

**AEW UK INVESTMENT MANAGEMENT LLP**

**LLP Registration Number: OC367686**

**Annual Report and Financial Statements**

**For The Year Ended 31 December 2015**

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# **AEW UK INVESTMENT MANAGEMENT LLP**

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# **AEW UK INVESTMENT MANAGEMENT LLP**

## **ADMINISTRATIVE INFORMATION**

### **Designated members**

AEW Global Limited  
Evergreen Members LLP

### **LLP Registration number**

OC367686 (England & Wales)

### **Registered office**

33 Jermyn Street  
London  
SW1Y 6DN

### **Bankers**

National Westminster Bank Plc  
94 Moorgate  
London  
EC1M 7AD

### **Auditors**

Mazars LLP  
Chartered Accountants and Statutory Auditor  
Tower Bridge  
St Katharine's Way  
E1W 1DD

## **AEW UK INVESTMENT MANAGEMENT LLP**

### **MEMBERS' REPORT (CONTINUED)**

The Members present the members' report and the audited financial statements of AEW UK Investment Management LLP ("the LLP") for the year ended 31 December 2015.

#### **BOARD MEMBERS**

The members of the Board who held office during the period were:

Appointed by AEW Global Limited      Appointed by Evergreen Members LLP

Jeffrey Furber  
Mireille Chetoui  
Robert Wilkinson

Richard Tanner  
Rachel McIsaac  
Catherine Delplace

#### **PRINCIPAL ACTIVITIES**

The principal activity of the LLP is to act as a fund manager for global professional investors seeking exposure to the UK property market. The LLP offers a range of investment services for those clients. It was registered with the Financial Conduct Authority (formally, 'Financial Services Authority') on 26 August 2012.

#### **REVIEW OF THE BUSINESS**

The results for the year are set out in the financial statements on page 5. The Members report a profit of £99k for the year ended 31 December 2015 (2014: loss of £249k).

AEW Global Limited and Evergreen Members LLP are the two designated members of the LLP.

#### **FUTURE PROSPECTS**

The members are confident of the future trading prospects of the LLP. There are no material risks or uncertainties facing the LLP.

AEW UK Investment Management LLP launched the REIT Fund in May 2015 focusing on core opportunities in the office, retail and industrial sector in the UK. In February 2016 it launched the Real Return Fund which seeks to align real benefits of property with the liabilities of a pension fund.

#### **GOING CONCERN**

These financial statements have been prepared on a going concern basis, further details of which are set out in the accounting policies.

#### **MEMBERS' CAPITAL**

Members' capital classified as equity is set out on page 7.

#### **MEMBERS' DRAWINGS**

There were no drawings made during the period by the members. Any drawings will be in accordance with the members' agreement.

#### **OFFICERS AND THEIR INTERESTS**

A number of the senior employees of the LLP personally invest in the fund which aligns their long and short term interests with those of the investors in the funds.

## **AEW UK INVESTMENT MANAGEMENT LLP**

### **MEMBERS' REPORT (CONTINUED)**

#### **STATEMENT OF MEMBERS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS**

Under the Limited Liability Partnerships Regulations 2001 made under the Limited Liability Partnerships Act 2000, the members are obliged to present audited financial statements, which give a true and fair view of the state of affairs of the LLP as at the end of the financial year and of the profit or loss of the LLP for that year, on an annual basis. In preparing these financial statements, the members are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the LLP will continue in business.

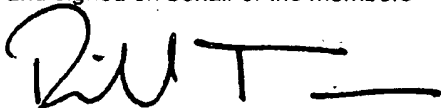
Under the Limited Liability Partnership Regulations 2001, the members are responsible for ensuring that proper accounting records are kept which disclose with reasonable accuracy at any time the financial position of the LLP, and enable them to ensure that the financial statements comply with those regulations. The members have a general responsibility to safeguard the assets of the LLP, the system of internal control and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The responsibilities are exercised by the Management Committee on behalf of the members.

#### **AUDITORS**

Mazars LLP as the LLP auditor will continue in office unless removed by the LLP Management Committee.

Approved by the Members  
and signed on behalf of the members



R Tanner  
(Member of Evergreen Members LLP)  
26 April 2016



R.W. Wilkinson  
(Member of AEW Global Limited)  
26 April 2016

## **AEW UK INVESTMENT MANAGEMENT LLP**

### **INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF AEW UK INVESTMENT MANAGEMENT LLP**

We have audited the financial statements of AEW UK Investment Management LLP for the year ended 31 December 2015 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Reconciliation of Members' Interests and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

#### **Respective responsibilities of members and auditor**

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

#### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

#### **Opinion on the financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the limited liability partnership's affairs as at 31 December 2015 and of its profits for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008.

#### **Opinion on the other matter prescribed by the Companies Act 2006**

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

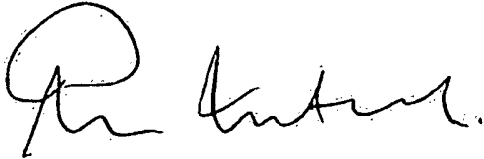
**AEW UK INVESTMENT MANAGEMENT LLP**

**INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF AEW UK  
INVESTMENT MANAGEMENT LLP**

**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 as applied to limited liability partnerships 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
- we have not received all the information and explanations we require for our audit.



Richard Metcalfe (Senior Statutory Auditor)  
for and on behalf of Mazars LLP  
Chartered Accountants and Statutory Auditor  
Mazars LLP  
Tower Bridge House  
St Katharine's Way, London E1W 1DD

27 April 2016

**AEW UK INVESTMENT MANAGEMENT LLP**

**STATEMENT OF COMPREHENSIVE INCOME**  
**For the year ended 31 December 2015**

		<b>2015</b>	<b>Restated</b>
		<b>£'000</b>	<b>2014</b>
<i>Continuing operations</i>	<b>Note</b>		<b>£'000</b>
Turnover	3	3,309	1,604
		<u>3,309</u>	<u>1,604</u>
Staff costs	5	(2,273)	(1,306)
Depreciation		(82)	(16)
Other operating expenses		<u>(855)</u>	<u>(531)</u>
<b>Operating profit/(loss) on ordinary activities before interest</b>	4	99	(249)
Interest receivable and similar income		-	-
Interest payable and similar charges		<u>-</u>	<u>-</u>
<b>Profit/(loss) on ordinary activities for the financial year before members' remuneration and profit share</b>		<u>99</u>	<u>(249)</u>
<b>Profit/(loss) for the year available for discretionary division among members</b>		<u>99</u>	<u>(249)</u>
Other comprehensive income		-	-
<b>Total comprehensive income/(loss) for the financial year available for discretionary division among members</b>		<u>99</u>	<u>(249)</u>

The notes on pages 9 to 17 are an integral part of these financial statements.

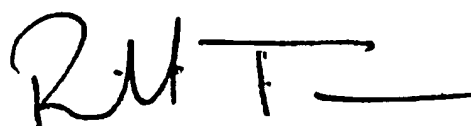
\*2014 comparatives have been restated due to the adoption of FRS102, see note 15 for more details.



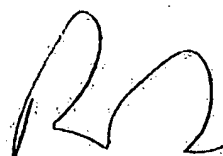
**AEW UK INVESTMENT MANAGEMENT LLP**  
**STATEMENT OF FINANCIAL POSITION**  
**For the year ended 31 December 2015**

	Note	2015 £'000	Restated 2014 £'000
<b>Fixed assets</b>			
Intangible assets	8	318	100
Tangible fixed assets	9	2	
		<u>320</u>	<u>100</u>
<b>Current assets</b>			
Debtors	11	896	472
Cash at bank and in hand		<u>360</u>	<u>239</u>
		1,256	711
<b>Creditors: amounts falling due within one year</b>	12	<u>(464)</u>	<u>(245)*</u>
<b>Net current assets</b>		<u>792</u>	<u>466</u>
<b>Total assets less current liabilities</b>		<u>1,112</u>	<u>566</u>
<b>Net assets attributable to members</b>		<u>1,112</u>	<u>566</u>
<b>Represented by:</b>			
<b>Total members interests</b>			
Members' capital classified as equity		5,097	4,650
Members' other interest – reserves		<u>(3,985)</u>	<u>(4,084)</u>
		<u>1,112</u>	<u>566</u>

These financial statements were approved by the members and authorised for issue 26 April 2016 and signed on their behalf by:



R Tanner  
(Member of Evergreen Members LLP)



R.W. Wilkinson  
(Member of AEW Global Limited)

The notes on pages 8 to 16 are an integral part of these financial statements.  
\*2014 comparatives have been restated due to the adoption of FRS102, see note 15 for more details.

**AEW UK INVESTMENT MANAGEMENT LLP**  
**RECONCILIATION OF MEMBERS' INTEREST** For the year ended 31 December 2015

	<b>Equity</b>		
	<b>Members' capital</b>	<b>Members' other interests</b>	
	<b>(classified as equity)</b>	<b>Restated Other reserves</b>	<b>Total members' interest</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Amounts due to/(from) members at 1 January 2014</b>	4,550	(3,835)	715
Loss for the financial year available for discretionary division between members	-	(249)*	(249)
Members interests for the year	4,550	(4,084)	466
Capital introduced	100	-	100
<b>Amounts due to/(from) members at 31 December 2014</b>	<b>4,650</b>	<b>(4,084)</b>	<b>566</b>
Profit for the financial year available for discretionary division between members	-	99	99
Members interests after profit/(loss) for the year	4,650	(3,985)	665
Capital introduced	447	-	447
<b>Amounts due to/(from) members at 31 December 2015</b>	<b>5,097</b>	<b>(3,985)</b>	<b>1,112</b>

The notes on pages 9 to 17 are an integral part of these financial statements.

\*2014 comparatives have been restated due to the adoption of FRS102, see note 15 for more details.

## **AEW UK INVESTMENT MANAGEMENT LLP**

### **NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended 31 December 2015**

#### **1. Accounting policies**

##### **a) General information**

AEW UK Investment Management LLP is a limited liability partnership domiciled and incorporated in England & Wales, the registration number is OC367686. The address of its registered office and principal place of business is 33 Jermyn Street, London, SW1Y 6DN.

These financial statements have been prepared in Sterling, which is the LLP's functional currency, being the primary economic environment in which the LLP operates. The amounts in these financial statements have been rounded to the nearest thousand.

##### **b) Basis preparation**

These financial statements have been prepared in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' ("FRS 102"), the requirements of the Statement of Recommended Practice 'Accounting by Limited Liability Partnerships' ("LLP SORP") and requirements of Companies Act 2006. These financial statements have been prepared using the historical cost convention.

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with, including notification of and no objection to, the use of the exemptions by the LLP's Members.

In preparing the financial statements, the LLP has taken advantage of the following exemptions:

- from disclosing key management personnel compensation, as required by paragraph 7 of Section 33 'Related Party Disclosures'; and
- from presenting a statement of cash flows, as required by Section 7 'Statement of Cash Flows'.

On the basis that equivalent disclosures are given in the consolidated financial statements of its ultimate parent undertaking Natixis SA, the LLP has also taken advantage of the exemption not to disclose certain requirements of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues'.

Note 14 provide details of where those consolidated financial statements may be obtained from.

These financial statements for the year ended 31 December 2015 are the LLP's first financial statements prepared in accordance with FRS 102. The date of transition to FRS 102 is 1 January 2014. An explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given in note 15.

##### **c) Going concern**

As at 31 December 2015, the LLP's current asset position was £1,256k (2014: £711k). The LLP has adequate resources to meet its current liabilities.

AEW UK Investment Management LLP launched the REIT Fund in May 2015 focusing on core opportunities in the office, retail and industrial sector in the UK. In February 2016 it launched the Real Return Fund which seeks to align real benefits of property with the liabilities of a pension fund.

At the time of approving the financial statements, the management committee has a reasonable expectation that the LLP has adequate resources to continue in operational existence for the foreseeable future. Thus the management committee continues to adopt the going concern basis of accounting in preparing the financial statements.

## **AEW UK INVESTMENT MANAGEMENT LLP**

### **NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended 31 December 2015**

#### **1. Accounting policies (continued)**

##### **d) Revenue**

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts from the provision of investment management services net of sales related taxes, and for advisory services.

Management fees receivable in advance are deferred and recognised as income over the period, or point in time, in which the services are performed. When it is probable that the total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Revenue from other operating income relates to advisory services and recognised over the period the services are performed.

##### **e) Taxation**

No provision has been made for taxation in the financial statements. Each member is exclusively liable for any tax liabilities arising out of their interest in the LLP, which will be assessed on the individual members and not the LLP.

##### **f) Foreign currency translation**

Foreign currency transactions are translated into the functional currency using the exchange rate prevailing at the date the transactions took place. Where this is not possible to determine, income and expense items are translated using an average exchange rate for the period.

Monetary assets and liabilities denominated in foreign currencies are reported at the rates of exchange prevailing at the reporting date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the reporting date of monetary assets and liabilities are reported in profit or loss.

##### **g) Intangible assets**

Intangible assets which comprise of intellectual property and placement fees are initially recognised at cost, which is the purchase price plus any directly attributable costs and are subsequently measured at cost less accumulated amortisation and impairment losses.

The intellectual property represents the rights to a non-exclusive, perpetual, royalty free licence to use, modify licence and sub-licence all commissioned materials purchased during the period. Placement fees represent fees incurred in sourcing and securing investors in the new fund.

Amortisation is charged on a straight line basis to administrative expenses in profit or loss over the shorter of the useful life of the asset or the contractual or legal rights arising on acquisition. The useful lives are as follows:

Intellectual property	10 years
Placement fees	7 years

Intangible assets are tested for impairment where indication of impairment exists at the reporting date.

## **AEW UK INVESTMENT MANAGEMENT LLP**

### **NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended 31 December 2015**

#### **1. Accounting policies (continued)**

##### **h) Tangible fixed assets**

Tangible fixed assets are recognised at cost, which is the purchase price plus any directly attributable costs and are subsequently measured at cost less accumulated depreciation and impairment losses.

Tangible fixed assets are depreciated to administrative expenses in profit or loss over their useful lives on a straight line basis, which are as follows:

Computer equipment	2 to 3 years
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Tangible fixed assets are tested for impairment where indication of impairment exists at the reporting date.

##### **a) Financial instruments**

The Company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial assets and liabilities are recognised when the LLP's statement of financial position when the LLP becomes party to the contractual provisions of the instrument.

##### **Classification of financial assets**

Financial assets are classified into specified categories. The classification depends on the nature and purpose of the financial assets and is determined at the time of recognition.

##### **Basic financial assets**

Basic financial assets, which include trade and other debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method 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.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

##### **Cash and cash equivalents**

Cash and cash equivalents include cash in hand, deposits held at call with banks. Cash is stated at its transaction price.

##### **Impairment of financial assets**

Financial assets are assessed for indicators of impairment at each reporting date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. The impairment loss is recognised in profit or loss.

##### **Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

## **AEW UK INVESTMENT MANAGEMENT LLP**

### **NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended 31 December 2015**

#### **1. ACCOUNTING POLICIES (CONTINUED)**

##### **Classification of financial liabilities**

Financial liabilities are classified according to the substance of the contractual arrangements entered into. Members' interests are classified as equity where it evidences a residual interest in the assets of the LLP after deducting all of its liabilities.

##### **Basic financial liabilities**

Basic financial liabilities, including trade and other creditors and amounts from group undertakings, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Basic financial instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Creditors are classified as amounts falling due within one year if payment is due within one year or less. If not, they are presented as amounts falling due after more than one year.

##### **Derecognition of financial liabilities**

Financial liabilities are derecognised when, and only when, the LLP's obligations are discharged, cancelled, or they expire.

##### **b) Retirement benefits**

The LLP operates a defined contribution pension scheme for certain employees. Contributions to the defined contribution pension scheme are charged to profit or loss in the period in which they are incurred.

##### **c) Employee benefits**

Short-term employee benefits such as unused holiday entitlement, are recognised as an expense in profit or loss in the period in which the services are received. An accrual is recognised for short-term employee benefits where entitlement has accumulated, but has not been taken, at the reporting date. The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

## **AEW UK INVESTMENT MANAGEMENT LLP**

### **NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended 31 December 2015**

#### **2. Critical accounting judgements and key sources of estimation uncertainty**

In the application of the LLP's accounting policies management are required to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability in future years. The judgements, estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant.

The following judgements and estimates that management has made in the process of applying the LLP's accounting policies and that have the most significant effects on the amounts recognised in the financial statements.

##### **Critical judgements**

###### *Impairment of intangibles*

Determining whether the LLP's intangible assets have been impaired require estimates of the asset value in use. The value in use calculations requires the entity to estimate the future cash flows expected to arise from the intangible assets. The carrying amount of the intangible assets at reporting date was £318k with no impairment loss recognised in 2015 or 2014.

Management's assessment determining the remaining useful live of the intangible assets is based on the life of the fund.

#### **3. Turnover**

An analysis of the LLP's turnover is as follows:

	<b>2015</b>	<b>2014</b>
	<b>£'000</b>	<b>£'000</b>
Investment management fees	<u>3,309</u>	<u>1,604</u>

An analyses of the LLP's turnover by geographical market is as follows:

	<b>2015</b>	<b>2014</b>
	<b>£'000</b>	<b>£'000</b>
United Kingdom	<u>3,309</u>	<u>1,604</u>

#### **4. Operating profit/(loss)**

	<b>2015</b>	<b>2014</b>
	<b>£'000</b>	<b>£'000</b>
Operating profit/(loss) is stated after charging:		
Amortisation of intangible assets	82	15
Depreciation of tangible fixed assets	-	1
Fees payable to the auditor for the audit of the LLP's financial statements	15	15

## **AEW UK INVESTMENT MANAGEMENT LLP**

### **NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended 31 December 2015**

#### **5. Staff costs**

The average monthly number of persons (including key management personnel) employed by the LLP during the year was:

	<b>2015 Number</b>	<b>2014 Number</b>
Fund management	12	4
Fund operations	4	3
Financial and administration	2	2
	<u>18</u>	<u>9</u>

Their aggregate remuneration comprised:

	<b>2015 £'000</b>	<b>2014 £'000</b>
Wages and salaries	1,990	1,142
Social security costs	208	127
Pension costs	75	37
	<u>2,273</u>	<u>1,306</u>

#### **6. Members' remuneration**

The members of the LLP are corporate members and therefore no remuneration has been paid in the year (2014: £nil).

#### **7. Taxation**

Taxation on profit/loss on ordinary activities of the LLP is the liability of the designated members. Consequently no corporation tax is assessed on the qualifying LLP.



# AEW UK INVESTMENT MANAGEMENT LLP

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2015

### 8. Intangible assets

	Intellectual Property £'000	Placement Agent Fees £'000	Total £'000
<b>Cost</b>			
At 1 January 2015	150	-	150
Additions	-	300	300
Disposal	-	-	-
At 31 December 2015	150	300	450
<b>Amortisation</b>			
At 1 January 2015	50	-	50
Charge for the year	15	67	82
Eliminated on disposal	-	-	-
At 31 December 2015	65	67	132
<b>Net book value</b>			
At 31 December 2015	85	233	318
At 31 December 2014	100	-	100

### 9. Tangible fixed assets

	Computer Equipment £'000	Total £'000
<b>Cost</b>		
At 1 January 2015	12	12
Additions	2	2
Fully depreciated assets	(12)	(12)
At 31 December 2015	2	2
<b>Depreciation</b>		
At 1 January 2015	12	12
Charge for the year	-	-
Fully depreciated assets	(12)	(12)
At 31 December 2015	-	-
<b>Net book value</b>		
At 31 December 2015	2	2
At 31 December 2014	-	-

# AEW UK INVESTMENT MANAGEMENT LLP

## NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2015

### 10. Financial instruments

	2015 £'000	2014 £'000
<b>Carrying amount of financial assets</b>		
Debt instruments measured at amortised cost	1,256	711
<b>Carrying amount of financial liabilities</b>		
Measured at amortised cost	464	245

### 11. Debtors

	2015 £'000	2014 £'000
Other debtors	71	17
Prepayments and accrued income	825	455
	896	472

### 12. Creditors: amounts falling due within one year

	2015 £'000	Restated 2014 £'000
Taxation and social security	75	46
Accruals and deferred income	389	199*
	464	245

\*2014 comparatives have been restated due to the adoption of FRS102, see note 15 for more details.

### 13. Related party transactions

The LLP is 50% owned by AEW Global Limited who is a designated member of AEW Europe LLP. The LLP has entered into an agreement with AEW Europe LLP to provide the following services: IT, human resources, accounting & taxation, research, compliance and legal. The total costs incurred and paid during the year were £318k (2014: £214k).

### 14. Immediate and ultimate parent undertaking

The members of the LLP are AEW Global Limited and Evergreen Members LLP, who each own a 50% share in the LLP. The LLP is controlled by AEW Global Limited, who is the immediate parent undertaking.

The ultimate parent company is Natixis S.A., a company incorporated in France. The largest and smallest group in which the LLP is consolidated into is that headed by Natixis S.A. The consolidated financial statements may be obtained from:

The Finance Officer  
AEW Europe LLP  
33 Jermyn Street  
London, SW1Y 6DN

## AEW UK INVESTMENT MANAGEMENT LLP

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2015

#### 15. Transition to FRS 102

This is the first financial year that the LLP has presented its financial statements in accordance with FRS 102 'The Financial Reporting Framework Applicable in the UK and Republic of Ireland' ("FRS 102"). For financial years up to and including the year ending 31 December 2014, the LLP prepared its financial statements in accordance with previously extant UK GAAP.

The date of transition to FRS 102 is therefore 1 January 2014. This note sets out the changes to accounting policies and the transitional adjustments that are required to be made for first-time transition to FRS 102. The LLP's opening equity position as at the 1 January 2014 and previously published financial statements for the year ended 31 December 2014 have been restated from previously extant UK GAAP.

In carrying out the transition to FRS 102, the LLP has not applied any of the exemptions available under Section 35 'Transition to this FRS'.

Set out below are the transition tables for the LLP to reconcile:

- Total Members' interests as at 1 January 2014;
- Total Members' interests as at 31 December 2014; and
- Loss for the year ended 31 December 2014.

#### Reconciliation of total members' interests

	Note	1 January 2014 £'000	31 December 2014 £'000
Total members' interest (as previously stated)		715	579
Short-term compensated absences	(i)	(11)	(13)
<b>Total members' interests as reported under FRS 102</b>		<u>704</u>	<u>566</u>

#### Reconciliation of loss available for discretionary division among members

	Note	31 December 2014 £'000
<b>Total loss available for discretionary division among members (as previously reported)</b>		(236)
Short-term compensated absences	(i)	(13)
<b>Total loss available for discretionary division among members as reported under FRS 102</b>		<u>(249)</u>

#### Explanation of the transitional adjustments

##### (i) Short-term compensated absences

Prior to the adoption of FRS 102, the LLP did not recognise a provision for holiday pay earned but not taken before the year end. FRS 102 requires the cost of short-term compensated absences to be recognised when employees render the service that increases their entitlement.

Consequently an additional accrual of £11k at 1 January 2014 has been made to reflect this. The provision at 31 December 2014 had increased to £13k and the increase in provision of £2k has been charged to the profit and loss in the year ended 31 December 2014.