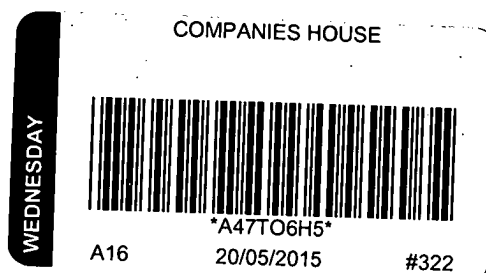


AVIVA INVESTORS GR SPV 8 LIMITED
Registered in England and Wales Number 06869607

ANNUAL REPORT AND FINANCIAL STATEMENTS 2014



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AVIVA INVESTORS GR SPV 8 LIMITED
Registered in England and Wales: No. 06869607

DIRECTORS, OFFICERS AND OTHER INFORMATION

Directors

J Gottlieb
BS Hill
C J Urwin

Officer – Company Secretary

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

Independent Auditors

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 YEAR ENDED 31 DECEMBER 2014

The directors present their report and audited financial statements for the Company for the year ended 31 December 2014.

Directors

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

J Gottlieb	
BS Hill	appointed on 30 May 2014
J M W Lindsey	ceased on 8 May 2014
C J Urwin	

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 SPV 8 Limited on 7 January 2014. 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 2014 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 year and the position as at 31 December 2014 and consider them to be satisfactory. The directors expect the level of activity to be maintained in the foreseeable future.

Principal 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 YEAR ENDED 31 DECEMBER 2014

(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:

	2014	2013
	£	£
Investment properties valuation	14,893,259	12,374,042
Operating profit	418,655	372,205

Dividend

The directors do not recommend the payment of a dividend for the financial year ending 31 December 2014 (year ended 31 December 2013: £nil).

Going Concern

At the balance sheet date the Company had net current liabilities. The Company is supported by Aviva Investors Ground Rent Holdco Limited and the directors are confident that funding will be made available to enable the Company to meet its obligations as they fall due. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

Employees

The Company has no employees (2013: none).

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.

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

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, subject to the conditions set out in the Companies Act 2006. This is a 'qualifying third party indemnity' provision as defined in section 234 of the Companies Act 2006.

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

Statement of Directors' Responsibilities

The directors are responsible for preparing the Directors' 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.

This report has been prepared in accordance with the special provisions relating to small companies within Section 415(A) of the Companies Act 2006.

By order of the Board on 14 May 2015

C J Urwin
Director



Independent auditors' report to the members of Aviva Investors GR SPV 8 Limited

Report on the financial statements

Our opinion

In our opinion, Aviva Investors GR SPV 8 Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 December 2014 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

What we have audited

Aviva Investors GR SPV 8 Limited's financial statements comprise:

- the balance sheet as at 31 December 2014;
- the profit and loss account and the statement of total recognised gains and losses for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

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.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

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, 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. 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 from preparing a strategic report. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of Directors' Responsibilities 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) ("ISAs (UK & 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.

Independent auditors' report to the members of Aviva Investors GR SPV 8 Limited (continued)

What an audit of financial statements involves

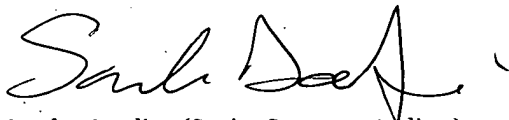
We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. 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.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report and Financial Statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



Sandra Dowling (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
14 May 2015

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2014**

	Notes	2014 £	2013 £
Turnover	1	512,776	429,057
Administrative expenses		(94,121)	(56,852)
Operating profit	2	<u>418,655</u>	<u>372,205</u>
Interest payable and similar charges	3	(453,219)	(583,309)
Loss on ordinary activities before taxation		<u>(34,564)</u>	<u>(211,104)</u>
Tax on loss on ordinary activities	4	-	-
Loss for the financial year		<u>(34,564)</u>	<u>(211,104)</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 YEAR ENDED 31 DECEMBER 2014**

	2014 £	2013 £
Loss for the financial year	(34,564)	(211,104)
Unrealised gain on revaluation of investment properties	2,519,217	2,653,356
Total recognised gains relating to the year	<u>2,484,653</u>	<u>2,442,252</u>

BALANCE SHEET AS AT 31 DECEMBER 2014

	Notes	2014 £	2013 £
FIXED ASSETS			
Investment Properties	5	<u>14,893,259</u>	<u>12,374,042</u>
CURRENT ASSETS			
Debtors	6	<u>226,195</u>	<u>343,837</u>
		226,195	343,837
CREDITORS			
Amounts falling due within one year	7	<u>(457,656)</u>	<u>(540,734)</u>
Net current liabilities		(231,461)	(196,897)
Total assets less current liabilities		<u>14,661,798</u>	<u>12,177,145</u>
CREDITORS			
Amounts falling due after more than one year	8	<u>(7,553,637)</u>	<u>(7,553,637)</u>
Net assets		<u>7,108,161</u>	<u>4,623,508</u>
CAPITAL AND RESERVES			
Called up share capital	9	2,962,322	2,962,322
Revaluation reserve	10	4,407,350	1,888,133
Profit and loss account	10	<u>(261,511)</u>	<u>(226,947)</u>
Total shareholders' funds	11	<u>7,108,161</u>	<u>4,623,508</u>

The financial statements on pages 8 to 13 were approved by the Board of Directors on 14 May 2015 and signed on its behalf by:



C J Urwin
Director

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

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

At the balance sheet date the Company had net current liabilities. The Company is supported by Aviva Investors Ground Rent Holdco Limited and the directors are confident that funding will be made available to enable the Company to meet its obligations as they fall due. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

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 382 of the Companies Act 2006 relating to small entities.

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 YEAR ENDED 31 DECEMBER 2014**

2 OPERATING PROFIT

	2014	2013
	£	£
<i>This is stated after charging:</i>		
Auditors remuneration – audit	9,973	11,415
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 (2013: nil)		

3 INTEREST PAYABLE AND SIMILAR CHARGES

	2014	2013
	£	£
Loan interest payable to parent undertaking	453,219	583,309

4 TAX ON LOSS ON ORDINARY ACTIVITIES

	2014	2013
	£	£
Corporation tax at 21.5% (2013 – 23.25%)	-	-

Factors affecting the tax charge for the year/period:

The tax assessed for the year is higher (2013: higher) than the standard rate of corporation tax in the UK of 21.5%. The differences are explained below.

Loss on ordinary activities before taxation	(34,564)	(211,104)
Tax at 21.5% (2013 – 23.25%)	(7,431)	(49,082)
Effect of:		
Group relief	6,677	4,582
Losses utilised in year and/or carried forward	754	44,500
	-	-

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

5 INVESTMENT PROPERTIES

Freehold investment properties	2014	2013
Valuation	£	£
At start of year	12,374,042	9,401,316
Additions in year	-	319,370
Revaluation in year	2,519,217	2,653,356
At end of year	14,893,259	12,374,042

The historical cost of the investment properties as at 31 December 2014 was £10,485,909 (2013 - £10,485,909). The investment properties were revalued on a market value basis as at 31 December 2014 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 YEAR ENDED 31 DECEMBER 2014**

6 DEBTORS

<i>Amounts falling due within one year:</i>	2014	2013
	£	£
Trade debtors	154,074	281,325
Other debtors	72,121	62,512
	<u>226,195</u>	<u>343,837</u>

7 CREDITORS – Amounts falling due within one year

	2014	2013
	£	£
Amount owed to parent undertaking	189,596	252,611
Accruals and deferred income	268,060	288,123
	<u>457,656</u>	<u>540,734</u>

8 CREDITORS – Amounts falling due after more than one year

	2014	2013
	£	£
Loan from parent undertaking	<u>7,553,637</u>	<u>7,553,637</u>

The loan from parent undertaking is unsecured, bears interest at 6% per annum and is repayable on the fifteenth anniversary of the loan. The parent has undertaken not to seek repayment of part or all of the loan for the period up to the date of approval of the Company's financial statements for the year ended 31 December 2015. Therefore, this loan has been classified as due after more than one year.

9 CALLED UP SHARE CAPITAL

	2014	2013
<i>Issued and fully paid</i>	£	£
Ordinary Shares of £1 each	<u>2,962,322</u>	<u>2,962,322</u>

The Company issued 2,588,145 Ordinary £1 shares at par on 20 September 2013 to Aviva Investors Ground Rent Holdco Limited, the Company's immediate parent undertaking.

10 RESERVES

	Revaluation reserve	Profit & loss account
	£	£
At start of year	1,888,133	(226,947)
Loss for the financial year	-	(34,564)
Revaluation in year	2,519,217	-
At end of year	<u>4,407,350</u>	<u>(261,511)</u>

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

	2014	2013
	£	£
Opening shareholders' funds/(deficit)	4,623,508	(406,889)
Shares issued in year	-	2,588,145
Loss for the financial year	(34,564)	(211,104)
Revaluation in year	2,519,217	2,653,356
Closing shareholders' funds	<u>7,108,161</u>	<u>4,623,508</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

12 DEFERRED TAX ASSETS AND LIABILITIES

There is a potential deferred tax liability of £881,470 (2013: £377,627) relating to investment properties which were revalued in the year. 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 £42,149 (2013: £41,448) 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.

The ultimate parent undertaking and controlling party is Norwich Union (Shareholder GP) 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 2014. 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 FR5 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.