

**AEW UK INVESTMENT MANAGEMENT LLP**

**LLP Registration Number: OC367686**

**Annual Report and Financial Statements**

**For the Year Ended 31 December 2022**

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# **AEW UK INVESTMENT MANAGEMENT LLP**

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# **AEW UK INVESTMENT MANAGEMENT LLP**

## **ADMINISTRATIVE INFORMATION**

<b>Designated members</b>	AEW Global Limited AEW Global UK Limited
<b>LLP Registration number</b>	OC367686 (England & Wales)
<b>Registered office</b>	33 Jermyn Street London SW1Y 6DN
<b>Bankers</b>	Royal Bank of Scotland International Ltd 280 Bishopsgate London EC2M 4RB
<b>Auditors</b>	Mazars LLP Chartered Accountants and Statutory Auditor 30 Old Bailey London EC4M 7AU

# **AEW UK INVESTMENT MANAGEMENT LLP**

## **MEMBERS' REPORT**

The Members present the members' report and the audited financial statements of AEW UK Investment Management LLP ("the LLP" or "AEW UK") for the year ended 31 December 2022.

### **BOARD MEMBERS**

The members of the Board who held office during the period and appointed in 2023 were:

Robert Wilkinson  
Russell Jewel (resigned 7 November 2022)  
Louise Staniforth  
Nicholas Winsley  
Tim Sankey (appointed 31 March 2023)

Independent Non-Executives

Alan Botterill  
Alex Wilson

### **PRINCIPAL ACTIVITIES**

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

### **REVIEW OF THE BUSINESS**

The results for the year are set out in the financial statements on page 8. The Members report a profit of £146k for the year ended 31 December 2022 (2021: profit of £1,935k).

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

### **FUTURE PROSPECTS**

The members are optimistic about the future growth of the business and confident of the future trading prospects of the LLP. There are no material risks or uncertainties facing the LLP.

On 31 March 2023, the LLP acquired the business and contracts of AEW Europe LLP.

### **IMPACT OF RUSSIAN FORCES ENTERING UKRAINE**

The LLP does not have a direct exposure in respect of investors, tenants, or service providers emanating from Ukraine, Russia or Belarus. In terms of how the current situation will impact the company, we continue to monitor the short and long term effect of the fast-changing geopolitical environment.

### **GOING CONCERN**

These financial statements have been prepared on a going concern basis, further details of which are set out in the accounting policies on page 11.

### **MEMBERS' CAPITAL**

Members' capital classified as equity is set out on page 10.

### **MEMBERS' DRAWINGS**

There were no drawings made in 2022 by the two members of the LLP (2021: AEW Global Limited £1,353k and Evergreen Members LLP £1,157k). The drawings made in 2021 were in accordance with the members' agreement.

### **OFFICERS AND THEIR INTERESTS**

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

## **AEW UK INVESTMENT MANAGEMENT LLP**

### **MEMBERS' REPORT**

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

The members are responsible for preparing the members' report and the financial statements in accordance with applicable law and regulations.

Company law, as applied to LLPs, requires members to prepare financial statements for each financial year. Under the law the members have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under the law, as applied to LLPs, the members must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the LLP and of the profit or loss of the LLP for that period. 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; 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 LLP will continue in business.

The members are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the LLP, and enable them to ensure that the financial statements comply with the Companies Act 2006, as applied to limited liability partnerships. The members have a general responsibility to safeguard the assets of the LLP, the system of internal controls 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.

#### **STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the members are aware, there is no relevant audit information of which auditors are unaware, and each member has taken all the steps that he or she ought to have taken as a member in order to make himself or herself aware of any relevant audit information and to establish that the LLP's auditors are aware of that information.

#### **AUDITORS**

Mazars has expressed their willingness to continue in office as auditor of the LLP.

Approved by the Members  
and signed on behalf of the members



R.W. Wilkinson  
Director of AEW Global Limited & AEW Global UK Limited

26 April 2023

## **AEW UK INVESTMENT MANAGEMENT LLP**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AEW UK INVESTMENT MANAGEMENT LLP**

**For the year ended 31 December 2022**

#### **Opinion**

We have audited the financial statements of AEW UK Investment Management LLP (the 'LLP') for the year ended 31<sup>st</sup> December 2022 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Members' Interests, and notes to the financial statements, including a summary of significant accounting policies.

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).

In our opinion, the financial statements:

- give a true and fair view of the state of the LLP's affairs as at 31<sup>st</sup> December 2022 and of its profit 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, as applied to limited liability partnerships.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the LLP in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

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 LLP'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.

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

#### **Other information**

The members are responsible for the other information. The other information comprises the information included in the Members' report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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 such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the

## **AEW UK INVESTMENT MANAGEMENT LLP**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AEW UK INVESTMENT MANAGEMENT LLP**

**For the year ended 31 December 2022**

financial statements themselves. 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 in this regard.

#### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters in relation to which 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; or

#### **Responsibilities of Members**

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, and for such internal control as the members 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 members are responsible for assessing the LLP'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 members either intend to liquidate the LLP or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's 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 auditor's 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 the financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

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.

Based on our understanding of the LLP and its industry, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: UK tax legislation, General Data Protection Regulation, anti-bribery, corruption and fraud, anti-money laundering regulation, employment regulation, health and safety regulation, FCA regulation.

## **AEW UK INVESTMENT MANAGEMENT LLP**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AEW UK INVESTMENT MANAGEMENT LLP**

**For the year ended 31 December 2022**

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Inquiring of the members as to whether the LLP is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the LLP which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as: Companies Act (2006), as applied to limited liability partnerships, Limited Liability Partnerships Regulations (2008), FRS102 – UK GAAP, Financial Conduct Authority and HMRC regulations.

In addition, we evaluated the members' incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of management override of controls, and determined that the principal risks related to posting manual journal entries to manipulate financial performance, revenue recognition (which we pinpointed to the occurrence assertion) and significant one-off or unusual transactions.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the members on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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



**AEW UK INVESTMENT MANAGEMENT LLP**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AEW UK  
INVESTMENT MANAGEMENT LLP**

**For the year ended 31 December 2022**

**Use of the audit report**

This report is made solely to the LLP's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 as applied to limited liability partnerships. Our audit work has been undertaken so that we might state to the LLP's 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 LLP and the LLP's members as a body for our audit work, for this report, or for the opinions we have formed.

*Nargis Yunis*

Nargis Shaheen Yunis (Senior Statutory Auditor) for and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor

30 Old Bailey

London

EC4M 7AU

Date Apr 26, 2023

**AEW UK INVESTMENT MANAGEMENT LLP**  
**LLP Registration Number: OC367686**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**For the year ended 31 December 2022**

<i>Continuing operations</i>	<b>Note</b>	<b>2022 £'000</b>	<b>2021 £'000</b>
Revenue	3	7,693	8,072
		<u>7,693</u>	<u>8,072</u>
Staff costs	5	(5,080)	(4,000)
Depreciation	8	(8)	(19)
Other operating expenses		<u>(2,459)</u>	<u>(2,117)</u>
<b>Operating profit before interest</b>	4	146	1,936
Interest receivable and similar income		-	-
Interest payable and similar charges		<u>-</u>	<u>(1)</u>
<b>Profit for the financial year before members' remuneration and profit share</b>		146	1,935
		<u>146</u>	<u>1,935</u>
<b>Profit for the year available for discretionary division among members</b>		<u>146</u>	<u>1,935</u>
Other comprehensive income		-	-
<b>Total comprehensive income for the financial year available for discretionary division among members</b>		<u>146</u>	<u>1,935</u>

The notes on pages 11 to 17 form part of these financial statements.

**AEW UK INVESTMENT MANAGEMENT LLP**  
**LLP Registration Number: OC367686**

**STATEMENT OF FINANCIAL POSITION**  
**As at 31 December 2022**

	<b>Note</b>	<b>2022 £'000</b>	<b>2021 £'000</b>
<b>Fixed assets</b>			
Tangible fixed assets	8	8	14
		<u>8</u>	<u>14</u>
<b>Current assets</b>			
Debtors	9&10	2,182	2,383
Cash at bank and in hand		5,035	2,869
		<u>7,217</u>	<u>5,252</u>
<b>Creditors: amounts falling due within one year</b>	9&11	<u>(3,894)</u>	<u>(2,081)</u>
<b>Net current assets</b>		<u>3,323</u>	<u>3,171</u>
<b>Total assets less current liabilities</b>		<u>3,331</u>	<u>3,185</u>
<b>Net assets attributable to members</b>		<u><u>3,331</u></u>	<u><u>3,185</u></u>
<b>Represented by:</b>			
<b>Total members interests</b>			
Members' capital classified as equity		5,097	5,097
Members' other interest – reserves		<u>(1,766)</u>	<u>(1,912)</u>
		<u><u>3,331</u></u>	<u><u>3,185</u></u>

These financial statements were approved by the members, authorised and signed on their behalf by:



R.W. Wilkinson  
(Director of AEW Global Limited & AEW Global UK Limited)  
26 April 2023

The notes on pages 11 to 17 form part of these financial statements.

**AEW UK INVESTMENT MANAGEMENT LLP**  
**LLP Registration Number: OC367686**

**STATEMENT OF CHANGES IN MEMBERS' INTERESTS**  
**For the year ended 31 December 2022**

	<b>Equity</b> <b>Members' other interests</b>		
	<b>Members capital (classified as equity) £'000</b>	<b>Other reserves £'000</b>	<b>Total members' interest £'000</b>
<b>Amounts due to/(from) members at 1 January 2021</b>	5,097	(1,337)	3,760
Profit for the financial year available for discretionary division between members	-	1,935	1,935
Members interests for the year	5,097	598	5,695
Distribution of reserves	-	(2,510)	(2,510)
<b>Amounts due to/(from) members at 31 December 2021</b>	<b>5,097</b>	<b>(1,912)</b>	<b>3,185</b>
Profit for the financial year available for discretionary division between members	-	146	146
Members interests after profit/(loss) for the year	-	146	146
<b>Amounts due to/(from) members at 31 December 2022</b>	<b>5,097</b>	<b>(1,766)</b>	<b>3,331</b>

The notes on pages 11 to 17 form part of these financial statements.

**AEW UK INVESTMENT MANAGEMENT LLP**  
**LLP Registration Number: OC367686**

**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 31 December 2022**

**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 of 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 exemption, 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 provides details of where those consolidated financial statements may be obtained from.

**c) Going concern**

At the balance sheet date 31 December 2022, the LLP made a profit of £146k (2021: £1,935k) for the year and had net assets at that date of £3,331k (2021: £3,185k).

The forecasts and stressed forecasts indicate the LLP has sufficient working capital to enable it to continue to trade and meet its liabilities as they fall due in the twelve months from the date of approval of these financial statements. On this basis, the directors consider it appropriate to prepare the financial statements on the going concern basis.

**AEW UK INVESTMENT MANAGEMENT LLP**  
**LLP Registration Number: OC367686**

**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 31 December 2022**

**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 is 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) 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 depreciation is allocated to administrative expenses in profit or loss over their useful lives on a straight-line basis, as follows:

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

**h) 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 (note 9).

Financial assets and liabilities are recognised in 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.

# **AEW UK INVESTMENT MANAGEMENT LLP**

**LLP Registration Number: OC367686**

## **NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended 31 December 2022**

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

#### **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 rate method is a method of calculating the amortised cost of a debt instrument and allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts throughout 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, and 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.

#### **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 due 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.

## **AEW UK INVESTMENT MANAGEMENT LLP**

**LLP Registration Number: OC367686**

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

**For the year ended 31 December 2022**

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

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

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

##### **a) 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.

##### **b) 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 an 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.

#### **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 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 are:

##### **Critical judgements**

##### **Transfer pricing**

AEW Group set up a transfer pricing methodology in order to reflect a vision to each entity's economic contribution. The transfer pricing methodology has been applied in 2022, based on a cost-plus approach for support functions and changes to the profit split methodology for other functions. The negative impact of the application of the transfer pricing methodology has resulted in management fee income reduction of £629k (2021: nil) and support service expenses of £285k (2021: nil) at reporting date.



**AEW UK INVESTMENT MANAGEMENT LLP****LLP Registration Number: OC367686****NOTES TO THE FINANCIAL STATEMENTS****For the year ended 31 December 2022****3. Revenue**

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

	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
Investment management fees	7,693	8,072

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

	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
United Kingdom	7,693	8,072

**4. Operating profit**

	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
Operating profit is stated after charging:		
Amortisation of intangible assets	-	10
Depreciation of tangible fixed assets	8	9
Fees payable to the auditor for the audit of the LLP's financial statements	20	18
Fees payable to the auditor for non-audit services	15	4

**5. Staff costs**

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

	<b>2022</b>	<b>2021</b>
	<b>Number</b>	<b>Number</b>
Fund management	15	15
Fund operations	5	5
Financial and administration	2	2
	22	22

Their aggregate remuneration comprised:

	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
Wages and salaries	4,346	3,396
Social security costs	521	412
Pension costs	213	192
	5,080	4,000

**6. Members' remuneration**

No remuneration has been paid in the year (2021: £nil) to the two members of the LLP.

**AEW UK INVESTMENT MANAGEMENT LLP****LLP Registration Number: OC367686****NOTES TO THE FINANCIAL STATEMENTS****For the year ended 31 December 2022****7. Taxation**

Taxation on the profit of the LLP is the liability of the designated members. Consequently, no corporation tax is assessed on the qualifying LLP.

**8. Tangible fixed assets**

	<b>Computer Equipment £'000</b>	<b>Total £'000</b>
<b>Cost</b>		
At 1 January 2022	31	31
Additions	2	2
Fully depreciated assets	(2)	(2)
	<u>31</u>	<u>31</u>
At 31 December 2022		
<b>Depreciation</b>		
At 1 January 2022	17	17
Charge for the year	8	8
Fully depreciated assets	(2)	(2)
	<u>23</u>	<u>23</u>
At 31 December 2022		
<b>Net book value</b>		
At 31 December 2022	<u>8</u>	<u>8</u>
At 31 December 2021	<u>14</u>	<u>14</u>

**9. Financial instruments**

	<b>2022 £'000</b>	<b>2021 £'000</b>
<b>Carrying amount of financial assets</b>		
Debt instruments measured at amortised cost	<u>532</u>	<u>780</u>
<b>Carrying amount of financial liabilities</b>		
Measured at amortised cost	<u>65</u>	<u>145</u>

**10. Debtors**

	<b>2022 £'000</b>	<b>2021 £'000</b>
Trade debtors	366	663
Other debtors	166	116
Amounts owed by group undertakings	196	-
Prepayments and accrued income	<u>1,454</u>	<u>1,604</u>
	<u>2,182</u>	<u>2,383</u>

**AEW UK INVESTMENT MANAGEMENT LLP****LLP Registration Number: OC367686****NOTES TO THE FINANCIAL STATEMENTS****For the year ended 31 December 2022****11. Creditors: amounts falling due within one year**

	2022 £'000	2021 £'000
Trade creditors	38	57
Other creditors	27	88
Taxation and social security	129	114
Amount owed to group undertakings	1,231	-
Accruals and deferred income	2,469	1,822
	<u>3,894</u>	<u>2,081</u>

**12. Related party transactions**

The LLP is jointly controlled by AEW Global Limited and AEW Global UK Limited, who each own a 50% share in the LLP and both are the immediate parent undertakings. The LLP has entered into an agreement with AEW Europe LLP to receive the following support services: IT, human resources, accounting & taxation, research, compliance and legal. The total costs incurred and paid during the year were £1,279k (2021: £537k).

Delegation agreements with AEW Europe: three contracts £257k (2021: £1,589k).

Delegation agreement with AEW Invest GMBH: One contract £55k (2021: £56k)

The LLP was recharged internal audit cost of £69k by Natixis Investment Managers.

**13. Post Balance Sheet Events**

During March 2023 AEW Global Limited and AEW Global UK Limited made a capital contribution of £3m each to the LLP.

On 31 March 2023, the LLP acquired the business and contracts of AEW Europe LLP. The transfer of assets was on cost basis less depreciation.

**14. Immediate and ultimate parent undertaking**

The LLP is jointly controlled by AEW Global Limited and AEW Global UK Limited, who each own a 50% share of the LLP and both are the immediate parent undertakings. The registered address and financial statements for AEW Global Limited and AEW Global UK Limited may be obtained from:

Financial Controller  
AEW Global Limited  
33 Jermyn Street  
London  
SW1Y 6DN

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

Finance Director  
Groupe BPCE  
30 Avenue Pierre Mendes-France  
75013, Paris  
France