3,399,760	57,118,541
Total income for the year	-	19,111,877	19,111,877	413,323	19,525,200
Partners' capital contributions during the year	-	-	-	8,700,000	8,700,000
Partners' loan advances during the year	13,593,027	-	13,593,027	-	13,593,027
Repayment of Partners' loan advances during the year	(2,309,187)	-	(2,309,187)	-	(2,309,187)
Balance at 31 December 2016	31,855,689	52,258,809	84,114,498	12,513,083	96,627,581

The notes on pages 20 to 46 form an integral part of these financial statements.

AVIVA INVESTORS INFRASTRUCTURE INCOME LIMITED PARTNERSHIP
(FORMERLY AVIVA INVESTORS REaLM INFRASTRUCTURE LIMITED PARTNERSHIP)
CONSOLIDATED AND PARTNERSHIP STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2016

	Group 1 Jan 2016 to 31 Dec 2016 £	Group 1 Jan 2015 to 31 Dec 2015 (As restated) £	Partnership 1 Jan 2016 to 31 Dec 2016 £	Partnership 1 Jan 2015 to 31 Dec 2015 £
Cash flows generated from operating activities				
Operating profit	17,152,879	10,095,796	(659,950)	3,157,929
Adjustments for:				
Depreciation	15,288,687	14,393,356	-	-
Change in fair value of fixed assets	(3,737,902)	3,803,145	100,460	-
Change in fair value of investment properties	100,460	(3,017,738)	-	-
Impairment of investment	-	-	1,003,601	-
Realised gain on disposal	(231,731)	-	-	-
(Increase) / decrease in debtors	(6,220,669)	(3,496,472)	2,072,249	(2,100,398)
Increase in creditors	8,874,634	1,268,332	156,344	454,647
	<u>31,226,358</u>	<u>23,046,419</u>	<u>2,672,704</u>	<u>1,512,178</u>
Cash flows used in investing activities				
Purchase of fixed assets	(172,220,623)	-	-	-
Purchase of investment properties	(18,608,923)	(48,762,948)	(2,152,036)	(14,586,634)
Contributions to investments in subsidiaries	-	-	(10,617,000)	(2,451,376)
Proceeds from fixed assets	488,130	1,090,123	-	-
Interest received	66,311	23,088	899	213
	<u>(190,275,105)</u>	<u>(47,649,737)</u>	<u>(12,768,137)</u>	<u>(17,037,797)</u>
Cash flows generated from financing activities				
Interest paid	(7,827,379)	(28,370,009)	-	-
Proceeds from Partners	22,293,027	18,281,397	11,283,839	16,284,851
Repayments to Partners	(2,309,187)	-	-	-
Proceeds from intercompany borrowings	163,141,912	45,030,150	-	-
	<u>175,298,373</u>	<u>34,941,538</u>	<u>11,283,839</u>	<u>16,284,851</u>
Net increase in cash at bank and in hand	<u>16,249,626</u>	<u>10,338,220</u>	<u>1,188,406</u>	<u>759,232</u>
Cash at bank and in hand at beginning of year	<u>21,726,957</u>	<u>11,388,737</u>	<u>849,597</u>	<u>90,365</u>
Cash at bank and in hand at end of year	<u>37,976,583</u>	<u>21,726,957</u>	<u>2,038,003</u>	<u>849,597</u>

The notes on pages 20 to 46 form an integral part of these financial statements.

**AVIVA INVESTORS INFRASTRUCTURE INCOME LIMITED PARTNERSHIP
(FORMERLY AVIVA INVESTORS REaLM INFRASTRUCTURE LIMITED PARTNERSHIP)**

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

1. General information

The Partnership is registered as a limited partnership in England and Wales under the Limited Partnerships Act 1907 and its registered address is St Helen's, 1 Undershaft, London, EC3P 3DQ.

2. Statement of compliance

The Group and Partnership 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.

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

There has been a restatement made to the financial statements for the year ended 31 December 2015 as described in Note 5.

3. Accounting policies

3.1 Basis of accounting

The Group and Partnership financial statements are prepared on a going concern basis, under the historical cost convention, as modified by the recognition of fixed assets and investment property measured at fair value.

The preparation of the Group and Partnership financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group and 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.

The functional currency of the Group and the Partnership is considered to be pounds sterling because that is the currency of the primary economic environment in which the Group and partnership operate.

3.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Partnership and its Group undertakings, as at 31 December 2016. The financial statements of the Group undertakings are prepared for the same reporting period as the Partnership, using consistent accounting policies. The results of the subsidiaries acquired are consolidated for the period from or to the date on which control passed. Acquisitions are accounted for as asset acquisitions in accordance with FRS 102. All intra-group balances, transactions, income and expenses with subsidiaries are eliminated on consolidation.

Investments in Group undertakings have been included in the Partnership financial statements at the original equity contribution value less any subsequent repayments of capital.

**AVIVA INVESTORS INFRASTRUCTURE INCOME LIMITED PARTNERSHIP
(FORMERLY AVIVA INVESTORS REaLM INFRASTRUCTURE LIMITED PARTNERSHIP)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

3. Accounting policies (continued)

3.3 Going concern basis

The consolidated financial statements comprise the financial statements of the Partnership and its Group undertakings as at 31 December 2016. The financial position of the Group and Partnership and their liquidity position are set out in these financial statements.

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

3.4 Financial instruments

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

Basic financial assets, including trade and other receivables, cash and bank balances 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 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.

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price.

Such assets are subsequently carried at fair value and the changes in fair value are recognised in the Statement of Comprehensive Income, except that investments in equity instruments that are not publically traded and whose fair values cannot be measured reliably are measured at cost less impairment.

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.

**AVIVA INVESTORS INFRASTRUCTURE INCOME LIMITED PARTNERSHIP
(FORMERLY AVIVA INVESTORS REaLM INFRASTRUCTURE LIMITED PARTNERSHIP)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

3. Accounting policies (continued)

3.4 Financial instruments (continued)

(i) Financial assets (continued)

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 party third without imposing additional restrictions.

(ii) Financial liabilities

Financial liabilities are recognised when the Group 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 assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs).

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

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

Non-current debt instruments which meet the following conditions, are subsequently measured at amortised cost using the effective interest rate method:

a) Returns to the holder are (i) a fixed amount, or (ii) a fixed rate of return over the life of the instrument, or (iii) a variable return that, throughout the life of the instrument, is equal to a single reference quoted or observable interest rate, or (iv) some combination of such fixed rate and variable rates, providing that both rates are positive.

b) There is no contractual provision that could by its terms result in the holder losing the principal amount or any interest attributable to the current period or prior periods.

c) Contractual provision that permit the issuer to prepay a debt instrument or permit the holder to put it back to the issuer before maturity are not contingent on future events, other than to protect the holder against the credit deterioration of the issuer or a change in control of the issuer, or to protect the holder or issuer against changes in relevant taxation or law.

Debt instruments that are classified as payable within one year and which meet the above conditions are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

Other debt instruments not meeting these conditions are measured at amortised cost, using the effective interest rate method.

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

AVIVA INVESTORS INFRASTRUCTURE INCOME LIMITED PARTNERSHIP
(FORMERLY AVIVA INVESTORS REaLM INFRASTRUCTURE LIMITED PARTNERSHIP)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

3. Accounting policies (continued)

3.5 Net investment in finance lease

Assets held under finance leases, which transfer to the Partnership as lessee, substantially all the risks and benefits incidental to ownership of the leased item, 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. 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.

3.6 Investments in subsidiaries

Investments in subsidiaries are shown in the Statement of Financial Position of the Partnership at cost less any provision for impairment.

3.7 Fixed assets

Fixed assets consist of investments in solar panel assets, medium scale wind assets, large scale wind assets and biomass assets. Fixed assets are initially recognised at cost and subsequently measured under the revaluation model. If an asset's carrying amount is increased as a result of a revaluation, the increase shall be recognised in other comprehensive income and accumulated in equity. However, the increase shall be recognised in the Statement of Comprehensive Income to the extent that it reverses a revaluation decrease of the same asset previously recognised in the Statement of Comprehensive Income. The decrease of an asset's carrying amount as a result of a revaluation shall be recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity, in respect of that asset. If a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in the Statement of Comprehensive Income.

Depreciation is calculated as to write off the cost of an asset, less its estimated residual value, over the expected useful economic life of that asset as follows:

Wind plant and machinery	-	25 years straight line
Biomass plant and machinery	-	25 years straight line
PV Solar Installations	-	25 years straight line
PV Solar Inverter	-	12 years straight line

Depreciation is provided to write off plant and machinery once brought into productive use.

3.8 Investment property

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

**AVIVA INVESTORS INFRASTRUCTURE INCOME LIMITED PARTNERSHIP
(FORMERLY AVIVA INVESTORS REaLM INFRASTRUCTURE LIMITED PARTNERSHIP)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

3. Accounting policies (continued)

3.9 Intercompany borrowings

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

3.10 Partners' accounts

Partners' accounts consist of capital contributions and non interest bearing advances. The Group has classified the Partners' accounts as a financial liability in accordance with FRS 102 based on the contractual arrangements within the LPA which require repayment of the net assets / liabilities upon wind up of the Group.

3.11 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

3.12 Cash flow

The Group and Partnership reports cash flows from operating activities using the indirect method. Interest received and paid is presented within cash flows from investing activities. The acquisitions of large scale wind assets and biomass investments are disclosed as cash flows from investing activities because this is most appropriately reflects the Group and Partnership's business activities.

3.13 Turnover

Turnover comprises feed in tariffs ("FIT") revenue, rental income under infrastructure lease agreements and grid power revenues. Turnover is recognised on an accruals basis.

3.14 Administrative expenses

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

**AVIVA INVESTORS INFRASTRUCTURE INCOME LIMITED PARTNERSHIP
(FORMERLY AVIVA INVESTORS REaLM INFRASTRUCTURE LIMITED PARTNERSHIP)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

3. Accounting policies (continued)

3.15 Fund Manager fees

Under the terms of the Fund Manager's Agreement dated 17 May 2016 between the Partnership and Aviva Investors UK Fund Services Limited (the "Fund Manager"), the fund manager is entitled to an annual fee equivalent to 0.50% of the Unit Trust's Net Asset Value, calculated on a quarterly basis and payable quarterly in arrears.

Under the terms of the previous Fund Manager's Agreement dated 22 July 2014 between the Partnership and the Fund Manager, the Fund Manager is entitled to an annual fee equivalent to 0.50% of the Open Market Value of the investment properties plus 0.50% of the average value of the cash held by the Partnership plus 0.50% of the value of the Partnership assets other than cash or the properties, calculated on a quarterly basis and payable quarterly in arrears.

3.16 Interest receivable and similar income

Interest receivable on cash at bank is recognised on an accruals basis. Other interest receivable and similar income is recognised using the effective interest rate method.

3.17 Interest payable and similar expenses

Interest payable and similar expenses are recognised on an accruals basis and include loan facility interest. Borrowing costs are recognised in profit or loss in the period in which they are incurred.

3.18 Impairment of non-financial assets

At each reporting date, non-financial assets not carried at fair value are assessed to determine whether there is an indication that the asset may be impaired. If there is such an indication the recoverable amount of the asset is compared to the carrying amount of the asset.

The recoverable amount of the asset is the higher of the fair value less costs to sell and value in use. Value in use is defined as the present value of the future cash flows before interest and tax obtainable as a result of the asset's continued use. These cash flows are discounted using a discount rate that represents the risks inherent in the asset.

If the recoverable amount of the asset is estimated to be lower than the carrying amount, the carrying amount is reduced to its recoverable amount. An impairment loss is recognised in the Statement of Comprehensive Income.

If an impairment loss is subsequently reversed, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised in prior periods. A reversal of an impairment loss is recognised in the Statement of Comprehensive Income

**AVIVA INVESTORS INFRASTRUCTURE INCOME LIMITED PARTNERSHIP
(FORMERLY AVIVA INVESTORS REaLM INFRASTRUCTURE LIMITED PARTNERSHIP)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

3. Accounting policies (continued)

3.19 Distributions

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

The General Partner and the Fund Manager are 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.

3.20 Taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income. The current tax charge is calculated based on the tax laws enacted as at the Statement of Financial Position date where the Company generates its income.

Deferred income tax is recognised on temporary differences arising between bases of assets and liabilities and their carrying amounts in the financial statements.

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

3.21 Related party transactions

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

**AVIVA INVESTORS INFRASTRUCTURE INCOME LIMITED PARTNERSHIP
(FORMERLY AVIVA INVESTORS REaLM INFRASTRUCTURE LIMITED PARTNERSHIP)**

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

4. Critical accounting judgements and key sources of estimation uncertainty

The preparation of the Group and Partnership's consolidated 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.

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

In the process of applying the Group and Partnership's accounting policies, the General Partner has made the following judgements which have the most significant effect on the amounts recognised in the consolidated financial statements:

Valuation of fixed assets and investment property

The carrying value of the Group's fixed assets and investment properties represents an estimate of the fair value as at the reporting date. The determination of the fair value for fixed assets and investment properties requires the use of estimates such as future cash flows from assets (for instance, future power revenues, feed-in tariffs, lease payments and minimum service payments, capital values of fixtures and fittings, plant and machinery, any environmental matters and the overall repair and condition of the assets) and discount rates applicable to those assets. Consideration of current market discount rates applied in valuations and purchases of similar assets, taking into account the scale and sector has been made.

The fixed assets and investment properties are valued to fair value as at 31 December 2016, using discounted cash flow analysis where a project's cash flows are forecast and subsequently discounted to present values at a rate that reflects the risk attached to the asset. The Biomass and Large Scale Wind fixed assets are valued by Mazars LLP, professionally qualified financial advisors. The remainder of the fixed assets and investment properties are valued by the Fund Manager, which has significant experience in the location and class of the fixed assets being valued.

Significant assumptions used in valuation:

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

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

The valuation of these fixed assets and investment properties requires significant judgement by the Fund Manager due to the absence of quoted market values, inherent lack of liquidity and the long-term nature of such assets. The process of valuing investments in funds is inevitably based on inherent uncertainties and the resulting values will differ, perhaps materially, from the amounts ultimately realized.

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5. Restatement of comparative figures

In previous financial years, no depreciation was charged on the fixed assets subsequently measured under the revaluation model. However the change in the fair value of fixed assets disclosed in the Statement of Comprehensive income was understated by the amount of depreciation not recorded meaning there was no impact on total comprehensive income for the year. The Statement of Comprehensive Income for the year ended 31 December 2015 is restated with depreciation for the year of £14,393,356 being charged and the change in fair value of fixed assets being increased by £14,393,356. This has been calculated in the line with the depreciation policy in Note 3.7. It is to be noted that this did not have any impact on the Statement of Financial Position or Statement of Comprehensive Income as at 1 January 2015 or for the year ended 31 December 2015. However the loss on ordinary activities after taxation and other comprehensive income for the year were restated by an amount of £14,393,356.

6. Turnover

	Group 1 Jan 16 to 31 Dec 16 £	Group 1 Jan 15 to 31 Dec 15 £	Partnership 1 Jan 16 to 31 Dec 16 £	Partnership 1 Jan 15 to 31 Dec 15 £
FIT and grid power revenue	36,000,302	31,250,150	-	-
Service income	186,928	281,801	-	-
Rental income	1,201,566	-	1,201,566	-
Other income	397,275	277,116	-	294,201
	37,786,071	31,809,067	1,201,566	294,201

The future aggregate minimum rentals receivable under non-cancellable operating leases are as follows:

	Group 31 Dec 16 £	Group 31 Dec 15 £	Partnership 31 Dec 16 £	Partnership 31 Dec 15 £
Not later than 1 year	2,774,072	583,729	2,774,072	583,729
Later than 1 year and not later than 5 years	13,998,800	13,236,151	13,998,800	13,236,151
Later than 5 years	52,895,267	56,431,988	52,895,267	56,431,988
	69,668,139	70,251,868	69,668,139	70,251,868

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7. Administrative expenses

	Group 1 Jan 16 to 31 Dec 16 £	Group 1 Jan 15 to 31 Dec 15 £	Partnership 1 Jan 16 to 31 Dec 16 £	Partnership 1 Jan 15 to 31 Dec 15 £
Auditors' fees	447,634	458,892	65,037	56,296
Fund manager fees	2,792,930	1,680,771	241,775	26,959
Maintenance fees	2,633,470	2,439,132	-	-
Insurance	254,552	183,134	657	194
Bank charges	24,092	10,558	243	233
Legal fees	227,174	3,622	-	-
Professional fees	1,186,621	332,828	138,739	4,350
Administrator fees	236,272	405,946	-	-
Other administrative expenses	1,410,933	1,019,625	311,004	65,978
	9,213,678	6,534,508	757,455	154,010

8. Interest payable and expenses

	Group 1 Jan 16 to 31 Dec 16 £	Group 1 Jan 15 to 31 Dec 15 £	Partnership 1 Jan 16 to 31 Dec 16 £	Partnership 1 Jan 15 to 31 Dec 15 £
Loan interest	38,703,396	19,930,674	-	-

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9. 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. All taxable income arises from the Holdcos and their subsidiaries. The table below relates to these Holdcos and subsidiaries.

	Group 1 Jan 16 to 31 Dec 16 £	Group 1 Jan 15 to 31 Dec 15 (As restated) £
Year ended 31 December 2016		
Result / (loss) on ordinary activities before taxation	(21,484,206)	(9,811,790)
Current charge at standard UK corporation tax rate of 20% (31 December 2015: 20.25%)	(4,296,841)	(1,986,887)
Effects of:		
Expenses not deductible for tax purposes	595,157	-
Income not taxable for tax purposes	(239,969)	-
Adjustments in respect of prior years	(1,993)	-
Chargeable losses	23,692	-
Share of partnership losses	(1,216,735)	-
Deferred tax not recognised in the year	4,143,049	(96,033)
Change in tax rates	1,036,345	153,212
Group relief surrendered	-	1,929,708
Other tax adjustments, reliefs and transfers	(45,812)	-
Other permanent differences	3,107	-
Total tax charged for the year	-	-

Factors that may affect future tax charges

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

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

Deferred tax assets of £6,490,676 (31 December 2015: £2,347,627) have not been recognised in these financial statements as there is insufficient evidence as to the availability of suitable profits in the foreseeable future

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10. Fixed assets and investment property (As restated)

Group		Medium	Large		
Fixed assets	Solar panel	scale wind	scale wind	Biomass	Total
	investments	investments	investments	investments	
	£	£	£	£	£
Valuation at 1 January 2015	310,241,913	-	-	-	310,241,913
Additions during the year	-	2,817,832	-	30,856,432	33,674,264
Disposals during the year	(1,090,123)	-	-	-	(1,090,123)
Depreciation	(14,393,356)	-	-	-	(14,393,356)
Change in fair value of fixed assets	-	-	-	(3,803,145)	(3,803,145)
Change in fair value of fixed assets (other comprehensive income)	16,424,912	1,350,616	-	-	17,775,528
Valuation at 31 December 2015	311,183,346	4,168,448	-	27,053,287	342,405,081
Valuation at 1 January 2016	311,183,346	4,168,448	-	27,053,287	342,405,081
Additions during the year	223,587	7,441,399	107,071,309	62,230,117	176,966,412
Disposals during the year	(256,399)	-	-	-	(256,399)
Depreciation	(14,468,272)	(95,639)	(724,776)	-	(15,288,687)
Reversal of loss from prior year through profit and loss	-	-	-	3,737,902	3,737,902
Change in fair value of fixed assets (other comprehensive income)	33,793,714	1,572,534	5,643,158	-	41,009,406
Valuation at 31 December 2016	330,475,976	13,086,742	111,989,691	93,021,306	548,573,715

The fixed assets have been revalued based on an internal discounted cash flow model. The carrying amounts that would have been recognised under the cost model amounts to £167,065,286 (31 December 2015: £167,098,098) in relation to Solar Panel Investments, £10,259,231 (31 December 2015: £2,817,832) in relation to Medium Scale Wind Investments, £106,060,485 (31 December 2015: nil) in relation to Large Scale Wind Investments, and £87,493,445 (31 December 2015: £30,856,432) in relation to Biomass Investments.

The accumulated depreciation as at 31 December 2016 amounts to £28,861,628 (31 December 2015: £14,393,356) in relation to Solar Panel Investments, £95,639 (31 December 2015: nil) in relation to Medium Scale Wind Investments, £805,797 (31 December 2015: nil) in relation to Large Scale Wind Investments, and nil (31 December 2015: nil) in relation to Biomass Investments.

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10. Fixed assets and investment property (As restated) (continued)

Group	Infrastructure lease investments
Investment property	£
Valuation at 1 January 2015	-
Additions during the year	11,568,896
Change in fair value of investment property	3,017,738
Valuation at 31 December 2015	<u>14,586,634</u>
Valuation at 1 January 2016	14,586,634
Additions during the year	2,152,036
Change in fair value of investment property	(100,460)
Valuation at 31 December 2016	<u>16,638,210</u>

Partnership

	31 Dec 16	31 Dec 15
	£	£
Infrastructure Lease Investments		
Valuation at 1 January	14,586,634	-
Additions during the year	2,152,036	11,568,896
Change in fair value of investment property	(100,460)	3,017,738
	<u>16,638,210</u>	<u>14,586,634</u>

The investment property are revalued to their fair value using internal valuation models based on discounted cash flows of each asset. If investment property were stated on the historical cost basis, the amounts would be as follows:

	31 Dec 2016	31 Dec 2015
	£	£
Infrastructure Lease Investments	<u>13,720,932</u>	<u>11,568,898</u>

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11. Net investments in finance leases

	31 Dec 16 £	31 Dec 15 £
Group		
As at 1 January	5,845,990	2,775,872
Additions during the year	14,140,591	3,519,788
Change in fair value of fixed assets (other comprehensive income)	-	(449,670)
As at 31 December	19,986,581	5,845,990
	31 Dec 16 £	31 Dec 15 £
Total amounts receivable	89,654,720	60,441,559
Less: interest allocated to future periods	(69,668,139)	(54,595,569)
Net investment in finance leases	19,986,581	5,845,990
Not later than 1 year	(21,139,797)	(26,547,551)
Later than 1 year and not later than 5 years	(1,218,865)	(22,158,437)
Later than 5 years	42,345,243	54,551,978
Net investment in finance leases	19,986,581	5,845,990

On 27 February 2014, the Aviva Investors Energy Centres No.1 Limited Partnership ("Energy Centres") entered into a Construction Agency Agreement to design, construct and install Energy facilities at Cheltenham Hospital. The cash flows associated with this agreement have been built into the finance lease model. This has resulted in a debtor of £25,558 (31 December 2015: £23,302) due within one year and a debtor greater than one year of £2,265,202 (31 December 2015: £2,286,143)

On 18 June 2015 Energy Centres entered into an agreement for the construction of an energy centre in Oxford to be utilised by Oxford University Hospitals National Health Service Trust. The cash flows associated with this agreement have been built into a finance lease model. This has resulted in a creditor of £7,336,307 (31 December 2015: £12,743,791) due within one year and a debtor greater than one year of £14,924,332 (31 December 2015: £14,812,274).

On 29 July 2015 Energy Centres entered into an agreement for the construction of an energy centre to be utilised by Tayside NHS healthcare services in Dundee and Perth areas in Scotland. The cash flows associated with this agreement have been built into a finance lease model. This has resulted in a creditor of £7,782,068 (31 December 2015: £13,827,663) due within one year and a debtor greater than one year of £15,439,774 (31 December 2015: £15,295,125).

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11. Net investments in finance leases (continued)

On 29 December 2015 Energy Centres entered into an agreement for the construction of an energy centre to be utilised by Grampian NHS healthcare services. The cash flows associated with this agreement have been built into a finance lease model. This has resulted in a creditor of £6,046,980 (31 December 2015: £nil) due within one year and a debtor greater than one year of £8,497,070 (31 December 2015: £nil).

The net figure of £19,986,581 (31 December 2015: £5,845,990) has been included in the statement of financial position.

12. Investments in subsidiaries

	Partnership 31 Dec 16 £	Partnership 31 Dec 15 £
Partnership		
Investment in Aviva Investors REaLM Infrastructure No.1 Limited	2,898,232	2,898,232
Investment in Aviva Investors Energy Centres No.1 Limited Partnership	12,281,054	3,481,054
Investment in Aviva Investors REaLM Infrastructure No.2 Limited	118,251	41,251
Investment in Aviva Investors REaLM Infrastructure No.3 Limited	-	413,601
Investment in Aviva Investors REaLM Infrastructure No.4A Limited	1	1
Investment in Aviva Investors REaLM Infrastructure No.4B Limited	1	1
Investment in Aviva Investors REaLM Infrastructure No.5 Limited	1,150,000	-
	16,447,539	6,834,140

	Partnership 2016 £	Partnership 31 Dec 15 £
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The details of the investments are as follows:

Aviva Investors REaLM Infrastructure No.1 Limited

Cost at 1 January	2,898,232	2,898,232
Historic cost of investment at 31 December	2,898,232	2,898,232

The investment represents a 100% equity interest in Aviva Investors REaLM Infrastructure No.1 Limited (the "Holdco 1") which was acquired by the Partnership for a total amount of £1,009,000. The Holdco was incorporated on 19 March 2012 in the United Kingdom.

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12. Investments in subsidiaries (continued)

The Holdco 1 invests and owns 100% of the equity interests in the below mentioned companies:

Company	Equity interest	Country of incorporation	Business activity
HomeSun Limited ²	100%	United Kingdom	Solar energy
HomeSun 2 Limited ^{2*}	100%	United Kingdom	Solar energy
HomeSun 3 Limited ^{2*}	100%	United Kingdom	Solar energy
HomeSun 4 Limited ^{2*}	100%	United Kingdom	Solar energy
HomeSun 5 Limited ^{2*}	100%	United Kingdom	Solar energy
EES Operations 1 Limited ¹	100%	United Kingdom	Solar energy
Free Solar HoldCo Limited ¹	100%	United Kingdom	Holding company
Free Solar (Stage 1) Limited ²	100%	United Kingdom	Solar energy
Free Solar (Stage 2) Limited ¹	100%	United Kingdom	Solar energy
New Energy Residential Solar Limited ²	100%	United Kingdom	Solar energy
Anesco Mid Devon Limited ²	100%	United Kingdom	Solar energy
Anesco South West Limited ²	100%	United Kingdom	Solar energy
TGHC Limited ²	100%	United Kingdom	Solar energy
Freetricity South East Limited ³	100%	United Kingdom	Solar energy
Norton Energy SLS Limited ²	100%	United Kingdom	Solar energy
Renewable Clean Energy Limited ¹	100%	United Kingdom	Solar energy
Solar Clean Energy Limited ¹	100%	United Kingdom	Solar energy

(1) Address of the registered office: St Helen's, 1 Undershaft, London, United Kingdom, EC3P 3DQ.

(2) Address of the registered office: The Green, Easter Park, Benyon Road, Reading, RG7 2PQ.

(3) Address of the registered office: Argyll House, All Saints Passage, London, SW18 1EP.

(*) Ownership is held indirectly.

	Partnership 2016 £	Partnership 2015 £
Aviva Investors Energy Centres No.1 Limited Partnership		
Cost at 1 January	3,481,054	1,484,532
Additions during the year	8,800,000	1,996,522
Historic cost of investment at 31 December	12,281,054	3,481,054

On 8 February 2013, the Partnership entered into a Limited Partnership Agreement to invest in Aviva Investors Energy Centres No.1 Limited Partnership with a total commitment of £18,000,000. The total commitment was increased to £31,999,990 on 2 December 2015 and to £49,999,990 on 30 November 2016. As at 31 December 2016, £12,281,054 (31 December 2015: £3,481,054) had been drawn down.

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12. Investments in subsidiaries (continued)

	Partnership 2016 £	Partnership 2015 £
Aviva Investors REaLM Infrastructure No.2 Limited		
Cost at 1 January	41,251	-
Additions during the year	77,000	41,251
Historic cost of investment at 31 December	118,251	41,251

The investment represents a 100% equity interest in Aviva Investors REaLM Infrastructure No.2 Limited (the "Holdco 2") which was acquired by the Partnership for a total amount of £41,251. The Holdco was incorporated on 24 February 2015 in the United Kingdom.

The Holdco 2 invests and owns 100% of the equity interests in the below mentioned companies:

Company	Equity interest	Country of incorporation	Business activity
Medium Scale Wind No.1 Limited ¹	100%	United Kingdom	Wind energy
SE11 PEP Limited ^{1*}	100%	United Kingdom	Wind energy
CE01 PEP Limited ^{1*}	100%	United Kingdom	Wind energy
CE07 PEP Limited ^{1*}	100%	United Kingdom	Wind energy
AD06 PEP Limited ^{1*}	100%	United Kingdom	Wind energy
SE06 PEP Limited ^{1*}	100%	United Kingdom	Wind energy

(¹) Address of the registered office: St Helen's, 1 Undershaft, London, United Kingdom, EC3P 3DQ.

(^{*}) Ownership is held indirectly

	Partnership 2016 £	Partnership 2015 £
Aviva Investors REaLM Infrastructure No.3 Limited		
Cost at 1 January	413,601	-
Additions during the year	590,000	413,601
Impairment of investment	(1,003,601)	-
Historic cost of investment at 31 December	-	413,601

The investment represents a 100% equity interest in Aviva Investors REaLM Infrastructure No.3 Limited (the "Holdco 3") which was acquired by the Partnership for a total amount of £413,601. The Holdco was incorporated on 28 May 2015 in the United Kingdom.

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12. Investments in subsidiaries (continued)

The Holdco 3 invests in the below mentioned companies:

Company	Equity interest	Country of incorporation	Business activity
Biomass UK No.1 LLP ¹	83.3%	United Kingdom	Biomass energy
Biomass UK No.2 ¹	100%	United Kingdom	Biomass energy
Biomass UK No.3 ¹	100%	United Kingdom	Biomass energy
Sunrise Renewables (Hull) Ltd ^{1*}	100%	United Kingdom	Dormant company
Sunrise Renewables (Barry) Ltd ^{1*}	100%	United Kingdom	Dormant company
Boston Biomass Ltd (formerly Alternative Use Group) ^{1*}	100%	United Kingdom	Dormant company
Boston Wood Recovery Limited ^{1*}	100%	United Kingdom	Dormant company

(¹) Address of the registered office: St Helen's, 1 Undershaft, London, United Kingdom, EC3P 3DQ.

(^{*}) Ownership is held indirectly.

	Partnership 2016 £	Partnership 2015 £
Aviva Investors REaLM Infrastructure No.4A Limited		
Cost at 1 January	1	-
Additions during the year	-	1
Historic cost of investment at 31 December	1	1

	Partnership 2016 £	Partnership 2015 £
Aviva Investors REaLM Infrastructure No.4B Limited		
Cost at 1 January	1	-
Additions during the year	-	1
Historic cost of investment at 31 December	1	1

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12. Investments in subsidiaries (continued)

	Partnership 2016 £	Partnership 2015 £
Aviva Investors REaLM Infrastructure No.5 Limited		
Cost at 1 January	-	-
Additions during the year	1,150,000	-
Historic cost of investment at 31 December	1,150,000	-

The investment represents a 100% equity interest in Aviva Investors REaLM Infrastructure No.5 Limited (the "Holdco 5") which was acquired by the Partnership for a total amount of £820,000. The Holdco was incorporated on 29 April 2016 in the United Kingdom.

The Holdco 5 invests and owns 100% of the equity interests in the below mentioned companies:

Company	Equity interest	Country of Incorporation	Business activity
Jacks Lane Energy Limited ¹	100%	United Kingdom	Wind Energy
Woolley Hill Electrical Energy Limited ¹	100%	United Kingdom	Wind Energy
Turncole Wind Farm Limited ¹	100%	United Kingdom	Wind Energy
Den Brook Energy Limited ¹	100%	United Kingdom	Wind Energy

(¹) Address of the registered office: St Helen's, 1 Undershaft, London, United Kingdom, EC3P 3DQ

The General Partner believes that the carrying value of the investments is supported by their underlying net assets.

At the end of the year the Group had the following material interests:

Company	Shareholding	Held through	Nature of business
Aviva Investors REaLM Infrastructure No.1 Limited ¹	100%	Acquisition	Investment
Aviva Investors Energy Centres No.1 Partnership ¹	50%	Acquisition	Investment
Aviva Investors REaLM Infrastructure No.2 Limited ¹	100%	Acquisition	Investment
Aviva Investors REaLM Infrastructure No.3 Limited ¹	100%	Acquisition	Investment
Aviva Investors REaLM Infrastructure No.4A Limited ¹	100%	Acquisition	Nominees Corp
Aviva Investors REaLM Infrastructure No.4B Limited ¹	100%	Acquisition	Nominees Corp
Aviva Investors REaLM Infrastructure No.5 Limited ¹	100%	Acquisition	Investment

(¹) Address of the registered office: St Helen's, 1 Undershaft, London, United Kingdom, EC3P 3DQ

All the above named companies are registered in England and Wales.

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13. Debtors: amounts falling due within one year

	Group	Group	Partnership	Partnership
	31 Dec 16	31 Dec 15	31 Dec 16	31 Dec 15
	£	£	£	£
Loan receivable	-	1,800,000	-	-
Trade debtors	2,678,291	134,144	-	-
Amounts owed by group undertakings	147,840	62,546	42,470	14,011
VAT receivable	3,697,797	4,962,595	-	2,100,063
Other debtors	1,300,212	1,693,826	527	836
Prepayments and accrued income	8,624,714	3,375,074	-	336
	16,448,854	12,028,185	42,997	2,115,246

On 18 August 2015, Biomass UK No.1 LLP entered into an unsecured loan facility with John Douglas Wardle and Richard John Fearson. The loan facility was unsecured and repaid in full on 20 November 2016 as agreed. The loan bore interest at 3.00% per annum

14. Creditors: Amounts falling due within one year

	Group	Group	Partnership	Partnership
	31 Dec 16	31 Dec 15	31 Dec 16	31 Dec 15
	£	£	£	£
Accounts payable	2,753,530	524,247	184,683	288,072
Interest payable	8,578,427	4,554,989	-	-
Amounts owed to group undertakings	-	-	254,031	859,691
Over billing	481,928	-	-	-
Finance costs - distributions payable	21,633	21,633	21,633	21,633
Accruals and deferred income	10,467,978	2,775,352	906,827	103,774
Other creditors	900,290	-	62,340	-
	23,203,786	7,876,221	1,429,514	1,273,170

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15. Intercompany borrowings

	Group 2016 £	Group 2015 £	Partnership 2016 £	Partnership 2015 £
Senior Loan (Tranche A)	338,475,726	211,762,760	-	-
Senior Loan (Tranche B)	181,316,850	119,835,325	-	-
	<u>519,792,576</u>	<u>331,598,085</u>	<u>-</u>	<u>-</u>

On 6 July 2012 Holdco 1 entered into an unsecured loan facility with Aviva Investors REaLM Infrastructure Unit Trust (the "Unit Trust"). The loan facility is unsecured and due to be repaid in full on 31 December 2026, and was utilised in two tranches: tranche A facility with a maximum amount of £97,500,000 and bearing interest of 4% per annum; tranche B facility with a maximum amount of £31,200,000 and bearing interest of 8% per annum. On 3 May 2013 the Holdco entered into an amended agreement with the Trust whereby the Company may elect to split the Facility between Tranche A and Tranche B as it deems appropriate on each drawdown, provided that the total amount of the Facilities shall not exceed £500,000,000.

On 13 March 2015, Holdco 1 and the Unit Trust entered into an amended loan facility agreement and extended the repayment date of the loan to 31 December 2040.

On 13 March 2015 the Trust entered into an agreement with the Holdco 2, whereby the Trust has made loan facilities available to the Holdco 2 in two tranches. Tranche A and Tranche B bear interest at 5% and 8.5% per annum respectively. Interest is payable on a quarterly basis. The loan will be adjusted on each interest payment date, increasing the loan to an amount equal to the value of the loan multiplied by the Index Ratio in accordance with Section 5 of the loan agreement. The Index Ratio increase is recognised as loan interest income in the statement of comprehensive income. The loan is unsecured and is repayable on 31 December 2040. The Trust may elect to split the Facility between Tranche A and Tranche B as it deems appropriate on each drawdown, provided that the total amount of the Facilities shall not exceed £500,000,000.

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15. Intercompany borrowings (continued)

On 7 August 2015 the Trust entered into an agreement with the Holdco 3, whereby the Trust has made loan facilities available to the Holdco 3 by way of either a Tranche A loan or a Tranche B loan, provided that the total amount of the Facilities shall not exceed £500,000,000. The Trust may elect to split the Facility between the Tranche A Facility and the Tranche B Facility as it deems appropriate on each drawdown. Tranche A and Tranche B respectively. Interest is payable on a quarterly basis. The Tranche A loan will be adjusted on each interest payment date, increasing the loan to an amount equal to the value of the loan multiplied by the Index Ratio in accordance with Section 5 of the loan agreement. The Index Ratio increase is recognised as loan interest income in the statement of comprehensive income. The loan is unsecured and is repayable on 31 December 2045.

On 17 May 2016 the Trust entered into an agreement with the Holdco 5, whereby the Trust has made loan facilities available to the Holdco 5 by way of either a Tranche A loan or a Tranche B loan, provided that the total amount of the Facilities shall not exceed £1,000,000,000. The Trust may elect to split the Facility between the Tranche A Facility and the Tranche B Facility as it deems appropriate on each drawdown. Tranche A and Tranche B respectively. Interest is payable on a quarterly basis. The Tranche A loan will be adjusted on each interest payment date, increasing the loan to an amount equal to the value of the loan multiplied by the Index Ratio in accordance with Section 5 of the loan agreement. The Index Ratio increase is recognised as loan interest income in the statement of comprehensive income. The loan is unsecured and is repayable on 31 December 2045.

16. Non-controlling interests

Non-controlling interests represent 50% equity interest in Aviva Investors Energy Centres No.1 Limited Partnership (31 December 2015: 50%) and 16.7% equity interest in Biomass UK No.1 LLP (31 December 2015: 25%).

	Group 2016 £	Group 2015 £
Opening non-controlling interests at 1 January	3,399,760	1,422,545
Share of net results for the year	413,323	(19,331)
Capital contribution	8,700,000	1,996,546
Non-controlling interests at 31 December	12,513,083	3,399,760

17. Contingent liabilities and commitments

The Partnership has £12,568,277 outstanding commitment on Aviva Investors Energy Centres No.1 Limited Partnership as at the reporting date (31 December 2015: £14,518,946). There were £nil contingent liabilities at the reporting date (31 December 2015: £Nil).

AVIVA INVESTORS INFRASTRUCTURE INCOME LIMITED PARTNERSHIP
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18. Net assets attributable to Partners

	Unit Trust 100% £	Total 100% £
Proceeds from Partner		
At 1 January 2016 (As restated)	20,571,849	20,571,849
Proceeds received	13,593,027	13,593,027
Repayment of Partner's advances	(2,309,187)	(2,309,187)
At 31 December 2016	<u>31,855,689</u>	<u>31,855,689</u>
Profit and loss account		
At 1 January 2016 (As restated)	33,146,932	33,146,932
Profit during the year	19,111,877	26,146,730
At 31 December 2016	<u>52,258,809</u>	<u>52,258,809</u>
Non-controlling interest		
At 1 January 2016	3,399,760	3,399,760
Share of net results for the year	413,323	413,323
Capital contribution	8,700,000	8,700,000
At 31 December 2016	<u>12,513,083</u>	<u>12,513,083</u>
Net assets attributable to Partners at 31 December 2016	<u>96,627,581</u>	<u>96,627,581</u>
Net assets attributable to Partners at 31 December 2015	<u>57,118,541</u>	<u>57,118,541</u>

The General Partner has 0.01% ownership. There are no net assets attributable to the General Partner.

**AVIVA INVESTORS INFRASTRUCTURE INCOME LIMITED PARTNERSHIP
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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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19. Related party transactions

	2016 (Expenses paid)/ Income earned this year £	2016 (Payable)/ receivable at year end £	2015 (Expenses paid)/ Income earned this year £	2015 (Payable)/ receivable at year end £
Group				
Aviva Investors UK Fund Services Limited - fund management fees	(2,792,930)	(2,103,891)	(1,680,771)	(1,229,830)
Expenses paid on behalf of Aviva Investors Infrastructure GP Limited	-	65,867	8,721	27,916
Aviva Investors REaLM Energy Centres Limited Partnership	-	63,546	-	235
Aviva Investors REaLM Energy Centres GP Limited	-	17,808	-	208
Aviva Investors REaLM Energy Centres No.1 GP Limited	-	619	-	393
Aviva Investors REaLM Infrastructure Unit Trust - loan	-	(519,792,576)	-	(331,598,085)
Aviva Investors REaLM Infrastructure Unit Trust - loan interest	(38,703,396)	(8,578,427)	(19,930,674)	(4,554,989)
Distributions to Aviva Investors Infrastructure Income Unit Trust	-	(21,633)	-	(21,633)
	(41,496,326)	(530,348,687)	(21,602,724)	(337,375,785)

AVIVA INVESTORS INFRASTRUCTURE INCOME LIMITED PARTNERSHIP
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FOR THE YEAR ENDED 31 DECEMBER 2016

19. Related party transactions (continued)

	2016 (Expenses paid)/ Income earned this year £	2016 (Payable)/ receivable at year end £	2015 (Expenses paid)/ Income earned this year £	2015 (Payable)/ receivable at year end £
Partnership				
Aviva Investors UK Fund Services Limited - fund	(241,775)	(213,187)	26,959	(26,959)
Expenses paid on behalf of Aviva Investors Infrastructure GP Limited	-	24,154	-	13,711
New Energy Residential Solar Limited	-	14,935	-	14,935
Medium Scale Wind No.1	-	(1,158)	-	-
Aviva Investors REaLM Energy Centres No.1 Limited	-	190	93,505	190
Aviva Investors REaLM Energy Centres Limited Partnership	-	235	-	235
Aviva Investors REaLM Energy Centres GP Limited	-	208	-	208
Aviva Investors REaLM Energy Centres No.1 GP Limited	-	393	-	393
Aviva Investors REaLM Infrastructure No.1 Limited	-	(252,873)	(91,809)	(876,014)
Aviva Investors REaLM Infrastructure No.2 Limited	-	1,157	1,157	1,157
Aviva Investors REaLM Infrastructure No.3 Limited	-	1,199	1,199	1,199
Distributions to Aviva Investors Infrastructure Income Unit Trust	-	(21,633)	-	(21,633)
	(241,775)	(446,380)	31,011	(892,578)

Aviva Investors UK Fund Services Limited receives fees as it acts as the Fund Manager for the Partnership.

The General Partner is entitled to a priority distribution of 0.01% of the net income from the Partnership. During the year the General Partner received £2,673 priority distributions (31 December 2015: £8,721).

As at 31 December 2016, the Partnership has an outstanding loan payable and interest payable to the Unit Trust amounting to £519,792,576 (31 December 2015: £331,598,085) and £8,042,369 (31 December 2015: 4,554,989) respectively (see note 14 and 15 for further details).

The Directors received no emoluments for services to the Partnership for the financial year (31 December 2015: £Nil).

AVIVA INVESTORS INFRASTRUCTURE INCOME LIMITED PARTNERSHIP
(FORMERLY AVIVA INVESTORS REaLM INFRASTRUCTURE LIMITED PARTNERSHIP)

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

19. Related party transactions (continued)

On 18 October 2016, the external partners to Biomass UK No. 1 LLP (the "LLP") gave written notice that they wished to surrender a portion of their membership units for consideration of £1,858,140. The total consideration payable was offset against loan receivables plus accrued interest owing to the LLP.

The remainder of their membership units are expected to be surrendered following Biomass UK No. 1 LLP becoming operational and the estimated consideration to be paid of £813,303 has been accrued for in the year ended 31 December 2016.

20. Financial instruments

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

		Group 31 Dec 16 £	Group 31 Dec 15 £	Partnership 31 Dec 16 £	Partnership 31 Dec 15 £
Financial assets					
Measured at amortised cost:					
Debtors	13	16,448,854	12,028,185	42,997	2,115,246
Cash at bank and in hand		37,976,583	21,726,957	2,038,003	849,597
		54,425,437	33,755,142	2,081,000	2,964,843
Financial liabilities					
Measured at amortised cost:					
Creditors	14	(23,203,786)	(7,876,221)	(1,429,514)	(1,273,170)
Intercompany borrowings	15	(519,792,576)	(331,598,085)	-	-
		(542,996,362)	(339,474,306)	(1,429,514)	(1,273,170)

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

		Group 1 Jan 16 to 31 Dec 16 £	Group 1 Jan 15 to 31 Dec 15 £	Partnership 1 Jan 16 to 31 Dec 16 £	Partnership 1 Jan 15 to 31 Dec 15 £
Finance income and expense					
Total interest income for financial assets at amortised cost		66,311	23,088	899	213
Total interest expense for financial liabilities at amortised cost		(38,703,396)	(19,930,674)	-	-

**AVIVA INVESTORS INFRASTRUCTURE INCOME LIMITED PARTNERSHIP
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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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21. Parent and ultimate controlling undertaking

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

The Partner's ultimate parent undertaking is Aviva Investors Infrastructure Income Unit Trust (formerly Aviva Investors REaLM Infrastructure Unit Trust), which is registered in Jersey.

Aviva Investors Infrastructure Income Limited Partnership, is both the largest and the smallest group of undertakings to consolidate these financial statements at 31 December 2016. The consolidated financial statements of Aviva Investors Infrastructure Income Limited Partnership are available on application to:

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

22. Events after the reporting period

The General Partner can confirm that there are no events to report after the reporting period.

**AVIVA INVESTORS INFRASTRUCTURE INCOME LIMITED PARTNERSHIP
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**ADDITIONAL AIFMD DISCLOSURES - UNAUDITED
FOR THE YEAR ENDED 31 DECEMBER 2016**

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 consistent with the principles outlined in the European Securities and Markets Authority guidelines on sound remuneration policies under AIFMD.

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.

For the year to 31 December 2016, remuneration paid by Aviva Plc, the ultimate parent of AIUKFSL, to its senior management team, and staff whose actions have a material impact on the risk profile of AIUKFSL ("Code staff"), is as follows:

	Senior Management	Other Code Staff
Total Remuneration:	£0.6m	£0.4m
Of which, Fixed Remuneration:	27%	59%
Variable Remuneration:	66%	28%
Pension/Benefits:	7%	13%
Number of Code staff:	7	9

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 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 2:1 using the commitment methodology and 2:1 using the gross methodology.