Registered in England and Wales: 08080716

AVIVA SPECIAL PFI GP LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

31 DECEMBER 2020

AVIVA SPECIAL PFI GP LIMITED

Registered in England and Wales: No. 08080716

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AVIVA SPECIAL PFI GP LIMITED

Registered in England and Wales: No. 08080716

DIRECTORS, OFFICERS AND OTHER INFORMATION AS AT 31 DECEMBER 2020

Directors	L G C Monnier R Dawson
Company Secretary	Aviva Company Secretarial Services Limited St Helen's 1 Undershaft London EC3P 3DQ
Registered Office	St Helen's 1 Undershaft London EC3P 3DQ
Company Number	Registered in England and Wales: No. 08080716
Independent Auditors	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors 7 More London Riverside London SE1 2RT
Other Information	Aviva Special PFI GP Limited (the 'Company') is a wholly owned subsidiary of Norwich Union (Shareholder GP) Limited and is a member of the Aviva plc group of companies (the 'Aviva Group')

AVIVA SPECIAL PFI GP LIMITED

Registered in England and Wales: No. 08080716

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020

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

Directors

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

L G C Monnier
R Dawson

Principal activities

The principal activity of the Company is to act as the General Partner of Aviva Special PFI Limited Partnership (the "Partnership") which is engaged in the acquisition, management and realisation of infrastructure loan assets. The Company does not hold any capital investment in the Partnership but is entitled to a priority distribution of 0.03% of the net income available for distribution from the Partnership.

The Directors have reviewed the activities of the Company for the year and the position as at 31 December 2020 and consider them to be satisfactory.

Results

The loss for the year, after taxation, amounted to £15,219 (2019 : £16,778).

Future developments

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

Going Concern

At the balance sheet date the company had net current liabilities of £88,315 (2019: £73,096). This is driven by £76,951 (2019: £66,927) owed to the Partnership. The Directors have received confirmation that the Partnership intends to support the company to enable it to meet its obligations as they fall due and it will not seek repayment of part or all of any intercompany debt, where to do so would place this company in an insolvent position. In addition, a letter of support has been provided by the Partnership.

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

Events after the reporting date

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

Employees

The Company has no employees (2019: Nil).

Disclosure of information to the Independent Auditors

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

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

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

Independent Auditors

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

Qualifying indemnity provisions

The Directors have the benefit of an indemnity provision contained in the Company's Articles of Association. This indemnity is a 'qualifying third party indemnity' for the purposes of Sections 309A to 309C of the Companies Act 1985 and remains in force as at the date of approving the Directors' Report by virtue of paragraph 15, Schedule 3 of The Companies Act 2006 (Commencement No. 3, Consequential Amendments, Transitional Provisions and Savings) Order 2007.

Risk and capital management policies

(a) Approach to risk and capital management

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

Risk and capital management policies (continued)

(b) Management of financial and non-financial risks

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

COVID-19

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

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

Whilst it is still not possible to fully assess the longer-term impact on specific industries or their constituents at this stage, the Directors believe with the financial support of the Partnership and having the right strategy in place, the Company is able to mitigate against the worst consequences of the outbreak. The Directors will continue to monitor the COVID-19 situation closely and act accordingly to protect the interests of investors.

Market risk

The Company's principle exposure to market risk takes the form of investment valuations, 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') 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 SPECIAL PFI GP LIMITED

Registered in England and Wales: No. 08080716

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

Statement of Directors' responsibilities in respect of the financial statements

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"), and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

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

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

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

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

In preparing their report, the Directors have taken advantage of the exemption for small companies in accordance with Section 415(A) of the Companies Act 2006. A strategic report has not been included in these audited financial statements as the Company qualifies for exemption as a small entity under Section 414B of the Companies Act 2006 relating to small entities.

On behalf of the Board:

DocuSigned by:
Laurence Monnier
7D3C8D331565456
L G C Monnier
Director
17 August 2021

Report on the audit of the financial statements

Opinion

In our opinion, Aviva Special PFI GP Limited 's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Statement of Financial Position as at 31 December 2020; the Statement of Comprehensive Income and the Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

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

Independence

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

Conclusions relating to going concern

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

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

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

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

Reporting on other information

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

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

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

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

Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the year ended 31 December 2020 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

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

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

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

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

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

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

Use of this report

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

Other required reporting

Companies Act 2006 exception reporting

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

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

We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

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

Thomas Norrie

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

AVIVA SPECIAL PFI GP LIMITED

Registered in England and Wales: No. 08080716

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	**1 Jan 2020 to 31 Dec 2020 £**	1 Jan 2019 to 31 Dec 2019 £
Turnover		**1,563**	1,692
Administrative expenses	5	**(16,782)**	(18,470)
Loss before taxation		**(15,219)**	(16,778)
Tax on loss	6	**-**	-
Loss for the financial year and total comprehensive expense for the financial year		**(15,219)**	(16,778)

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

The notes on pages 12 to 21 form an integral part of these financial statements.

AVIVA SPECIAL PFI GP LIMITED

Registered in England and Wales: No. 08080716

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2020

	Note	31 Dec 2020 £	31 Dec 2019 £
Current assets			
Debtors: amounts falling due within one year	7	**1**	8,978
Current liabilities			
Creditors: amounts falling due within one year	8	**(88,316)**	(82,074)
Net current liabilities		**(88,315)**	(73,096)
Net liabilities		**(88,315)**	(73,096)
Capital and reserves			
Called up share capital	9	**1**	1
Profit and loss account		**(88,316)**	(73,097)
Total Shareholders' deficit		**(88,315)**	(73,096)

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

DocuSigned by:

Laurence Monnier

L G C Monnier

Director

17 August 2021

The notes on pages 12 to 21 form an integral part of these financial statements.

AVIVA SPECIAL PFI GP LIMITED

Registered in England and Wales: No. 08080716

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020

	Called up share capital	Profit and loss account	Total Shareholders' deficit
	£	£	£
Balance as at 1 January 2019	**1**	**(56,319)**	**(56,318)**
Loss for the financial year and total comprehensive expense for the financial year	-	**(16,778)**	**(16,778)**
Balance as at 31 December 2019 and 1 January 2020	**1**	**(73,097)**	**(73,096)**
Loss for the financial year and total comprehensive expense for the financial year	-	**(15,219)**	**(15,219)**
Balance as at 31 December 2020	**1**	**(88,316)**	**(88,315)**

The notes on pages 12 to 21 form an integral part of these financial statements.

1. General information

Aviva Special PFI GP Limited (the "Company") acts as the General Partner of Aviva Special PFI Limited Partnership (the "Partnership") which is engaged in the acquisition, management and realisation of infrastructure loan assets.

The Company is registered as a private company limited by its shares and its registered address is St Helen's, 1 Undershaft, London, EC3P 3DQ.

2. Statement of compliance

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

3. Accounting policies

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

3.1 Basis of preparation

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

These financial statements have been presented in pounds sterling as this is the Company's functional currency, being the primary economic environment in which it operates.

3.2 Going concern

At the balance sheet date the company had net current liabilities of £88,315 (2019: £73,096). This is driven by £76,951 (2019: £66,927) owed to the Partnership. The Directors have received confirmation that the Partnership intends to support the company to enable it to meet its obligations as they fall due and it will not seek repayment of part or all of any intercompany debt, where to do so would place this company in an insolvent position. In addition, a letter of support has been provided by the Partnership.

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

3.3 Consolidation exemption

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

3. Accounting policies (continued)

3.4 Strategic report and Directors' report

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

3.5 Turnover

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

3.6 Cash flow statement

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

3.7 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 assets, using the liability method, on all material temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

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

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

Deferred tax is provided on temporary differences arising from investments in subsidiaries, associates and joint ventures, except where the timing of the reversal of the temporary difference can be controlled and it is probable that the difference will not reverse in the foreseeable future.

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

3. Accounting policies (continued)

3.8 Provisions and contingent liabilities

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. Where the Company expects a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is more probable than not.

Contingent liabilities are disclosed either if there is a possible obligation to transfer economic benefits, or if a present obligation exists where it is not probable that a transfer of economic benefits will be required to settle the obligation or a sufficiently reliable estimate of the amount of the obligation cannot be made.

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

3.9 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.

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

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

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

3. Accounting policies (continued)

3.9 Financial instruments (continued)

(ii) Financial liabilities

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

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

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

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

(iii) Offsetting

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

4. Critical accounting judgements and key sources of estimation uncertainty

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

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

The Directors confirm that no critical accounting judgements have been made in relation to the 2020 financial statements.

5. Administrative expenses

	1 Jan 2020 to 31 Dec 2020 £	1 Jan 2019 to 31 Dec 2019 £
Fees payable to the auditors for the audit of the Company's financial statements*	**5,720**	6,485
Administration fees	**10,000**	10,027
Tax Advisors	**1,062**	1,958
	16,782	18,470

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

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

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

6. Tax on loss

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

AVIVA SPECIAL PFI GP LIMITED

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

6. Tax on loss (continued)

(a) Tax reconciliation

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

	1 Jan 2020 to 31 Dec 2020 £	1 Jan 2019 to 31 Dec 2019 £
Loss before taxation	**(15,219)**	(16,778)
Loss before taxation multiplied by standard rate of corporation tax in the UK of 19.00% (31 December 2019: 19.00%)	**(2,892)**	(3,188)
Taxable allocation from Partnership	**521**	-
Non taxable distribution from Partnership	**(296)**	(321)
Deferred tax assets not recognised	**2,667**	3,509
Total tax charge for the year	**-**	-

(b) Deferred tax

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

	2020 £	2019 £
Tax loss for the year	**14,038**	15,857
Deferred tax rate	**19%**	**17%**
Deferred tax asset not recognised	**2,667**	2,696

6. Tax on loss (continued)

(b) Deferred tax (continued)

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

	2020	2019
	£	£
Opening balance of unrecognised deferred tax assets	**10,667**	7,971
Charge for the year	**2,667**	2,696
Deferred Tax rate change	**1,255**	-
Balances at 31 December	**14,589**	10,667

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

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

In the Budget of 3 March 2021 the UK Government announced that the UK corporation tax rate will increase to 25% from 1 April 2023. As of 31 December 2020, this measure had not been substantively enacted and therefore no impact is reflected in the calculation of the Company's deferred tax assets and liabilities as at 31 December 2020. There is no impact on the Company's net assets as a consequence of this amendment.

7. Debtors: amounts falling due within one year

	31 Dec 2020	31 Dec 2019
	£	£
Amounts owed by Group undertakings	**1**	8,978

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

AVIVA SPECIAL PFI GP LIMITED

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

8. Creditors: amounts falling due within one year

	31 Dec 2020 £	31 Dec 2019 £
Amounts owed to Group undertakings (see Note 11)	**76,951**	75,904
Accruals and deferred income	**11,365**	6,170
	88,316	82,074

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

	31 Dec 2020 £	31 Dec 2019 £
Allotted, called up and unpaid share capital of the Company at 31 December 2020: 1 (2019: 1) ordinary share of £1	**1**	1

10. Contingent liabilities and capital commitments

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

11. Related party transactions

	2020 Income earned / (expenses incurred) in the year £	**2020 (Payable) / receivable at year end £**	2019 Income earned / (expenses incurred) in the year £	2019 Receivable / (payable) at year end £
Aviva Special PFI Limited Partnership - priority distribution	**1,563**	**-**	1,692	8,977
Aviva Special PFI Limited Partnership - payment on behalf of the Company	**(16,782)**	**(76,951)**	(18,470)	(75,904)
Norwich Union (Shareholder GP) Limited - share capital	**-**	**1**	-	1
	(15,219)	**(76,950)**	(16,778)	(66,926)

The Company is entitled to a priority distribution of 0.03% (2019: 0.03%) of the net income available for distribution.

During the year, administration fees of £10,000 (2019: £10,027), audit fees of £5,720 (2019: £6,485) and tax adviser fees of £866 (2019: £1,958) were paid by the Partnership on behalf of the Company. At the Statement of Financial Position date the Company owed £76,951 (2019: £66,927) to the Partnership.

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

12. Financial instruments

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

	31 Dec 2020 £	31 Dec 2019 £
Financial assets		
Measured at undiscounted amount:		
Debtors: amounts falling due within one year (Note 7)	**1**	1

	31 Dec 2020 £	31 Dec 2019 £
Financial liabilities		
Measured at undiscounted amount:		
Creditors: amounts falling due within one year (see Note 8)	**88,316**	75.904

13. Immediate parent and ultimate controlling party

The Company is owned by Norwich Union (Shareholder GP) Limited.

Norwich Union (Shareholder GP) Limited is a wholly owned subsidiary of Aviva Life & Pensions UK Limited, whose ultimate controlling entity is Aviva plc.

Aviva plc is the parent undertaking of both the largest and smallest group of undertakings to consolidate these financial statements as of 31 December 2020. The consolidated financial statements of Aviva plc are available on www.aviva.com or by application to the Group Secretary, Aviva plc, St Helen's 1 Undershaft, London EC3P 3DQ.

14. Events after the reporting financial year

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

Registered number: LP015013

AVIVA SPECIAL PFI LIMITED PARTNERSHIP

ANNUAL REPORT AND FINANCIAL STATEMENTS

31 DECEMBER 2020

AVIVA SPECIAL PFI LIMITED PARTNERSHIP

CONTENTS

AVIVA SPECIAL PFI LIMITED PARTNERSHIP

PARTNERS, ADVISERS AND OTHER INFORMATION AS AT 31 DECEMBER 2020

Partners:

Limited Partner
Aviva Life & Pensions UK Limited
AI Special PFI SPV Limited

General Partner
Aviva Special PFI GP Limited
St Helen's
1 Undershaft
London
EC3P 3DQ

Fund Manager
Aviva Investors UK Fund Services Limited
St Helen's
1 Undershaft
London
EC3P 3DQ

Asset Manager
Aviva Investors Global 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 Thredneedle Street
London City Office
EC2R 8LA

Registered Office
St Helen's
1 Undershaft
London
EC3P 3DQ

Registered Number
Registered in England and Wales: No. LP015013

The Directors of the General Partner (the "Directors") present their strategic report of Aviva Special PFI Limited Partnership (the "Partnership") for the year ended 31 December 2020.

THE PARTNERSHIP

The Partnership was established on 25 May 2012 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 2020 is £215,000,000 (31 December 2019: £215,000,000) of which £121,678,080 (31 December 2019: £129,078,080) has been drawn down.

PRINCIPAL ACTIVITIES OF THE PARTNERSHIP

The principal activity of the Partnership is to acquire, manage and realise infrastructure loan assets in accordance with the Investment Policy. This will continue to be the principal activity of the Partnership for the foreseeable future.

REVIEW OF THE PARTNERSHIP'S BUSINESS

Objective and strategy

The objective of the Partnership is to generate excess returns to other PFI bonds on a risk and liquidity adjusted basis.

The Partnership will invest in loan assets that provide such returns.

To achieve its objective the Partnership will seek to appraise the loans on consistent risk metrics, ensuring that the returns are not due to additional risks already embedded in the loans. In addition, any other loan-specific risk and liquidity factors will be identified and accounted for in the risk adjusted return expectations. A number of standard stress scenarios as well as additional loan-specific risk scenarios will be used to assess the likelihood of default of each of the loans. The expected loss given default will also be estimated. This approach will seek to ensure that both the likelihood and severity of loss are reflected consistently in the pricing of the loans. Similarly, the cost of liquidity will be assessed and monitored through time.

PARTNERSHIP PERFORMANCE

The financial position of the Partnership at 31 December 2020 is shown in the Statement of Financial Position on page 15, with the results shown in the Statement of Comprehensive Income on page 14 and the Cash Flow Statement on page 17.

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

	31 December 2020	31 December 2019
Distribution yield	3.25%	3.45%
Net asset value (NAV)	£160,109,115	£163,570,579
Market value of investment loans	£127,283,955	£132,748,732
Number of loans	13	13

Performance of the Partnership is reported on the basis of changes in the valuation spread, which is communicated to all investors separately. The Partnership does not have target returns or benchmark to evaluate performance.

CAPITAL MANAGEMENT AND OBJECTIVES

The Partnership operates as an ungeared fund.

During the year the Partnership made a capital repayment of £7,400,000 (31 December 2019: £6,300,000).

PURCHASES AND DISPOSALS

There have been no additions or disposals during the year.

EVENTS AFTER THE REPORTING FINANCIAL YEAR

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

FUTURE DEVELOPMENTS

The Directors expect the general level of activity to remain stable in the forthcoming year.

PRINCIPAL RISKS AND UNCERTAINTIES

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

The Aviva Group's approach to risk and capital management

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

Management of financial and non-financial risks

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

COVID-19

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

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

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

PRINCIPAL RISKS AND UNCERTAINTIES (CONTINUED)

Management of financial and non-financial risks (continued)

Market risk

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

Interest rate risk

As the Partnership has interest-bearing assets, its income and operating cash flows are substantially independent of changes in market interest rates.

The Partnership's policy is to manage the exposure to interest rate fluctuations by the use of financial instruments such as swaps in order to provide certainty over the amount of interest payable both in the short-term and the long-term, given the current level of loan investments.

Credit risk

Apart from PFI agreement risk stated below, the Partnership does not have a significant exposure to credit risk as receivables are mainly short-term trading items. The Partnership's investments are managed by agents who have responsibility for the prompt collection of amounts due.

Loan commitments are made under the Limited Partnership Agreement (the "LPA") that is signed by all parties so that all members of the Partnership 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 and cash equivalents are held with financial institutions with good credit ratings. The Partnership does not have significant exposure to credit risks as receivables are mainly short-term trading terms. Therefore, its carrying amounts best represent the maximum exposure to credit risk. Loans are written post extensive credit rating analysis that is continually monitored over the life of the loan.

PFI Agreements

The key risk underlying the PFI agreements is the recoverability of the amounts due from the various public bodies. This risk, however, is mitigated, as the repayments are fixed under the terms of each PFI agreement, after including an annual indexation factor.

Operational risk

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

Liquidity risk

The Partnership does not have a significant exposure to liquidity risk. Liquidity risk is managed by ensuring that there is always sufficient headroom available to meet the working capital requirements of the business. The General Partner monitors the maturity of the Partnership's obligations as and when they fall due.

PRINCIPAL RISKS AND UNCERTAINTIES (CONTINUED)

Management of financial and non-financial risks (continued)

Liquidity risk (continued)

The maturity analysis of the Partnership's financial assets and liabilities as at 31 December 2020 and 31 December 2019 was as follows:

As at 31 December 2020	On demand £	1-3 months £	4-12 months £	More than 12 months £	Total £
Financial assets					
Investment in loans	-	2,399,597	4,663,909	120,753,375	127,816,881
Derivative financial instruments	-	1,523,710	2,678,515	19,553,380	23,755,605
Interest receivable	-	1,015,077	-	-	1,015,077
Amounts owed by related parties	-	107,492	-	-	107,492
Amounts owed by General Partner	-	76,951	-	-	76,951
Cash at bank and in hand	8,737,788	-	-	-	8,737,788
	8,737,788	5,122,827	7,342,424	140,306,755	161,509,794
Financial liabilities					
Finance costs - distributions payable	-	1,229,752	-	-	1,229,752
Accruals	-	170,928	-	-	170,928
	-	1,400,680	-	-	1,400,680

As at 31 December 2019	On demand £	1-3 months £	4-12 months £	More than 12 months £	Total £
Financial assets					
Investment in loans	-	2,403,669	4,488,803	125,856,260	132,748,732
Derivative financial instruments	-	1,633,410	2,448,809	17,694,146	21,776,365
Interest receivable	-	1,113,289	-	-	1,113,289
Amounts owed by related parties	-	93,440	-	-	93,440
Amounts owed by General Partner	-	66,927	-	-	66,927
Cash at bank and in hand	9,715,728	-	-	-	9,715,728
	9,715,728	5,310,735	6,937,612	143,550,406	165,514,481
Financial liabilities					
Finance costs - distributions payable	-	1,369,135	-	-	1,369,135
Accruals	-	574,767	-	-	574,767
	-	1,943,902	-	-	1,943,902

AVIVA SPECIAL PFI LIMITED PARTNERSHIP

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

EMPLOYEES

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

ENVIRONMENTAL

Aviva's approach to responsible investment in real assets

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

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

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

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

For and on behalf of the Partnership:

DocuSigned by:
Ricky Dawson
119B2EA431684F3

R Dawson
Director of Aviva Special PFI GP Limited

Date: 20 April 2021

AVIVA SPECIAL PFI LIMITED PARTNERSHIP

GENERAL PARTNER'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020

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

RESULTS AND DISTRIBUTIONS

The total comprehensive income for the Partnership for the year ended 31 December 2020 was £3,938,536 (31 December 2019: £3,069,015). Distributions to the Partners were £5,203,900 (31 December 2019: £5,639,262).

DIRECTORS

The current Directors of Aviva Special PFI GP Limited and those in office throughout the year are as follows:

L G C Monnier
R Dawson

FUTURE DEVELOPMENT

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

EVENTS AFTER THE REPORTING FINANCIAL YEAR

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

PARTNERS' ACCOUNTS

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

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

As at 31 December 2020	**Capital Contributions £**	**Capital Advance £**
Aviva Life & Pensions UK Limited	20	121,637,710
AI Special PFI SPV Limited	10	40,340
Total	30	121,678,050

As at 31 December 2019	**Capital Contributions £**	**Capital Advance £**
Aviva Life & Pensions UK Limited	20	129,035,989
AI Special PFI SPV Limited	10	42,061
Total	30	129,078,050

AVIVA SPECIAL PFI LIMITED PARTNERSHIP

GENERAL PARTNER'S REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

AMOUNTS ATTRIBUTABLE TO THE GENERAL PARTNER

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

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

The General Partner's priority profit share entitlement for the year was £1,562 (31 December 2019: £1,692).

GOING CONCERN

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

FINANCIAL INSTRUMENTS

The business of the Partnership includes use of financial instruments. Details of the Partnership's risk management objectives and policies, and exposures to price risk, credit risk, liquidity risk and cash flow risk relating to financial instruments are set out in Note 18 to the financial statements and on pages 3 to 5 in the Strategic Report.

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 the Director is aware, there is no relevant audit information, being information needed by the auditors in connection with preparing their report, of which the Partnership's auditors are unaware, and

- each Director has taken all the steps that ought to have been taken as a Director in order to make himself aware of any relevant audit information and to establish that the Partnership's auditors are aware of that information.

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

AVIVA SPECIAL PFI LIMITED PARTNERSHIP

GENERAL PARTNER'S REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

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

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

Company law, as applied to qualifying partnerships by the Partnerships (Accounts) Regulations 2008 (the "Regulations"), requires the general partner to prepare financial statements for each financial year. Under that law the general partner has prepared the 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, a 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 partnership and of the profit or loss of the partnership for that period. In preparing the financial statements, the general partner is required to:

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

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

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

For and on behalf of the Partnership:

DocuSigned by:
Ricky Dawson
119B2EA431684FB

R Dawson
Director of Aviva Special PFI GP Limited

Date: 20 April 2021

pwc

Independent auditors' report to the partners of Aviva Special PFI Limited Partnership

Report on the audit of the financial statements

Opinion

In our opinion, Aviva Special PFI Limited Partnership's financial statements:

- give a true and fair view of the state of the partnership's affairs as at 31 December 2020 and of its profit and cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to qualifying partnerships by the Partnerships (Accounts) Regulations 2008.

We have audited the financial statements, included within the Annual Report, which comprise: the Statement of Financial Position as at 31 December 2020; the Statement of Comprehensive Income, the Statement of Changes in Net Assets attributable to Partners, and the Statement of Cash Flows for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

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

Independence

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

Conclusions relating to going concern

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

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

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

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

Reporting on other information

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

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

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

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

Strategic report and General Partner's Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and General Partner's Report for the year ended 31 December 2020 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the partnership and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and General Partner's Report.

Responsibilities for the financial statements and the audit

Responsibilities of the general partner for the financial statements

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

In preparing the financial statements, the general partner is responsible for assessing the partnership's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the general partner either intends to liquidate the partnership or to cease operations, or has no realistic alternative but to do so.

pwc

Auditors' responsibilities for the audit of the financial statements

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

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

Based on our understanding of the partnership and industry, we identified that the principal risks of non-compliance with laws and regulations, including those that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 as applied to qualifying partnerships by the Partnerships (Accounts) Regulations 2008, and considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to increase revenue and management bias in accounting estimates and judgemental areas of the financial statements such as carrying value of certain assets. *Audit procedures performed included:*

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

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

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

Use of this report

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

Other required reporting

Companies Act 2006 exception reporting

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

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

We have no exceptions to report arising from this responsibility.

Thomas Norrie

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

AVIVA SPECIAL PFI LIMITED PARTNERSHIP

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	**1 Jan 2020 to 31 Dec 2020 £**	1 Jan 2019 to 31 Dec 2019 £
Turnover	5	**5,368,545**	5,785,592
Gross profit		**5,368,545**	5,785,592
Administrative expenses	6	**(187,235)**	(180,155)
Change in fair value of investments in loans	8	**1,959,295**	2,151,211
Change in fair value of derivative financial instruments	9	**1,979,240**	917,926
Operating profit		**9,119,845**	8,674,574
Interest receivable and similar income		**22,591**	33,703
Finance costs - distributions	7	**(5,203,900)**	(5,639,262)
Profit before taxation		**3,938,536**	3,069,015
Total comprehensive income for the year		**3,938,536**	3,069,015

Continuing operations

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

The notes on pages 18 to 32 form an integral part of these financial statements.

AVIVA SPECIAL PFI LIMITED PARTNERSHIP

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

	Note	**31 Dec 2020** **£**	31 Dec 2019 £
Fixed assets			
Investments in loans	8	**127,816,881**	132,748,732
Derivative financial instruments	9	**23,755,605**	21,776,365
		151,572,486	154,525,097
Current assets			
Debtors: amounts falling due within one year	10	**1,199,521**	1,273,656
Cash at bank and in hand		**8,737,788**	9,715,728
		9,937,309	10,989,384
Creditors: amounts falling due within one year	11	**(1,400,680)**	(1,943,902)
Net current assets		**8,536,629**	9,045,482
Total assets less current liabilities		**160,109,115**	163,570,579
Net assets attributable to partners		**160,109,115**	163,570,579

These audited financial statements were approved by the members of Aviva Special PFI GP Limited, the General Partner on 20 April 2021 and were signed on its behalf by:

DocuSigned by:
Ricky Dawson
119B2EA431684CB

R Dawson
Director of Aviva Special PFI GP Limited

The notes on pages 18 to 32 form an integral part of these financial statements.

AVIVA SPECIAL PFI LIMITED PARTNERSHIP

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO PARTNERS FOR THE YEAR ENDED 31 DECEMBER 2020

	Partners' capital	Profit and loss account	Total
	£	£	£
Balance at 1 January 2019	**135,378,080**	**31,423,484**	**166,801,564**
Total comprehensive income for the year	-	**3,069,015**	**3,069,015**
Partners' loan advances repaid during the year (see Note 16)	**(6,300,000)**	-	**(6,300,000)**
Balance at 31 December 2019	**129,078,080**	**34,492,499**	**163,570,579**
Total comprehensive income for the year	-	**3,938,536**	**3,938,536**
Partners' loan advances repaid during the year (see Note 16)	**(7,400,000)**	-	**(7,400,000)**
Balance at 31 December 2020	**121,678,080**	**38,431,035**	**160,109,115**

The notes on pages 18 to 32 form an integral part of these financial statements.

AVIVA SPECIAL PFI LIMITED PARTNERSHIP

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020

	1 Jan 2020 to 31 Dec 2020 £	1 Jan 2019 to 31 Dec 2019 £
Net cash flow generated from operating activities (see Note 14)	**4,756,734**	5,741,386
Adjustments for:		
Cash flows from investing activities		
Repayment of capital from investments in loans	**6,891,146**	6,921,929
Interest received	**120,803**	33,703
Net cash generated from investing activities	**7,011,949**	6,955,632
Cash flows from financing activities		
Repayment of Partners' loan advance	**(7,400,000)**	(6,300,000)
Payment of finance costs - distributions	**(5,346,623)**	(5,781,259)
Net cash used in financing activities	**(12,746,623)**	(12,081,259)
Net (decrease)/increase in cash at bank and in hand	**(977,940)**	615,759
Cash at bank and in hand at beginning of year	**9,715,728**	9,099,969
Cash at bank and in hand at end of year	**8,737,788**	9,715,728

The notes on pages 18 to 32 form an integral part of these financial statements.

1. General Information

The principal activity of Aviva Special PFI Limited Partnership (the "Partnership") is to acquire, manage and realise infrastructure loan assets in accordance with the Investment Policy. This will continue to be the principal activity of the Partnership for the foreseeable future.

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

2. Statement of compliance

The 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.

3. Accounting policies

3.1 Basis of preparation

These Partnership financial statements are prepared on a going concern basis, under the historical cost convention, as modified by the recognition of certain financial assets and liabilities measured at fair value through profit or loss.

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

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Partnership accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 4.

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

3.2 Going concern

The General Partner has reviewed the financial position of the Partnership and its liquidity, making reasonable assumptions about future trading performance. After making enquiries, the General Partner has a reasonable expectation that the 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. Accounting policies (continued)

3.3 Financial instruments

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

(i) Financial assets

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

Basic financial assets, including debtors and cash at bank and in hand are recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

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

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

Other financial assets, 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 publicly 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.

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

3. Accounting policies (continued)

3.3 Financial instruments (continued)

(ii) Financial liabilities

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

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

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

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless they are included in a hedging arrangement.

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

(iii) Offsetting

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

(iv) Investments in loans

Investments in loans comprise a portfolio of PFI loans. The investments are measured at fair value through profit or loss. Where fair value cannot be measured reliably, investments are measured at cost less impairment. The fair value of the amounts due under PFI loans represents an estimate by independent professional valuers of the open market value of that asset as at the reporting date. The determination of the fair value of the amounts due under PFI loans requires the use of estimates such as future cash flows from assets and discount rates applicable to those assets.

(v) Derivative financial instruments

Derivative financial instruments are recognised at fair value through profit or loss. Derivative financial instruments are valued using valuation techniques commonly used by market participants. These consist of discounted cash flows which typically incorporate market data, principally interest rates, basis spreads, and counterparty credit.

(vi) Fair value measurement

The best evidence of fair value is a quoted price for an identical asset in an active market. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the market is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, an entity estimates the fair value by using a valuation technique.

3. Accounting policies (continued)

3.4 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 Limited Partnership Agreement (the "LPA") which require repayment of the net assets / liabilities upon winding up of the Partnership.

3.5 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.

3.6 Cash flow

The Partnership reports cash flows from operating activities using the indirect method. Interest received and paid is presented within cash flows from financing activities. The acquisitions of investment are disclosed as cash flows from investing activities because this most appropriately reflects the Partnership's business activities.

3.7 Turnover

Turnover comprises the net income receivable from the investment portfolio and is recognised on an accruals basis.

3.8 Administrative expenses

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

3.9 Fund Manager fees

Under the terms of the Fund Manager's Agreement dated 6 June 2012 between the Partnership and Aviva Investors UK Fund Services Limited (the "Fund Manager"), the Fund Manager is entitled to an annual fee equivalent to 0.01% of net asset value, calculated on a quarterly basis and payable quarterly in arrears.

3.10 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.

3.11 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. Accounting policies (continued)

3.12 Related party transactions

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

4. Critical accounting judgements and key sources of estimation uncertainty

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

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 Partnership's accounting policies, the General Partner has made the following judgements which have the most significant effect on the amounts recognised in the financial statements:

(a) Valuation of investments in loans and derivative financial instruments

Fair value disclosures in relation to investments in loans and derivative financial instruments are given in Note 8 and 9.

5. Turnover

	1 Jan 2020 to 31 Dec 2020 £	1 Jan 2019 to 31 Dec 2019 £
Income from investments in loans and derivative financial instruments	**5,339,584**	5,765,765
Portfolio fee income	**28,961**	19,827
	5,368,545	5,785,592

6. Administrative expenses

	1 Jan 2020 to 31 Dec 2020 £	1 Jan 2019 to 31 Dec 2019 £
Professional fees	**90,007**	93,269
Administration fees	**46,316**	40,000
Auditors' fees*	**26,520**	23,179
Fund Manager fees	**19,306**	19,844
Tax advice fees	**3,460**	2,100
General Partner priority profit share	**1,562**	1,692
Bank charges	**64**	71
	187,235	180,155

The Partnership had no employees in the current or prior year. The Directors received no emoluments for services to the Partnership for the financial year (31 December 2019: £Nil).

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

7. Finance costs - Distributions

	1 Jan 2020 to 31 Dec 2020 £	1 Jan 2019 to 31 Dec 2019 £
Finance costs - distributions declared and paid	**3,977,488**	4,270,127
Proposed distributions at 31 December	**1,226,412**	1,369,135
Total amounts available for distribution as per profit and loss account	**5,203,900**	5,639,262

In accordance with the LPA, the General Partner is entitled to a priority distribution each quarter equal to 0.03% of net income available for distribution. The balance of any net income after this priority distribution is allocated to the Partners in proportion to their ownership percentage for the year to which the distribution relates. At the year end the percentage holdings were:

	31 Dec 2020	31 Dec 2019
AI Special PFI SPV Limited	**0.03%**	0.03%
Aviva Life & Pensions UK Limited	**99.97%**	99.97%

8. Investments in loans

	31 Dec 2020	31 Dec 2019
	£	£
Fair value at the beginning of the year	**132,748,732**	137,519,450
Repayments	**(6,891,146)**	(6,921,929)
Change in fair value of investments	**1,959,295**	2,151,211
Fair value at the end of the year	**127,816,881**	132,748,732

Valuation technique

The Partnership's investments comprise a portfolio of PFI loans that are managed by the Fund Manager on behalf of the Partnership. None of the Partnership's investments are listed securities. Refer to Note 18 for assumptions used in valuation of investments.

The determination of the fair value of the amounts due under PFI loans requires the use of estimates such as future cash flows from assets and discount rates applicable to those assets.

A 1% increase in the total interest rate applicable to the loans receivable would lead to a decrease in the loan valuation by £8,374,714.

A 1% decrease in the total interest rate applicable to the loans receivable would lead to an increase in the loan valuation by £9,799,394.

A 2% increase in the total interest rate applicable to the loans receivable would lead to a decrease in the loan valuation by £15,086,815.

If there was a valuation or NAV decrease of this value, management have performed a review of the fund terms and confirmed that there would be no subsequent issues associated with the going concern assumption of the fund.

9. Derivative financial instruments

	31 Dec 2020	31 Dec 2019
	£	£
Fair value at the beginning of the year	**21,776,365**	20,858,439
Change in fair value of investments	**1,979,240**	917,926
Fair value at the end of the year	**23,755,605**	21,776,365

Valuation technique

The Partnership has entered into interest rate swaps to receive interest at floating rates and pay interest at fixed rates.

Derivative financial instruments are recognised at fair value through profit or loss. Derivative financial instruments are valued using valuation techniques commonly used by market participants. These consist of discounted cash flows which typically incorporate market data, principally interest rates, basis spreads, and counterparty credit.

A 1% increase in the total interest rate applicable to the derivative would lead to a decrease in the derivative valuation by £1,003,244.

A 1% decrease in the total interest rate applicable to the derivative would lead to an increase in the derivative valuation by £1,110,535.

A 2% increase in the total interest rate applicable to the derivative would lead to a decrease in the derivative valuation by £1,897,466.

10. Debtors: amounts falling due within one year

	31 Dec 2020 £	31 Dec 2019 £
Interest receivable	**1,015,077**	1,113,289
Amounts owed by related parties (see Note 17)	**107,492**	93,440
Amounts owed by General Partner (see Note 17)	**76,952**	66,927
	1,199,521	1,273,656

Receivables from related parties are interest free and repayable on demand.

11. Creditors: amounts falling due within one year

	31 Dec 2020 £	31 Dec 2019 £
Finance costs - distributions payable (see Notes 7 and 17)	**1,226,412**	1,369,135
Accruals	**174,268**	574,767
	1,400,680	1,943,902

12. Contingent liabilities and commitments

There were no commitments or contingent liabilities at the reporting date (31 December 2019: £Nil).

13. 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.

14. Notes to the cash flow statement

Reconciliation of operating profit to net cash flows from operating activities

	1 Jan 2020 to 31 Dec 2020 £	1 Jan 2019 to 31 Dec 2019 £
Operating profit	**9,119,845**	8,674,574
Adjustment for:		
Increase in fair value of investments in loans	**(1,959,295)**	(2,151,211)
Increase in fair value of derivative financial instruments	**(1,979,240)**	(917,926)
(Increase)/decrease in debtors	**(24,077)**	43,395
(Decrease)/increase in creditors	**(400,499)**	92,554
Net cash flows from operating activities	**4,756,734**	5,741,386

15. Analysis of net debt

	At 1 January 2020 £	**Cash flows £**	**At 31 December 2020 £**
Cash at bank and in hand	**9,715,728**	**(977,940)**	**8,737,788**

AVIVA SPECIAL PFI LIMITED PARTNERSHIP

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

16. Net assets attributable to partners

	Limited Partner 100% £	Total 100% £
Proceeds from Partners		
At 1 January 2020	129,078,080	129,078,080
Repayment of Partner's capital contribution during the year	(7,400,000)	(7,400,000)
At 31 December 2020	**121,678,080**	**121,678,080**
Profit and loss account		
At 1 January 2020	34,492,499	34,492,499
Total comprehensive income	9,142,436	9,142,436
Distributions	(5,203,900)	(5,203,900)
At 31 December 2020	**38,431,035**	**38,431,035**
Net assets attributable to Partners at 31 December 2020	**160,109,115**	**160,109,115**
Proceeds from Partners		
At 1 January 2019	135,378,080	135,378,080
Repayment of Partner's capital contribution during the year	(6,300,000)	(6,300,000)
At 31 December 2019	**129,078,080**	**129,078,080**
Profit and loss account		
At 1 January 2019	31,423,484	31,423,484
Total comprehensive income	8,708,277	8,708,277
Distributions	(5,639,262)	(5,639,262)
At 31 December 2019	**34,492,499**	**34,492,499**
Net assets attributable to Partners at 31 December 2019	**163,570,579**	**163,570,579**

The GP has 0% of ownership as such no assets attributable to the GP have been disclosed.

17. Related party transactions

	1 Jan 2020 to 31 Dec 2020 (Expense paid)/ income earned in year	**31 Dec 2020 (Payable)/ receivable at year end**	1 Jan 2019 to 31 Dec 2019 (Expense paid)/ income earned in year	31 Dec 2019 (Payable)/ receivable at year end
	£	**£**	£	£
Aviva Investors Global Services Limited - Fund management fees	**(19,307)**	**(4,886)**	(19,844)	(5,008)
AI Special PFI GP Limited - Priority distributions	**(1,562)**	**-**	(1,692)	(8,977)
AI Special PFI GP Limited - Expenses	**11,586**	**76,952**	36,574	75,904
AI Special PFI SPV Limited - Expenses	**-**	**107,492**	-	80,457
AI Special PFI SPV Limited - Distribution	**(1,040)**	**(245)**	(854)	(274)
Aviva Special PFI Charitable Trust - Expenses	**-**	**-**	-	12,983
Aviva Investors Real Estate Finance Limited - Loan manager fees	**(90,007)**	**(141,448)**	(93,269)	(539,076)
Aviva Life & Pensions UK Limited - Distribution	**(5,202,860)**	**(1,226,167)**	(5,638,408)	(1,368,861)
	(5,303,190)	**(1,188,302)**	(5,717,493)	(1,752,852)

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

The General Partner is entitled to a priority distribution of 0.03% of the net income from the Partnership.

The total distributions made to the Partners during the year amounted to £5,203,900 (31 December 2019: £5,639,262) of which £1,226,412 (31 December 2019: £1,369,135) remained payable to the Partners at the year end.

The Directors received no emoluments for services to the Partnership for the financial year (31 December 2019: £Nil).

18. Financial instruments

a) Financial instruments by category

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

	31 Dec 2020 £	31 Dec 2019 £
Financial assets measured at fair value through profit or loss		
Investments in loans (see Note 8)	**127,816,881**	132,748,732
Derivative financial instruments (see Note 9)	**23,755,605**	21,776,365
	151,572,486	154,525,097

	31 Dec 2020 £	31 Dec 2019 £
Financial assets measured at undiscounted amount receivable		
Debtors: amounts falling due within one year (see Note 10)	**1,199,521**	1,273,656
Cash at bank and in hand	**8,737,788**	9,715,728
	9,937,309	10,989,384

	31 Dec 2020 £	31 Dec 2019 £
Financial liabilities measured at undiscounted amount payable		
Creditors: amounts falling due within one year (see Note 11)	**(1,400,680)**	(1,943,902)

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

	1 Jan 2020 to 31 Dec 2020 £	1 Jan 2019 to 31 Dec 2019 £
Finance income		
Income from fixed asset investments	**5,339,584**	5,765,765
Total interest income for financial assets at undiscounted amount	**22,591**	33,703
	5,362,175	5,799,468

	1 Jan 2020 to 31 Dec 2020 £	1 Jan 2019 to 31 Dec 2019 £
Fair value gains and losses		
Investments in loans	**1,959,295**	2,151,211
Derivative financial instruments	**1,979,240**	917,926
	3,938,535	3,069,137

18. Financial instruments (continued)

b) Valuation hierarchy

The following table shows financial instruments recognised at fair value, analysed between those whose fair value is based on:

- The best evidence of fair value is a quoted price for an identical asset in an active market. Quoted in an active market in this context means quoted prices are readily and regularly available and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted price is usually the current bid price (Level a);

- When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the entity can demonstrate that the last transaction price is not a good estimate of fair value (e.g. because it reflects the amount that an entity would receive or pay in a forced transaction, involuntary liquidation or distress sale), that price is adjusted (Level b);

- If the market for the asset is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, an entity estimates the fair value by using a valuation technique. The objective of using a valuation technique is to estimate what the transaction price would have been on the measurement date in an arm's length exchange motivated by normal business considerations (Level c).

At 31 December 2020

	Note	Level a	Level b	Level c	Total
Non-current assets		£	£	£	£
Investments in loans	8	-	-	127,816,881	127,816,881
Derivative financial instruments	9	-	-	23,755,605	23,755,605
Total		-	-	151,572,486	151,572,486

At 31 December 2019

	Note	Level a	Level b	Level c	Total
Non-current assets		£	£	£	£
Investments in loans	8	-	-	132,748,732	132,748,732
Derivative financial instruments	9	-	-	21,776,365	21,776,365
Total		-	-	154,525,097	154,525,097

The Partnership's investments comprise a portfolio of PFI Loans and associated derivative financial instruments. Such investments are typically unquoted. The investment portfolio is recognised in the balance sheet at fair value. Other assets are recorded at amortised cost which the General Partner believes approximates to their fair value.

During the year, there were no transfers between level a, b or c (31 December 2019: Nil).

18. Financial instruments (continued)

c) Performance

The below table shows the further expected performance of the financial instruments within the Partnership, the loans within the Partnership will start to mature in 6 years time.

	Total Repayments			
	Within 1 year	**Within 2-5 years**	**After 5 years**	**Total**
	£	**£**	**£**	**£**
2020 Total repayments	6,859,682	42,558,594	79,229,151	128,647,427
2019 Total repayments	6,892,472	31,199,349	97,448,078	135,539,899

All loans except for Northampton Schools and Bangor & Nendrum Schools Services Limited have a flat interest rate of 6 month Libor, the Northampton and Bangor loans have a flat interest of 3 month Libor.

The loans begin to mature on 30 January 2026 through to 30 June 2037.

19. Parent and ultimate controlling undertaking

The Partnership's General Partner is Aviva Special PFI GP Limited, a company incorporated and registered in England and Wales.

The immediate parent undertaking of Aviva Special PFI GP Limited is Norwich Union (Shareholder GP) Limited, a company incorporated and registered in England and Wales.

The ultimate parent undertaking and controlling party of Norwich Union (Shareholder GP) Limited is Aviva plc, a company incorporated in the United Kingdom.

Aviva plc is the parent undertaking of both the largest and the smallest group of undertakings to the financial statements at 31 December 2020. The financial statements of Aviva plc are available on application to the:

Group Company Secretary
Aviva plc
St Helen's
1 Undershaft
London
EC3P 3DQ

20. Events after reporting financial year

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