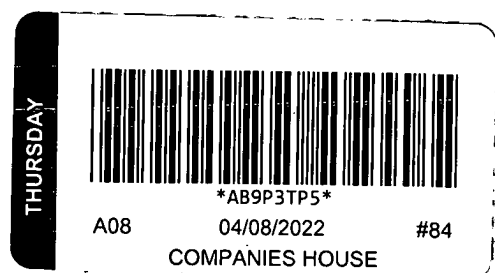


Company Registration No. 07604385 (England and Wales)

**AVIVA INVESTORS GROUND RENT HOLDCO LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**



## **AVIVA INVESTORS GROUND RENT HOLDCO LIMITED**

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## **AVIVA INVESTORS GROUND RENT HOLDCO LIMITED**

### **COMPANY INFORMATION**

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<b>Directors</b>	R Dawson B J Stallwood (appointed 3 December 2021)
<b>Secretary</b>	Aviva Company Secretarial Services Limited
<b>Company number</b>	07604385
<b>Registered office</b>	St Helen's 1 Undershaft London EC3P 3DQ
<b>Independent Auditors</b>	PricewaterhouseCoopers LLP 7 More London Riverside London SE1 2RT

## **AVIVA INVESTORS GROUND RENT HOLDCO LIMITED**

### **DIRECTORS' REPORT**

#### **FOR THE YEAR ENDED 31 DECEMBER 2021**

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The directors present their annual report and financial statements for the year ended 31 December 2021.

#### **Principal activities and review of business**

The Group consists of the Company and all its subsidiary undertakings as set out in note 11. The principal activity of the Company is that of a holding company. The principal activity of the Group is that of investment in ground rent properties. The portfolio has been performing in line with expectation.

#### **Directors**

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

R Dawson  
C J McCall (resigned 15 October 2021)  
B J Stallwood (appointed 3 December 2021)

#### **Qualifying third party indemnity provisions**

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

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

#### **Principal risks and uncertainties**

The key risks arising in the Company are liquidity, interest rate, operational, market, COVID-19 and Ukraine Russia conflict risks which are discussed in more detail below.

#### **Risk management policies**

Approach to risk and capital management

The Company operates within the governance structure and priority framework of the Aviva Group ('Aviva').

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:

##### **(i) Liquidity risk**

Liquidity risk arises as a result of the property assets of the Company's subsidiaries being inherently illiquid. Liquidity risk is managed by ensuring that there is always sufficient headroom available to meet the working capital requirements of the business. Liquidity risk table set out in note 22.

##### **(ii) Interest rate risk**

Interest rate risk arises as a result of the Company borrowing from Aviva Investors REaLM Ground Rent Unit Trust and lending to its subsidiaries. Interest rate risk is managed by the Company borrowing and lending at fixed rates of interest.

##### **(iii) Operational risk**

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

## AVIVA INVESTORS GROUND RENT HOLDCO LIMITED

### DIRECTORS' REPORT (CONTINUED)

#### FOR THE YEAR ENDED 31 DECEMBER 2021

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##### *(iv) Market risk*

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

##### *(v) COVID-19*

On January 30, 2020, the World Health Organisation ('WHO') declared the coronavirus (COVID-19) a public health emergency, shortly followed by declaring a Global Pandemic on 11 March 2020. This had an unprecedented impact on economies and markets globally. On February 22nd 2022 the United Kingdom government lifted all remaining COVID-19 restrictions. The Directors will continue to monitor the COVID-19 situation closely and act accordingly to protect the interests of investors

##### *(vi) Ukraine Russia conflict*

Following the escalation of the conflict between Ukraine and Russia in February 2022 and the related economic sanctions imposed by various governments, the Directors are actively monitoring the situation and will assess any impact as it is deemed to arise. The Directors recognise that the overall impact of the conflict may not yet be apparent and does not underestimate the inevitable effect it will have on global financial markets, including any potential adverse impact on the Company and its investment. As at the date of approval of these financial statements, based on its assessment of the current situation and information available, the Directors do not envisage that this will have a material impact on the Company.

##### **Employees**

The Company has no employees (2020: none).

##### **Post balance sheet events**

In a bid to resolve the building safety crisis, in January 2022 the government reset its approach to building safety, promising to protect leaseholders from the cost of remediating combustible cladding and other non-cladding fire safety works. On 14 February 2022, the Government published a set of further amendments to the Building Safety Bill that aim to transfer the responsibility for building safety remediation costs on buildings over 11 meters in height from leaseholders to the developer or freeholder, irrespective of the repairing obligations within lease agreements. The Bill, as drafted, sets out that remediation (both cladding and non-cladding) of impacted buildings will be conducted or funded by the developer responsible for the safety defects and the normal limitation period for liability will accordingly be extended from 6 to 30 years. The amendments propose that the liability will transfer to freeholders, via a 'statutory waterfall', in the event developers fail to pay. The Bill, as currently drafted, would remove the rights of freeholders to recover all cladding and non-cladding fire safety remediation costs from specifically identified leaseholder groups. Further amendments to the Bill, which is in its final stages, remain possible.

As a result of the most recent announcement, the external valuer applied a 'material valuation uncertainty' ('MVU') declaration (as per VPS 3 and VPGA 10 of the RICS Valuation – Global Standards) to the underlying subsidiaries' valuation reported as at 31 March 2022. Whilst we have continued to produce a net asset value for the Fund as at 31 March 2022, as a consequence of the inclusion of the 'material valuation clause', less certainty and a higher degree of caution should be attached to the valuation as at 31 March 2022 than would normally be the case. No such clause was included in the external valuation reports as at 31 December 2021.

## **AVIVA INVESTORS GROUND RENT HOLDCO LIMITED**

### **DIRECTORS' REPORT (CONTINUED)**

#### **FOR THE YEAR ENDED 31 DECEMBER 2021**

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##### **Future developments**

The Company is a holding company of the subsidiaries having investments in ground rent properties thus the Company is indirectly impacted by any regulatory changes on the subsidiaries. Accordingly the directors have reviewed the activities of the business for the year and the position as at 31 December 2021 and below is the update -

##### **Lease Reforms (Ground Rent) Bill**

A number of major proposals have been announced by the Government for residential ground rents including the abolition of leasehold houses, setting new ground rents to a peppercorn and a review of the enfranchisement process. During the second half of the year the Leasehold Reform (Ground Rent) Bill made progress through Parliament with Royal Assent being given in February 2022. Whilst the removal of ground rents payments from residential leases and the ban on leasehold houses remain the primary changes to pass, there remains uncertainty around the detail on how enfranchisement premiums will be calculated. This uncertainty delivered caution from investors, however a small number of transactions continued to complete which provided market evidence for valuation purposes.

##### **Building Safety Bill**

During the year the Government continued with its Building Safety Programme, established to ensure residents of high rise buildings are safe now and in the future. This included the introduction of new building safety advisory guidance and the provision of funding through the Building Safety Fund to assist in the cost of remediating unsafe cladding systems. The business and its professional advisers continued to implement the guidance and applied for funding for buildings in the portfolio where fire safety works were identified following intrusive surveys and where the business is the responsible entity for this work. Final details of the legislation for fire and building safety in multi-storey residential buildings remained unclear as the Building Safety Bill continued to progress through Parliament.

On 14 February 2022, the Government proposed a set of further amendments to the Building Safety Bill that aim to transfer the responsibility for building safety remediation costs on buildings over 11 meters in height from leaseholders to the developer or freeholder, irrespective of the repairing obligations within lease agreements. The Bill, as drafted, sets out that remediation (both cladding and non-cladding) of impacted buildings will be conducted or funded by the developer responsible for the safety defects and the normal limitation period for liability will accordingly be extended from 6 to 30 years. The amendments propose that the liability will transfer to freeholders, via a 'statutory waterfall', in the event developers fail to pay. The Bill, as currently drafted, would remove the rights of freeholders to recover all cladding and non-cladding fire safety remediation costs from leaseholders.

The Directors will continue to monitor these regulatory updates and will continue to assess the potential impact on the Group's business.

##### **Investment property Valuation of properties held at subsidiaries level:**

During 2021 the Fund's third party valuer has applied an illiquidity discount to buildings that require fire safety remediation works. As a result of the most recent announcements, in March 2022 the valuer has advised that there is currently 'material valuation uncertainty' (as per VPS 3 and VPGA 10 of the RICS Valuation – Global Standards) for certain residential ground rent assets in the portfolio. Whilst we have continued to produce a net asset value for the Fund as at 31 March 2022, consequently, less certainty and a higher degree of caution should be attached to the valuation than would normally be the case.

## **AVIVA INVESTORS GROUND RENT HOLDCO LIMITED**

### **DIRECTORS' REPORT (CONTINUED)**

***FOR THE YEAR ENDED 31 DECEMBER 2021***

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#### **Going concern**

The company has net current liabilities of £77,323,168 (2020: £76,969,330). Included within this is an unsecured loan of £73,882,566 (2020: £73,882,566) from Aviva Investors REaLM Ground Rent Unit Trust (the "Unit Trust") and other creditor balances. The Unit Trust has confirmed that it will not seek repayment of part or all of the amount loaned to this company for at least 12 months from the date of the approval of these financial statements, where to do so would place this company in an insolvent position.

Due to the net current liabilities being greater than the unsecured loan, the company is supported by Aviva Investors REaLM Ground Rent Limited Partnership. The directors have received confirmation that the Partnership intends to support the company to enable it to meet its obligations as they fall due. For this reason, they continue to adopt the going concern basis in preparing 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.

#### **Statement as to disclosure of information to auditors**

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

- (a) so far as the director is aware, there is no relevant audit information, being information needed by the auditors in connection with preparing their report, of this the auditors unaware; and
- (b) each director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself 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.

## AVIVA INVESTORS GROUND RENT HOLDCO LIMITED

### DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

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#### Statement of directors' responsibilities in respect of the financial statements

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law).

Under company law, 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 FRS102, 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 safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are also 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.

In the case of each director in office at the date the director's report is approved:

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

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

On behalf of the board

DocuSigned by:  
  
11952EA431884FB...  
Mr R Dawson  
Director

10 June 2022



# **AVIVA INVESTORS Ground Rent Holdco Limited**

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF AVIVA INVESTORS Ground Rent Holdco Limited FOR THE YEAR ENDED 31 DECEMBER 2021**

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#### **Report on the audit of the financial statements**

##### **Opinion**

In our opinion, Aviva Investors Ground Rent Holdco Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Statement of Financial Position as at 31 December 2021; the Statement of Comprehensive Income and the Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

##### **Basis for opinion**

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

##### **Independence**

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

##### **Conclusions relating to going concern**

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

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

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

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

##### **Reporting on other information**

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

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

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

# **AVIVA INVESTORS Ground Rent Holdco Limited**

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF AVIVA INVESTORS Ground Rent Holdco Limited (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021**

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

#### **Directors' Report**

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the year ended 31 December 2021 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

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

#### **Responsibilities for the financial statements and the audit**

##### **Responsibilities of the directors for the financial statements**

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

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

##### **Auditors' responsibilities for the audit of the financial statements**

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

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

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

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

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

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

# **AVIVA INVESTORS Ground Rent Holdco Limited**

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF AVIVA INVESTORS Ground Rent Holdco Limited (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021**

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#### **Use of this report**

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

#### **Other required reporting**

##### **Companies Act 2006 exception reporting**


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

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

We have no exceptions to report arising from this responsibility.

#### **Entitlement to exemptions**

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



Thomas Norrie (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London  
10 June 2022

**AVIVA INVESTORS GROUND RENT HOLDCO LIMITED****STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2021**

		2021	2020 (restated)
	Note	£	£
Interest receivable and similar income	5	3,924,805	3,930,688
Interest payable and similar expenses	6	(4,252,214)	(4,252,214)
Impairment of assets	7	(1,031,933)	(613,646)
Administrative expenses		(26,429)	(33,119)
<b>Operating loss</b>	<b>8</b>	<b>(1,385,771)</b>	<b>(968,291)</b>
<b>Loss before taxation</b>		<b>(1,385,771)</b>	<b>(968,291)</b>
Tax on loss	9	-	-
<b>Loss for the financial year</b>		<b>(1,385,771)</b>	<b>(968,291)</b>
<b>Other comprehensive income</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive expense for the year</b>		<b>(1,385,771)</b>	<b>(968,291)</b>

**Continuing Operations**

All amounts reported in the Statement of Comprehensive Income for the year ended 31 December 2021 and 31 December 2020 relate to continuing operations.

The notes on pages 13 to 25 form part of these financial statements

**AVIVA INVESTORS GROUND RENT HOLDCO LIMITED****STATEMENT OF FINANCIAL POSITION****AS AT 31 DECEMBER 2021**

	Note	£	2021 £	£	2020 £
<b>Fixed assets</b>					
Investments	11		24,221,217		25,253,150
Loans to group undertakings	12		67,683,938		67,683,938
			<u>91,905,155</u>		<u>92,937,088</u>
<b>Current assets</b>					
Debtors	13	3,392,171		1,104,872	
Cash at bank and in hand		2,564,904		3,234,232	
		<u>5,957,075</u>		<u>4,339,104</u>	
<b>Creditors</b>					
Intercompany borrowings	14	(73,882,566)		(73,882,566)	
Amounts falling due within one year	15	(9,397,677)		(7,425,868)	
		<u>(83,280,243)</u>		<u>(81,308,434)</u>	
<b>Net current liabilities</b>			(77,323,168)		(76,969,330)
<b>Total assets less current liabilities</b>			<u>14,581,987</u>		<u>15,967,758</u>
<b>Capital and reserves</b>					
Called up share capital	16		25,124,600		25,124,600
Accumulated losses	17		(10,542,613)		(9,156,842)
<b>Total shareholders' funds</b>			<u>14,581,987</u>		<u>15,967,758</u>

The financial statements were approved by the board of directors and authorised for issue on 10 June 2022 and are signed on its behalf by:

DocuSigned by:  
  
 119B2EA431684FB...  
 Mr R Dawson  
 Director

Company Registration No. 07604385

The notes on pages 13 to 25 form part of these financial statements

**AVIVA INVESTORS GROUND RENT HOLDCO LIMITED****STATEMENT OF CHANGES IN EQUITY****FOR THE YEAR ENDED 31 DECEMBER 2021**

	Called up share capital	Accumulated losses	Total shareholders' funds
	£	£	£
<b>Balance as at 1 January 2020</b>	25,124,600	(8,188,551)	16,936,049
Total comprehensive expense for the financial year	-	(968,291)	(968,291)
<b>Balance as at 31 December 2020</b>	25,124,600	(9,156,842)	15,967,758
<b>Balance as at 1 January 2021</b>	25,124,600	(9,156,842)	15,967,758
Total comprehensive expense for the financial year	-	(1,385,771)	(1,385,771)
<b>Balance as at 31 December 2021</b>	25,124,600	(10,542,613)	14,581,987

The notes on pages 13 to 25 form part of these financial statements

## AVIVA INVESTORS GROUND RENT HOLDCO LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

#### FOR THE YEAR ENDED 31 DECEMBER 2021

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#### 1 Company information

Aviva Investors Ground Rent Holdco Limited ("The Company") is a holding company. The Group consists of the Company and all its subsidiary undertakings as set out in note 11. The principal activity of the Group is that of investment in ground rent properties.

The company is a private company limited by shares and is incorporated and domiciled in England. The address of its registered office is St Helen's, 1 Undershaft, London, EC3P 3DQ.

#### 2 Statement of compliance

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

#### 3 Accounting policies

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

##### 3.1 Basis of preparation

The financial statements have been prepared under the historical cost convention in compliance with UK accounting standards including Financial Reporting Standard 102 ("FRS 102"), the Financial Reporting Standards applicable in the United Kingdom and Republic of Ireland, and the Companies Act 2006.

The financial statements are prepared in GBP sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest pound.

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

##### 3.2 Basis of consolidation

The Company has taken advantage of exemptions under section 400 of the Companies Act 2006 not to prepare group financial statements as it and its subsidiaries are included in the consolidated financial statements of Aviva Investors REaLM Ground Rent Limited Partnership.

##### 3.3 Going concern basis

The company has net current liabilities of £77,323,168 (2020: £76,969,330). Included within this is an unsecured loan of £73,882,566 (2020: £73,882,566) from Aviva Investors REaLM Ground Rent Unit Trust (the "Unit Trust") and other creditor balances. The Unit Trust has confirmed that it will not seek repayment of part or all of the amount loaned to this company for at least 12 months from the date of the approval of these financial statements, where to do so would place this company in an insolvent position.

Due to the net current liabilities being greater than the unsecured loan, the company is supported by Aviva Investors REaLM Ground Rent Limited Partnership. The directors have received confirmation that the Partnership intends to support the company to enable it to meet its obligations as they fall due. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

**AVIVA INVESTORS GROUND RENT HOLDCO LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2021****3 Accounting policies (Continued)****3.4 Investments in subsidiary company**

Investments in subsidiary companies are held at cost less accumulated impairment losses.

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

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

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

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

The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in the Statement of Comprehensive Income.

**3.5 Loans and borrowings**

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

Borrowings are classified as current liabilities in the financial statements unless the Company has an unconditional right to defer the settlement of the liability for at least twelve months after the reporting date.

**3.6 Cash at bank and in hand**

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



## AVIVA INVESTORS GROUND RENT HOLDCO LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### FOR THE YEAR ENDED 31 DECEMBER 2021

### 3 Accounting policies

(Continued)

#### 3.7 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 debtors, cash and bank 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.

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

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

Other financial assets are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in the statement of comprehensive income.

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

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

##### ii. Financial liabilities

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

Basic financial liabilities are initially measured at transaction price (including transaction costs).

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method. Debt instruments that are classified as payable within one year and which meet the above conditions are measured at the undiscounted amount of the cash or other consideration expected to be paid, net of impairment.

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

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

## AVIVA INVESTORS GROUND RENT HOLDCO LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### FOR THE YEAR ENDED 31 DECEMBER 2021

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### 3 Accounting policies

(Continued)

#### 3.7 Financial instruments (continued)

##### *Financial instruments disclosure exemption*

The Company has taken advantage of the exemption, under FRS 102, from disclosure of its financial instruments, on the basis that it is a qualifying entity and the Company's financial instruments are disclosed within the consolidated financial statements of its parent entity, Aviva Investors REaLM Ground Rent Limited Partnership.

#### 3.8 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds. Shares are extinguished at par by means of the solvency statement procedure in accordance with section 642 of the Companies Act 2006.

#### 3.9 Taxation

##### *Current tax*

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date. Management periodically evaluates positions taken in tax returns with respect to situations in which the applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

##### *Deferred tax*

Deferred tax is provided in full, using the liability method on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax assets are recognised only to the extent that it is probable that taxable profit will be available against which deductible temporary differences, carried forward tax credits or tax losses can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date.

Deferred tax relating to items recognised directly in changes in equity is recognised in the Statement of Changes in Equity and not in the Statement of Comprehensive Income.

#### 3.10 Related party transactions

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

The Company has taken advantage of the exemption, under FRS 102, from disclosure of transactions with related parties who are wholly owned within the same Group. The Group includes the Company, its parent undertakings and its fellow subsidiary undertakings.

#### 3.11 Cash flow statement

The Company has taken advantage of the exemption, under FRS 102 1.12(b), from preparing a statement of cash flows, on the basis that it is a qualifying entity and the Company's cash flows are included within the consolidated statement of cash flows of its parent entity, Aviva Investors REaLM Ground Rent Limited Partnership.

## AVIVA INVESTORS GROUND RENT HOLDCO LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### FOR THE YEAR ENDED 31 DECEMBER 2021

#### 3 Accounting policies

(Continued)

##### 3.12 Strategic report and Directors' report

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

##### 3.13 Administrative expenses

Administrative expenses include all costs not directly incurred in the operation of the Company's portfolio. This includes administration, finance and management expenses which are recognised on an accruals basis.

##### 3.14 Finance income and cost

Interest payable on loans is charged to the Statement of Comprehensive Income using the effective interest rate (EIR) method.

Interest receivable on loans is credited to the Statement of Comprehensive Income using the effective interest rate (EIR) method.

##### 3.15 Restatement of prior year presentation

In order to appropriately reflect the income and expense generated from the operations of the Company as a parent to 17 companies, in the current financial statements, the prior year balances on the statement of comprehensive income have been restated to reclassify the following:

- a) interest receivable and similar income of £3,924,805 to operating income;
- b) interest payable and similar expenses of £4,252,214 to operating expenses; and
- c) impairment of assets of £1,031,933 to operating expense.

There is no impact on the statement of financial position and statement of changes in equity for the year ended 31 December 2020.

#### 4 Critical accounting judgements and key sources of estimation uncertainty

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

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

##### 4.1 Critical accounting estimates and assumptions

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

###### Impairment of non-financial assets

- i. Non-financial assets 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.

**AVIVA INVESTORS GROUND RENT HOLDCO LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2021****5 Interest receivable and similar income**

	2021 £	2020 £
Other interest receivable	863	6,796
Loan interest receivable from subsidiary undertakings	3,923,942	3,923,892
	<u>3,924,805</u>	<u>3,930,688</u>

**6 Interest payable and similar expenses**

	2021 £	2020 £
Loan interest payable	4,252,214	4,252,214
	<u>4,252,214</u>	<u>4,252,214</u>

**7 Impairment of assets**

	2021 £	2020 £
Impairment provision	(1,031,933)	(613,646)
	<u>(1,031,933)</u>	<u>(613,646)</u>

**8 Operating loss**

	2021 £	2020 £
Operating loss for the year is stated after charging:		
Auditors' remuneration	21,698	11,021
	<u>21,698</u>	<u>11,021</u>

During the year no non-audit fees were paid to statutory auditors (2020: £Nil).

The Company did not have any employees during the current year or previous year.  
The directors received no emoluments for services to the Company for the year (2020: £Nil).

# AVIVA INVESTORS GROUND RENT HOLDCO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2021

#### 9 Tax on loss

	2021 £	2020 £
UK corporation tax on loss for the current year	-	-
Total UK current tax	-	-

#### Reconciliation of total tax credit included in loss

The tax assessed for the year is higher (2020: higher) than the standard rate of corporation tax in the UK. The difference is explained below:

	2021 £	2020 £
Loss before taxation	(1,385,771)	(968,291)
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	(263,296)	(183,975)
Tax effect of expenses that are not deductible in determining taxable profit	258,275	117,694
Group relief	5,021	5,191
Corporate interest restriction	-	61,090
Taxation charge for the year	-	-

No deferred tax liability/assets.

#### 10 Deferred taxation

During 2021 the UK Government enacted an increase in the UK corporation tax rate to 25%, from 1 April 2023. During 2020 the reduction in the UK corporation tax rate that was due to take effect was cancelled, and as a result, the rate remained at 19%.

As the Company has no deferred tax assets or liabilities at the year end, there is no impact on the Company's net assets as a consequence of the amendments in the tax rates.

The company has unrecognised temporary differences of £2,597,376 (2020: £2,269,968) to carry forward indefinitely against future taxable income. This comprises £2,597,376 in relation to the Corporate Interest Restriction.

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

# AVIVA INVESTORS GROUND RENT HOLDCO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

### 11 Investments

	2021 £	2020 £
Investments in subsidiaries	24,221,217	25,253,150
<b>Movements in fixed asset investments</b>		
	Shares in group undertakings 2021 £	Shares in group undertakings 2020 £
<b>Cost or valuation</b>		
At 1 January	31,605,318	31,605,318
At 31 December	31,605,318	31,605,318
<b>Accumulated Impairment</b>		
At 1 January	6,352,168	5,738,522
Impairment losses during the year	1,031,933	613,646
At 31 December	7,384,101	6,352,168
<b>Carrying amount</b>		
At 31 December	24,221,217	25,253,150

The company holds directly 100% of ordinary share capital of the following subsidiaries, all incorporated in the United Kingdom whose registered office is Whittington Hall, Whittington Road, Worcester WR5 2ZX and whose principal activity is that of investment in ground rent properties.

Subsidiary	2021 £	2020 £
Aviva Investors GR SPV1 Limited	1,727,398	1,727,398
Aviva Investors GR SPV2 Limited	31,673	31,673
Aviva Investors GR SPV3 Limited	996,259	996,259
Aviva Investors GR SPV4 Limited	4,415,488	4,415,488
Aviva Investors GR SPV5 Limited	3,828,345	3,828,345
Aviva Investors GR SPV6 Limited	1,264,011	1,264,011
Aviva Investors GR SPV7 Limited	962,940	962,940
Aviva Investors GR SPV8 Limited	2,962,322	2,962,322
Aviva Investors GR SPV9 Limited	744,062	744,062
Aviva Investors GR SPV10 Limited	692,925	692,925
Aviva Investors GR SPV11 Limited	728,972	728,972
Aviva Investors GR SPV12 Limited	809,760	809,760
Aviva Investors GR SPV13 Limited	2,069,922	2,069,922
Aviva Investors GR SPV14 Limited	2,452,348	2,466,458
Aviva Investors GR SPV15 Limited	-	467,554
Aviva Investors GR SPV16 Limited	518,966	518,965
Aviva Investors GR SPV17 Limited	15,826	566,096
	24,221,217	25,253,150

**AVIVA INVESTORS GROUND RENT HOLDCO LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2021****11 Investments (Continued)**

Management has evaluated the sensitivity of the carrying value of its investments in the underlying investment subsidiaries. For the year ended 31 December 2021, a 50bps movement in the underlying assets would result a total impairment of £3,369,923 to investments in subsidiaries.

**12 Loans to group undertakings**

	2021 £	2020 £
Loans to group undertakings	67,683,938	67,683,938

The loans to group undertakings bear interest at 4.5%, 5% and 6% per annum and are repayable on the fifteenth anniversary of each loan.

**13 Debtors**

	2021 £	2020 £
<b>Amounts falling due within one year:</b>		
Amounts owed by group undertakings	3,174,383	1,104,872
Other debtors	217,788	-
	<u>3,392,171</u>	<u>1,104,872</u>

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

**14 Intercompany borrowings**

	2021 £	2020 £
Loan from parent undertaking	73,882,566	73,882,566

The loans to group undertakings bear interest at 4.5%, 5% and 6% per annum and are repayable on demand.

# AVIVA INVESTORS GROUND RENT HOLDCO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

### 15 Amounts falling due within one year

	2021 £	2020 £
Amounts owed to parent undertakings	9,358,310	7,391,243
Accruals	39,367	34,625
	<u>9,397,677</u>	<u>7,425,868</u>

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

### 16 Called up share capital

	2021 £	2020 £
Authorised ordinary share capital		
Issued and fully paid		
25,124,600 (2020: 25,124,600) Ordinary Shares of £1 each	25,124,600	25,124,600
	<u>25,124,600</u>	<u>25,124,600</u>

All of the shares of the Company are held by Aviva Investors REaLM Ground Rent GP Limited, as General Partner of Aviva Investors REaLM Ground Rent Limited Partnership.

### 17 Accumulated losses

	2021 £	2020 £
At the beginning of the year	(9,156,842)	(8,188,551)
Loss for the financial year	(1,385,771)	(968,291)
At the end of the year	<u>(10,542,613)</u>	<u>(9,156,842)</u>

### 18 Contingent liabilities and capital commitments

There were no contingent liabilities or capital commitments at the balance sheet date (2020: £nil).



# AVIVA INVESTORS GROUND RENT HOLDCO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2021

#### 19 Events after the reporting financial year

In a bid to resolve the building safety crisis, in January 2022 the government reset its approach to building safety, promising to protect leaseholders from the cost of remediating combustible cladding and other non-cladding fire safety works. On 14 February 2022, the Government published a set of further amendments to the Building Safety Bill that aim to transfer the responsibility for building safety remediation costs on buildings over 11 meters in height from leaseholders to the developer or freeholder, irrespective of the repairing obligations within lease agreements. The Bill, as drafted, sets out that remediation (both cladding and non-cladding) of impacted buildings will be conducted or funded by the developer responsible for the safety defects and the normal limitation period for liability will accordingly be extended from 6 to 30 years. The amendments propose that the liability will transfer to freeholders, via a 'statutory waterfall', in the event developers fail to pay. The Bill, as currently drafted, would remove the rights of freeholders to recover all cladding and non-cladding fire safety remediation costs from specifically identified leaseholder groups. Further amendments to the Bill, which is in its final stages, remain possible.

As a result of the most recent announcement, the external valuer applied a 'material valuation uncertainty' ("MVU") declaration (as per VPS 3 and VPGA 10 of the RICS Valuation – Global Standards) to the valuation reported as at 31 March 2022. Whilst we have continued to produce a net asset value for the Fund as at 31 March 2022, as a consequence of the inclusion of the 'material valuation clause', less certainty and a higher degree of caution should be attached to the valuation as at 31 March 2022 than would normally be the case. No such clause was included in the external valuation reports as at 31 December 2021.

#### 20 Related party transactions

##### Transactions with related parties

During the year the company entered into the following transactions with related parties:

	31-Dec 2021 (Expenses paid) / Income earned in the year	31-Dec 2021 (Payable) / Receivable at year end	31-Dec 2020 (Expenses paid) / Income earned in the year	31-Dec 2020 (Payable) / Receivable at year end
	£	£	£	£
Aviva Investors REaLM Ground Rent Unit Trust - loan	-	(73,882,566)	-	(73,882,566)
Aviva Investors REaLM Ground Rent Unit Trust - loan interest	(4,252,214)	(1,071,791)	(4,252,214)	(1,068,862)
	<u>(4,252,214)</u>	<u>(74,954,357)</u>	<u>(4,252,214)</u>	<u>(74,951,428)</u>

## **AVIVA INVESTORS GROUND RENT HOLDCO LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

#### ***FOR THE YEAR ENDED 31 DECEMBER 2021***

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#### **21 Ultimate parent company**

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

The Company's immediate parent undertaking is Aviva Investors Ground Rent GP Limited and its ultimate parent undertaking is Aviva Investors REaLM Ground Rent Unit Trust, which is registered in Jersey.

The Aviva Investors REaLM Ground Rent Limited Partnership, which indirectly has 100% interest of the Company, is both the largest and the smallest of the group undertakings to consolidate these financial statements at 31 December 2021. The consolidated financial statements of Aviva Investors REaLM Ground Rent Limited Partnership are available on application to:

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

# AVIVA INVESTORS GROUND RENT HOLDCO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

### 22 Liquidity Risk

#### Liquidity Risk

The maturity analysis of Aviva Investors Ground Rent Holdco Limited assets and liabilities as at 31 December 2021 was as follows:

	On demand	1-3 months	4-12 months	More than 12 months	Total
	£	£	£	£	£
<b>Assets</b>					
Amounts owed by group undertakings	3,174,383	-	-	-	3,174,383
Other debtors	217,788	-	-	-	217,788
Cash at bank and in hand	2,554,904	-	-	-	2,554,904
	<u>5,957,075</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,957,075</u>
<b>Liabilities</b>					
Accruals and deferred income	(39,357)	-	-	-	(39,357)
Intercompany Borrowings	(73,882,566)	-	-	-	(73,882,566)
Amounts owed to group undertakings	(5,061,745)	-	-	-	(5,061,745)
Amounts owed to parent undertaking	(4,295,565)	-	-	-	(4,295,565)
	<u>(83,280,243)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(83,280,243)</u>

#### Liquidity Risk

The maturity analysis of Aviva Investors Ground Rent Holdco Limited assets and liabilities as at 31 December 2020 was as follows:

	On demand	1-3 months	4-12 months	More than 12 months	Total
	£	£	£	£	£
<b>Assets</b>					
Amounts owed by group undertakings	1,102,187	-	-	-	1,102,187
Other debtors	-	-	-	-	-
Cash at bank and in hand	3,234,232	-	-	-	3,234,232
	<u>4,336,419</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,336,419</u>
<b>Liabilities</b>					
Accruals and deferred income	(34,625)	-	-	-	(34,625)
Intercompany Borrowings	(73,882,566)	-	-	-	(73,882,566)
Amounts owed to group undertakings	(5,319,695)	-	-	-	(5,319,695)
Amounts owed to parent undertaking	(1,068,862)	-	-	-	(1,068,862)
	<u>(81,305,748)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(81,305,748)</u>

**AVIVA INVESTORS GROUND RENT HOLDCO LIMITED****DETAILED TRADING AND PROFIT AND LOSS ACCOUNT (UNAUDITED)  
FOR THE YEAR ENDED 31 DECEMBER 2021**

	£	2021 £	£	2020 £
<b>Administrative expenses</b>				
Legal and professional fees	5,526		16,221	
Auditors' remuneration	21,698		11,021	
Bank charges	387		424	
Irrecoverable VAT	4,340		5,453	
Tax advice	(5,522)		-	
		(26,429)		(33,119)
<b>Operating loss</b>		(26,429)		(33,119)
<b>Other income</b>				
Other interest receivable	863		6,796	
Loan interest receivable from subsidiary undertaking	3,923,942		3,923,892	
		3,924,805		3,930,688
<b>Finance costs</b>				
Loan interest payable		(4,252,214)		(4,252,214)
<b>Other gains and losses</b>				
Amounts written off fixed asset investments		(1,031,933)		(613,646)
<b>Net loss before tax</b>		(1,385,771)		(968,291)

This page does not form part of the statutory financial statements