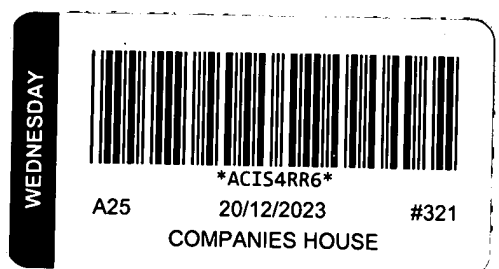


AEW GLOBAL UK LIMITED

Company Registration Number: 02776047 (England & Wales)

Annual Report and Financial Statements

For the Year Ended 31 December 2022



AEW GLOBAL UK LIMITED

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AEW GLOBAL UK LIMITED
Company Registration Number: 02776047

COMPANY INFORMATION

| | |
|------------------------------------|--|
| Directors | Russell Paul Jewell (resigned 7 November 2022) Robert William Ian Wilkinson Louise Joanne Staniforth (appointed 7 November 2022) |
| Company registration number | 02776047 |
| 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 30 Old Bailey London EC4M 7AU |

DIRECTORS' REPORT
For the year ended 31 December 2022

The directors present their annual report and the audited financial statements for AEW Global UK Limited ("the Company") for the year ended 31 December 2022.

Principal activities

The Company is a holding company and a member for the Group's investment in AEW Europe LLP which provides services related to real estate fund management. The Company acquired a 50% investment in AEW UK Investment Management LLP as of 26 October 2021. The principal activity of AEW UK Investment Management LLP is to act as a fund manager for global professional investors seeking exposure to the UK property market. AEW UK Investment Management LLP offers a range of investment services for those clients.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Russell Paul Jewell (resigned 7 November 2022)
Robert William Ian Wilkinson
Louise Joanne Staniforth (appointed 7 November 2022)

No director had interests in this or any other group Company as at 31 December 2022 (2021: £nil).

Review of developments

The Company remains the 50:50 partner of AEW Europe LLP, sharing in the profits and losses of the LLP equally with AEW Global Limited, the other corporate member.

The Company acquired Evergreen Members LLP interest in AEW UK Investment LLP on 26th October 2021.

Results and dividends

The Company made a loss of £8,959k for the year ended 31 December 2022 (2021: loss of £2,587k). The 2022 loss has arisen mainly due to the impairment of the investment in AEW Europe LLP and AEW Europe Holding Ltd.

During the year the Company did not pay an interim dividend. The directors do not recommend any payment of a final dividend for the year ended 31 December 2022 (2021: £nil).

Future prospects

The Company is a 50%:50% member in AEW Europe LLP and AEW UK Investment Management LLP. On 31st March 2023, AEW Europe LLP sold its principle business and contracts to AEW UK Investment Management LLP. AEW Europe LLP is expected to be dissolved in 2024. The ownership of AEW Europe LLP will provide opportunities to streamline the business and some cost savings are expected from efficiencies of operations.

The directors are optimistic about the future trading prospects of AEW UK Investment LLP. There are no material risks or uncertainties facing the Company.

Going concern

As at 31 December 2022 the net current position of the Company was showing net assets of £13.2m (2021: £13.1m) and reported losses of £8,959k (2021: £2,578k).

On 31st March 2023, AEW Europe LLP disposed its principle business and contracts to AEW UK Investment Management LLP. AEW Europe LLP intends to dissolve during 2024. Forecast indicates the LLP has sufficient working capital to enable it to continue to trade and meet its liabilities as they fall due.

AEW UK Investment Management LLP is actively pursuing the launch of new funds and separate mandates, which will increase future investment management fee income in conjunction with its existing revenue streams for the foreseeable future.

AEW GLOBAL UK LIMITED
Company Registration Number: 02776047

DIRECTORS' REPORT
For the year ended 31 December 2022

Going concern (continued)

On the basis of having reviewed its investment in AEW Europe LLP and AEW UK Investment LLP for the forthcoming year and the impact of COVID-19, the directors have a reasonable expectation that the Company will continue in operation for the foreseeable future and so the financial statements have been prepared on the going concern basis.

The Company 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 longer term effect of the fast changing geopolitical environment.

Auditors

Mazars LLP as the Company's auditor will continue in office in accordance with Companies Act 2006, section 487(2) unless removed by the board of Directors.

DIRECTORS' REPORT
For the year ended 31 December 2022

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and applicable law). Under Company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure of information to auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing this report, of which the auditor is unaware. Having made enquiries of fellow directors and the group's auditor, each director has taken all the steps that they are obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Directors' Report has been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

Approved by the Board of Directors
and signed on behalf of the Board



R W Wilkinson
Director
18 December 2023

INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS OF AEW GLOBAL UK LIMITED

Opinion

We have audited the financial statements of AEW Global UK Limited (the 'company') for the year ended 31st December 2022 which comprise Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, 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 company's affairs as at 31 December 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 company 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 directors' 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 company'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 directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS OF AEW GLOBAL UK LIMITED

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 course of 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 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 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
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.
- the directors were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemption in preparing the strategic report.

Responsibilities of Directors

As explained more fully in the directors' responsibilities statement set out on page 3, the directors 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 directors 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 directors are responsible for assessing the company'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 directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS OF AEW GLOBAL UK LIMITED

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 company and its industry, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: employment regulation, health and safety regulation and anti-money laundering regulation.

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 management and, where appropriate, those charged with governance, as to whether the company 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 company 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 the UK tax legislation, and the Companies Act 2006.

In addition, we evaluated the directors' and management's 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, management bias through judgements and assumptions in significant accounting estimates, and significant one-off or unusual transactions.

INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS OF AEW GLOBAL UK LIMITED

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

- Making enquiries of the directors and management 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 company'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 company'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 company and the company'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

EC4M7AU

Date - 18 December 2023

STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2022

| <i>Continuing operations</i> | Note | 2022 £'000 | 2021 £'000 |
|--|------|---------------|---------------|
| Other expenses | | (5) | (365) |
| Operating loss | 3 | (5) | (365) |
| Impairment loss | 7 | (8,954) | (2,330) |
| Loss before finance charges | | (8,959) | (2,695) |
| Interest receivable and similar income | 4 | - | 172 |
| Interest payable and similar charges | 5 | - | (64) |
| Loss before tax | | (8,959) | (2,587) |
| Tax on loss | 6 | - | - |
| Loss for the financial year | | (8,959) | (2,587) |
| Other comprehensive loss | | - | - |
| Total comprehensive income for the year | | (8,959) | (2,587) |

The notes on pages 12 to 19 form part of these financial statements.

STATEMENT OF FINANCIAL POSITION
As at 31 December 2022

| | Note | 2022 £'000 | 2021 £'000 |
|---|------|---------------|---------------|
| Fixed assets | | | |
| Investments | 7 | 13,125 | 13,125 |
| | | <u>13,125</u> | <u>13,125</u> |
| Current assets | | | |
| Investment in equity instruments | 8 | - | - |
| Cash at bank | | 85 | 55 |
| | | <u>13,210</u> | <u>13,180</u> |
| Creditors: amounts falling due within one year | 9 | (17) | (82) |
| Net current liabilities | | <u>(17)</u> | <u>(82)</u> |
| Net assets | | <u>13,193</u> | <u>13,098</u> |
| Capital and reserves | | | |
| Called up share capital | 10 | 47,084 | 38,030 |
| Profit and loss account | | (33,891) | (24,932) |
| Equity shareholders' funds | | <u>13,193</u> | <u>13,098</u> |

These financial statements have been prepared in accordance with the provisions applicable to companies' subject to the small companies' regime.

These financial statements were approved by the board of Directors and authorised for issue and are signed on its behalf by:



R W Wilkinson
 Director
 18 December 2023

The notes on pages 12 to 19 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2022

| | Called up Share capital £'000 | Profit and Loss account £'000 | Total Shareholder's funds £'000 |
|---------------------------------------|--|--|--|
| Balance as at 1 January 2021 | - | (22,345) | (22,345) |
| Loss for the year | | (2,587) | (2,587) |
| Share issuance | 38,030 | - | 38,030 |
| Balance as at 31 December 2021 | 38,030 | (24,932) | 13,098 |
| Loss for the year | - | (8,959) | (8,959) |
| Total comprehensive loss | - | (8,959) | (8,959) |
| Share issuance | 9,054 | - | 9,054 |
| Balance as at 31 December 2022 | 47,084 | (33,891) | 13,193 |

The notes on pages 12 to 19 form part of these financial statements.

AEW GLOBAL UK LIMITED

Company Registration Number: 02776047

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

1. Accounting policies**a) General information**

AEW Global UK Limited is a limited Company domiciled and incorporated in England and Wales, registration number 02776047. The registered office, and principal place of business, is 33 Jermyn Street, London, SW1Y 6DN.

The financial statements have been prepared in Sterling, which is the functional currency of the Company, being the primary economic environment in which the Company 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") and the requirements of the Companies Act 2006. The financial statements have been prepared on 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 Company's shareholders.

In preparing the financial statements, the Company 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 S.A, the Company 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'.

The results of the Company are consolidated in the group consolidated accounts which are publicly available. Note 13 provides details of where those consolidated financial statements may be obtained from. These financial statements therefore present information about the Company as an individual undertaking.

c) Going concern

As at 31 December 2022 the net current position of the Company was showing net assets of £13.2m (2021: £13.1m).

On 31st March 2023, AEW Europe LLP disposed its principle business and contracts to AEW UK Investment Management LLP. AEW Europe LLP intends to dissolve during 2024. Forecast indicates the LLP has sufficient working capital to enable it to continue to trade and meet its liabilities as they fall due.

AEW UK Investment Management LLP are actively pursuing the launch of new funds and separate mandates, which will increase future investment management fee income in conjunction with its existing revenue streams for the foreseeable future.

On the basis of having reviewed its investment in AEW Europe LLP for the forthcoming year and the impact of COVID-19 the directors have a reasonable expectation that the Company will continue in operation for the foreseeable future and so the financial statements have been prepared on the going concern basis.

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

1. Accounting policies (continued)

d) Turnover

Turnover is measured at the fair value of the consideration received or receivable and comprises dividend income.

Dividend income is recognised when the right to receive the distribution has been established.

e) Taxation

Current tax, including UK corporation tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the reporting date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the reporting date. Timing differences are differences between the Company's taxable profits and its total comprehensive income stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

f) Investment in associate undertakings

Investments in associate undertakings are held as fixed assets and are stated at cost less accumulated impairment losses and are assessed for impairment at the end of each reporting period.

g) Unlisted Investments

Investments in unquoted equity instruments where a fair value cannot be measured reliably are measured at cost less accumulated impairment and are assessed for impairment at the end of each reporting period.

h) Foreign currency translation

Transactions in currencies other than the functional currency are recognised at the spot rate at the date of the transaction, or at an average rate where this rate approximates the actual rate at the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in the profit or loss in the period which they arise.

i) 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 are recognised when the Company becomes party to the contractual provisions of the instrument.

j) 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.

k) Basic financial assets

Basic financial assets, which include trade and other debtors, 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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

1. Accounting policies (continued)

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

l) Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in the profit or loss, except investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably, which are measured at cost less impairment.

m) Cash and cash equivalents

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

n) Impairment of financial assets

Financial assets, other than those held at fair value, are assessed for indicators of impairment at each reporting end 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.

o) 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.

p) Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

q) Basic financial liabilities

Basic financial liabilities, including trade and other creditors, and loans from fellow group companies that are classified as debt, 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.

Debt 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 one year.

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

1. Accounting policies (continued)

r) Derecognition of financial liabilities

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

s) Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they have been authorised for distribution.

2. Critical accounting judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make certain estimates, assumptions and judgements that affect the reported revenues, expenses, assets and liabilities at the reporting date. Actual results could differ from such estimates. 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.

Critical judgements

The following judgements (apart from those involving estimates) which have had the most significant effect on amounts recognised in the financial statements are summarised below.

Impairment of Investment in Associated Undertaking

At each reporting date, the Company reviews the carrying amount of its investment in the associated undertaking to determine whether there is an indication that this investment has suffered an impairment loss or if impairment losses have subsequently reversed. If there is an indication of an impairment loss or subsequent reversal it is recognised immediately in the profit or loss. Details on the impairment loss can be found in note 7.

Investments

Where the fair value of unlisted investments cannot be measured based on quoted prices in active markets, or cannot be determined reliably using other valuation techniques, management have exercised their judgement in determining whether there is an indication that those investments have suffered an impairment loss. If any such indication exists, the impairment loss will be recognised in the profit and loss. Details on the investments can be found in note 8.

3. Operating loss

| | 2022 £'000 | 2021 £'000 |
|--|---------------|---------------|
| Operating loss for the year is stated after charging: | | |
| Fees payable to the Company's auditors for the audit of Company's financial statements | 16 | 18 |

The Company did not have any employees in the current year or prior year.

None of the directors received any remuneration in either the current year or prior year for services rendered to the Company.

There were no non-audit services due to the auditors for the year ended 31 December 2022 (2021: £nil).

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

4. Interest receivable and similar income

| | 2022 £'000 | 2021 £'000 |
|--|-----------------------------|-----------------------------|
| Foreign currency exchange gains on Euro loans from group undertaking | - | 172 |

5. Interest payable and similar charges

| | 2022 £'000 | 2021 £'000 |
|---|-----------------------------|-----------------------------|
| Interest payable on loan from group undertaking | - | 64 |
| | - | 64 |

6. Tax on loss

| | 2022 £'000 | 2021 £'000 |
|--|-----------------------------|-----------------------------|
| Current tax | | |
| UK corporation tax for the year | - | - |
| Current tax charge for the year | - | - |
| Reconciliation of tax charge | | |
| Loss before tax | (8,959) | (2,587) |
| UK Corporation tax at 19% (2021: 19%) | (1,702) | (491) |
| Add: | | |
| Current year tax losses utilised | 442 | 626 |
| Expenses not deductible for tax purposes | 1,341 | 302 |
| Income not taxable | (81) | (437) |
| Total tax charge for the year | - | - |

Unrecognised deferred tax balances at the reporting date are measured at £5,557,137 (2021: £4,908,881).

Factors that may affect future tax charges

Subsequent to the balance sheet date, it was announced in the Budget on 3 March 2021, the rate of corporation tax would be increased to 25% with effect from 1 April 2023. The Finance Bill 2021 was substantively enacted on 24 May 2021.

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

7. Investment in subsidiary and associate undertaking

At the reporting date, the Company had interests in the following:

| | Type of investment | Proportion Held (%) | Registered address | Nature of business |
|----------------------------------|--------------------|---------------------|--|--------------------------|
| AEW Europe LLP | Associate | 50% | 33 Jermyn Street London SW1Y 6DN | Property Fund Management |
| AEW Europe Holding Limited | Associate | 50% | 33 Jermyn Street London SW1Y 6DN | Property Fund Management |
| AEW UK Investment Management LLP | Associate | 50% | 33 Jermyn Street London SW1Y 6DN | Property Fund Management |

| | AEW Europe Holding Ltd | AEW Europe LLP | AEW UK Investment Management LLP | Total 2022 |
|-------------------------------|------------------------|-----------------|----------------------------------|-----------------|
| Cost | £'000 | £'000 | £'000 | £'000 |
| At 1 January 2022 | - | 22,918 | 13,125 | 36,043 |
| Additions | 4,304 | 4,650 | - | 8,954 |
| At 31 December 2022 | 4,304 | 27,568 | 13,125 | 44,997 |
| Accumulated impairment | | | | |
| At 1 January 2022 | - | (22,918) | - | (22,918) |
| Impairment loss for the year | (4,304) | (4,650) | - | (8,954) |
| At 31 December 2022 | (4,304) | (27,568) | - | (31,872) |
| Net book value | | | | |
| At 31 December 2022 | - | - | 13,125 | 13,125 |
| At 31 December 2021 | - | - | 13,125 | 13,125 |

AEW Global UK Limited owns 50% investment in AEW Europe LLP. The principal activity of the AEW Europe LLP is to act as a fund manager for global institutional investors seeking exposure to the European property market, on a discretionary basis. AEW Europe LLP offers a range of investment services to match client capital with real estate opportunities. It was registered with the Financial Conduct Authority (previously "Financial Services Authority") on 2 July 2010 and the assets and liabilities at that date were transferred to the LLP from the partnership.

The members of AEW Europe LLP are AEW Global Limited and AEW Global UK Limited who each own a 50% share in AEW Europe LLP.

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

7. Investment in subsidiary and associate undertaking (continued)

The Company owns 50% of the issued share capital of AEW Europe Holding Limited. The cost of the investment is £1.

AEW Europe Holding Limited's registered office is: 33 Jermyn Street, London, SW1Y 6DN.

AEW Global UK Limited acquired 50% investment in AEW UK Investment Management LLP on 30 September 2022. The principal activity of AEW UK Investment Management LLP is to act as a fund manager for global professional investors seeking exposure to the UK property market. AEW UK Investment Management LLP offers a range of investment services for those clients.

AEW UK Investment Management LLP was registered with the Financial Services Authority on 26 August 2012 and was incorporated on 31 August 2011 in England and is registered in England and Wales.

The members of AEW UK Investment Management LLP are AEW Global Limited and AEW Global UK Limited who each own a 50% share in AEW UK Investment Management LLP.

8. Investments in equity instruments

| | 2022 | 2021 |
|-------------------------------|--------------|--------------|
| | £'000 | £'000 |
| Unlisted investments | | |
| SCPI Siene | 7 | 7 |
| Fonceil/Pail | 2 | 2 |
| Accumulated impairment losses | (9) | (9) |
| | <u>-</u> | <u>-</u> |

Investments are stated at cost less accumulated impairment as a fair value cannot be reliably estimated due to no active market for these investments.

9. Creditors: amount falling due within one year

| | 2022 | 2021 |
|------------------|--------------|--------------|
| | £'000 | £'000 |
| Accrued expenses | 17 | 82 |
| | <u>17</u> | <u>82</u> |

10. Called up share capital

| | 2022 | | 2021 | |
|------------------------------------|-------------------|---------------|-------------------|---------------|
| | No. | £'000 | No. | £'000 |
| Allotted, called up and fully paid | | | | |
| 1 ordinary share of £1 | <u>47,084,000</u> | <u>47,084</u> | <u>38,029,683</u> | <u>38,030</u> |

The Company has one class of ordinary share capital. Each share carries one voting right and no rights to fixed income. During the year the Parent company purchased 9,054,317 £1 ordinary shares at the total cost of £9,054k.

AEW GLOBAL UK LIMITED

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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

11. Related party transactions

The Company is a wholly owned subsidiary undertaking of Natixis S.A. and as such has taken advantage of the exemption permitted by Section 33 'Related Party Disclosures', not to disclose the transactions entered into with other wholly owned members of Natixis group.

12. Post Balance Sheet Event

During 2023, the Parent company purchased additional £1 ordinary shares:

| Ordinary shares of £1 acquired | No. | £'000 |
|--------------------------------|------------------|--------------|
| 30 th March 2023 | 3,000,000 | 3,000 |
| Total | <u>3,000,000</u> | <u>3,000</u> |

13. Ultimate parent company and ultimate controlling entity

The Company's immediate parent entity is AEW Europe S.A., registered address 43 Avenue Pierre Mendes-France, 75013 Paris. The ultimate parent Company is Groupe BPCE, a Company incorporated in France. The largest and smallest group, of which the Company is included in the consolidated accounts of, are those prepared by Groupe BPCE. The consolidated financial statements may be obtained from:

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