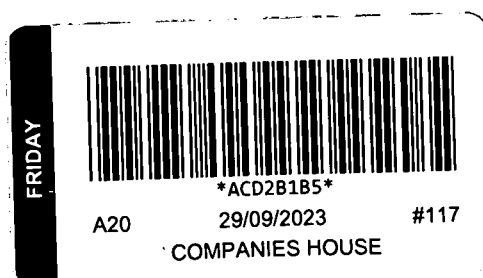


Registered in England and Wales No: 11586193

**AVIVA INVESTORS INFRASTRUCTURE INCOME NO.3B
LIMITED**
ANNUAL REPORT AND FINANCIAL STATEMENTS
31 DECEMBER 2022



AVIVA INVESTORS INFRASTRUCTURE INCOME NO.3B LIMITED

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AVIVA INVESTORS INFRASTRUCTURE INCOME NO.3B LIMITED

DIRECTORS, OFFICERS AND OTHER INFORMATION

Directors	R J Day D G Murphy
Company Secretary	Aviva Company Secretarial Services Limited St Helen's 1 Undershaft London EC3P 3DQ
Registered Number	11586193
Registered Office	St Helen's 1 Undershaft London EC3P 3DQ
Independent Auditors	BDO LLP 55 Baker Street London W1U 7EU
Bankers	HSBC 8 Canada Square London E14 5HQ
Fund Manager	Aviva Investors UK Fund Services Limited ("Aviva Investors") St Helen's 1 Undershaft London EC3P 3DQ

AVIVA INVESTORS INFRASTRUCTURE INCOME NO.3B LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

The Directors of the Company present their Strategic Report of the Company for the year ended 31 December 2022.

PRINCIPAL ACTIVITIES OF THE COMPANY

The principal activity of the Company is that of investment in a portfolio of Biomass assets. This will continue to be the principal activity of the Company for the foreseeable future.

REVIEW OF THE COMPANY'S BUSINESS

OBJECTIVE AND STRATEGY

The objective of the Company is to achieve investment returns from investments in biomass projects.

COMPANY PERFORMANCE

The financial position of the Company at 31 December 2022 is shown in the Statement of Financial Position on page 15, with the results shown in the Statement of Comprehensive Income on page 14.

Given the nature of the business, the Company's Directors are of the opinion that analysis using key performance indicators is not necessary for an understanding of the development, performance or position of the Company.

CAPITAL MANAGEMENT AND OBJECTIVES

No new equity was injected into the Company during the year ended 31 December 2022 (2021: £Nil).

The Company received interest bearing loans during the year from BAE Systems Pension Funds Trustees Limited amounting to £Nil (2021: £8,932,104).

PURCHASES AND DISPOSALS

There were no purchases or disposals during the year ended 31 December 2022.

EVENTS AFTER THE REPORTING FINANCIAL YEAR

On 24 April 2023, RDF Energy No.1 Limited ("RDF"), joint venture of Aviva Investors Infrastructure Income 3B Limited entered into administration. As of 31 December 2022 the investment in RDF has been recognised at a value of £Nil and fully impaired in the financial statements of Aviva Investors Infrastructure Income 3B Limited (see Note 11 and 12).

Events after the reporting year have been evaluated up to the date the audited financial statements were approved and authorised for issue by the Directors of Aviva Investors Infrastructure Income No.3B Limited and there are no events to be disclosed or adjusted for in these audited financial statements, except those noted above.

AVIVA INVESTORS INFRASTRUCTURE INCOME NO.3B LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

FUTURE DEVELOPMENTS

The Directors expect the general level of activity to be the same in the forthcoming year.

PRINCIPAL RISKS AND UNCERTAINTIES

The key risks arising in the Company 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

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

Management of financial and non-financial risks

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

Covid-19, Ukraine/Russia conflict and inflationary pressures

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

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

Market risk

The Company is exposed to market risk in relation to impairment of its investments held at cost. If the fair value of the investment is below the cost value an impairment would be required. Market risk is managed by ongoing proactive asset management.

Interest rate risk

The Company's principal exposure to interest rate risk comes from its loan borrowings from its parent undertaking. The loan borrowings are index linked and issued at fixed rates which expose the Company to fair value interest rate risk.

AVIVA INVESTORS INFRASTRUCTURE INCOME NO.3B LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

PRINCIPAL RISKS AND UNCERTAINTIES (CONTINUED)

Management of financial and non-financial risks (continued)

Interest rate risk (continued)

The tables below set out the carrying amounts, by maturity, of the Company's financial instruments.

	Effective interest rate %	Less than 1 year £	1 - 5 years £	More than 5 years £	Total £
As at 31 December 2022					
Floating rate					
Cash at bank and in hand	3.25	2,293,737	-	-	2,293,737
Index linked					
Loan receivable	7.81	-	-	38,078,482	38,078,482
Loan payable	6.50	-	-	(4,996,843)	(4,996,843)
Loan payable	9.00	-	-	(5,788,367)	(5,788,367)
Loan payable	6.50	-	-	(20,027,402)	(20,027,402)
Loan payable	9.00	-	-	(23,226,105)	(23,226,105)
		-	-	(15,960,235)	(15,960,235)
As at 31 December 2021					
Floating rate					
Cash at bank and in hand	0.25	21,192	-	-	21,192
Index linked					
Loan receivable	7.81	-	-	33,402,328	33,402,328
Loan receivable	8.61	-	-	1,242,382	1,242,382
Loan payable	6.50	-	-	(4,383,215)	(4,383,215)
Loan payable	9.00	-	-	(5,077,538)	(5,077,538)
Loan payable	6.50	-	-	(17,567,976)	(17,567,976)
Loan payable	9.00	-	-	(20,373,868)	(20,373,868)
		-	-	(12,757,887)	(12,757,887)

At 31 December 2022, if interest rates had been 10 basis points higher/lower with all other variables held constant, the calculated post-tax loss for the year would have been £13,666 (2021: £12,737) lower/higher.

AVIVA INVESTORS INFRASTRUCTURE INCOME NO.3B LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

PRINCIPAL RISKS AND UNCERTAINTIES (CONTINUED)

Management of financial and non-financial risks (continued)

Credit risk

The Company does not have a significant exposure to credit risk as 1) receivables are mainly intercompany items, 2) the Company's credit investments are managed by agents who have responsibility for the prompt collection of amounts due and 3) cash at bank is held with financial institutions with good credit ratings.

Operational risk

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

Liquidity risk

The Company does not have a significant exposure to liquidity risk. Liquidity risk is managed by ensuring that there is always sufficient headroom available on the unsecured loan agreement to meet the working capital requirements of the business. The Directors monitor the maturity of the Company's obligations as and when they fall due.

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

	On demand £	1 - 3 months £	4 - 12 months £	More than 12 months £	Total £
Financial assets					
Debtors	6,196,542	-	-	-	6,196,542
Cash at bank and in hand	2,293,737	-	-	-	2,293,737
Loan receivable	-	-	-	38,078,482	38,078,482
	<u>8,490,279</u>	<u>-</u>	<u>-</u>	<u>38,078,482</u>	<u>46,568,761</u>
Financial liabilities					
Creditors	12,887,331	-	-	-	12,887,331
Loan payable	-	-	-	54,038,717	54,038,717
	<u>12,887,331</u>	<u>-</u>	<u>-</u>	<u>54,038,717</u>	<u>66,926,048</u>

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

	On demand £	1 - 3 months £	4 - 12 months £	More than 12 months £	Total £
Financial assets					
Debtors	6,865,118	-	-	-	6,865,118
Cash at bank and in hand	21,192	-	-	-	21,192
Loan receivable	-	-	-	34,644,710	34,644,710
	<u>6,886,310</u>	<u>-</u>	<u>-</u>	<u>34,644,710</u>	<u>41,531,020</u>
Financial liabilities					
Creditors	7,893,540	-	-	-	7,893,540
Loan payable	-	-	-	47,402,597	47,402,597
	<u>7,893,540</u>	<u>-</u>	<u>-</u>	<u>47,402,597</u>	<u>55,296,137</u>

AVIVA INVESTORS INFRASTRUCTURE INCOME NO.3B LIMITED

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

EMPLOYEES

The Company has no employees (2021: Nil). The key management personnel have been identified as the Directors of the Company. The Directors received no remuneration (2021: £Nil).

ENVIRONMENTAL

Our approach to responsible investment in real assets

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

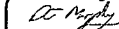
Governance and oversight of our responsible investment activity is led by our real assets stewardship forum, which is chaired by the chief investment officer and has membership from our senior leadership team as well as the chief responsible investment officer. The stewardship forum oversees the direction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

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

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

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

DocuSigned by:



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D G Murphy

Director of Aviva Investors Infrastructure Income No.3B Limited

Date: 27 September 2023

AVIVA INVESTORS INFRASTRUCTURE INCOME NO.3B LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

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

Results and dividends

The total comprehensive expense for the Company, for the year ended £6,129,161 (2021: £11,695,744). The Directors do not recommend the payment of a dividend for the financial year ended 31 December 2022 (2021: £Nil).

Directors

The Directors who served during the year were:

S K McLachlan (resigned 6 March 2023)
D G Murphy
R J Day

Future developments

The future developments of the Company are set out in the Strategic Report.

Events after the reporting financial year

Events after the reporting financial year are set out in the Strategic Report.

Going concern

The Company has net liabilities of £19,177,328 (31 December 2021: £13,048,167). Included within this is an unsecured loan of £54,038,717 (31 December 2021: £47,402,597) from BAE Systems Pension Funds Trustees Limited ("BAE Systems"). BAE Systems has confirmed that it will not seek repayment of part or all of the amount loaned to this Company for at least 12 months from the date of the approval of these financial statements, where to do so would place this Company in an insolvent position. For all other costs, the Company will have sufficient funds through its operating income to meet expenses as they fall due over the next 12 months. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

Financial instruments

The business of the Company includes use of financial instruments. Details of the Company's risk management objectives and policies, and exposures to market risk, interest rate risk, credit risk, operational risk and liquidity risk relating to financial instruments are set out in pages 3 to 6 and Note 19 of the financial statements.

Independent auditors

BDO LLP have been reappointed as the auditors of the Company and have indicated their willingness to continue in office.

AVIVA INVESTORS INFRASTRUCTURE INCOME NO.3B LIMITED DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

Qualifying third party indemnity provisions

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

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

Disclosure of information to auditors

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

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

AVIVA INVESTORS INFRASTRUCTURE INCOME NO.3B LIMITED DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

Statement of Directors' responsibilities in respect of the financial statements

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

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

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

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


The Directors are 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.

Directors' confirmations

In the case of each director in office at the date the Directors' Report is approved:

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

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

DocuSigned by:

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D G Murphy
Director of Aviva Investors Infrastructure Income No.3B Limited

Date: 27 September 2023

AVIVA INVESTORS INFRASTRUCTURE INCOME NO.3B LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AVIVA INVESTORS INFRASTRUCTURE INCOME NO.3B LIMITED FOR THE YEAR ENDED 31 DECEMBER 2022

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Aviva Investors Infrastructure Income No.3B Limited ("the Company") for the year ended 31 December 2022 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's 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 are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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.

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.

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

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

AVIVA INVESTORS INFRASTRUCTURE INCOME NO.3B LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AVIVA INVESTORS INFRASTRUCTURE INCOME NO.3B LIMITED (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

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 course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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 in this regard.

Other Companies Act 2006 reporting

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

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

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of Directors

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

Auditor's 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 auditor's 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.

AVIVA INVESTORS INFRASTRUCTURE INCOME NO.3B LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AVIVA INVESTORS INFRASTRUCTURE INCOME NO.3B LIMITED (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

Extent to which the audit was capable of detecting irregularities, including fraud

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:

Non-compliance with laws and regulations

Based on:

- Our understanding of the Company and the industry in which it operates;
- Discussion with management and those charged with governance; and
- Obtaining and understanding of the Company's policies and procedures regarding compliance with laws and regulations.

we considered the significant laws and regulations to be the applicable accounting framework and UK tax legislation.

The Company is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be distributable profits legislation.

Our procedures in respect of the above included:

- Communication of identified laws and regulations and potential fraud risks throughout our team and remained alert to any indications of non-compliance or fraud throughout the audit;
- Review of minutes of meeting of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of correspondence with tax authorities for any instances of non-compliance with laws and regulations;
- Review of financial statement disclosures and agreeing to supporting documentation;

Fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and those charged with governance regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Company's policies and procedures relating to:
 - Detecting and responding to the risks of fraud; and
 - Internal controls established to mitigate risks related to fraud.
- Review of minutes of meeting of those charged with governance for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements; and
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.

Based on our risk assessment, we considered the areas most susceptible to fraud to be management override of controls.

Our procedures in respect of the above included:

- Testing a sample of journal entries throughout the year, which met a defined risk criteria, by agreeing to supporting documentation; and
- Assessing significant estimates made by management for bias.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members who were all deemed to have appropriate competence and capabilities and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

AVIVA INVESTORS INFRASTRUCTURE INCOME NO.3B LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AVIVA INVESTORS INFRASTRUCTURE INCOME NO.3B LIMITED (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that 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, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

Chris Young

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Christopher Young (Senior Statutory Auditor)

For and on behalf of BDO LLP, Statutory Auditor
London, UK

Date: 27 September 2023

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

AVIVA INVESTORS INFRASTRUCTURE INCOME NO.3B LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2022

		1 Jan 2022 to 31 Dec 2022 £	1 Jan 2021 to 31 Dec 2021 £
	Note		
Interest receivable and similar income	5	10,134,994	5,940,921
Interest payable and other expenses	6	(11,293,946)	(6,647,118)
Reversal/(impairment) of joint ventures	10	151,009	(393,958)
Impairment of loans receivable	11	(2,896,171)	(10,570,827)
Impairment of loan interest receivable	12	(2,179,529)	-
Administrative expenses	7	(45,518)	(24,762)
Operating loss	8	(6,129,161)	(11,695,744)
Loss before taxation		(6,129,161)	(11,695,744)
Tax on loss	9	-	-
Loss for the financial year		(6,129,161)	(11,695,744)
Other comprehensive income for the year		-	-
Total comprehensive expense for the year		(6,129,161)	(11,695,744)

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

The notes on pages 18 to 31 form an integral part of these financial statements.


AVIVA INVESTORS INFRASTRUCTURE INCOME NO.3B LIMITED

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2022

	Note	31 Dec 2022 £	31 Dec 2021 £
Fixed assets			
Investment in joint ventures	10	1,179,959	716,950
Debtors: amounts falling due after more than one year	11	38,078,482	34,644,710
		<u>39,258,441</u>	<u>35,361,660</u>
Current assets			
Debtors: amounts falling due within one year	12	6,196,542	6,865,118
Cash at bank and in hand		2,293,737	21,192
		<u>8,490,279</u>	<u>6,886,310</u>
Creditors: amounts falling due within one year	13	<u>(12,887,331)</u>	<u>(7,893,540)</u>
Net current liabilities		<u>(4,397,052)</u>	<u>(1,007,230)</u>
Total assets less current liabilities		<u>34,861,389</u>	<u>34,354,430</u>
Creditors: amounts falling due after more than one year	14	<u>(54,038,717)</u>	<u>(47,402,597)</u>
Net liabilities		<u><u>(19,177,328)</u></u>	<u><u>(13,048,167)</u></u>
Capital and reserves			
Called up share capital	15	383,600	383,600
Accumulated losses		(19,560,928)	(13,431,767)
Total Shareholders' deficit		<u><u>(19,177,328)</u></u>	<u><u>(13,048,167)</u></u>

The financial statements on pages 14 to 31 were approved by the Board of Directors and signed on its behalf by:

DocuSigned by:



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D G Murphy

Director of Aviva Investors Infrastructure Income No.3B Limited

Date: 27 September 2023

The notes on pages 18 to 31 form an integral part of these financial statements.

AVIVA INVESTORS INFRASTRUCTURE INCOME NO.3B LIMITED**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Called up share capital	Accumulated losses	Total Shareholder's deficit
	£	£	£
Balance at 1 January 2021	383,600	(1,736,023)	(1,352,423)
Loss and total comprehensive expense for the year	-	(11,695,744)	(11,695,744)
Balance at 31 December 2021 and 1 January 2022	383,600	(13,431,767)	(13,048,167)
Loss and total comprehensive expense for the year	-	(6,129,161)	(6,129,161)
Balance at 31 December 2022	383,600	(19,560,928)	(19,177,328)

The notes on pages 18 to 31 form an integral part of these financial statements.

AVIVA INVESTORS INFRASTRUCTURE INCOME NO.3B LIMITED**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022**

		1 Jan 2022 to 31 Dec 2022 £	1 Jan 2021 to 31 Dec 2021 £
	Note		
Cash flows from operating activities			
Loss for the financial year		(6,129,161)	(11,695,744)
Adjustments for:			
Interest receivable and similar income	5	(10,134,994)	(5,940,921)
Interest payable and similar expenses	6	11,293,946	6,647,118
Impairment of loan interest receivable	12	2,179,529	-
Increase in creditors	13	23,965	5,000
Increase in amounts owed to related parties		312,000	10,156
(Reversal)/impairment of investments in joint ventures	10	(151,009)	393,958
Interest received		2,294,098	-
Impairment on loans	11	2,896,171	10,570,827
Net cash used in operating activities		2,584,545	(9,606)
Cash flows from investing activities			
Contributions to investments in joint ventures	10	(312,000)	(312,000)
Increase in loan receivable	11	-	(8,620,104)
Net cash generated from/(used in) investing activities		(312,000)	(8,932,104)
Cash flows from financing activities			
New secured loans	14	-	8,932,103
Net cash generated from financing activities		-	8,932,103
Net increase/(decrease) in cash and cash equivalents		2,272,545	(9,607)
Cash and cash equivalents at beginning of year		21,192	30,799
Cash and cash equivalents at the end of year		2,293,737	21,192

The notes on pages 18 to 31 form an integral part of these financial statements.

AVIVA INVESTORS INFRASTRUCTURE INCOME NO.3B LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

1. General information

Aviva Investors Infrastructure Income No.3B Limited (the "Company") acts as a holding company. The Company invests in a portfolio of Biomass and Energy from Waste assets. This will continue to be the principal activity of the Company for the foreseeable future.

The Company is registered as a private company limited by shares, incorporated in the United Kingdom. Its registered address is St Helen's 1 Undershaft, London, EC3P 3DQ.

2. Statement of compliance

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

3. Accounting policies

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

3.1 Basis of preparation

The financial statements have been prepared in accordance with the Companies Act 2006, under the historical costs convention and on a going concern basis.

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

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

3.2 Going concern

The Company has net liabilities of £19,177,328 (31 December 2021: £13,048,167). Included within this is an unsecured loan of £54,038,717 (31 December 2021: £47,402,597) from BAE Systems Pension Funds Trustees Limited ("BAE Systems"). BAE Systems has confirmed that it will not seek repayment of part or all of the amount loaned to this Company for at least 12 months from the date of the approval of these financial statements, where to do so would place this Company in an insolvent position. For all other costs, the Company will have sufficient funds through its operating income to meet expenses as they fall due over the next 12 months. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

AVIVA INVESTORS INFRASTRUCTURE INCOME NO.3B LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

3. Accounting policies (continued)

3.3 Cash flow

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

3.4 Financial instruments

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

(i) Financial assets

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

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

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

Such assets are subsequently carried at fair value and the changes in fair value are recognised in the Statement of Comprehensive Income, except 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 which has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

AVIVA INVESTORS INFRASTRUCTURE INCOME NO.3B LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

3. Accounting policies (continued)

3.4 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, including creditors and loan payable, are initially measured at transaction price (including transaction costs), except for those financial liabilities classified at fair value through profit or loss, which are initially measured at fair value (transaction price excluding transaction costs).

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

Commitments are measured at cost (which may be nil) less impairment.

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

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

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

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

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

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

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

(iii) Offsetting

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

3.5 Administrative expenses

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

AVIVA INVESTORS INFRASTRUCTURE INCOME NO.3B LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

3. Accounting policies (continued)

3.6 Interest receivable and similar income

Interest receivable on cash at bank is recognised using the effective interest rate method. Other interest receivable and similar income is recognised in the Statement of Comprehensive Income using the effective interest rate method.

3.7 Interest payable and similar expenses

Interest payable and similar expenses are recognised on an effective interest rate basis and include loan facility interest.

3.8 Taxation

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

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

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

3.9 Joint ventures

An entity is treated as a joint venture where the Company is a party to a contractual agreement with one or more parties from outside the group to undertake an economic activity that is subject to joint control.

Investments in joint ventures are initially measured at the transaction price and are subsequently measured at the lower of cost or cost less impairment. Acquisition costs are capitalised as incurred and are included in assets' carrying amount.

3.10 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

3.11 Cash at bank and in hand

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

AVIVA INVESTORS INFRASTRUCTURE INCOME NO.3B LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

3. Accounting policies (continued)

3.12 Borrowings

Borrowings are recognised at the fair value of the consideration received net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised as a finance expense in the Statement of Comprehensive Income.

Borrowings are classified as current liabilities in the financial statements unless the Company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. The adjustments that are resulted from the use of United Kingdom Retail Price Index ("RPI") on the interest payment date have been capitalised as part of the loans in these audited financial statements.

3.13 Share capital

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

3.14 Accumulated profits

Accumulated profits represent accumulated comprehensive income and expense for the year and prior periods.

3.15 Related party transactions

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

3.16 Borrowing costs

All borrowing costs are recognised in the Statement of Comprehensive Income in the year in which they are incurred.

AVIVA INVESTORS INFRASTRUCTURE INCOME NO.3B LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

4. Critical accounting judgements and key sources of estimation uncertainty

The preparation of the 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 estimate could result in outcomes that require a material adjustment to the carrying amount of the assets or liabilities affected.

4.1 Critical accounting estimates and assumptions

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

a. Impairment of loan receivables and investments in joint ventures

Non-financial assets and financial assets are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of an assets net selling price and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows.

4.2 Critical accounting judgements and assumptions

a. Investments in joint ventures

Joint control is the contractually agreed sharing of control over an economic activity, and exists only when the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control. Judgement has been exercised in determining that the Company's investment in Hooton Bio Power Limited and the investment in RDF Energy No.1 Limited meet the definition of joint control and the definition of 'a jointly controlled entity' under FRS 102 section 15.8.

Assessing whether the Company controls Hooton Bio Power Limited requires judgement. The Company holds 20.80% of the voting rights but through a shareholder's agreement strategic matters such as approving business plan, financing and disposals of investments need to be approved by unanimous consent that, as per management judgement, indicates the investment is a joint venture.

Assessing whether the Company controls RDF Energy No.1 Limited requires judgement. The Company holds 17.20% of the voting rights but through a shareholder's agreement strategic matters such as approving business plan, financing and disposals of investments need to be approved by unanimous consent that, as per management judgement, indicates the investment is a joint venture.

5. Interest receivable and similar income

	1 Jan 2022 to 31 Dec 2022 £	1 Jan 2021 to 31 Dec 2021 £
Interest receivable and similar income	<u>10,134,994</u>	<u>5,940,921</u>

AVIVA INVESTORS INFRASTRUCTURE INCOME NO.3B LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

6. Interest payable and similar expenses

	1 Jan 2022 to 31 Dec 2022 £	1 Jan 2021 to 31 Dec 2021 £
Interest payable and similar expenses	<u>11,293,946</u>	<u>6,647,118</u>

7. Administrative expenses

	1 Jan 2022 to 31 Dec 2022 £	1 Jan 2021 to 31 Dec 2021 £
Professional fees	4,212	(8,962)
Administration fees	11,000	11,000
Auditors' fees - audit services	30,127	22,639
Bank charges	179	85
	<u>45,518</u>	<u>24,762</u>

The Company had no employees in the current year (31 December 2021: Nil). The Directors received no emoluments for services to the Company for the financial year (31 December 2021: £Nil).

8. Operating loss

This is stated after charging:

	1 Jan 2022 to 31 Dec 2022 £	1 Jan 2021 to 31 Dec 2021 £
Fees payable to the Company's auditors and their associates for the audit of the Company's annual financial statements	<u>30,127</u>	<u>22,639</u>

AVIVA INVESTORS INFRASTRUCTURE INCOME NO.3B LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

9. Tax on loss

The Company's losses for this accounting year are taxed at an effective rate of 19.00%.

	1 Jan 2022 to 31 Dec 2022 £	1 Jan 2021 to 31 Dec 2021 £
Current tax on loss for the year	-	-
Total current tax	-	-

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2021 - higher than) the standard rate of corporation tax in the UK of 19.00% (2021 - 19.00%). The differences are explained below:

	1 Jan 2022 to 31 Dec 2022 £	1 Jan 2021 to 31 Dec 2021 £
Loss before taxation	(6,129,161)	(11,695,744)
Loss multiplied by the standard rate of corporation tax in the UK of 19.00% (31 December 2021: 19.00%)	(1,164,541)	(2,222,192)
Effects of:		
Expenses not deductible for tax purposes	935,692	2,083,309
Remeasurement of deferred tax for changes in tax rates	-	(75,408)
Deferred tax not recognised	228,849	214,291
Total tax charge for the year	-	-

The UK Government has enacted an increase in the UK corporation tax rate to 25% to take effect from 1 April 2023. This rate has been used in the calculation of the Company's deferred tax assets as at 31 December 2021 and 31 December 2022 and increased the Company's deferred tax assets by £72,000 in the year ended 31 December 2022.

The Company has unrecognised temporary differences of £2,461,000 (2021: £1,257,000) to carry forward indefinitely against future taxable income. This comprises £2,461,000 (2021: £1,257,000) of non-trade losses and management expenses carried forward.

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

AVIVA INVESTORS INFRASTRUCTURE INCOME NO.3B LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

10. Investments

	31 Dec 2022	31 Dec 2021
	£	£
Investments in joint ventures		
At start of year	716,950	798,908
Reversal/(impairment) of investment in joint ventures	151,009	(393,958)
Increase in investment during the year	312,000	312,000
At end of year	1,179,959	716,950

The impairment release included in the Statement of Comprehensive Income for the year ended 31 December 2022 was £151,009 (2021: charge £393,958).

The company owns interest in the below mentioned companies:

Company	Equity interest	Country of incorporation	Business activity
Hooton Bio Power Limited *	20.80%	United Kingdom	Biomass energy
RDF Energy No.1 Limited *	17.20%	United Kingdom	Biomass energy

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

The Directors believe that the carrying value of the investments are supported by their underlying net assets.

AVIVA INVESTORS INFRASTRUCTURE INCOME NO.3B LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

11. Debtors: amounts falling due after more than one year

The following is a breakdown of debtors falling due after one year for the year ended 31 December 2022 and 31 December 2021.

	31 Dec 2022	31 Dec 2021
	£	£
Loan to Hooton Bio Power Limited	38,078,482	33,402,328
Loan to RDF Energy No.1 Limited	2,896,171	11,813,209
Impairment to RDF Energy No.1 Limited	(2,896,171)	(10,570,827)
Total debtors falling due after one year	38,078,482	34,644,710

The impairment charge included in the Statement of Comprehensive Income for the year ended 31 December 2022 was £2,896,171 (2021: £10,570,827).

Loan to Hooton Bio Power Limited

In 2019, the Company entered into a loan facility with Hooton Bio Power Limited. The loan has a maximum amount of £34,000,000 and bears interest of 7.81% per annum. During the year, £Nil (2021: £2,944,104) was drawn down on the loan. An amount of £4,676,154 (2021: £2,161,694) representing RPI adjustment on the loan was capitalised during the year. The loan is unsecured and repayable in full on 31 December 2051.

Loan to RDF Energy No.1 Limited

In 2019, the Company entered into a loan facility with RDF Energy No.1 Limited. The loan has a maximum amount of £24,000,000 and bears interest of 8.61% per annum. During the year, £1,653,789 (2021: £5,676,000) was drawn down on the loan. An amount of £1,653,789 (2021: £660,571) representing RPI adjustment on the loan was capitalised during the year. The loan is unsecured and repayable in full on 31 December 2051.

12. Debtors: amounts falling due within one year

	2022	2021
	£	£
Loan interest receivable	8,376,071	6,865,118
Impairment of loan interest receivable	(2,179,529)	-
	6,196,542	6,865,118

The impairment charge included in the Statement of Comprehensive Income for the year ended 31 December 2022 was £2,179,529 (2021: £Nil).

AVIVA INVESTORS INFRASTRUCTURE INCOME NO.3B LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

13. Creditors: amounts falling due within one year

	31 Dec 2022 £	31 Dec 2021 £
Loan interest owed to related party	12,475,858	7,818,031
Accruals	89,317	65,353
Amounts owed to related parties	322,156	10,156
	<u>12,887,331</u>	<u>7,893,540</u>

14. Creditors: amounts falling due after more than one year

	31 Dec 2022 £	31 Dec 2021 £
BAE Systems 2000 (tranche A)	4,996,843	4,383,215
BAE Systems 2000 (tranche B)	5,788,367	5,077,538
BAE Systems Pensions (tranche A)	20,027,402	17,567,976
BAE Systems Pensions (tranche B)	23,226,105	20,373,868
	<u>54,038,717</u>	<u>47,402,597</u>

On 22 October 2018 the Company entered into a loan facility for a total available amount of £100,000,000 with the BAE Systems 2000. The loan facility is unsecured, due to be repaid in full on 31 December 2060 and was utilised in two tranches: tranche A facility bearing interest of 6.50% per annum, tranche B facility bearing interest of 9.00% per annum. During the financial year, £Nil (2021: £562,970) was drawn down on tranche A and £Nil (2021: £1,223,450) on tranche B. An amount of £1,324,457 (2021: £597,075) applied to tranche A and tranche B representing RPI adjustment on the loan was capitalised during the year.

On 22 October 2018 the Company entered into a loan facility for a total available amount of £100,000,000 with the BAE Systems Pensions. The loan facility is unsecured, due to be repaid in full on 31 December 2060 and was utilised in two tranches: tranche A facility bearing interest of 6.50% per annum, tranche B facility bearing interest of 9.00% per annum. During the financial year, £Nil (2021: £2,251,882) was drawn down on tranche A and £Nil (2021: £4,893,802) on tranche B. An amount of £5,311,662 (2021: £2,394,841) applied to tranche A and tranche B representing RPI adjustment on the loan was capitalised during the year.

15. Called up share capital

	31 Dec 2022 £	31 Dec 2021 £
Called up share capital	383,600	383,600
	<u>383,600</u>	<u>383,600</u>

Allotted, called up and fully paid share capital of the Company at 31 December 2022 was 383,600 (2021: 383,600) ordinary shares of £1 each.

AVIVA INVESTORS INFRASTRUCTURE INCOME NO.3B LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

16. Analysis of net debt

	At 1 January 2022 £	Cash flows £	Other non- cash changes £	At 31 December 2022 £
Cash at bank and in hand	21,192	2,272,545	-	2,293,737
Debt due within and after 1 year	(55,220,628)	-	(11,293,947)	(66,514,575)
	<u>(55,199,436)</u>	<u>2,272,545</u>	<u>(11,293,947)</u>	<u>(64,220,838)</u>

17. Contingent liabilities and capital commitments

There were no commitments or contingent liabilities at the reporting date (31 December 2021: £Nil).

18. Related party transactions

	31 Dec 2022 (Expenses paid)/ Income earned £	31 Dec 2022 (Payable)/ receivable at year end £	31 Dec 2021 (Expenses paid)/ Income earned £	31 Dec 2021 (Payable)/ receivable at year end £
BAE Systems Pension Funds Trustees Limited - loan	(6,636,119)	(54,038,717)	(2,991,916)	(47,402,597)
BAE Systems Pension Funds Trustees Limited - loan interest	(4,657,827)	(12,475,857)	(3,655,201)	(7,818,031)
Hooton Bio Power Limited - loan	4,676,154	38,078,482	2,161,695	33,402,328
Hooton Bio Power Limited - loan interest	2,733,274	6,196,542	2,381,740	5,751,268
RDF Energy No.1 Limited - loan	1,653,788	-	660,571	11,813,209
RDF Energy No.1 Limited - loan interest	1,065,679	-	736,916	1,113,850
Hooton Bio Power Limited	-	(322,155)	-	(10,156)
	<u>(1,165,051)</u>	<u>(22,561,705)</u>	<u>(706,195)</u>	<u>(3,150,129)</u>

AVIVA INVESTORS INFRASTRUCTURE INCOME NO.3B LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

19. Financial instruments

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

Financial assets measured at amortised cost

	31 Dec 2022	31 Dec 2021
	£	£
Debtors: amounts falling due after more than one year (see Note 11)	38,078,482	34,644,710
Debtors: amounts falling due within one year (see Note 12)	6,196,542	6,865,118
Cash at bank and in hand	2,293,737	21,192
	<u>46,568,761</u>	<u>41,531,020</u>

Financial liabilities measured at amortised cost

	31 Dec 2022	31 Dec 2021
	£	£
Creditors: amounts falling due within one year (see Note 13)	12,887,331	7,893,540
Creditors: amounts falling due after more than one year (see Note 14)	54,038,717	47,402,597
	<u>66,926,048</u>	<u>55,296,137</u>

The Company's income and expense in respect of financial instruments are summarised below:

Interest income and expense

	1 Jan 2022 to 31 Dec 2022	1 Jan 2021 to 31 Dec 2021
	£	£
Total interest income for financial assets at amortised cost	10,134,994	5,940,921
Total interest expense for financial liabilities at amortised cost	(11,293,946)	(6,647,118)
	<u>(1,158,952)</u>	<u>(706,197)</u>

AVIVA INVESTORS INFRASTRUCTURE INCOME NO.3B LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

20. Parent and controlling entity

The Company's immediate parent undertaking is BAE Systems Pension Funds Trustees Limited, a Company incorporated in Great Britain and registered in England and Wales.

BAE Systems Pension Funds Trustees Limited is a wholly owned subsidiary of the BAE group of companies.

BAE Systems Plc is both the largest and the smallest group of undertakings to consolidate these financial statements at 31 December 2022. The consolidated financial statements of BAE Systems Plc are available on <https://investors.baesystems.com>

21. Events after the reporting financial year

On 24 April 2023, RDF Energy No.1 Limited ("RDF"), joint venture of Aviva Investors Infrastructure Income 3B Limited entered into administration. As of 31 December 2022 the investment in RDF has been recognised at a value of £Nil and fully impaired in the financial statements of Aviva Investors Infrastructure Income 3B Limited (see Note 11 and 12).

Events after the reporting year have been evaluated up to the date the audited financial statements were approved and authorised for issue by the Directors of Aviva Investors Infrastructure Income No.3B Limited and there are no events to be disclosed or adjusted for in these audited financial statements, except those noted above.