

AVIVA INVESTORS GR SPV8 LIMITED
(formerly BELLWAY VIII LIMITED)
Registered in England and Wales Number 06869607

ANNUAL REPORT AND FINANCIAL STATEMENTS 2012

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DIRECTORS AND OFFICERS

Directors

J Gottlieb
J M W Lindsey
C J Urwin

Officer – Company Secretary

Dorchester Ground Rent Management Limited
ECHQ
34 York Way
London
N1 9AB

Auditor

PricewaterhouseCoopers LLP
7 More London Riverside
London
SE1 2RT

Registered Office

ECHQ
34 York Way
London
N1 9AB

Company Number

Registered in England and Wales. No 06869607

DIRECTORS' REPORT FOR THE 5 MONTHS PERIOD TO 31 DECEMBER 2012

The directors present their annual report and financial statements for the Company for the period from 1 August 2012 to 31 December 2012

Directors

The current directors and those in office during the year are as follows

K D Adey	resigned 28 December 2012	
E F Ayres	resigned 28 December 2012	
J K Watson	resigned 28 December 2012	
D S Skinner	appointed 28 December 2012	resigned 4 February 2013
J Gottlieb	appointed 4 February 2013	
J M W Lindsey	appointed 4 February 2013	
C J Urwin	appointed 4 February 2013	

Principal Activities

The principal activity of the company is that of investment in ground rent properties

Business Review

On 28 December 2012 the Company was acquired by Aviva Investors Ground Rent Holdco Limited and changed its name from Bellway VIII Limited to Aviva Investors GR SPV8 Limited on 7 January 2013. The Company acquired a portfolio of ground rent investment properties on 28 December 2012 for £10.2 million (including costs) which has been financed through a loan from parent undertaking.

Financial Position and Performance

The financial position of the Company at 31 December 2012 is shown in the balance sheet on page 9, with the results shown in the profit and loss account on page 8.

Future Outlook

The directors have reviewed the activities of the business for the period and the position as at 31 December 2012 and consider them to be satisfactory. The directors expect the level of activity to be maintained in the foreseeable future.

Principle Risks and Uncertainties

The key risks arising in the Company are market, credit, operational, interest rate and liquidity 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) Market risk

The Company's exposure to market risk takes the form of property valuations, 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.

DIRECTORS' REPORT (CONTINUED)
FOR THE 5 MONTHS PERIOD TO 31 DECEMBER 2012

(ii) *Credit risk*

The Company does not have a significant exposure to credit risk as receivables are mainly short-term trading items and related party receivables. The Company's investments are managed by agents who have responsibility for the prompt collection of amounts due.

(iii) *Operational risk*

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

(iv) *Interest rate risk*

Interest rate risk arises as a result of the company borrowing from its parent undertaking. Interest rate risk is managed by the Company borrowing at a fixed rate of interest.

(v) *Liquidity risk*

Liquidity risk arises as a result of property assets 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.

Key Performance Indicators ('KPI')

The directors consider that the key performance indicators for the Company's business are as below:

	5 months to 31 December 2012 £	12 months to 31 July 2012 £
Investment properties valuation	9,401,316	-
Operating loss	(8,600)	-

Dividend

The directors do not recommend the payment of a dividend for the financial period ending 31 December 2012 (period ended 31 July 2012 £nil).

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.

Employees

The Company has no employees for the year or previous period.

Disclosure of Information to the Auditor

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

- so far as the director is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing their report, of which the auditor is 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 auditor is aware of that information.

DIRECTORS' REPORT (CONTINUED)
FOR THE 5 MONTHS PERIOD TO 31 DECEMBER 2012

Auditor

Following a competitive tender process, PricewaterhouseCoopers LLP was appointed as auditor to the Company for the year ended 31 December 2012 in accordance with the provisions of the Companies Act 2006

It is the intention of the directors to reappoint the auditor under the deemed appointment rules of Section 487 of the Companies Act 2006

Directors' Liabilities

Aviva plc has granted an indemnity to the directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 1985, which continue to apply in relation to any provision made before 1 October 2007

This indemnity was granted in 2004 and the provisions in the Company's articles of association constitute 'qualifying third party indemnities' 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

Statement of Directors' Responsibilities

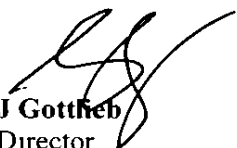
The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations

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 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 these financial statements, the directors are required to

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

The directors are responsible for keeping 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. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

By order of the Board 28 June 2013


J Gottlieb
Director

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AVIVA INVESTORS GR SPV8 LIMITED

We have audited the financial statements of Aviva Investors GR SPV8 Limited for the period ended 31 December 2012 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 5 the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors Report and Financial Statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2012 and of its loss for the period then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

INDEPENDENT AUDITORS' REPORT (CONTINUED)
TO THE MEMBERS OF AVIVA INVESTORS GR SPV8 LIMITED

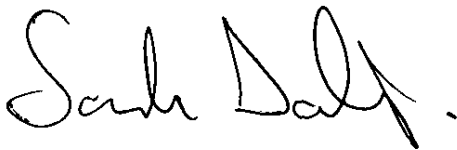
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements

Matters on which we are required to report by exception

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

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



Sandra Dowling (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
28 June 2013

**PROFIT AND LOSS ACCOUNT
FOR THE 5 MONTHS PERIOD TO 31 DECEMBER 2012**

	Notes	5 months to 31 December 2012 £	12 months to 31 July 2012 £
Turnover	1	4,300	-
Administrative expenses		(12,900)	-
Operating loss	2	<u>(8,600)</u>	<u>-</u>
Interest payable and similar charges	3	(7,243)	-
Loss on ordinary activities before taxation		<u>(15,843)</u>	<u>-</u>
Tax on loss on ordinary activities	4	-	-
Loss for the financial period/year		<u>(15,843)</u>	<u>-</u>

Continuing Operations

Turnover and loss on ordinary activities derive wholly from continuing operations

Note of Historical Cost Profits and Losses

There is no material difference between the results as disclosed in the profit and loss account and the result on an unmodified historical cost basis

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE 5 MONTHS PERIOD TO 31 DECEMBER 2012**

	5 months to 31 December 2012 £	12 months to 31 July 2012 £
Loss for the financial period/year	(15,843)	-
Unrealised loss on revaluation of investment properties	(765,223)	-
Total recognised losses relating to the period/year	<u>(781,066)</u>	<u>-</u>

BALANCE SHEET AS AT 31 DECEMBER 2012

	Notes	31 December 2012 £	31 July 2012 £
FIXED ASSETS			
Investment Properties	5	<u>9,401,316</u>	<u>-</u>
CURRENT ASSETS			
Debtors	6	<u>1,572,349</u>	<u>2</u>
		1,572,349	2
CREDITORS			
Amounts falling due within one year	7	<u>(364,106)</u>	<u>-</u>
Net current assets		1,208,243	2
Total assets less current liabilities		<u>10,609,559</u>	<u>2</u>
CREDITORS			
Amounts falling due after more than one year	8	(11,016,448)	-
Net (liabilities)/assets		<u>(406,889)</u>	<u>2</u>
CAPITAL AND RESERVES			
Called up share capital	9	374,177	2
Revaluation reserve	10	(765,223)	-
Profit and loss account	10	(15,843)	-
Total shareholders' (deficit)/funds	11	<u>(406,889)</u>	<u>2</u>

The financial statements on pages 8 to 13 were approved by the Board of Directors on 28 June 2013 and signed on its behalf by


J Gottheb
Director

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 5 MONTHS PERIOD TO 31 DECEMBER 2012**

1 ACCOUNTING POLICIES

Basis of preparation

These financial statements are prepared on the going concern basis, under the historical cost convention as modified by the revaluation of investment properties held as fixed assets, and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom (United Kingdom Generally Accepted Accounting Practice). The principal accounting policies, which have been applied consistently throughout the year, are set out below.

Going concern

The directors believe that preparing the accounts on the going concern basis is appropriate due to the continued financial support of the immediate parent company Aviva Investors Ground Rent Holdco Limited. The directors have received confirmation that Aviva Investors Ground Rent Holdco Limited intend to support the company for at least one year after these financial statements are signed.

Cash Flow Statement

A cash flow statement has not been included in these financial statements as the Company qualifies for exemption as a small entity under the terms of Financial Reporting Standard No 1 (Revised) 'Cash Flow Statements'.

Investment properties

In accordance with Statement of Standard Accounting Practice No 19, investment properties are revalued annually and the aggregate gain or loss is transferred to a revaluation reserve; permanent diminution in the value of investment properties to below their original cost is charged directly to the profit and loss account, and no depreciation or amortisation is provided in respect of freehold investment properties and leasehold investment properties with over 20 years to run. The company has re-valued its investment properties to comply with SSAP 19.

This treatment, as regards the Company's investment properties, may be a departure from the requirements of the Companies Act concerning depreciation of fixed assets. However, these properties are not held for consumption but for investment and the Directors consider that systematic annual depreciation would be inappropriate. The accounting policy adopted is therefore necessary for the financial statements to give a true and fair view. Depreciation or amortisation is only one of the many factors reflected in the annual valuation and the amount which might otherwise have been shown cannot be separately identified or quantified.

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Deferred tax is provided in accordance with FRS 19. Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no commitment to sell the asset. Deferred tax assets are only recognised to the extent that they are recoverable. Deferred tax assets and liabilities are not discounted.

Turnover

Turnover represents amounts receivable from ground rents and other services, in all cases excluding value added tax, and all in the UK.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 5 MONTHS PERIOD TO 31 DECEMBER 2012**

2 OPERATING LOSS

	5 months to 31 December 2012	12 months to 31 July 2012
	£	£
<i>This is stated after charging</i>		
Auditors remuneration – audit	<u>8,000</u>	<u>-</u>

The Company did not have any employees during the current year or previous period
The directors received no emoluments for services to the Company for the year (2011 nil)

3 INTEREST PAYABLE AND SIMILAR CHARGES

	5 months to 31 December 2012	12 months to 31 July 2012
	£	£
Loan interest payable to parent undertaking	<u>7,243</u>	<u>-</u>

4 TAX ON LOSS ON ORDINARY ACTIVITIES

	5 months to 31 December 2012	12 months to 31 July 2012
	£	£
Corporation tax at 24% (31 July 2012 – 26%)	<u>-</u>	<u>-</u>
Factors affecting the tax charge for the period/year		
Loss on ordinary activities before taxation	<u>(15,843)</u>	<u>-</u>
Tax at 24% (31 July 2012 – 26%)	(3,802)	-
Effect of		
Losses utilised in year and/or carried forward	<u>3,802</u>	<u>-</u>
	<u>-</u>	<u>-</u>

There is a unrecognised potential deferred tax asset relating to investment properties which were revalued in the year and to losses carried forward Further details are given in note 12

5 INVESTMENT PROPERTIES

Freehold investment properties	31 December 2012	31 July 2012
Cost / Valuation		£
At start of period	-	-
Additions in period	10,166,539	-
Revaluation in period	<u>(765,223)</u>	<u>-</u>
At end of period	<u>9,401,316</u>	<u>-</u>

The historical cost of the investment properties as at 31 December 2012 was £10,166,539 (31 July 2012 - £nil) The investment properties were revalued on a market value basis as at 31 December 2012 by CBRE Limited, Chartered Surveyors The valuation was carried out in accordance with the Valuation Standards published by the Royal Institute of Chartered Surveyors

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 5 MONTHS PERIOD TO 31 DECEMBER 2012**

6 DEBTORS

Amounts fall due within one year

31 December 2012	31 July 2012
£	£
Trade debtors	-
Amount owed by parent undertaking	-
Other debtors	2
<u>1,572,349</u>	<u>2</u>

7 CREDITORS – Amounts falling due within one year

31 December 2012	31 July 2012
£	£
Accruals and deferred income	-
<u>364,106</u>	<u>-</u>

8 CREDITORS – Amounts falling due after more than one year

31 December 2012	31 July 2012
£	£
Loan from parent undertaking	-
<u>11,016,448</u>	<u>-</u>

The loan from parent undertaking bears interest at 6% per annum and is repayable on demand. The parent has undertaken not to recall the loan within the next 12 months, and therefore this loan has been classified as non-current.

9 CALLED UP SHARE CAPITAL

31 December 2012	31 July 2012
£	£
<i>Issued and fully paid</i>	
Ordinary Shares of £1 each	2
<u>374,177</u>	<u>2</u>

On 28 December 2012 the Company issued 374,175 Ordinary £1 shares at par

10 RESERVES

Revaluation reserve	Profit & loss account
£	£
At start of period	-
Loss for the period	(15,843)
Revaluation in period	-
<u>(765,223)</u>	<u>(15,843)</u>
At end of period	

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 5 MONTHS PERIOD TO 31 DECEMBER 2012**

11 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' (DEFICIT)/FUNDS

	31 December 2012	31 July 2012
	£	£
Opening shareholders' funds	2	2
Shares issued in period	374,175	-
Loss for the period	(15,843)	-
Revaluation in period	(765,223)	-
Closing shareholders' (deficit)/funds	<u>(406,889)</u>	<u>2</u>

12 DEFERRED TAX ASSETS AND LIABILITIES

There is a potential deferred tax asset of £176,001 relating to investment properties which were revalued in the period. The amount is not recognised as there were no binding agreements in place to dispose of these assets at the balance sheet date.

Deferred tax assets of £3,644 relating to losses carried forward have not been recognised on the basis that there is not expected to be taxable profits against which to utilise them in the foreseeable future.

13 ULTIMATE PARENT UNDERTAKING

The immediate parent undertaking is Aviva Investors Ground Rent Holdco Limited, a company incorporated in the United Kingdom.

Aviva Investors REaLM Ground Rent Limited Partnership is the undertaking of the largest group of undertakings to consolidate these financial statements at 31 December 2012. The consolidated financial statements of Aviva Investors REaLM Ground Rent Limited Partnership is available from No1 Poultry, London EC2R 8EJ.

14 RELATED PARTY TRANSACTIONS

The Company has taken advantage of the disclosure exemptions allowed by FRS 8 Related Party Disclosures, in respect of related transactions with other group companies, on the ground that it is wholly owned by a partnership which has publically available consolidated financial statements. The consolidated financial statements of Aviva Investors REaLM Ground Rent Limited Partnership is available from No1 Poultry, London EC2R 8EJ.