

AEW UK INVESTMENT MANAGEMENT LLP

LLP Registration Number: OC367686

Annual Report and Financial Statements

For The Year Ended 31 December 2020

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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	Royal Bank of Scotland International Ltd 280 Bishopsgate London EC2M 4RB
Auditors	Mazars LLP Chartered Accountants and Statutory Auditor Tower Bridge St Katharine's Way E1W 1DD

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 2020.

BOARD MEMBERS

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

Appointed by AEW Global Limited

Jeffrey Furber
Robert Wilkinson
Russell Jewell

Appointed by Evergreen Members LLP

Richard Tanner
Rachel McIsaac
Louise Staniforth

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 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 £1,657k for the year ended 31 December 2020 (2019: profit of £845k).

AEW Global Limited and Evergreen Members LLP 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.

BREXIT

The United Kingdom left the European Union on 31 December 2020.

The macroeconomic effect on investments in the UK real estate sector and, by extension, the impact on AEW UK's investment management income, is unknown.

As such, it is not possible to accurately state the impact that Brexit will have on the LLP at this stage. Brexit may also make it more difficult for the LLP to raise capital for its Funds and/or increase the regulatory compliance burden on the LLP. This could restrict the LLP's future activities for growth.

COVID-19

The development of the spread of COVID-19 has had a significant impact on economies and resulted in severe restrictions of movement of people across the world. The resulting adverse impact on global commercial activity from the COVID-19 pandemic has contributed to significant volatility in financial markets.

AEW UK INVESTMENT MANAGEMENT LLP

MEMBERS' REPORT

AEW UK Investment Management LLP invests on behalf of its clients in Real Estate. Some sectors have been heavily impacted by COVID-19, like retail and office which resulted in significant decrease in investment values. Others, such as logistics have experienced a more limited impact from the virus. Overall, real estate valuations for assets which AEW UK manages on behalf of its clients declined in 2020 which had, a negative effect on revenue, however the LLP remained profitable during 2020 due to lower operating costs.

AEW UK maintained all its operations with all staff working remotely during lockdowns.

The outlook is improving with the roll out of vaccinations which is expected to have a positive impact on the real estate market valuations and on the LLP and its profitability.

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 9.

MEMBERS' DRAWINGS

The following drawings totalling £992k were made during the period by the two members of the LLP (2019:£2,184k). This comprised of special profits of £33k and a distribution of £550k to AEW Global Limited and £410k to Evergreen Members LLP. The drawings 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.

STATEMENT OF MEMBERS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The members are responsible for preparing 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.

AEW UK INVESTMENT MANAGEMENT LLP

MEMBERS' REPORT

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 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.

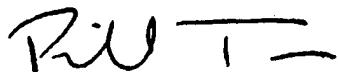
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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 LLP as the LLP's 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 2021



R.W. Wilkinson
Member of AEW Global Limited
26 April 2021

AEW UK INVESTMENT MANAGEMENT LLP

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

For the year ended 31 December 2020

Opinion

We have audited the financial statements of AEW UK Investment Management LLP (the 'LLP') for the year ended 31 December 2020 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the 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 December 2020 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.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

AEW UK INVESTMENT MANAGEMENT LLP

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

For the year ended 31 December 2020

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.

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.

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, we identified that the principal risks of non-compliance with laws and regulations related to the UK tax legislation, General Data Protection Regulation, anti-bribery, corruption and fraud, money laundering and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements, such as the Companies Act 2006 as applied to as applied to limited liability partnerships.

We evaluated the member's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates and significant one-off or unusual transactions.

Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements. Our audit procedures included but were not limited to:

- Discussing with the members their policies and procedures regarding compliance with laws and regulations;
- Communicating identified laws and regulations throughout our 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.

AEW UK INVESTMENT MANAGEMENT LLP

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

For the year ended 31 December 2020

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. This description forms part of our auditor's report.

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. 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.

Signed: 

Richard Metcalfe (Senior Statutory Auditor)

For and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor

Tower Bridge House, St Katharine's Way, London E1W 1DD

Date: 26 April 2021

AEW UK INVESTMENT MANAGEMENT LLP
LLP Registration Number: OC367686

STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2020

<i>Continuing operations</i>	Note	2020 £'000	2019 £'000
Revenue	3	6,811	7,333
		<u>6,811</u>	<u>7,333</u>
Staff costs	5	(3,933)	(3,870)
Depreciation	8&9	(21)	(20)
Other operating expenses		<u>(1,200)</u>	<u>(2,598)</u>
Operating profit before interest	4	1,657	845
Interest receivable and similar income		-	-
Interest payable and similar charges		<u>-</u>	<u>-</u>
Profit for the financial year before members' remuneration and profit share		1,657	845
		<u>1,657</u>	<u>845</u>
Profit for the year available for discretionary division among members		<u>1,657</u>	<u>845</u>
Other comprehensive income		-	-
Total comprehensive income for the financial year available for discretionary division among members		<u>1,657</u>	<u>845</u>

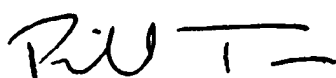
The notes on pages 11 to 18 form part of these financial statements.

AEW UK INVESTMENT MANAGEMENT LLP
LLP Registration Number: OC367686

STATEMENT OF FINANCIAL POSITION
As at 31 December 2020

	Note	2020 £'000	2019 £'000
Fixed assets			
Intangible assets	8	10	25
Tangible fixed assets	9	16	9
		<u>26</u>	<u>34</u>
Current assets			
Debtors	11	2,701	2,407
Cash at bank and in hand		2,887	3,063
		<u>5,588</u>	<u>5,470</u>
Creditors: amounts falling due within one year	12	(1,854)	(2,409)
Net current assets		<u>3,734</u>	<u>3,061</u>
Total assets less current liabilities		<u>3,760</u>	<u>3,095</u>
Net assets attributable to members		<u>3,760</u>	<u>3,095</u>
Represented by:			
Total members interests			
Members' capital classified as equity		5,097	5,097
Members' other interest – reserves		(1,337)	(2,002)
		<u>3,760</u>	<u>3,095</u>

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



R Tanner
Member of Evergreen Members LLP

26 April 2021



R.W. Wilkinson
Member of AEW Global Limited

26 April 2021

The notes on pages 11 to 18 form part of these financial statements.

STATEMENT OF CHANGES IN MEMBERS' INTERESTS
For the year ended 31 December 2020

	Equity		
	Members' other interests		
	Members capital (classified as equity) £'000	Other reserves £'000	Total members' interest £'000
Amounts due to/(from) members at 1 January 2019	5,097	(663)	4,434
Profit for the financial year available for discretionary division between members	-	845	845
Members interests for the year	5,097	182	5,279
Distribution of reserves	-	(2,184)	(2,184)
Amounts due to/(from) members at 31 December 2019	5,097	(2,002)	3,095
Profit for the financial year available for discretionary division between members	-	1,657	1,657
Members interests after profit/(loss) for the year	-	1,657	1,657
Distribution of reserves	-	(992)	(992)
Amounts due to/(from) members at 31 December 2020	5,097	(1,337)	3,760

The notes on pages 11 to 18 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 2020

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 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 15 provides details of where those consolidated financial statements may be obtained from.

c) Going concern

At the balance sheet date 31 December 2020, the LLP made a profit of £1,657k (2019: £845k) for the year and had net assets at that date of £3,760k (2019: £3,095k). The LLP profits were higher than expected due to lower operating costs.

The development of the spread of COVID-19 has had a significant impact on economies and resulted in severe restrictions on the movement of people across the world. The resulting adverse impact on global commercial activity from the COVID-19 pandemic has contributed to significant volatility in financial markets.

AEW UK Investment Management LLP invests on behalf of its clients in Real Estate. Some sectors have been heavily impacted by COVID-19, like retail and office which resulted in significant decrease in investment values. Others, such as logistics have experienced a more limited impact from the virus. Overall, the valuations for assets which AEW UK manages on behalf of its clients declined in 2020 which had, a negative effect on revenue however the LLP remained profitable during 2020 due to lower operating costs.

AEW UK maintained all its operations with all staff working remotely during lockdowns.

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 for at least next twelve months from the date of approval of the 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 2020

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) Intangible assets

Intangible assets which comprises intellectual property 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.

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 and the contractual or legal rights arising on acquisition. The useful life is as follows:

Intellectual property	10 years
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Intangible assets are tested for impairment where indication of impairment exists at the reporting date.

AEW UK INVESTMENT MANAGEMENT LLP

LLP Registration Number: OC367686

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

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 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 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 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.

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 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, 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.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2020

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**LLP Registration Number: OC367686****NOTES TO THE FINANCIAL STATEMENTS****For the year ended 31 December 2020****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**Impairment of intangibles**

Determining whether the LLP's intangible assets have been impaired require an 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 the reporting date was £10k with no impairment loss recognised in 2020 or 2019.

3. Revenue

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

	2020 £'000	2019 £'000
Investment management fees	6,811	7,333

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

	2020 £'000	2019 £'000
United Kingdom	6,811	7,333

4. Operating profit

	2020 £'000	2019 £'000
Operating profit is stated after charging:		
Amortisation of intangible assets	15	15
Depreciation of tangible fixed assets	6	5
Fees payable to the auditor for the audit of the LLP's financial statements	16	15
Fees payable to the auditor for non-audit services	10	10

AEW UK INVESTMENT MANAGEMENT LLP**LLP Registration Number: OC367686****NOTES TO THE FINANCIAL STATEMENTS****For the year ended 31 December 2020****5. Staff costs**

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

	2020 Number	2019 Number
Fund management	15	16
Fund operations	5	5
Financial and administration	2	2
	<u>22</u>	<u>23</u>

Their aggregate remuneration comprised:

	2020 £'000	2019 £'000
Wages and salaries	3,362	3,317
Social security costs	383	349
Pension costs	188	204
	<u>3,933</u>	<u>3,870</u>

6. Members' remuneration

No remuneration has been paid in the year (2019: £nil) to the two members of the LLP.

7. Taxation

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

8. Intangible fixed assets

	Intellectual Property £'000	Total £'000
Cost		
At 1 January 2020	150	150
Additions	-	-
Fully depreciated assets	-	-
	<u>150</u>	<u>150</u>
At 31 December 2020		
Depreciation		
At 1 January 2020	125	125
Charge for the year	15	15
Fully depreciated assets	-	-
	<u>140</u>	<u>140</u>
At 31 December 2020		
Net book value		
At 31 December 2020	<u>10</u>	<u>10</u>
At 31 December 2019	<u>25</u>	<u>25</u>

AEW UK INVESTMENT MANAGEMENT LLP
LLP Registration Number: OC367686

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2020

9. Tangible fixed assets

	Computer Equipment £'000	Total £'000
Cost		
At 1 January 2020	18	18
Additions	13	13
Fully depreciated assets	(2)	(2)
	<hr/>	<hr/>
At 31 December 2020	29	29
	<hr/>	<hr/>
Depreciation		
At 1 January 2020	9	9
Charge for the year	6	6
Fully depreciated assets	(2)	(2)
	<hr/>	<hr/>
At 31 December 2020	13	13
	<hr/>	<hr/>
Net book value		
At 31 December 2020	16	16
	<hr/>	<hr/>
At 31 December 2019	9	9
	<hr/>	<hr/>

10. Financial instruments

	2020 £'000	2019 £'000
Carrying amount of financial assets		
Debt instruments measured at amortised cost	1,400	775
	<hr/>	<hr/>
Carrying amount of financial liabilities		
Measured at amortised cost	179	21
	<hr/>	<hr/>

11. Debtors

	2020 £'000	2019 £'000
Trade debtors	1,376	478
Other debtors	24	297
Prepayments and accrued income	1,301	1,632
	<hr/>	<hr/>
	2,701	2,407
	<hr/>	<hr/>

12. Creditors: amounts falling due within one year

	2020 £'000	2019 £'000
Trade creditors	63	21
Other creditors	116	-
Taxation and social security	108	107
Accruals and deferred income	1,567	2,281
	<hr/>	<hr/>
	1,854	2,409
	<hr/>	<hr/>

AEW UK INVESTMENT MANAGEMENT LLP

LLP Registration Number: OC367686

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

13. Related party transactions

The LLP is 50% owned by AEW Global Limited which is a designated member of AEW Europe LLP and 50% owned by Evergreen Members 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 £530k (2019: £545k).

Delegation agreements with LLP: QSuper, Mars, Nox £1,439k (2019: £1,742k).

Delegation agreement with AEW Invest GMBH: City Retail Fund £56k (2019: £45k)

14. Post balance sheet event

The following drawings totalling £800k were made in January 2021 by the two members of the LLP. This comprised of a distribution of £400k to AEW Global Limited and £400k to Evergreen Members LLP. The drawings were in accordance with the members' agreement.

15. 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 financial statements may be obtained from:

Finance 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