AVIVA INVESTORS EBC GP LIMITED

Registered in England and Wales No: 7401608

ANNUAL REPORT AND FINANCIAL STATEMENTS 2019

Contents

Aviva Investors EBC GP Limited

Directors, Officers and Other Information

Directors

W R Evans A W
L Hook

Officer – Company Secretary

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

Independent Auditors

PricewaterhouseCoopers LLP 7
More London Riverside London
SE1 2RT

Registered Office

St Helen's
1 Undershaft
London EC3P
3DQ

Company Number

Registered in England and Wales: No. 7401608

Other Information

Aviva Investors EBC GP Limited (the 'Company') is a member of the Aviva plc group of companies (the 'Aviva Group').

Directors' Report for the year ended 31 December 2019

The directors present their annual report and the audited financial statements for the Company for the year ended 31 December 2019.

Directors

The current directors and those in office throughout the year, except as noted, are as follows:

W R Evans
A W L Hook

Principal Activities

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

The directors have reviewed the activities of the Company for the year and the position as at 31 December 2019 and consider them to be satisfactory.

Future Outlook

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

Going concern

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

Events after the reporting financial year

On January 30, 2020, the World Health Organisation declared the coronavirus (COVID-19) a public health emergency. There are no comparable recent events which may provide guidance as to the effect of the spread of COVID-19 and a potential pandemic, and, as a result, the ultimate impact of the COVID-19 outbreak or a similar health epidemic is highly uncertain and subject to change.

Given the emergence and spread of COVID-19 occurred in 2020, it is not considered relevant to conditions that existed at the balance sheet date.Consequently COVID-19 is considered to be a non adjusting post balance sheet event. The measurement of assets and liabilities in the accounts has not been adjusted for its potential impact. Events after the reporting period have been evaluated up to the date the audited financial statements were approved and authorised for issue by the members and there are no material events to be disclosed or adjusted for in these financial statements, except those noted above.

Employees

The Company has no employees (2018: nil).

Directors' Report for the year ended 31 December 2019 (continued)

Disclosure of Information to the 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 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 auditors are aware of that information.

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

Independent Auditors

It is the intention of the directors to reappoint the auditor 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 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). Aviva has an Audit Committee, which includes shareholder representatives.

(b) Management of financial and non-financial risks
The Company's exposure to different types of risk is limited by the nature of its business as follows:

Covid-19
The outbreak of the novel coronavirus (also known as COVID 19) in many countries is rapidly evolving and the socio-economic impact is unprecedented. It has been declared as a global pandemic and is having a major impact on economies and financial markets. The efficacy of government measures will materially influence the length of economic disruption, but it is probable we will see a period of slow economic growth or even recession.

Whilst it is not possible to fully assess the impact on specific industries or their constituents at this stage, the Directors believe that the Company has the right strategy in place to mitigate against the worst consequences of the outbreak. Business continuity plans have been enacted for itself and service providers, so the Directors expect the Company to be in a position to continue operations throughout this period.

However, there is unlikely to be an entity that is completely immune from the consequences of the outbreak and the Directors consider that the novel coronavirus presents increased uncertainty and risk with respect to the Company's performance and financial results. The Directors will continue to monitor the COVID-19 situation closely and act accordingly to protect the interests of investors.

Directors' Report for the year ended 31 December 2019 (continued)

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

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

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

Directors' Report for the year ended 31 December 2019 (continued)

Statement of Directors' Responsibilities in respect of the financial statements

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

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

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

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

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

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

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

On behalf of the Board, July 22, 2020:

DocuSigned by:
Andrew Hook
3643471BA9174CB...
A W L Hook
Director

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

For the year ended 31 December 2019

Report on the audit of the financial statements

Opinion

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

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its profit 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 2019; 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

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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

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 the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require 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 2019 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

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

For the year ended 31 December 2019

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 set out on page 7, 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.

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 received 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.

Sandra Dowling (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
22 July 2020

Aviva Investors EBC GP Limited
Registered in England and Wales: No. 7401608

Statement of Comprehensive Income
for the year ended 31 December 2019

	Note	2019 £	2018 £
Turnover			
Investment income		63	62
Operating profit		63	62
Profit before taxation		63	62
Tax credit/(expense)	5	50	11
Profit for the financial year		113	73

Continuing operations
All amounts reported in the Statement of Comprehensive Income for the years ended 31 December 2019 and 31 December 2018 relate to continuing operations.

The notes on pages 13 to 18 form an integral part of these financial statements.

Statement of Financial Position
as at 31 December 2019

	Note	2019 £	2018 £
Fixed assets			
Investments	6	1	1
		1	1
Current assets			
Debtors: amounts falling due within one year	7	515	452
		515	452
Creditors: amounts falling due within one year	8	(23)	(73)
Net current assets		492	379
Total assets less current liabilities		493	380
Net assets		493	380
Capital and reserves			
Called up share capital	9	1	1
Profit and loss account		492	379
Total shareholders' funds		493	380

These audited financial statements were approved and authorised for issue by the Board of Directors on July 22, 2020 and were signed on its behalf by:

DocuSigned by:
Andrew Hook
3643471BA9174CB...

A W L Hook
Director

The notes on pages 13 to 18 form an integral part of these financial statements.

Aviva Investors EBC GP Limited

Registered in England and Wales: No. 7401608

Statement of Changes in Equity

for the year ended 31 December 2019

	Note	Called up share capital £	Profit and loss account £	Total equity £
Balance as at 1 January 2018		**1**	**306**	**307**
Profit/(loss) for the financial year		-	73	**73**
Total comprehensive income/(loss) for the financial year		-	73	**73**
Balance as at 31 December 2018		**1**	**379**	**380**
Balance as at 1 January 2019		**1**	**379**	**380**
Profit/(loss) for the financial year		-	113	**113**
Total comprehensive income/(loss) for the financial year		-	113	**113**
Balance as at 31 December 2019		**1**	**492**	**493**

The notes on pages 13 to 18 form an integral part of these financial statements.

Notes to the financial statements
for the year ended 31 December 2019

1. General information
Aviva Investors EBC GP Limited acts as the general partner to the Partnership.

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 Aviva Investors EBC GP Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, ''The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland'' (''FRS 102'') and the Companies Act 2006.

3. Accounting policies
The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The company has adopted FRS 102 in these financial statements.

a) Basis of accounting
The financial statements have been prepared on a going concern basis, under the historical cost convention. In accordance with FRS 102 the interest in the Partnership is not consolidated and is held as a fixed asset investment.

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.

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

c) Strategic 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.

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

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

f) Investment in Partnership
The investments are held at cost, subject to an annual impairment review.

Notes to the financial statements (continued)
for the year ended 31 December 2019

3. Accounting policies (continued)

g) Cash

The Company has no bank accounts and its expenses are settled on its behalf by the Partnership. 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.

h) Taxation

The current tax expense is based on the taxable results for the year, after any adjustments in respect of prior years. Tax, including tax relief for losses if applicable, is allocated over profits 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 timing 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 balance sheet 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 timing 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.

i) Financial instruments

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

(i) Financial assets

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instrument. Basic financial assets, including trade and other receivables, cash at bank and in hand balances, 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 decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount have been had the impairment not previously been recognised. The impairment reversal is recognised in the Statement of Comprehensive Income.

Financial assets that are classified as receivable within one year are measured at the undiscounted amount of the cash or other consideration expected to be received, net of impairment. Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Notes to the financial statements (continued)
for the year ended 31 December 2019

3. Accounting policies (continued)

(i) 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 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 turnover, 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.

a) Critical account judgement and assumptions

In the process of applying the Company's accounting policies, the directors have made the following judgements which have the most significant effect on the amounts recognised in the Financial Statements.

(i) Impairment of investments in Partnership

Directors assess non-financial assets, which are are reviewed for impairment at each balance sheet date. 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 asset's 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.

Notes to the financial statements (continued)
for the year ended 31 December 2019

5. Tax on profit

a) Factors affecting current tax charge for the year

The tax assessed for the year is based on the standard rate of corporation tax in the UK of 19.00% (2018: 19.00%). The differences are explained below:

	2019 £	2018 £
Profit before taxation	63	62
Tax on profit on ordinary activities at standard CT rate of 19.00% (2018: 19.00%)	12	11
Effect of:		
Income not taxable for tax purposes	(12)	(12)
Group relief claimed	(10)	(10)
Adjustments to tax charge in respect of previous periods	(50)	(11)
Share of Partnership taxable profits	10	10
Tax credit for the year	**(50)**	**(11)**

b) Factors that may affect future tax charges

The deferred tax balances have been calculated using the future tax rate in force at the balance sheet date, being 17%. On 11 March 2020, the government announces that the Finance Act 2020 will increase the tax rate to 19% from 1 April 2020. Applying the revised tax rate would have nil effect on the net unrecognised deferred tax asset position.

6. Investments

(a) Investments in Partnership

	2019 £	2018 £
Investment in partnership as at 1 January	1	1
Additions	-	-
Disposals	-	-
Impairment	-	-
Investment in partnership as at 31 December	1	1

The directors believe that the carrying value of the investments is supported by their underlying net assets.

The investment represents 0.01% (2018: 0.01%) of the total Partners' capital of the Partnership.

The Partnership is a limited partnership established under the Limited Partnership Act 1907 for the purpose of developing land into a high quality mixed-use site.

Notes to the financial statements (continued)
for the year ended 31 December 2019

7. Debtors: amounts falling due within one year

	2019 £	2018 £
Amounts owed by group undertakings	1	1
Prepayments and accrued income	514	451
	515	452

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

8. Creditors: amounts falling due within one year

	2019 £	2018 £
Amounts owed to the Partnership	1	1
Amounts owed to group undertakings	22	22
Corporation tax	-	50
	23	73

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

Audit fees plus non-recoverable VAT have been borne by Aviva Life & Pensions UK Limited and were not recharged to the Company (2018: same). The auditors did not provide any non-audit services to the Company during the year (2018: none).

9. Called up share capital

	2019 £	2018 £
The Allotted, called up and fully paid share capital of the Company as at 31 December was:		
1 (2018: 1) Ordinary shares of £1 each	1	1
	1	1

10. Contingent liabilities and capital commitments

There were no contingent liabilities or commitments at the balance sheet date (2018: £nil).

11. Events after the reporting financial year

On January 30, 2020, the World Health Organisation declared the coronavirus (COVID-19) a public health emergency. There are no comparable recent events which may provide guidance as to the effect of the spread of COVID-19 and a potential pandemic, and, as a result, the ultimate impact of the COVID-19 outbreak or a similar health epidemic is highly uncertain and subject to change.

Notes to the financial statements (continued)
for the year ended 31 December 2019

11. Events after the reporting financial year (continued)

Given the emergence and spread of COVID-19 occurred in 2020, it is not considered relevant to conditions that existed at the balance sheet date.Consequently COVID-19 is considered to be a non adjusting post balance sheet event. The measurement of assets and liabilities in the accounts has not been adjusted for its potential impact. Events after the reporting period have been evaluated up to the date the audited financial statements were approved and authorised for issue by the members and there are no material events to be disclosed or adjusted for in these financial statements, except those noted above.

12. Related party transactions

(a) Key management compensation

The members of the Board of Directors, who are considered to be the key management of the Company, are listed on page 2 of these financial statements.

There are no amounts receivable from or payments due to members of the Board of Directors (2018: £nil).

(b) Services provided to related parties

During the financial year the Company served as General Partner for the Partnership. No fees were received for services provided to the Partnership (2018: £nil).

The Company is entitled to a 0.01% (2018: 0.01%) priority distribution from the Partnership, amounting to £63 for the financial year (2018: £62).

At 31 December 2019 the Company was due £1 (2018: £1) from the parent company as disclosed in note 8.

The related parties' receivables are not secured and no guarantees were received in respect thereof.

(c) Services provided by related parties

At the balance sheet date the Company owed £1 (2018: £1) to the Partnership relating to the Company's investment in the Partnership, audit fees payable and taxation as disclosed in note 5, and £22 to Aviva Investors Global Services Limited (2018: £22).

The related parties' payables are not secured and no guarantees were received in respect thereof.

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.

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

Registered in England No: LP015429

AVIVA INVESTORS UK COMMERCIAL REAL ESTATE SENIOR DEBT L.P.

ANNUAL REPORT AND FINANCIAL STATEMENTS

31 DECEMBER 2019

AVIVA INVESTORS UK COMMERCIAL REAL ESTATE SENIOR DEBT L.P.

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PARTNER, ADVISERS AND OTHER INFORMATION

General Partner
Aviva Investors UK CRESD GP Limited
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Fund Manager
Aviva Investors UK Fund Services Limited
St Helen's
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EC3P 3DQ

Portfolio Manager
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Registered Number
Registered in England and Wales: No. LP015429

STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2019

The directors of the General Partner (the "Directors") present their strategic report of Aviva Investors UK Commercial Real Estate Senior Debt L.P. (the "Partnership") for the year ended 31 December 2019.

THE PARTNERSHIP

The Partnership was established on 17 July 2013 and is registered as a limited partnership in England and Wales under the Limited Partnerships Act 1907. The Partnership is governed by Company law, as applied to qualifying partnerships by the Partnerships (Accounts) Regulations 2008. The total drawn amount of the Partners as at 31 December 2019 is £249,631,325 (2018: £259,273,875).

PRINCIPAL ACTIVITIES OF THE PARTNERSHIP

The principal activity of the Partnership is to carry on the business of investment and in particular (but without limitation) to identify, research, negotiate, make and monitor the progress of, and sell, realise, exchange, distribute or otherwise dispose of investments in loans secured by UK commercial mortgages.

REVIEW OF THE PARTNERSHIP'S BUSINESS

Objective and strategy

The strategy of the Partnership is to provide investors with a fixed-income style return through investment in medium-term, generally between 3 and 10 years, senior mortgage loans secured by UK real estate. Aviva Commercial Finance Limited (the "Fronting Lender") acts as lender of record and security trustee and holds the loans (and related security) on trust for the Partnership. Loans are written on a bilateral basis by the Fronting Lender, to finance the acquisition or refinancing of core / core plus UK commercial real estate (predominantly offices, retail and industrial, although the Partnership may have some exposure to the leisure, hotel, residential and student accommodation sectors).

Investors participate in the Partnership by becoming limited partners, pursuant to the Limited Partnership Agreement (the "LPA").

The Partnership will invest in eligible loans with a target fixed gross yield of at least 2.00% per annum above the Gilt, provided that the forecast gross weighted average yield of the Partnership's eligible loans at the conclusion of the investment period is at least 2.30% per annum above the equivalent Gilt. Rates are to be fixed shortly before drawdown of each eligible loan for its duration.

The Partnership is closed ended and adopts a hold-to-maturity strategy. It is managed on a discretionary basis by Aviva Investors UK Fund Services Limited (the "Fund Manager"). The Fund Manager delegates a number of its responsibilities under the Fund Management Agreement to Aviva Investors Global Services Limited (the "Portfolio Manager") under the Portfolio Management Agreement.

The first close occurred in July 2013.

The Partnership terminates in July 2026. This period may, however, be extended by Investor Special Consent for up to an additional year.

PARTNERSHIP PERFORMANCE

The financial position of the Partnership at 31 December 2019 is shown in the Statement of Financial Position on page 13, with the results shown in the Statement of Comprehensive Income on page 12 and the Cash Flow Statement on page 15.

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 comprised:

	31 December 2019	**31 December 2018**
Net asset value (NAV) as per IFRS	£249,510,268	£259,709,844
Distributions during the year	£7,569,859	£7,693,549
Number of loans	16	15
Carrying value of loans	£218,785,364	£228,194,691
(Loss)/profit for the year	(£577,026)	£246,620

The Partnership produced a gross return for the year of 3.36% (2018: 3.25%) The Partnership invests in loans with a target fixed gross annual yield of at least 2.00% (2018: 2.00%) per annum above the equivalent Gilt. At 31 December 2019, the weighted average gross annual yield of the Partnership's investments was 2.51% (2018: 2.51%) over the equivalent Gilt.

CAPITAL MANAGEMENT AND OBJECTIVES

The Partnership operates as an ungeared fund.

£9,642,550 was distributed by the Partnership during the year ended 31 December 2019 (2018: £43,091,406) in the form of capital contributions and advances.

LOANS RECEIVABLE

The Partnership issued two new loans totalling £17,050,000 during the year ended 31 December 2019 (2018: two new loans totalling £18,550,000). Capital repayments of loans receivable amounted to £25,612,556 during the year ended 31 December 2019 (2018: £18,009,158).

LOAN REDEMPTIONS

During the year one loan was fully repaid ahead of scheduled maturity; £16,306,000 Hobart (100) Holdco Limited loan was repaid in November 2019.

POST BALANCE SHEET EVENTS

On January 30, 2020, the World Health Organisation declared the coronavirus (COVID-19) a public health emergency. There are no comparable recent events which may provide guidance as to the effect of the spread of COVID-19 and a potential pandemic, and, as a result, the ultimate impact of the COVID-19 outbreak or a similar health epidemic is highly uncertain and subject to change.

The investments held by the fund are secured against UK Real Estate, which is yet to see the full impact of COVID 19 in terms of investment and occupier activity. External real estate valuation advisers have applied "material uncertainty clauses" to the 31 March 2020 valuation because they can no longer make reliable judgements on value in the current market, however, as noted above this does not impact the balances disclosed at 31 December 2019. Liquidity and transaction volumes for all but the best quality real estate is likely to be depressed for the immediate period, although it is too early to tell what the longer-term effects may be. Various initiatives have been enacted across government and the industry to protect occupiers.

Given the emergence and spread of COVID-19 occurred in 2020, it is not considered relevant to conditions that existed at the balance sheet date. Consequently COVID-19 is considered to be a non-adjusting post balance sheet event. The measurement of assets and liabilities in the accounts has not been adjusted for its potential impact. The impact of COVID-19 is uncertain and may be material; the General Partner is in dialogue with the Fund Manager and will continue to monitor the situation.

Various factors are considered in evaluating any significant increase in the credit rating of the loan portfolio which include, but are not limited to, LTV breaches due to drop in valuation of collateral held, performance of the borrowers and related tenants, and associated macro-economic factors post COVID-19. An increase in credit risk associated with each of the loans in the portfolio could result in the recognition of lifetime expected credit losses as opposed to a 12 month expected credit loss on specific loans. The market environment is currently uncertain given the Covid-19 crisis and so management has determined that it is premature to determine its impact on credit losses across the portfolio. We continue to monitor the situation closely and to work with borrowers through the crisis with a focus on preserving investor capital and maintaining income returns.

Subsequent to the end of the reporting year three investments totalling £61,935,089 (Heyhouses, Atlantic Leaf, Pro Investments) were repaid in full ahead of scheduled maturity. In March 2020 the Partnership enforced it's security over the Johnstone House investment of £11,055,953 and appointed property administrators.

Post balance sheet events have been evaluated up to the date the audited financial statements were approved and authorised for issue by the General Partner and there are no material events to be disclosed or adjusted for in these audited financial statements, other than those noted above.

PRINCIPAL RISKS AND UNCERTAINTIES

The key risks arising in the Partnership are market, interest rate, credit, operational and liquidity risks which are further discussed in the Note 5 of the financial statements.

COVID-19

The outbreak of the novel coronavirus (also known as COVID 19) in many countries is rapidly evolving and the socio-economic impact is unprecedented. It has been declared as a global pandemic and is having a major impact on economies and financial markets. The efficacy of government measures will materially influence the length of economic disruption, but it is probable we will see a period of slow economic growth or even recession.

Whilst it is not possible to fully assess the impact on specific industries or their constituents at this stage, the General Partner believe the partnership has a strong balance sheet and the right strategy in place to mitigate against the worst consequences of the outbreak. Business continuity plans have been enacted for itself and service providers, so the General Partner expects the entity to be in a position to continue operations throughout this period.

However, there is unlikely to be an entity that is completely immune from the consequences of the outbreak and the General Partner consider that the novel coronavirus presents increased uncertainty and risk with respect to the Partnership's performance and financial results. The General Partner will continue to monitor the COVID-19 situation closely and act accordingly to protect the interests of investors.

EMPLOYEES

The Partnership has no employees (2018: Nil). The key management personnel have been identified as the Directors of Aviva Investors UK CRESD GP Limited. The Directors received no remuneration (2018: £Nil).

ENVIRONMENTAL

Aviva Investors Real Assets (AIRA) recognises its duty to act as responsible stewards of its clients' assets. Consistent with its fiduciary and stewardship obligations, AIRA maintains a deep conviction that Responsible Investment including environmental, social and governance (ESG) factors can have an impact on investment returns and client outcomes.

AIRA's fiduciary duty is to protect and maintain the value of assets, it aims to do this by integrating Responsible Investment, including ESG considerations, into its investment and asset management decisions. Responsible Investment factors are implemented from origination or acquisition to divestment or termination.

AIRA supports industry initiatives to develop a common platform to evaluate the Responsible Investment impact and credentials of Real Asset investments, and to setup standardised reporting frameworks and benchmarks. AIRA is a founding member of GRESB infrastructure and an advisory member of GRESB Real Estate and has partnered with a number of organisations to participate on ESG initiatives including the Better Buildings Partnership.

For and on behalf of the Partnership:

DocuSigned by:
Susannah Stock
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S Stock
Director of Aviva Investors UK CRESD GP Limited

Date: 2 July 2020

AVIVA INVESTORS UK COMMERCIAL REAL ESTATE SENIOR DEBT L.P.

GENERAL PARTNER'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2019

The Directors of the General Partner present their annual report and the audited financial statements (hereafter "the financial statements") of the Partnership for the year ended 31 December 2019.

RESULTS AND DISTRIBUTIONS

The total comprehensive loss for the Partnership for 2019 was £557,026 (2018: profit £246,620). Distributions to the Limited Partners were £7,569,859 (2018: £7,693,549).

DIRECTORS

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

A W L Hook
K M Mcphail (appointed 5 November 2019)
D S Skinner (resigned 16 July 2019)
S Stock

PARTNERS' ACCOUNTS

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

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

As at 31 December 2019	**Capital Contributions £**	**Capital Advance £**
Limited Partners	3,260	249,628,065
Aviva Investors UK CRESD GP Limited	-	-
Total	3,260	249,628,065

As at 31 December 2018	**Capital Contributions £**	**Capital Advance £**
Limited Partners	3,260	259,270,615
Aviva Investors UK CRESD GP Limited	-	-
Total	3,260	259,270,615

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.

THE AVIVA GROUP'S APPROACH TO RISK AND CAPITAL MANAGEMENT

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

FINANCIAL INSTRUMENTS

The business of the Partnership includes use of financial instruments. Details of the Partnership's risk management objectives and policies, and exposures to market risk, interest rate risk, credit risk, operational risk and liquidity risk relating to financial instruments are set out in the Note 5 of the financial statements.

INDEPENDENT AUDITORS

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

DISCLOSURE OF INFORMATION TO AUDITORS

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

- so far as 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 he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the Partnership's auditors are aware of that information.

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

STATEMENT OF GENERAL PARTNER'S RESPONSIBILITIES

The members are 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 members to prepare financial statements for each financial year. Under that law the members have prepared the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Under company law, as applied to qualifying partnerships, the members must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the qualifying partnership and of the profit or loss of the qualifying partnership for that period. In preparing the financial statements, the members are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable IFRSs as adopted by the European Union 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 members are responsible for keeping adequate accounting records that are sufficient to show and explain the qualifying partnership's transactions and disclose with reasonable accuracy at any time the financial position of the qualifying partnership and enable them to ensure that the financial statements comply with the Companies Act 2006 as applied to qualifying partnerships by the Regulations.

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

For and on behalf of the Partnership:

DocuSigned by:
Susannah Stock
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S Stock
Director of Aviva Investors UK CRESD GP Limited

Date: 2 July 2020

INDEPENDENT AUDITORS' REPORT TO THE PARTNERS OF AVIVA INVESTORS UK COMMERCIAL REAL ESTATE SENIOR DEBT L.P.

For the year ended 31 December 2019

Report on the audit of the financial statements

Opinion

In our opinion, Aviva Investors UK Commercial Real Estate Senior Debt L.P.'s financial statements:

- give a true and fair view of the state of the qualifying partnership's affairs as at 31 December 2019 and of its loss and cash flows for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to qualifying partnerships by the Partnerships (Accounts) Regulations 2008.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Statement of Financial Position as at 31 December 2019; the Statement of Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Net Assets Attributable to Limited Partners for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

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

Independence

We remained independent of the qualifying 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

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you where:

- the general partner's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the general partner has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the qualifying partnership's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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

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 the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

INDEPENDENT AUDITORS' REPORT TO THE PARTNERS OF AVIVA INVESTORS UK COMMERCIAL REAL ESTATE SENIOR DEBT L.P. (continued)

For the year ended 31 December 2019

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 2019 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 qualifying 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 set out on page 9, 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 qualifying 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 qualifying partnership or to cease operations, or has no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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

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 opinion, 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 this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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

Sandra Dowling (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
02 July 2020

AVIVA INVESTORS UK COMMERCIAL REAL ESTATE SENIOR DEBT L.P.

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	**1 Jan 2019 to 31 Dec 2019 £**	1 Jan 2018 to 31 Dec 2018 £
Finance income	6	**9,194,294**	9,297,784
Gross profit		**9,194,294**	9,297,784
Administrative expenses	7	**(164,821)**	(157,236)
Net impairment losses on financial assets	10	**(803,745)**	-
Operating profit		**8,225,728**	9,140,548
Other finance income		**66,581**	138,631
Distributions to Limited Partners	9	**(7,569,859)**	(7,693,549)
General Partner's Share	16	**(1,279,476)**	(1,339,010)
Total comprehensive (loss)/income for the year		**(557,026)**	246,620

Continuing operations

All amounts reported in the Statement of Comprehensive Income for the years ended 31 December 2019 and 31 December 2018 relate to continuing operations.

The notes on pages 16 to 33 form an integral part of these financial statements.

AVIVA INVESTORS UK COMMERCIAL REAL ESTATE SENIOR DEBT L.P.

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

	Note	31 Dec 2019 £	31 Dec 2018 £
ASSETS			
Non-current assets			
Loans receivable - amounts falling due after more than one year	10	**212,879,815**	221,985,102
		212,879,815	221,985,102
Current assets			
Loans receivable - amounts falling due within one year	10	**5,905,549**	6,209,589
Trade and other receivables	11	**1,004,046**	1,205,604
Cash and cash equivalents		**33,945,533**	34,741,557
		40,855,128	42,156,750
Total assets		**253,734,943**	264,141,852
LIABILITIES			
Non-current liabilities			
Trade and other payables due after more than one year	13	**434,441**	644,587
Current liabilities			
Trade And Other Payables Due Within One Year	12	**3,790,234**	3,787,421
Total liabilities		**4,224,675**	4,432,008
Net assets		**249,510,268**	259,709,844
Net assets attributable to Limited Partners		**249,510,268**	259,709,844

These audited financial statements were approved and authorised for issue by the Board of Directors of Aviva Investors UK CRESD GP Limited, the General Partner, on 2 July 2020 and were signed on its behalf by:

DocuSigned by:
Susannah Stock
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S Stock
Director of Aviva Investors UK CRESD GP Limited

The notes on pages 16 to 33 form an integral part of these financial statements.

AVIVA INVESTORS UK COMMERCIAL REAL ESTATE SENIOR DEBT L.P.

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO LIMITED PARTNERS FOR THE YEAR ENDED 31 DECEMBER 2019

	Proceeds from Limited Partners	Retained earnings/ (accumulated losses)	Total
	£	£	£
Balance at 1 January 2018	**302,365,281**	**189,349**	**302,554,630**
Total comprehensive income for the year	-	246,620	246,620
Limited Partners' loan advances repaid during the year	(43,091,406)	-	(43,091,406)
Balance at 31 December 2018 and 1 January 2019	**259,273,875**	**435,969**	**259,709,844**
Total comprehensive loss for the year	-	(557,026)	(557,026)
Limited Partners' loan advances repaid during the year	(9,642,550)	-	(9,642,550)
Balance at 31 December 2019	**249,631,325**	**(121,057)**	**249,510,268**

The notes on pages 16 to 33 form an integral part of these financial statements.

AVIVA INVESTORS UK COMMERCIAL REAL ESTATE SENIOR DEBT L.P.

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2019

	1 Jan 2019 to 31 Dec 2019 £	1 Jan 2018 to 31 Dec 2018 £
Cash flows from operating activities		
Total comprehensive (loss)/income for the year	**(557,026)**	246,620
Adjustments for:		
Finance income	**(9,194,294)**	(8,377,183)
Other finance income	**(66,581)**	(138,631)
Finance costs:		
Provision for impairment	**803,745**	-
Distributions to the Limited Partners	**7,569,859**	7,693,549
General Partner's share	**1,279,476**	1,339,010
Changes in working capital		
Decrease/(increase) in trade and other receivables	**201,558**	(76,433)
(Decrease)/increase in trade and other payables	**(2,558,429)**	73,212
Cash (used in)/generated from operations	**(2,521,692)**	760,144
Finance income received	**9,237,320**	8,062,353
General Partner's share paid	**(977,334)**	(1,447,176)
Net cash generated from operating activities	**5,738,294**	7,375,321
Cash flows from investing activities		
Receipts on loan	**25,612,556**	18,009,158
Increase in loan advance	**(17,050,000)**	(18,550,000)
Other finance income received	**66,581**	138,631
Net cash generated from/(used in) investing activities	**8,629,137**	(402,211)
Cash flows from financing activities		
Limited Partners' loan advances repaid	**(9,642,550)**	(43,091,406)
Distributions paid to the Limited Partners	**(5,520,905)**	(8,868,677)
Net cash used in financing activities	**(15,163,455)**	(51,960,083)
Net decrease in cash and cash equivalents	**(796,024)**	(44,986,973)
Cash and cash equivalents as at 1 January	**34,741,557**	79,728,530
Cash and cash equivalents at as 31 December	**33,945,533**	34,741,557

The notes on pages 16 to 33 form an integral part of these financial statements.

AVIVA INVESTORS UK COMMERCIAL REAL ESTATE SENIOR DEBT L.P.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

1. General information

Aviva Investors UK Commercial Real Estate Senior Debt L.P. (the "Partnership") was established as a limited partnership by an agreement dated 6 March 2013.

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

The General Partner is Aviva Investors UK CRESD GP Limited and is responsible for the management, operation and administration of the Partnership.

The purpose of the Partnership is to carry on the business of investment and in particular (but without any limitation) to identify, research, negotiate, make and monitor the progress of, and sell, realise, exchange, distribute or otherwise dispose of investments in loans secured by UK commercial mortgages.

The financial statements are presented in pounds sterling (£).

2. Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and interpretations adopted by the International Accounting Standards Board ("IASB"), as far as endorsed by the European Union ("EU") and the Companies Act 2006.

3. Summary of significant accounting policies

3.1 Basis of preparation

The financial statements have been prepared on a going concern basis, applying the historical cost convention.

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

3.2 Classification to current and non-current

Non-current assets and liabilities consist of amounts expected to be recovered or paid after more than 12 months from the reporting date.

Current assets and current liabilities consist of amounts expected to be recovered or paid within 12 months of the reporting date.

3.3 Changes in accounting policies and disclosures

During the financial year, the Partnership adopted a number of new and amended standards and interpretations mandatory for the first time for the financial year beginning on or after 1 January 2019. The impact of those being of relevance to the Partnership is summarised below:

3. Summary of significant accounting policies (continued)

3.3 Changes in accounting policies and disclosures (continued)

New and ammended standards adopted by the Partnership

- IFRS 16, 'Leases'

IFRS 16 was issued on 13 January 2016 and is effective for periods beginning on or after 1 January 2019. IFRS 16 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments.

IFRS 16 replaces IAS 17, with earlier application permitted. IFRS 16 has the following transition provisions:

- Existing finance leases: continue to be treated as finance leases.
- Existing operating leases: option for full or limited retrospective restatement to reflect the requirements of IFRS 16.

The adoption of IFRS 16 has not had any impact on the amounts recognised in the prior period and is not expected to affect the current or future periods.

New standards and interpretations not yet adopted

At the date of authorisation of these financial statements, the following Standards and Interpretations which have not been applied in these financial statements were in issue but not yet effective:

Standard/interpretation	**Content**	**Applicaple for financial years beginning on/after**
IFRS 3	Business Combinations - definition of a business	1 January 2020
IAS 1	Presentation of Financial Statements	1 January 2020
IAS 8	Accounting Policies, Changes in Accounting Estimates and Errors	1 January 2020

The General Partner does not expect that the adoption of the standard listed above will have a material impact on the financial statements of the Partnership in future periods due to the impending liquidation of the Partnership. There are no other standards or interpretations that are not yet effective that would be expected to have a material impact on the Partnership.

3. Summary of significant accounting policies (continued)

3.4 Financial assets

In accordance with IFRS 9, 'Financial Instruments', financial assets are classified as financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income, or financial assets at amortised cost, as appropriate. The classification of financial assets is determined at initial recognition.

The Partnership's financial assets consist only financial assets at amortised cost. Financial assets at amortised cost include investments in loans, trade and other receivables and cash and cash equivalents.

Financial assets at amortised cost are initially recognised at fair value plus directly attributable transaction costs (arrangement fee), and subsequently measured at amortised cost using the effective interest method less any allowance for impairment. Gains and losses are recognised in the Statement of Comprehensive Income when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

The Partnership derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or when the Partnership transfers substantially all risks and rewards of ownership.

3.4.1 Expected credit loss allowance for financial assets measured at amortised cost

At initial recognition, allowance is made for expected credit losses resulting from default events that are possible within the next 12 months (12-month expected credit losses). In the event of a significant increase in credit risk, allowance (or provision) is made for expected credit losses resulting from all possible default events over the expected life of the financial instrument (lifetime expected credit losses). Financial assets where 12-month expected credit losses are recognised are considered to be Stage 1; financial assets which are considered to have experienced a significant increase in credit risk are in Stage 2; and financial assets which have defaulted or are otherwise considered to be credit impaired are allocated to Stage 3.

The measurement of expected credit losses will primarily be based on the investment's probability of default ("PD"), loss given default ("LGD"), and exposure at default ("EAD"), taking into account the value of any collateral held or other mitigants of loss and including the impact of discounting using the effective interest rate ("EIR").

The estimated credit loss ("ECL") is determined by projecting the PD, LGD, and EAD for each future month and for each individual exposure. Movements between Stage 1 and Stage 2 are based on whether an instrument's credit risk as at the reporting date has increased significantly relative to the date it was initially recognised. Where the credit risk subsequently improves such that it no longer represents a significant increase in credit risk since origination, the asset is transferred back to Stage 1.

The General Partner has therefore adopted several metrics which are reviewed to determine an investment's credit risk as part of the annual review process, which is performed on each investment in the Fund. Reviews are carried out on a more regular basis for investments classified as "high risk" under the Aviva Investors Asset Management Policy.

Key performance indicators include but are not limited to:

- Investment's "Loan to Value" ("LTV"), compared to the LTV at completion
- Loan service (income and capital) has not been paid in full on the due date; or
- Any part of the maturity capital repayment remains outstanding after the due date; or
- A running covenant breach e.g. capital or income covenant.

3. Summary of significant accounting policies (continued)

3.5 Cash and cash equivalents

Cash and cash equivalents comprise of cash and cash on deposit with banks, both of which are immediately available. For the purpose of the Statement of Cash Flows, cash includes bank overdrafts, which are included within current liabilities.

3.6 Financial liabilities

Liabilities within the scope of IFRS 9 are classified as financial liabilities at fair value through profit or loss or at amortised cost, as appropriate. The Partnership's financial liabilities consist of trade and other payables. They are classified as being measured at amortised cost in accordance with IFRS 9.

Financial liabilities included in trade and other payables are recognised initially at fair value, net of directly attributable transaction costs and subsequently measured at amortised cost using the effective interest rate method. The fair value of a non-interest bearing liability is its discounted repayment amount. If the due date of the liability is less than one year, discounting is omitted.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled.

3.7 Net assets attributable to the Limited Partners

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

3.8 Distributions

In accordance with the LPA, income produced by the Partnership's investment in loans and other sources is distributed quarterly to the Limited Partners to the extent that the Partnership's income exceeds expenses. Capital distributions may be made following the disposal of investment in loans.

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.

Net income and capital proceeds shall be distributed in the following order of priority (after payment of the expenses and liabilities of the Partnership):

- i) in repayment of any interest-free loan to the General Partner;
- ii) in making any repayment (together with borrowing costs) of debts or liabilities to the General Partner;
- iii) in payment of the General Partner's share; and
- iv) to investors (in proportion to their respective holdings of units).

In accordance with the LPA, the General Partner's Share for each accounting period is payable quarterly in arrears and calculated as 0.55% per annum of the aggregate principal balances of the investments and the value of cash held by the Partnership (except in relation to cash to be distributed as income).

3. Summary of significant accounting policies (continued)

3.9 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Partnership and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates and other sales taxes or duty.

Interest income is recognised as it accrues using the effective interest rate method. Early repayment fee is recognised in full upon early redemption of the loan.

3.10 Expense recognition

Finance costs

Finance costs include interest paid on bank overdrafts, loans and borrowings and is recognised on an accrual basis in the Statement of Comprehensive Income.

One-off costs which are in relation to finance arrangements are recognised in the period in which they arise on an accruals basis.

Professional fees and administrative expenses

Professional fees and administrative expenses include all costs not directly incurred in the operation of the Partnership's investment portfolio. This includes administration and management expenses.

3.11 Taxation

The provisions of Section 111 of the Income and Corporation Taxes Act 1988 require the taxable gains and losses of a limited partnership to be assessable directly upon the partners. Accordingly, no provision has been made for taxation in these financial statements.

3.12 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in orderly transaction between market participants as the measurement date.

The fair value of an asset or liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Partnership uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observables inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest input that is significant to the fair value measurement as a whole:

- Level 1 – Valuations based on quoted prices in active markets for identical assets or liabilities;
- Level 2 – Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly (as prices) or indirectly (derived from prices); and
- Level 3 – Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

3. Summary of significant accounting policies (continued)

3.13 Statement of cash flows

The Partnership reports cash flows from operating activities using the indirect method. Interest received from loans receivable is included within net cash flows from operating activities. Interest received from cash and cash equivalents is presented within cash flows from investing activities. Investment in loans is disclosed as cash flows from investing activities because this most appropriately reflects the Partnership's business activities.

3.14 Events after reporting year

Events after reporting year that provide additional information about a position of the Partnership at the end of the reporting year (adjusting event) are reflected in the financial statements. Events after the reporting year that are non-adjusting events are disclosed in the notes when material.

4. Significant accounting judgements, estimates and assumptions

The preparation of the Partnership's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expense, assets and liabilities, and the disclosure of contingent liabilities, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affect in future periods.

4.1 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 General Partner has a reasonable expectation that the Partnership has 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.

4.2 Impairment of loans

The General Partner reviews its loans at each reporting date to assess whether an allowance for impairment should be recorded in the financial statements. Impairment is assessed on Expected Credit Loss (ECL) approach as per IFRS 9, please refer note 3.4. In particular, judgement by the General Partner is required in the estimation of the amount and timing of future cash flows when determining the level of allowance required. Such estimates are based on assumptions about a number of factors and actual results may differ, resulting in future changes to the allowance.

5. *Risk Management*

The Partnership has exposure to a variety of financial risks, including market risk, credit risk, liquidity risk and other risks associated with its operations. The Partnership's risk management policies are established to identify and analyse the risks faced by the Partnership, to set appropriate risk limits and controls and to monitor risks and adherence to limits.

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

5.1 Market risk

Market risk is the risk that the market value of the underlying securities will fall to levels approaching the loan value and thereby threaten the recoverability of the loans.

Market risk is mitigated by advancing loans mainly at a maximum loan-to-value of 65% and requiring borrowers to covenant to maintain certain financial ratios, (for example loan-to-value ratio and debt service cover ratio) at levels which enable the lender to take action when there is still sufficient equity to maximise loan recoveries.

Where applicable, loan covenants are monitored in accordance with the respective facility documentation.

Interest rate risk

The Partnership is not exposed to significant interest rate risk. All loans are written on a fixed rate basis which mitigates the borrower's exposure to adverse fluctuations in interest rates, thereby enhancing their ability to service their debt over the term of the facility. Cash and cash equivalents are held at floating interest rates. Had the interest rate applicable to these deposits increased or decreased over the period, there would have been no significant impact on the net assets attributable to the Limited Partners.

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. As the Partnership only enters into transactions denominated in pounds sterling, the Partnership's exposure to foreign currency is minimal.

5. Risk Management (continued)

5.2 Credit risk

The Partnership assesses all counterparties for credit risk before contracting with them. The credit risk on cash transactions is mitigated by transacting with counterparties that are regulated entities subject to prudential supervision, as far as the credit rating assigned by international credit-rating agencies to those financial institutions exceeds the minimum level agreed by the Aviva Group.

The Partnership's policy over credit risk is to minimise its exposure to counterparties with perceived higher risk of default by dealing only with counterparties meeting the credit standards set out by the General Partner. This risk is monitored on a periodic basis.

The Partnership requires the borrowers to pledge collateral in the form of a first-ranking senior mortgage over the UK commercial real estate.

The fair value of collateral, which is £466,167,770 (2018: £439,802,965), exceeds carrying value of loan receivables. There are no under collateralized loans.

A material portion of the Partnership's assets is made up of loans receivable and cash and cash equivalents. The Partnership provides loans to commercial real estate investors, which are represented as non-current and current assets. The credit quality of the loans receivable is based on the financial performance of the individual company and the strength of the cash flows generated by the underlying security. The General Partner believes that the risk of default is small, and the capital repayments and interest payments will be made in accordance with the agreed terms and conditions.

Cash and cash equivalents are held by Royal Bank of Scotland (rated Baa2 by Moody's as at 31 December 2019). Bankruptcy or insolvency of the depositary may cause the Partnership's rights with respect to cash held by the depositary to be delayed or limited. The General Partner monitors the Partnership's risk by monitoring the credit rating and financial positions of the depositary the Partnership uses in accordance with the Partnership's policy.

Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Limits are set to minimise the concentration of risks and therefore mitigate financial loss through potential counterparty failure.

Under the investment structure, the Partnership acquires the beneficial interest in loans made available by the Fronting Lender (which is the lender of record with whom the relevant borrower enters into a direct contractual relationship). There is therefore counterparty risk (including the risk of default or insolvency) on the Fronting Lender which the Partnership has sought to address through (a) including a declaration of trust in respect of the relevant loans (and related security) which will be granted by the Fronting Lender in favour of the Partnership, and (b) including certain "elevation" rights such that, in certain circumstances, the Partnership may require the Fronting Lender to transfer its legal interest to the Partnership or its nominee(s). Details of these arrangements are set out in a trust deed between the Fronting Lender and the Partnership (amongst others).

The maximum exposure to credit risk is represented by the carrying amount of the financial assets owned by the Partnership, as shown below:

	31 Dec 2019	31 Dec 2018
	£	£
Loans receivable	218,785,364	228,194,691
Trade and other receivables	1,004,046	1,205,604
Cash and other equivalents	33,945,533	34,741,557
Total	253,734,943	264,141,852

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

5. Risk Management (continued)

5.3 Liquidity risk

Liquidity risk arises as a result of investments in long-term loans. Liquidity risk is managed by ensuring that there is always sufficient headroom available to meet the working capital requirements of the business. The General Partner monitors the maturity of the Partnership's obligations as and when they fall due. The maturity analysis of the Partnership's financial assets and liabilities as at 31 December 2019 and 2018 are set out below and are based on the contractual undiscounted cash flows:

As at 31 December 2019

	On demand	1-3 months	4-12 months	More than 12 months	Total
	£	£	£	£	£
Financial assets					
Loans receivable *	-	3,415,278	9,186,617	226,359,633	238,961,528
Trade and other receivables	1,004,046	-	-	-	1,004,046
Cash and cash equivalents	33,945,533	-	-	-	33,945,533
Total	**34,949,579**	**3,415,278**	**9,186,617**	**226,359,633**	**273,911,107**
Financial liabilities					
Distributions to Limited Partners	2,048,954	-	-	-	2,048,954
Amount due to General	302,142	-	-	-	302,142
Deposit held	1,064,878	-	-	-	1,064,878
Accruals	67,191	-	-	-	67,191
Net assets attributable to the Limited Partners	-	-	-	249,510,268	249,510,268
Total	**3,483,165**	**-**	**-**	**249,510,268**	**252,993,433**

As at 31 December 2018

	On demand	1-3 months	4-12 months	More than 12 months	Total
	£	£	£	£	£
Financial assets					
Loans receivable *	-	3,909,346	11,767,765	246,999,298	262,676,409
Trade and other receivables	1,205,604	-	-	-	1,205,604
Cash and cash equivalents	34,741,557	-	-	-	34,741,557
Total	**35,947,161**	**3,909,346**	**11,767,765**	**246,999,298**	**298,623,570**
Financial liabilities					
Distributions to Limited Partners	1,811,064	-	-	-	1,811,064
Amount due to General	314,012	-	-	-	314,012
Deposit held	1,248,381	-	-	-	1,248,381
Accruals	70,001	-	-	-	70,001
Net assets attributable to the Limited Partners	-	-	-	259,709,844	259,709,844
Total	**3,443,458**	**-**	**-**	**259,709,844**	**263,153,302**

* Loans receivable includes future interest cashflows.

5. Risk Management (continued)

5.4 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 Partnership's investments.

5.5 COVID-19

Management's assessment of the financial risks associated with COVID-19 and the Company's response to such risks is detailed in Note 20.

6. Finance income

	1 Jan 2019 to 31 Dec 2019 £	1 Jan 2018 to 31 Dec 2018 £
Loan interest income	**9,094,638**	8,776,557
Early repayment fee	**99,656**	521,227
	9,194,294	9,297,784

All turnover arose within the United Kingdom.

7. Administrative expenses

	1 Jan 2019 to 31 Dec 2019 £	1 Jan 2018 to 31 Dec 2018 £
Administrator fees	**41,173**	42,792
Trustee fees	**54,378**	64,767
Audit fees	**54,134**	20,857
Professional fees	**4,153**	12,298
Bank charges	**459**	387
Reverse charge VAT	**10,458**	16,135
Other operating expenses	**66**	-
	164,821	157,236

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 (2018: £Nil).

8. Taxation

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

9. Distributions to Limited Partners

	1 Jan 2019 to 31 Dec 2019 £	1 Jan 2018 to 31 Dec 2018 £
Distributions declared and paid during the year	**5,520,905**	5,882,485
Proposed distributions as at year end	**2,048,954**	1,811,064
Total amounts of distributions as per the Statement of Comprehensive Income	**7,569,859**	7,693,549

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

10. Loans receivable

	31 Dec 2019 £	31 Dec 2018 £
Non-current		
Loans receivable	**214,846,641**	221,985,102
Provision for impairment	**(803,745)**	-
Total loans receivable falling due after more than one year	**214,042,896**	221,985,102
Current		
Loans receivable	**3,101,196**	4,525,292
Finance income receivable	**1,641,272**	1,684,297
Total loans receivable falling due within one year	**4,742,468**	6,209,589
Total loans receivable	**218,785,364**	228,194,691

In accordance with IFRS 9, loans are categorised as loans held at amortised cost.

The Partnership issued two new loans totalling £17,050,000 during the year ended 31 December 2019 (2018: £18,550,000). Capital repayments of loans receivable amounted to £25,612,556 during the year ended 31 December 2019 (2018: £18,009,158).

The Company has made impairment provisions totalling £803,745 (year ended 31 December 2018: £Nil). All loans are not past due.

Below is the ratio of loan's carrying amount to fair value of collateral pledged.

LTV	**31 Dec 2019** **£**	31 Dec 2018 £
1. LTV <45%	48,512,601	49,862,022
2. LTV >45 =<65%	137,221,048	156,860,688
3. LTV >65%	33,051,715	21,471,981
Total	218,785,364	228,194,691

10. Loans Receivable (continued)

Valuation technique

The General Partner elected to value the portfolio of loans at amortised cost less impairment in accordance with IFRS 9, 'Financial Instruments'. This methodology is consistent with the objective to hold the loan investments to maturity in order to receive contractual cash flows of interest and principal on specified future dates. The General Partner believes that it is less volatile in nature than the fair value method.

Under the accounting standard, in accordance with the recognition of the loans at amortised cost, the fair value is required to be disclosed in the notes to the financial statements and is calculated by using valuation techniques based on non-observable data corresponding to level 3 in the IFRS 13 fair value hierarchy.

The fair value of loans is calculated based on a discounted cash flow model taking into account the future contractual payments and discounting them at the interest rate that would be charged for a new loan of a similar type. It is calculated as the sum of:

- the current Gilt yield for a Gilt of an appropriate term, matching the remaining loan term as closely possible; and
- the current reinvestment margin over the Gilt yields.

Loans receivable are categorised within level 3 in the IFRS 13 fair value hierarchy. There have been no transfers between fair value hierarchy levels during the year.

All other factors being equal, a higher/ lower Gilt margin rate would lead to a decrease/ increase in the valuation of a loan.

A 1% increase in the total interest rate applicable to the loans receivable would lead to a decrease in the level 3 valuation to £214,131,744 (2018: £223,560,048).

A 1% decrease in the total interest rate applicable to the loans receivable would lead to an increase in the level 3 valuation to £227,332,055 (2018: £237,579,509).

The table below shows an analysis of the fair value level of loans receivable:

As at 31 December 2019

Assets for which fair value is disclosed		Level 1	Level 2	Level 3	balance as at 31 Dec 2019
Loans receivable	£	-	-	220,573,480	220,573,480

As at 31 December 2018

Assets for which fair value is disclosed		Level 1	Level 2	Level 3	balance as at 31 Dec 2018
Loans receivable	£	-	-	228,732,907	228,732,907

11. Trade and other receivables

	31 Dec 2019 £	31 Dec 2018 £
Amounts due from the General Partner	-	67
Short-term deposit (*)	**1,004,046**	1,205,454
Other debtors	-	83
	1,004,046	1,205,604

(*) amount held on Aviva Investors Sterling Fund on behalf of the borrowers of two loans receivable (see Note 12).

The carrying value of trade and other receivables approximates the fair value due to the relatively short maturity and no indication of impairment to date.

12. Trade and other payables due within one year

	31 Dec 2019 £	31 Dec 2018 £
Deferred arrangement fees	**307,069**	343,963
Distributions payable to Limited Partners	**2,048,954**	1,811,064
Amount due to the General Partner	**302,142**	314,012
Deposit held (*)	**1,064,878**	1,248,381
Accruals	**67,191**	70,001
	3,790,234	3,787,421

(*) amount held on Aviva Investors Sterling Liquidity Fund on behalf of the borrowers of two loans receivable (see Note 11).

The carrying value of trade and other payables approximates their fair value due to the relatively short maturity.

13. Trade and other payables due after more than one year

	31 Dec 2019 £	31 Dec 2018 £
Deferred arrangement fees	**434,441**	644,587

14. Financial instruments

As at 31 December 2019	Financial assets at amortised cost	Financial liabilities at amortised cost	Total
	£	£	£
Assets			
Non-current assets			
Loans receivables	212,879,815	-	**212,879,815**
Current assets			
Loans receivables	5,905,549	-	**5,905,549**
Trade and other receivables	1,004,046	-	**1,004,046**
Cash and cash equivalents	33,945,533	-	**33,945,533**
Liabilities			
Current liabilities			
Trade and other payables	-	3,483,165	**3,483,165**

As at 31 December 2018	Financial assets at amortised cost	Financial liabilities at amortised cost	Total
	£	£	£
Assets			
Non-current assets			
Loans receivables	221,985,102	-	**221,985,102**
Current assets			
Loans receivables	6,209,589	-	**6,209,589**
Trade and other receivables	1,205,604	-	**1,205,604**
Cash and cash equivalents	34,741,557	-	**34,741,557**
Liabilities			
Current liabilities			
Trade and other payables	-	3,443,458	**3,443,458**

15. Net assets attributable to Limited Partners

	Limited Partners (100%) £	Total £
Proceeds from Limited Partners		
As at 1 January 2019	259,273,875	259,273,875
Proceeds repaid	(9,642,550)	(9,642,550)
As at 31 December 2019	**249,631,325**	**249,631,325**
Income account		
As at 1 January 2019	435,969	435,969
Total comprehensive loss for the year	(557,026)	(557,026)
As at 31 December 2019	**(121,057)**	**(121,057)**
Net assets attributable to Partners at 31 December 2019	**249,510,268**	**249,510,268**

	Limited Partners (100%) £	Total £
Proceeds from Limited Partners		
As at 1 January 2018	302,365,281	302,365,281
Proceeds repaid	(43,091,406)	(43,091,406)
As at 31 December 2018	**259,273,875**	**259,273,875**
Income account		
As at 1 January 2018	189,349	189,349
Total comprehensive income for the year	246,620	246,620
As at 31 December 2018	**435,969**	**435,969**
Net assets attributable to Partners at 31 December 2018	**259,709,844**	**259,709,844**

16. Related party transactions

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operation decisions.

The General Partner is a related party of the Partnership, being responsible for the financial and operational decisions of the Partnership according to the terms of the Limited Partnership Agreement (LPA). In accordance with the LPA, the General Partner's Share for each accounting year is payable quarterly in arrear and calculated as 0.55% per annum of the aggregate principal balances of the investments and the value of cash held by the Partnership (except in relation to cash to be distributed as income).

	2019 Expense paid in year £	**2019 Payable at year end £**	2018 Expense paid in year £	2018 (Payable) / receivable at year end £
General Partner - share (see Note 12)	**(1,279,476)**	**(302,142)**	(1,339,010)	(314,012)
General Partner - other (see Note 11)	**-**	**-**	-	67
Limited Partners - distributions (see Notes 9 and 12)	**(7,569,859)**	**(2,048,954)**	(7,693,549)	(1,811,064)
Total	**(8,849,335)**	**(2,351,096)**	(9,032,559)	(2,125,009)

The related parties' receivables and payables are not secured and no guarantees were recovered in respect thereof. The receivables and payables will be settled in accordance with normal credit terms.

The directors received no emoluments for services to the Partnership for the financial year (2018: Nil).

17. Parent and ultimate controlling undertaking

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

The immediate parent undertaking of the General Partner is Aviva Investors Real Estate Limited, a company incorporated in Great Britain and registered in England and Wales.

The ultimate parent undertaking and controlling party of Aviva Investors Real Estate Limited is Aviva plc, a company incorporated and domiciled in the United Kingdom.

18. Financial risk management

Management's assessment of the financial risks associated with COVID-19 and the Company's response to such risks is detailed in Note 20.

19. Commitments

There was no undrawn committed facility as of 31 December 2019 (31 December 2018: £Nil).

20. Post balance sheet events

On January 30, 2020, the World Health Organisation declared the coronavirus (COVID-19) a public health emergency. There are no comparable recent events which may provide guidance as to the effect of the spread of COVID-19 and a potential pandemic, and, as a result, the ultimate impact of the COVID-19 outbreak or a similar health epidemic is highly uncertain and subject to change.

The investments held by the fund are secured against UK Real Estate, which is yet to see the full impact of COVID 19 in terms of investment and occupier activity. External real estate valuation advisers have applied "material uncertainty clauses" to the 31 March 2020 valuation because they can no longer make reliable judgements on value in the current market, however, as noted above this does not impact the balances disclosed at 31 December 2019. Liquidity and transaction volumes for all but the best quality real estate is likely to be depressed for the immediate period, although it is too early to tell what the longer-term effects may be. Various initiatives have been enacted across government and the industry to protect occupiers.

Given the emergence and spread of COVID-19 occurred in 2020, it is not considered relevant to conditions that existed at the balance sheet date. Consequently COVID-19 is considered to be a non-adjusting post balance sheet event. The measurement of assets and liabilities in the accounts has not been adjusted for its potential impact. The impact of COVID-19 is uncertain and may be material; the General Partner is in dialogue with the Fund Manager and will continue to monitor the situation.

Various factors are considered in evaluating any significant increase in the credit rating of the loan portfolio which include, but are not limited to, LTV breaches due to drop in valuation of collateral held, performance of the borrowers and related tenants, and associated macro-economic factors post COVID-19. An increase in credit risk associated with each of the loans in the portfolio could result in the recognition of lifetime expected credit losses as opposed to a 12 month expected credit loss on specific loans. The market environment is currently uncertain given the Covid-19 crisis and so management has determined that it is premature to determine its impact on credit losses across the portfolio. We continue to monitor the situation closely and to work with borrowers through the crisis with a focus on preserving investor capital and maintaining income returns.

Subsequent to the end of the reporting year three investments totalling £61,935,089 (Heyhouses, Atlantic Leaf, Pro Investments) were repaid in full ahead of scheduled maturity. In March 2020 the Partnership enforced it's security over the Johnstone House investment of £11,055,953 and appointed property administrators.

Post balance sheet events have been evaluated up to the date the audited financial statements were approved and authorised for issue by the General Partner and there are no material events to be disclosed or adjusted for in these audited financial statements, other than those noted above.

AVIVA INVESTORS UK COMMERCIAL REAL ESTATE SENIOR DEBT L.P.
RECONCILIATION OF THE NET ASSET VALUE - UNAUDITED
FOR THE YEAR ENDED 31 DECEMBER 2019

In accordance with the LPA, the net asset value of the Partnership on which unit transactions are based is calculated using IFRS and is adjusted.

Adjustments arise from capitalisation and amortisation, over 5 years, of establishment costs, as required by the LPA to determine the net asset value whereas for IFRS purposes they are expensed as incurred.

A reconciliation between the Partnership's net asset attributable to Limited Partners under IFRS and the trading NAV calculation as per LPA is provided below:

	31 December 2019	31 December 2018
	£	£
Net assets attributable to Limited Partners (IFRS)	249,510,268	259,709,844
Unamortised establishment costs	-	-
Net assets attributable to Limited Partners as per LPA	**249,510,268**	259,709,844

AVIVA INVESTORS UK COMMERCIAL REAL ESTATE SENIOR DEBT L.P.

ADDITIONAL AIFMD DISCLOSURES - UNAUDITED
FOR THE YEAR ENDED 31 DECEMBER 2019

Remuneration

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

Aviva Investors' remuneration framework is based on a total reward approach and is designed to reflect the success or failure against a range of personal and company performance objectives. There are four components of pay: base salary; annual bonus (including deferred bonus); long term incentive awards; and benefits. Aviva believes in rewarding strong performance and the achievement of our business and individual goals; however, the manner in which these goals are achieved is also an important factor in determining outcomes. Annual bonus awards are discretionary and where bonuses are £75,000 and over, a 3 year deferral with pro-rata vesting in Aviva Investors funds and/or Aviva Group plc shares occurs.

The extent to which each aspect of performance affects the overall payment level depends on the role and responsibilities of the individual. Performance is measured against personal objectives, including Risk and Control objectives, as well as Aviva Investors' and the business unit performance against agreed targets. a combination of individual, business unit, Aviva Investors and Group performance over an appropriate period.

- The financial considerations include the following comparisons:
  - Actual results vs. prior period results
  - Actual results vs. agreed plans
  - Actual results relative to competitors
  - Actual results vs., and progress towards, our long-term target ambition.
- The non-financial considerations include risk, conduct, culture, customer and employee engagement metrics, with Aviva values clearly underpinning all our decisions. In certain roles, adherence to Responsible Investment and ESG principles will also be a consideration.

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

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

AIUKFSL has no employees but is a wholly owned subsidiary of Aviva Investors Holdings Limited. For the year to 31 December 2019, apportioned remuneration based on the time assessed to be spent on AIUKFSL (in its role as AIFM) to its senior management team, and Code Staff:

		Senior Management	Other Code Staff
Total Remuneration:		£1.8m	£1.5m
Of which,	Fixed Remuneration:	21%	35%
	Variable Remuneration:	73%	48%
	Pension/Benefits:	7%	18%
Number of Code staff:		18	30

Leverage

Leverage as required to be calculated by the AIFM Directive

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

The commitment methodology takes account of the hedging and netting arrangements employed by the Partnership at any given time (purchased and sold derivative positions will be netted where both relate strictly to the same underlying asset). This calculation of exposure includes all Incremental Exposure as well as the Partnership's own physical holdings and cash. By contrast, the gross methodology includes all Incremental Exposure as well as the Partnership's own physical holdings, excluding cash.

The AIFMD requires that each leverage ratio to be expressed as the ratio between the Partnership's total exposure (including securities and cash) and its net asset value. Using the methodologies prescribed under the AIFMD, the Group is generally expected to be leveraged at the ratio 1:1 using the commitment methodology and 1:1 using the gross methodology- The Group may, however, have higher levels of leverage, including atypical and volatile market conditions. In such circumstances, leverage will not exceed the ratio of 3:1 using the commitment methodology and 2:1 using the gross methodology.