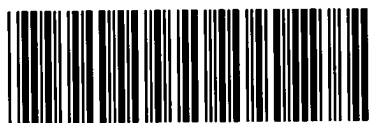


AVENTICUM REAL ESTATE LLP

Annual Report 2016

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REGISTRATION NUMBER: OC403944



AVENTICUM
CAPITAL MANAGEMENT

AVENTICUM REAL ESTATE LLP
Annual Report 2016

Partnership Information

Members as at 7 April 2017

The Corporate Members are:

Aventicum Capital Management (UK) I Holding Ltd.
Aventicum Capital Management (UK) II Holding Ltd.

Registered Office

4 Sloane Terrace
London SW1X 9DQ
United Kingdom

REGISTRATION NUMBER: OC403944

Independent Auditor

KPMG LLP
Statutory Auditor
15 Canada Square
Canary Wharf
London
E14 5GL



MEMBERS' REPORT FOR THE PERIOD ENDED 31 DECEMBER 2016

Profile

Aventicum Real Estate LLP ('RE LLP' or the 'LLP') is a Limited Liability Partnership, incorporated in the United Kingdom ('UK') on 22 January 2016. Aventicum Capital Management (UK) I Holding Ltd ('ACMH1') and Aventicum Capital Management (UK) II Holding Ltd ('ACMH2') are Corporate Members of the LLP. Each made 50% of the LLPs total capital contributions and has the right together to appoint the Members of the LLPs Reserved Matters Management Committee ('RMMC'). Both are, in turn, wholly owned by Aventicum Capital Management Holding AG ('ACMH'). ACMH has been established as a 60/40 joint venture between Credit Suisse Asset Management International Holdings Ltd ('CSAMI') and Qatar Holding LLC ('QH') in December 2012.

The LLP is authorised to act as a representative of Aventicum Capital Management (UK) LLP ("ACM UK LLP").

The business of the LLP is to provide sub-advisory services to fellow Members of the ACMH joint venture in connection with real estate investments across Europe and any related services or activities necessary to, incidental to, or arising out of the provision of such advice.

These are the first Financial Statements of the LLP and are presented for the period beginning from the date of its incorporation, 22 January 2016 to 31 December 2016.

Members

The LLP does not have any Ordinary Members.

The Corporate Members are:

Name	Since
Aventicum Capital Management (UK) I Holding Ltd.	January 2016
Aventicum Capital Management (UK) II Holding Ltd.	January 2016

Principal activity

The LLPs main business is to provide sub-advisory services to fellow Members of the ACMH joint venture in connection with real estate investments across Europe and any related services or other activities necessary to, incidental to, or arising out of the provision of such advice and services.

Business Review

Results for the period and allocation to Members

The profit for the period ended 31 December 2016 attributable to Corporate Members was £0.06m. The LLP does not have any Ordinary Members to participate in the profits of the LLP. The return on total assets for the period ended 31 December 2016 was 6%. The LLPs balance sheet as detailed on page 8 shows a satisfactory position with Members' interests amounting to £361k.

Future developments

No changes to the principal activities of the LLP are planned for the medium term.

MEMBERS' REPORT FOR THE PERIOD ENDED 31 DECEMBER 2016

Basis of preparation

The Financial Statements have been prepared on a going concern basis and in accordance with Financial Reporting Standard 102. The Financial Reporting Standard applicable in the UK and Republic of Ireland ('FRS 102') as amended in July 2015 has been applied.

Capital

During the period, the Corporate Members made an initial equity capital contribution of £0.3m and can make further capital contributions to the LLP in accordance with the Limited Liability Partnership Agreement of the LLP (the 'Partnership Agreement'). No Member is entitled to interest on their capital contributions.

Allocation of profits and losses

The share of profits and losses is governed by the Partnership Agreement.

Under the Partnership Agreement, net profits shall be divided up among the Members in the following manner:

- firstly, to each Ordinary Member, a fixed annual partnership profit ('FAPP');
- secondly, to each Ordinary Member, a variable annual partnership profit ('VAPP'); and
- Thirdly, the Residual Profits, if any, shall be, subject to any terms agreed in any Side Agreement, divided among the Aventicum Members on the basis of their respective Aventicum Interests or in such other proportions as may be agreed from time to time between the Aventicum Members in their sole discretion.

The Members shall draw the following to the extent of funds in their capital accounts:

- on account of FAPP, up to an amount equal to one twelfth of such Ordinary Member's FAPP;
- on account of VAPP, up to an amount equal to the vested cash portion of such Member; and
- on account of Residual Profits, if any, up to an amount equal to the vested cash portion of such Member.

Auditor

The independent auditor, KPMG LLP, has indicated its willingness to be appointed.

Going concern

The Members have a reasonable expectation that the LLP has adequate resources to continue in operational existence for the foreseeable future. Accordingly the Members have prepared these accounts on a going concern basis.

Events after the balance sheet date

No events to report.

Statement as to disclosure of information to auditors

The Members are not aware of any relevant audit information (as defined by section 418 of the Companies Act 2006) of which the LLPs auditor is unaware. The Members also confirm that they have taken all steps required of Members to make themselves aware of any relevant audit information, and establish that the LLPs auditor is aware of that information.



AVENTICUM
CAPITAL MANAGEMENT

AVENTICUM REAL ESTATE LLP
Annual Report 2016

MEMBERS' REPORT FOR THE PERIOD ENDED 31 DECEMBER 2016

Signed on behalf of Aventicum Real Estate LLP by Designated Members on 7 April 2017

Stephen Foster
Aventicum Capital Management (UK) I Holding Ltd

Stephen Foster
Aventicum Capital Management (UK) II Holding Ltd

4 Sloane Terrace
London SW1X 9DQ
United Kingdom
7 April 2017
REGISTRATION NUMBER: OC403944



STATEMENT OF MEMBERS RESPONSIBILITIES IN RESPECT OF THE MEMBERS' REPORT AND FINANCIAL STATEMENTS

The Members are responsible for preparing the LLP Financial Statements in accordance with applicable law and regulations and have elected to prepare a Members' Report. The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 require the Members to prepare LLP Financial Statements for each financial period. Under that law the Members have elected to prepare the LLP Financial Statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102, *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

Under Regulation 8 of the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 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 the 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 UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the Financial Statements; and
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the LLP will continue in business.

Under Regulation 6 of the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008, the members are responsible for keeping adequate accounting records that are sufficient to show and explain the LLP's transactions and disclose with reasonable accuracy at any time the financial position of the LLP and enable them to ensure that its financial statements comply with those regulations. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the LLP and to prevent and detect fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AVENTICUM REAL ESTATE LLP

We have audited the Financial Statements of Aventicum Real Estate LLP for the period ended 31 December 2016 set out on page 8 to 18. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

This report is made solely to the Members of the limited liability partnership (LLP), as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, as required by Regulation 39 of the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008. Our audit work has been undertaken so that we might state to the LLPs 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 LLPs Members, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Members and auditor

As explained more fully in the Members' Responsibilities Statement set out on page 6, 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.

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.

Opinion on Financial Statements

In our opinion the Financial Statements:

- give a true and fair view, of the state of affairs of the LLP as at 31 December 2016 and of its profit for the period then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, 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.

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.

Alison Allen

Alison Allen (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
E14 5GL
London
7 April 2017



STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 DECEMBER 2016

		22 January 2016 to 31 December 2016 £000
	Note	
Sub-advisory fees	3	1,330
Total revenues		1,330
Staff costs	4	(1,076)
Audit fees		(15)
Rental expense	5	(70)
General and administrative expenses	6	(108)
Total expenses		(1,269)
Profit for the financial period before Members' remuneration and profit shares		61
Members' remuneration charged as an expense		-
Profit for the period available for discretionary division among Members		61

Results for the period are from continuing operations.

The notes on pages 13 to 18 form an integral part of these Financial Statements.



STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2016

	Note	2016 £000
Current assets		
Receivables	8	779
Cash at bank	9	213
Current assets		992
Creditors: amounts falling due within one year		
Creditors and accruals	10	391
Current liabilities		391
Net current assets		601
Total assets less current liabilities		601
Creditors: amounts falling due after one year		
Creditors and accruals	10	240
NET ASSETS ATTRIBUTABLE TO MEMBERS		361
REPRESENTED BY:		
Members' other interests		
Members' capital classified as equity	11	300
Members' other interests - other reserves	11	61
Total Members' interests		361

The notes on pages 13 to 18 form an integral part of these Financial Statements.

The Financial Statements were approved by the Members of the LLP and authorised for issue on 7 April 2017.

Stephen Foster
Aventicum Capital Management (UK) I Holding Ltd

Stephen Foster
Aventicum Capital Management (UK) II Holding Ltd

REGISTRATION NUMBER: OC403944



STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 DECEMBER 2016

	Called-up share capital £000	Retained earnings £000	Total shareholders' equity £000
Opening Balance as at 22 January 2016	-	-	-
Net profit for the period	-	61	61
Capital contribution by Corporate Members	300	-	300
Balance as at 31 December 2016	300	61	361

The notes on pages 13 to 18 form an integral part of these Financial Statements.



CASH FLOW STATEMENT FOR THE PERIOD ENDED 31 DECEMBER 2016

		22 January 2016 to 31 December 2016 £000
	Note	
<u>Cash flows from operating activities</u>		
Profit for the period before Members' remuneration and profit shares		61
<u>Adjustments to reconcile net profit to net cash generated from/(used in) operating activities</u>		
Net decrease in operating assets:		
Receivables	8	(779)
Creditors and accruals	10	631
Net cash used in operating activities		(87)
<u>Cash flows from investing activities</u>		-
Net cash (used in)/generated from investing activities		-
<u>Cash flows from financing activities</u>		
Capital introduced by Members	11	300
Net cash generated from financing activities		300
Net increase in cash and cash equivalents		213
Cash and cash equivalents at the beginning of the period		-
Cash and cash equivalents at the end of the period	9	213

The notes on pages 13 to 18 form an integral part of these Financial Statements.



Notes to Financial Statements

Page	Note	Description
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13	2	Accounting policies
15	3	Sub-advisory fees
15	4	Staff costs
15	5	Rental expense
15	6	General and administrative expenses
15	7	Members' share in profit
16	8	Receivables
16	9	Cash at bank
16	10	Creditors and accruals
17	11	Members' interest
17	12	Related party transactions
18	13	Events after balance sheet date



NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2016

1. General

Aventicum Real Estate LLP is a limited liability partnership incorporated in England and Wales. The address of the LLPs registered office is 4 Sloane Terrace, London SW1X 9DQ, United Kingdom. The Financial Statements were authorised for issue on behalf of all Members by the Designated Members (pursuant to the terms of the Partnership Agreement) on 7 April 2017.

These Financial Statements being the first Financial Statements of the LLP are presented for the period from the date of incorporation 22 January 2016 to the reporting date. Prior period comparatives are not provided in these Financial Statements.

2. Accounting policies

a) Basis of preparation

The Financial Statements have been prepared on a going concern basis and in accordance with the Statement of Recommended Practice on Accounting by Limited Liability Partnerships (July 2016) ('SORP') and in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland ('FRS 102') as amended in July 2016. The Financial Statements are presented in Pound Sterling ('£' or 'GBP'), rounded to the nearest thousand. They are prepared on the historical cost basis.

The Members have a reasonable expectation that the LLP has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the Members have prepared these Financial Statements on a going concern basis. The LLP has ongoing access to funding sources by Credit Suisse Group ('CSG'). After making enquiries of the CSG, the Members of the LLP have received confirmation that the CSG will ensure that the LLP maintains a sound financial position and is able to meet its debt obligations for the foreseeable future. Accordingly, the Members have prepared these accounts on a going concern basis.

b) Revenue

Revenue represents fees receivable from customers in respect of services provided by the LLP, and includes sub-advisory fees receivable from fellow members of the ACMH joint venture in connection with real estate investments across Europe and related services. Sub-advisory fees are recognised when they have been earned in accordance with the contractual arrangements in place with customers.

c) Basic financial instruments

Trade and other debtors / creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

Cash at bank

Cash and due from banks is defined as short-term, highly liquid instruments with original maturities of three months or less and that are held for cash management purposes. Cash at bank comprises cash deposited with related companies.



NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2016

d) Members' remuneration

Members' entitlement to remuneration is governed by the Partnership Agreement, any side letter entered into between the LLP and a Member and the deferred variable remuneration agreement. The net profits shall be divided up among the Members in the following manner:

- firstly, to each Ordinary Member, a fixed annual partnership profit ('FAPP');
- secondly, to each Ordinary Member, a discretionary variable annual partnership profit ('VAPP'); and
- Thirdly, the Residual Profits, if any, shall be, subject to any terms agreed in any Side Agreement, divided among the Aventicum Members on the basis of their respective Aventicum Interests or in such other proportions as may be agreed from time to time between the Aventicum Members in their sole discretion.

Currently, there are no Ordinary Members in the LLP.

e) Employees' benefits and remuneration

Discretionary Variable Incentive Award is made to employees on an annual basis. Part of it, is paid out as cash and part is awarded as deferred compensation that shall vest in equal annual instalments on each of the first three anniversaries of the relevant award date under the ARE Notional Deferral Plan. The LLP recognises both the deferred and non-deferred compensation expense over the period of service for which it is awarded and the accrual is charged to the income statement on a monthly basis in the year of service itself. All awards to the employees' are cash-based.

For certain employees, it was agreed to buy out deferred compensation from their previous firm ('Buyout Compensation'), these amounts vest over a three year period in accordance with the ARE Notional Deferral Plan. The Buyout compensation is guaranteed in nature. The LLP recognises the Buyout compensation expense in full at the point of the employee in question joining the partnership (as it is a cash-based award). The charge is applied to the income statement.

Short term employee benefits and contributions to defined contribution plans are recognised as an expense in the period in which they are incurred.

f) Income tax

The taxation payable on the partnership profits is the personal liability of the Members. Consequently, neither partnership taxation nor related deferred taxation is accounted for in the Financial Statements.

g) Foreign currency translation

The LLPs functional currency is Pound Sterling ('£' or 'GBP'). Transactions denominated in currencies other than the functional currency of the LLP are recorded by re-measuring to the functional currency of the LLP at the exchange rate ruling at the date of the transaction. At the reporting date, monetary assets and liabilities such as receivables and payables are reported using the spot exchange rates applicable at that date. Non-monetary assets and liabilities denominated in foreign currencies at the reporting date are not revalued for movements in foreign exchange rates. Foreign exchange differences arising from re-measurement are recognised in the Statement of Comprehensive Income.

h) Interest income

Interest income is accounted for on accrual basis.



NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2016

3. Sub-advisory fees

	2016
	£000
Sub-advisory fees	1,330
Total fees	1,330

The LLP earns fees in respect of the provision of sub-advisory services to Aventicum Capital Management (Switzerland) Ltd.

4. Staff costs

	2016
	£000
Salaries and bonuses	(578)
Social security costs	(77)
Pension costs	(39)
Other personnel costs	(12)
Deferred compensation	(370)
Total staff costs	(1,076)

The average number of employees during the period was three.

5. Rental expense

The LLP shares office space with its affiliate ACM UK LLP which leases office space under operating lease arrangements. The LLP reimburses its affiliate ACM UK LLP for the proportion of the rental cost for the occupied property.

6. General and administrative expenses

	2016
	£000
Intercompany charges and cost allocations	(34)
Other outsourced services	(16)
Staff recruitment	(6)
Travel and entertainment	(41)
Other expenses	(11)
Total general and administrative expenses	(108)

7. Members' share of profits

Profits are shared by the Corporate Members at the end of the period in accordance with agreed profit and loss sharing arrangements governed by the Partnership Agreement. The Ordinary Members do not participate in losses.

The average number of Corporate Members during the period was two. There were no Ordinary Members in the LLP as of 31 December 2016.



NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2016

8. Receivables

	2016
	£000
VAT receivable	8
Amounts owed by Credit Suisse Group companies	771
Total amount due within one year	779

9. Cash at bank

	2016
	£000
Cash at bank	213
Total Cash at bank	213

Cash at bank earns interest at floating rates based on daily bank deposit rates. The book value of cash at bank approximates its fair value.

10. Creditors and accruals

	2016
	£000
Creditors: amounts falling due within one year	
Amounts owed to CS Group companies	80
Accrual for employees' bonus, pension cost and deferred remuneration	282
Accruals for operating expenses	29
Total creditors and accruals due within one year	391
Creditors: amounts falling due after one year	
Accrual for deferred remuneration	240
Total creditors and accruals due after one year	240
Total creditors and accruals	631

All the creditors and accruals are unsecured.



NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2016

11. Members' interests

	Equity			Debt	2016 £000
	Members' other interests			Loans and other debts due to Members less any amounts due from Members	
	Members' capital (classified as equity)	Other reserves	Total		
Amounts due to Members	-	-	-	-	-
Amounts due from Members	-	-	-	-	-
Balance as at 22 January 2016	-	-	-	-	-
Profit for the period available for discretionary division among Corporate Members	-	61	61	-	61
Members' interests after Profit for the period	-	61	61	-	61
Equity capital introduced by Corporate Members	300	-	300	-	300
Amounts due to Members	300	61	361	-	361
Amounts due from Members	-	-	-	-	-
Balance as at 31 December 2016	300	61	361	-	361

Capital is repayable in accordance with the terms set out in the Partnership Agreement. Members' capital and other debts rank after unsecured creditors in the event of a winding-up.

12. Related party transactions

Aventicum Capital Management (UK) I Holding Ltd and Aventicum Capital Management (UK) II Holding Ltd are Corporate Members of the LLP. Each made 50% of the LLPs total capital contributions and has the right together to appoint the Members of the RMMC. Both are, in turn, wholly owned by Aventicum Capital Management Holding AG ('ACMH'). ACMH has been established as a 60/40 joint venture between Credit Suisse Asset Management International Holdings Ltd ('CSAMI') and Qatar Holding LLC ('QH'). CSAMI is a wholly owned subsidiary of Credit Suisse AG. Copies of group Financial Statements of Credit Suisse AG and Credit Suisse Group AG, which are those of the smallest and largest groups in which the results of the LLP are consolidated, are available to the public and may be obtained from Credit Suisse Group AG, Paradeplatz 8, 8070 Zurich, Switzerland and UK Companies House, Crown Way, Cardiff CF14 3UZ, United Kingdom.

The LLP receives sub-advisory fees from Aventicum Capital Management (Switzerland) Limited, Switzerland. The LLP reimburses its affiliate ACM UK LLP for the proportion of the rental cost for the occupied property.

The Corporate Members are treated as related parties of the LLP.



NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2016

a) Related party assets and liabilities

2016	£000 Fellow group companies
Assets	
Cash at bank	213
Receivables	771
Total assets	984
Liabilities	
Creditors and accruals	80
Total liabilities	80

Creditors and accruals represent the balances owed to CS Group companies.

b) Related party revenues and expenses

2016	£000 Fellow group companies
Advisory fees	1,330
Members' remuneration charged as an expense	-
General and administrative expenses	(34)
Rental expense	(70)
Total	1,226

13. Events after the balance sheet date

No events to report.