

Registration number: 03984658

# Nuveen Management AIFM Limited

Annual Report and Financial Statements  
for the Year Ended 31 December 2019



**Nuveen Management AIFM Limited**

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**Nuveen Management AIFM Limited**

**Company Information**

<b>Directors</b>	R. J. Adderley M. Griffiths M. H. Neal M. J. L. Sales C. P. Throssell
<b>Company secretary</b>	Nuveen Corporate Secretarial Services Limited
<b>Registered office</b>	9th Floor 201 Bishopsgate London EC2M 3BN
<b>Bankers</b>	National Westminster Bank Plc Western Avenue, Waterside Court Chatham Maritime, Chatham ME4 4RT
<b>Independent Auditors</b>	PricewaterhouseCoopers LLP 7 More London Riverside London SE1 2RT

## **Nuveen Management AIFM Limited**

### **Directors' Report for the Year Ended 31 December 2019**

The Directors present their report and the audited financial statements for the year ended 31 December 2019.

#### **Results and Dividends**

The profit for the year ended 31 December 2019 amounted to £(563,205) (2018: £166,318 profit). The Directors do not recommend payment of a dividend (2018: nil).

#### **Directors**

The Directors who were in office during the year ended 31 December 2019 and up to the date of signing the financial statements were as follows:

R. J. Adderley

M. Griffiths

M. H. Neal

M. J. L. Sales

C. P. Throssell

#### **Directors' third party and pension scheme indemnity provisions**

NRE may indemnify the Directors to the extent permitted by United Kingdom law. NRE may indemnify the Directors against all costs, charges, losses, expenses and liabilities incurred:

- (i) in the actual or purported execution and/or discharge of his duties, or in relation to them; and
- (ii) in relation to the Company's (or any associated Company's) activities as trustee of an occupational pension scheme (as defined in section 235(6) of the Companies Act 2006), including (in each case) any liability incurred by him in defending any civil or criminal proceedings, in which judgement is given in his favour or in which he is acquitted or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part or in connection with any application which grants him, in his capacity as a relevant officer, relief from liability for negligence, default, breach of duty or breach of trust in relation to the Company's (or any associated Company's) affairs.

NRE may provide the Directors with funds to meet expenditure incurred or to be incurred by them in connection with any proceedings or application referred above.

#### **Independent Auditors**

The auditors, PricewaterhouseCoopers LLP will be proposed for re-appointment in accordance with Section 485 of the Companies Act, 2006. PricewaterhouseCoopers LLP, have indicated their willingness to continue in office.

#### **Directors' confirmations**

In the case of each Director in office at the date the Directors' Report is approved have confirmed that:

- so far as the Director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

## **Nuveen Management AIFM Limited**

### **Directors' Report for the Year Ended 31 December 2019 (continued)**

#### **Statement of Directors' Responsibilities**

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", 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 the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; 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 safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are also 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.

A strategic report has not been included in these audited financial statements as the Company qualifies for exemption as a small entity under Section 414B of the Companies Act 2006 relating to small entities.

## **Nuveen Management AIFM Limited**

### **Directors' Report for the Year Ended 31 December 2019 (continued)**

#### **Going Concern**

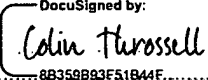
The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company has adopted the going concern basis of accounting in preparing its annual financial statements.

#### **Post balance sheet events**

The outbreak of the novel coronavirus (also known as COVID-19) in many countries is rapidly evolving and the socio-economic impact is unprecedented. It has been declared as a global pandemic and is having a major impact on economies and financial markets. The efficacy of government measures will materially influence the length of economic disruption, but it is probable we will see a period of slow economic growth or even recession.

However, there is unlikely to be a company that is completely immune from the consequences of the outbreak and the Directors consider that the novel coronavirus presents increased uncertainty and risk with respect to the Company's performance and financial results. The Directors will continue to monitor the COVID-19 situation closely and act accordingly to protect the interests of shareholders. If the Company requires support, it has received written confirmation from Nuveen Real Estate Limited that it will support the Company in meeting its liabilities as they come due for a period of at least 12 months from the date that these financial statements are signed. The Directors are therefore of the view that the going concern basis of preparation remains appropriate.

Approved by the Board of Directors on 15 April 2020 and signed on its behalf by:

DocuSigned by:  
  
.....8B358B83F51844F.....  
C. P. Throssell  
Director

# ***Independent auditors' report to the members of Nuveen Management AIFM Limited***

## **Report on the audit of the financial statements**

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### **Opinion**

In our opinion, Nuveen Management AIFM Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the statement of financial position as at 31 December 2019; the statement of comprehensive income and the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

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### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Independence**

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which include the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

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### **Reporting on other information**

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

### *Directors' Report*

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the year ended 31 December 2019 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Directors' Report.

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### **Responsibilities for the financial statements and the audit**

#### *Responsibilities of the directors for the financial statements*

As explained more fully in the Statement of Directors' Responsibilities set out on page 3, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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.

#### *Auditors' 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 auditors' 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 these financial statements.

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

#### *Use of this report*

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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## **Other required reporting**

### **Companies Act 2006 exception reporting**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

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### **Entitlement to exemptions**

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.



Thomas Norrie (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London  
15 April 2020



## Nuveen Management AIFM Limited

### Statement of Comprehensive Income for the Year Ended 31 December 2019

	Note	2019 £	2018 £
Revenue	5	6,631,290	11,635,690
Administrative expenses	6	(588,726)	(11,440,299)
Impairment of intangibles		<u>(4,318,565)</u>	<u>-</u>
Operating profit		1,723,999	195,391
Finance income	8	16,253	8,271
Finance costs	9	<u>(2,555)</u>	<u>(915)</u>
Profit before tax		1,737,697	202,747
Income tax expense	10	<u>(1,174,493)</u>	<u>(36,430)</u>
Profit and total comprehensive income for the financial year		<u><u>563,204</u></u>	<u><u>166,317</u></u>

The above results are derived from continuing operations.

The notes on pages 10 to 26 are an integral part of these financial statements.

# Nuveen Management AIFM Limited

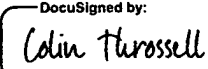
(Registration number: 03984658)

## Statement of Financial Position as at 31 December 2019

	Note	31 December 2019 £	31 December 2018 £
<b>Non-current assets</b>			
Intangible assets	11	240,530	4,879,801
<b>Current assets</b>			
Trade and other receivables	12	5,543,225	5,332,362
Cash and cash equivalents	13	7,065,649	7,355,704
Deferred tax asset	14	-	123,020
		<u>12,608,874</u>	<u>12,811,086</u>
<b>Creditors: amounts falling due within one year</b>			
Trade and other payables	15	(2,081,864)	(8,537,706)
Current tax liability		<u>(1,071,115)</u>	<u>(19,960)</u>
		<u>(3,152,979)</u>	<u>(8,557,666)</u>
<b>Net current assets</b>		<u>9,455,894</u>	<u>4,253,420</u>
<b>Net assets</b>		<u>9,696,425</u>	<u>9,133,221</u>
<b>Equity</b>			
Called up share capital	16	10,150,000	10,150,000
Accumulated losses		<u>(453,575)</u>	<u>(1,016,779)</u>
<b>Total shareholders' funds</b>		<u>9,696,425</u>	<u>9,133,221</u>

The notes on pages 10 to 26 form an integral part of these financial statements.

The financial statements on pages 7 to 26 were approved by the Board of Directors on 15 April 2020 and signed on its behalf by:

DocuSigned by:  
  
 .....88359893F51B42F.....  
 C. P. Throssell  
 Director

**Nuveen Management AIFM Limited**

**Statement of Changes in Equity for the Year Ended 31 December 2019**

	<b>Called up share capital £</b>	<b>(Accumulated losses)/ retained earnings £</b>	<b>Total Shareholders' Funds £</b>
<b>Balance at 1 January 2018</b>	<b>10,150,000</b>	<b>(1,183,096)</b>	<b>8,966,904</b>
Profit and total comprehensive income for the year	-	166,317	166,317
<b>Balance as at 31 December 2018</b>	<b>10,150,000</b>	<b>(1,016,779)</b>	<b>9,133,221</b>
Loss and total comprehensive expense for the year	-	563,204	563,204
<b>Balance as at 31 December 2019</b>	<b>10,150,000</b>	<b>(453,575)</b>	<b>9,696,425</b>

The notes on pages 10 to 26 form an integral part of these financial statements.

## **Nuveen Management AIFM Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2019**

#### **1 General information**

Nuveen Management AIFM Limited ("the Company") is a private limited company, incorporated and domiciled in United Kingdom under the Companies Act 2006. The company was established in England authorised and regulated by the Financial Conduct Authority to provide investment management services to international funds.

The Company is a private company limited by share capital, incorporated and domiciled in United Kingdom.

The address of its registered office is:

9th Floor  
201 Bishopsgate  
London  
EC2M 3BN

#### **2 Accounting policies**

##### **Summary of significant accounting policies and key accounting estimates**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

##### **Basis of preparation**

The financial statements of the Company have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' ("FRS 101"). The financial statements have been prepared under the historical cost convention, and in accordance with the Companies Act 2006 as applicable to companies using FRS 101.

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

##### **Strategic report**

A strategic report has not been included in these audited financial statements as the Company qualifies for exemption as a small entity under Section 414B of the Companies Act 2006 relating to small entities.

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- Paragraphs 91 to 99 of IFRS 13, 'Fair value measurement' (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities);
- Paragraph 38 of IAS 1, 'Presentation of financial statements' comparative information requirements in respect of paragraph 79(a)(iv) of IAS 1 (share capital);
- The following paragraphs of IAS 1, 'Presentation of financial statements':
  - 10(d) (statement of cash flows),

## **Nuveen Management AIFM Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)**

#### **2 Accounting policies (continued)**

- 10(f) (a statement of financial position as at the beginning of the preceding period when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements),
- 16 (statement of compliance with all IFRS),
- 38A (requirement for minimum of two primary statements, including cash flow statements),
- 38B-D (additional comparative information),
- 40A-D (requirements for a third statement of financial position),
- 111 (cash flow statement information), and
- 134-136 (capital management disclosures) if not a financial position.
- IAS 7, 'Statement of cash flows' exemption from preparing statement of cash flows and related notes;
- Paragraph 30 and 31 of IAS 8 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective);
- Paragraph 17 of IAS 24 'Related party disclosures' (key management compensation);
- The requirements in IAS 24, 'Related party disclosures' to disclose related party transactions entered into between two or more members of a Group; and
- The requirements of paragraphs 134(d) to 134(f) and 135(c) to 135(e) of IAS 36 'Impairment of Assets'.

#### **Going concern**

The Company meets its day-to-day working capital requirements through regular cash flows from Group activities. The Directors consider that the Company has adequate financial resources to continue in operational existence in the foreseeable future. The Company therefore continues to adopt the going concern basis in preparing its financial statements.

#### **Consolidation**

The Company is a wholly owned subsidiary of Nuveen Real Estate Limited ("NRE"). NRE is 99% owned by TIAA International Holdings 3 Limited. TIAA International Holdings 3 Limited is wholly owned by TIAA International Holdings 2 Limited. The results of the Company are included in the consolidated financial statements of TIAA International Holdings 2 Limited which prepares publicly available consolidated financial statements.

#### **New Standards, amendments and IFRIC Interpretations**

IFRS 16 is a new accounting standards for year ended 31 December 2019. As per assessment made by management, there is no impact on the Company, because the Company holds no leases. There are no other amendments to accounting standards, or IFRIC Interpretations that are effective for the year ended 31 December 2019 have had a material impact on the Company.

## **Nuveen Management AIFM Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)**

#### **2 Accounting policies (continued)**

##### **Foreign currency transactions and balances**

###### *(a) Functional and presentation currency*

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in 'Pounds Sterling' (£), which is also the Company's functional currency.

###### *(b) Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income, except when deferred in other comprehensive income as qualifying cash flow hedges. All other foreign exchange gains and losses are presented in the Statement of Comprehensive Income within 'Administrative expenses'.

## **Nuveen Management AIFM Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)**

#### **2 Accounting policies (continued)**

##### **Financial assets and liabilities**

###### ***(a) Financial assets***

As per assessment made by management, IFRS 9 has no material impact on the Company.

Financial assets are classified as financial assets at fair value through profit or loss and loans and receivables, as appropriate. The Company determines the classification of its financial assets at initial recognition. Financial assets are recognised initially at fair value.

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

The Company's financial assets consist of loans and receivables.

Financial assets recognised in the Statement of Financial Position as trade and other receivables are classified as loans and receivables. They are recognised initially at fair value and subsequently measured at amortised cost less provision for impairment.

Cash and cash equivalents are also classified as loans and receivables. Cash and cash equivalents include cash in hand and deposits held at call with banks.

The Company assesses at each financial position date whether there is objective evidence that a financial asset or group of financial assets is impaired. If there is objective evidence (such as significant financial difficulty of the obligor, breach of contract, or it becomes probable that the debtor will enter bankruptcy), the asset is tested for impairment. The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not been incurred). The carrying amount of the asset is reduced and the amount of the loss is recognised in the Statement of Comprehensive Income.

If in a subsequent period the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed, to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date. Any subsequent reversal of an impairment loss is recognised in Statement of Comprehensive Income.

###### ***(b) Financial liabilities***

Liabilities within the scope of IFRS 9 'Financial Instruments' are classified as financial liabilities at fair value through profit or loss or other liabilities, as appropriate.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

All loans and borrowings are classified as other liabilities. Initial recognition is at fair value less directly attributable transaction costs. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

Financial liabilities included in trade and other payables are recognised initially at fair value and subsequently at amortised cost. The fair value of a non-interest bearing liability is its discounted repayment amount. If the due date of the liability is less than one year, discounting is omitted.

## **Nuveen Management AIFM Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)**

#### **2 Accounting policies (continued)**

##### **Prepayments**

Prepayments are carried at cost less any accumulated impairment losses.

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

Cash and cash equivalents comprise cash on hand and at banks.

##### **Called up share capital**

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

##### **Current and deferred tax**

Tax is recognised in the Statement of Comprehensive Income, except to the extent that it relates to items recognised directly in other comprehensive income or equity - in which case, the tax is also recognised in other comprehensive income or equity.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the date of the Statement of Financial Position in the countries where the Company operates. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation, and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the date of the Statement of Financial Position and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

##### **Provisions**

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as a finance cost.



## **Nuveen Management AIFM Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)**

#### **2 Accounting policies (continued)**

##### **Revenue recognition**

As per assessment made by management, IFRS 15 has no material impact on the Company.

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Revenue is shown net of sales/value added tax, returns, rebates and discounts and after eliminating sales within the company.

The company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Company's activities.

Fee income includes management fees. All fees are recognised in the accounting period in which the associated investment management services are provided.

##### **Finance income and expense policy**

Finance income and expense are recognised within 'finance income' and 'finance costs' in the Statement of Comprehensive Income. The Company has chosen to capitalise borrowing costs on all qualifying assets irrespective of whether they are measured at fair value or not.

##### **Administrative expenses**

Expenses include legal, accounting, auditing and other fees. They are recognised in the Statement of Comprehensive Income in the period in which they are incurred (on an accruals basis).

##### **Intangible assets**

Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses. Goodwill is held in the currency of the acquired entity and revalued to the closing rate at each reporting period date.

Goodwill is not subject to amortisation but is tested for impairment. Impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of the cash generating units ("CGUs") containing the goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed.

Negative goodwill arising on an acquisition is recognised directly in the Statement of Comprehensive Income. On disposal of a subsidiary or a jointly controlled entity, the attributable amount of goodwill is included in the determination of the profit or loss recognised in the Statement of Comprehensive Income on disposal.

Trademarks, licences and customer-related intangible assets, including Investment Management Contracts, have a finite useful life and are carried at cost less accumulated amortisation and any accumulated impairment losses.

## **Nuveen Management AIFM Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)**

#### **2 Accounting policies (continued)**

##### **Trade receivables**

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

The company applies the IFRS 9 simplified approach to measuring ECL which uses a lifetime expected loss allowance for the trade receivables.

##### **Trade payables**

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

## **Nuveen Management AIFM Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)**

#### **3 Financial risk management**

Financial risks are risks arising from financial instruments to which the Company is exposed during or at the end of the reporting period. Financial risk comprises market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The primary objectives of the financial risk management function are to establish risk limits, and then ensure that exposure to risks stays within these limits.

Risk management is carried out centrally under policies approved by the Board of Directors. Financial risks are identified and evaluated in close co-operation with the Group's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk and investing excess liquidity.

Key financial risk management reports are produced monthly on a Group level and provided to the key management personnel of the Company.

##### **(a) Market risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Company's market risks arise from open positions in (a) foreign currencies and (b) interest-bearing assets and liabilities, to the extent that these are exposed to general and specific market movements. Management sets limits on the exposure to currency and interest rate risk that may be accepted, which are monitored on a monthly basis (see details below). However, the use of this approach does not prevent losses outside of these limits in the event of more significant market movements.

Sensitivities to market risks included below are based on a change in one factor while holding all other factors constant. In practice, this is unlikely to occur, and changes in some of the factors may be correlated - for example, changes in interest rate and changes in foreign currency rates.

##### **(i) Foreign exchange risk**

The Company operates internationally and is exposed to foreign exchange risk. Foreign exchange risk arises in respect of those recognised monetary financial assets and liabilities that are not in the functional currency of the Company.

The Company has various financial assets such as trade and other receivables and cash and short-term deposits that arise directly from its operations. The Company's principal financial liabilities are trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations.

For the year ended 31 December 2018 the Company recognised a loss of £28,828 (2017: £14,263) relating to foreign exchange movements.

Foreign currency risk is managed on a Group basis.

## **Nuveen Management AIFM Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)**

#### **3 Financial risk management (continued)**

##### **(ii) Price risk**

The Company has no exposure to price risk arising from direct investments in equity securities or commodities.

##### **(iii) Cash flow and fair value interest rate risk**

Changes in market interest rates do not have any significant direct effect on the Company's income.

##### **(b) Credit risk**

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company has no significant concentrations of credit risk. Credit risk arises from cash and cash equivalents held at banks and trade receivables. The Company's main counterparties are other entities within the Group. Cash balances are held with high credit quality financial institutions (B grade) and the Company has policies to limit the amount of credit exposure to any financial institution. No financial assets are deemed to be impaired or past due at year end.

No credit limits were exceeded during the reporting period, and management does not expect any losses from non-performance by counterparties.

##### **(c) Liquidity risk**

Cash flow forecasting is performed in the operating entities of the Group. Forecasts of the liquidity requirements are monitored to ensure the Company has sufficient cash to meet its operational needs. Given the ultimate Group structure the liquidity risk is seen as minimal for this Company.

#### **Capital risk management**

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders; and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust capital structure, the company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

#### **Fair value estimation**

The fair values of the Company's financial assets and liabilities approximates the carrying amount at reporting date.

#### **4 Critical accounting estimates and judgements**

Estimates and judgements are continually evaluated and are based on historical experience as adjusted for current market conditions and other factors.

## **Nuveen Management AIFM Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)**

#### **4 Critical accounting estimates and judgements (continued)**

##### **Critical accounting estimates and assumptions**

Management makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and judgements that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

##### **(a) Impairment of trade and other receivables**

Assets are tested for impairment in line with the policy described in note 2 to these financial statements. When assessing impairment of trade and other receivables, management considers factors including the credit rating of the receivable, the ageing profile of receivables and historical experience.

##### **(b) Income taxes**

The Company is subject to income taxes in the United Kingdom. Significant estimates are required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain. The Company recognises liabilities based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current tax and deferred tax provisions.

The deferred tax assets recognised at 31 December 2019 have been based on future profitability assumptions over a five-year horizon. In the event of changes to these profitability assumptions the tax assets recognised may be adjusted.

##### **(c) Development fees**

Development fees are recognised throughout the period in which development management services are provided, on the basis of the amount of work completed in the period. This requires reasonable estimations and judgements to be made. Should any over or under-estimate be made, fees in future periods would be adjusted to reflect this.

##### **(d) Useful economic lives of investment management contracts**

The annual amortisation charge for investment management contracts are sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. Investment management contracts are amended where necessary to reflect the current circumstances of the underlying contracts. See note 11 for the carrying amount of the investment management contracts and for the useful economic lives for each class of assets.

## Nuveen Management AIFM Limited

### Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)

#### 4 Critical accounting estimates and judgements (continued)

##### (e) Impairment of intangible assets

Intangible assets are tested for impairment in line with the policy described in note 2 to these financial statements. When assessing impairment of intangibles, management considers factors including the long term growth rate and discount rates applied, and historical experience. Any goodwill impairment is recognised immediately as an expense and is not subsequently reversed.

#### 5 Revenue

The analysis of the company's turnover for the year from continuing operations is as follows:

	2019	2018
	£	£
Management fees	3,427,829	2,505,570
Other income	3,203,461	8,652,446
Development fees	-	477,674
	<u>6,631,290</u>	<u>11,635,690</u>

#### 6 Administrative expenses

Operating (loss)/profit is stated after charging:

	2019	2018
	£	£
Amortisation of intangibles	320,707	320,706
Foreign exchange losses	103,928	28,829
Administration fees	101,502	11,033,689
Legal and professional fees	45,144	37,910
Auditors' remuneration	17,445	17,445
IT and communications	-	1,720
	<u>588,726</u>	<u>11,440,299</u>

All fees payable to the Company's auditors relate to the audit of the Company's financial statements, so no split for non-audit services is required.

#### 7 Employees' and Directors' remuneration

The emoluments of the Directors are paid by other entities within the Group, none of which makes a recharge to the Company. The Directors perform their services for various group entities and it is not possible to make an accurate apportionment of their emoluments in respect of each of the subsidiaries. Total employee emolument details are disclosed in the financial statements of the other entities.

# Nuveen Management AIFM Limited

## Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)

### 8 Finance income

	2019 £	2018 £
Interest on cash held at bank	<u>16,253</u>	<u>8,271</u>

### 9 Finance costs

	2019 £	2018 £
Bank charges	<u>2,555</u>	<u>915</u>

### 10 Income tax expense

Tax charged in the Statement of Comprehensive Income

	2019 £	2018 £
Corporation tax - current year	1,031,830	19,822
Deferred tax - current year	123,020	16,608
Corporation tax - prior year	<u>19,643</u>	<u>-</u>
	<u>1,174,493</u>	<u>36,430</u>

### Factors affecting tax charge for the year

The difference between the total current tax charge shown above and the amount calculated applying the standard rate of UK corporation tax to the profit before tax is as follows:

	2019 £	2018 £
Profit before tax	<u>1,737,697</u>	<u>202,747</u>
Tax on (loss)/profit on ordinary activities at standard UK corporation tax rate of 19% (2018: 19%)	330,163	38,522
Expenses not deductible	820,598	-
Tax effect of adjustments to tax charge in respect of previous periods	19,643	(138)
Losses utilised	4,089	-
Tax rate changes	<u>-</u>	<u>(1,954)</u>
Total tax charge	<u>1,174,493</u>	<u>36,430</u>

## Nuveen Management AIFM Limited

### Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)

#### 11 Intangible assets

	Goodwill £	Investment management contracts £	Total £
<b>Cost or valuation</b>			
At 1 January 2019	4,318,565	3,194,693	7,513,258
At 31 December 2019	<u>4,318,565</u>	<u>3,194,693</u>	<u>7,513,258</u>
<b>Accumulated amortisation</b>			
At 1 January 2019	-	(2,633,457)	(2,633,457)
Amortisation charge	-	(320,706)	(320,706)
Impairment charge	<u>(4,318,565)</u>	<u>-</u>	<u>(4,318,565)</u>
At 31 December 2019	<u>(4,318,565)</u>	<u>(2,954,163)</u>	<u>(7,272,728)</u>
<b>Carrying value</b>			
At 31 December 2019	<u>-</u>	<u>240,530</u>	<u>240,530</u>

The future recurring revenues of the purchased investment management contracts ("IMC") have been valued using a discounted cash flow model over the useful economic life of the underlying contracts.

The goodwill is not amortised but is subject to an impairment review every year, as and when indicators of impairment exist.

During the year the goodwill in the Company was fully impaired. The goodwill was initially recognised on the purchase of the CLOF II and UKOMF contracts, both of which are coming to the end of their useful life.

The IMC is amortised over 6 years to 2020. The remaining amortisation period of the investment management contracts is less than 12 months.

Amortisation and impairment of intangible assets is recognised within administrative expenses. In accordance with IAS 36 'Impairment of Assets' management has calculated the recoverable amount of both goodwill and the investment management contracts via a combination of discounted cash flow and EBITDA valuation models.



## Nuveen Management AIFM Limited

### Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)

#### 12 Trade and other receivables

	31 December 2019 £	31 December 2018 £
Amounts receivable from related parties	5,168,533	3,661,993
Trade receivables	268,644	1,044,851
Prepayments and accrued income	93,854	589,949
Receivable from group managed funds	12,194	35,569
	<u>5,543,225</u>	<u>5,332,362</u>

The fair value of those trade and other receivables classified as financial instrument loans and receivables are disclosed in the financial instruments note.

Amounts receivable from related parties are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

The company's exposure to credit and market risks, including impairments, relating to trade and other receivables is disclosed in note 3 "Financial risk management".

#### 13 Cash and cash equivalents

	31 December 2019 £	31 December 2018 £
Cash at bank	7,065,649	7,355,704
	<u>7,065,649</u>	<u>7,355,704</u>

#### 14 Deferred tax asset

	31 December 2019 £	31 December 2018 £
<i>Provision for deferred tax:</i>		
Tax gains carried forward and other deductions	<u>-</u>	<u>123,020</u>
<i>Movement in provision:</i>		
Provision at start of year	123,020	139,628
Deferred tax charged in the Statement of Comprehensive Income for the year	<u>(123,020)</u>	<u>(16,608)</u>
Provision at end of the year	<u>-</u>	<u>123,020</u>

Deferred income tax assets are recognised for tax losses carried forward to the extent that the realisation of the related tax benefit through future taxable profits is probable.

# Nuveen Management AIFM Limited

## Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)

### 15 Trade and other payables

	31 December 2019 £	31 December 2018 £
Amounts falling due within a year		
Accruals and deferred income	1,843,650	4,681,438
VAT liability	238,214	98,134
Amounts payable to related parties	-	3,574,054
Provisions	-	183,000
Other creditors	-	1,080
	<u>2,081,864</u>	<u>8,537,706</u>

Amounts payable to related parties are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

The estimated fair values of the above financial liabilities approximate their carrying amounts.

### 16 Called up share capital

	31 December 2019 £	31 December 2018 £
<b>Ordinary shares of £0.20 Each</b>		
<u>Allotted and fully paid</u>		
Opening balance	10,150,000	10,150,000
Closing balance	<u>10,150,000</u>	<u>10,150,000</u>

## Nuveen Management AIFM Limited

### Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)

#### 17 Related party transactions

The amounts listed below were outstanding at the Statement of Financial Position date:

##### Receivables from related parties:

	31 December 2019 £	31 December 2018 £
Nuveen Administration Limited	3,134,723	-
Nuveen Real Estate Management Limited	2,033,810	3,661,993
	<u>5,168,533</u>	<u>3,661,993</u>

##### Payables to related parties:

	31 December 2019 £	31 December 2018 £
Nuveen Administration Limited	-	3,574,054
	<u>-</u>	<u>3,574,054</u>

The above entities are related parties to the Company as they are part of the Group. The amounts outstanding are unsecured, carry no interest and will be settled in cash. No guarantees have been given or received. No provision has been made for doubtful debts.

#### 18 Post balance sheet events

The outbreak of the novel coronavirus (also known as COVID-19) in many countries is rapidly evolving and the socio-economic impact is unprecedented. It has been declared as a global pandemic and is having a major impact on economies and financial markets. The efficacy of government measures will materially influence the length of economic disruption, but it is probable we will see a period of slow economic growth or even recession.

However, there is unlikely to be a company that is completely immune from the consequences of the outbreak and the Directors consider that the novel coronavirus presents increased uncertainty and risk with respect to the Company's performance and financial results. The Directors will continue to monitor the COVID-19 situation closely and act accordingly to protect the interests of shareholders. If the Company requires support, it has received written confirmation from Nuveen Real Estate Limited that it will support the Company in meeting its liabilities as they come due for a period of at least 12 months from the date that these financial statements are signed. The Directors are therefore of the view that the going concern basis of preparation remains appropriate.

## **Nuveen Management AIFM Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)**

#### **19 Parent and ultimate parent undertaking**

The Company's immediate parent is Nuveen Europe Holdings Limited, a limited company incorporated in the United Kingdom. The ultimate undertaking and controlling party and largest group to consolidate these financial statements is Teachers Insurance and Annuity Association. These financial statements are available upon request from 730 Third Avenue, New York, NY 10017. TIAA International Holdings 2 Limited is the parent undertaking of the smallest group to consolidate these financial statements in the United Kingdom. The consolidated financial statements of TIAA International Holdings 2 Limited can be obtained from 150 Aldersgate Street, London, EC1A 4AB.