

Registration number: 03984658

# Nuveen Management AIFM Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2020



## **Nuveen Management AIFM Limited**

### **Contents**

	Page(s)
Company Information	1
Directors' Report	2 to 4
Independent Auditors' Report	5 to 7
Statement of Comprehensive Income	8
Statement of Financial Position	9
Statement of Changes in Equity	10
Notes to the Financial Statements	11 to 22

## **Nuveen Management AIFM Limited**

### **Company Information**

<b>Directors</b>	R. J. Adderley M. H. Neal M. J. L. Sales C. P. Throssell A. McLennan D. D. Morton
<b>Company secretary</b>	Nuveen Corporate Secretarial Services Limited
<b>Registered office</b>	9th Floor 201 Bishopsgate London, England 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 2020**

The Directors present their report and the audited financial statements for the year ended 31 December 2020.

#### **Business Review**

The principal activities of the Company are investment management and advisory services for Alternative Investment Funds. The Company is authorised and regulated by the Financial Conduct Authority as an Alternative Investment Fund Manager ("AIFM"). The Company is a wholly owned subsidiary of Nuveen Real Estate Limited ("NRE" or "the Group"). The Group is run on an integrated basis rather than the legal construct of its subsidiaries. The Company's strategy and business model is governed by that of the Group.

#### **Results and Dividends**

The profit for the year ended 31 December 2020 amounted to £225,000 (2019: £563,000). Dividends paid during the year amounted to £6,500,000 (2019: £nil).

#### **Directors**

The Directors who were in office during the year ended 31 December 2020 and up to the date of signing the financial statements were as follows:

R. J. Adderley

M. Griffiths (resigned 2 November 2020)

M. H. Neal

M. J. L. Sales

C. P. Throssell

A. McLennan (appointed 20 August 2020)

D. D. Morton (appointed 9 July 2020)

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

Nuveen Real Estate Limited ("NRE") on behalf of the Company has made qualifying third party indemnity provisions within the meaning given to the term by s.234 and s.235 of the Companies Act 2006 for the benefit of the respective directors which were in place throughout the year and which remain in place at the date of this report.

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.

## **Nuveen Management AIFM Limited**

### **Directors' Report for the Year Ended 31 December 2020 (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.

#### **Our response to the COVID-19 pandemic**

The COVID-19 virus has had a profound effect on societies, economies and markets across the world, and there remains significant uncertainty about its future impact. The Company's priorities during this period have been to continue to focus on delivering value for its stakeholders. While this crisis is unprecedented in recent memory, the Company's business model and culture have meant that it has responded effectively to the challenges and maintained its operational, investment and support activities as close to normal as possible.

#### Operational impact

Although the nature and impact of the COVID-19 pandemic was not predicted, the Company's Business Continuity Plan was deployed swiftly and delivered an effective response in the context of the rapid development of government guidance, policies and legislation in which it operates in.

#### Communications

The worldwide impact of the pandemic on working practices meant that we had to employ alternative ways of communicating with stakeholders. We have a significant increase in the use of video calling systems, as well as communicating with stakeholders early in the crisis to provide a comprehensive update and reassurance on the Company's response to the developing situation.

#### Conclusion

With the COVID-19 crisis evolving, we remain in close contact with our local health authorities, governmental agencies and other key stakeholders in our geographies, so that we can react and adapt to any changes in circumstances and minimise the risk to the Company, our customers and other stakeholders. There are a number of ongoing business reviews to evaluate different courses of action in response to the crisis.

Looking ahead, we will review the lessons learned during this crisis as part of future updates to our risk management framework, specifically when it comes to our approach to prepare for similar types of events.

#### **Events after the end of the reporting period**

No events occurred after the Statement of Financial Position date that have a material impact on the financial statements. The Directors have not received any further information as at the approved date which has not been reflected in the financial statements as presented.

#### **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 2020 (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.


#### **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.

#### **Small companies exemption**

The Directors' Report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

Approved by the Board of Directors on 15 April 2021 and signed on its behalf by:

DocuSigned by:  
  
5773365E2EE04BA  
C. P. Throssell  
Director



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

## Report on the audit of the financial statements

### 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 2020 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 2020; 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.

### 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 includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

### Conclusions relating to going concern

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.

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.

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

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

## **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 Strategic report and the Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

### **Strategic report and the Directors' Report**

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and the Directors' Report for the year ended 31 December 2020 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 Strategic report and the Directors' Report.

## **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, 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.

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



Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to breaches of UK regulatory principles, such as those governed by the Financial Conduct Authority ("FCA"), and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to manipulation of financial data to present more favourable financial results. Audit procedures performed included:

- Enquiries with management and compliance, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Reviewing relevant meeting minutes, including those of the Board;
- Reviewing FCA correspondence, FCA capital submissions, complaints register and the breaches log for instances of non-compliance with laws and regulations;
- Designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing;
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations, entries posted containing unusual account descriptions, and entries posted with unusual amounts; and
- Obtaining investment management contracts and validating the inputs into the calculation of management fee.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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.

## 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 obtained 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.



Thomas Norrie (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London  
15 April 2021

# **Nuveen Management AIFM Limited**

## **Statement of Comprehensive Income for the Year Ended 31 December 2020**

	Note	2020 £ 000	2019 £ 000
Revenue	4	2,641	6,631
Administrative expenses	5	(2,556)	(589)
Impairment of intangibles		-	(4,318)
Operating profit		85	1,724
Finance income	7	17	16
Finance costs	8	(1)	(3)
Profit before tax		101	1,737
Income tax credit/(expense)	9	124	(1,174)
Profit and total comprehensive income for the financial year		225	563

The above results are derived from continuing operations.

The notes on pages 11 to 22 are an integral part of these financial statements.

# Nuveen Management AIFM Limited

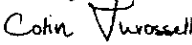
(Registration number: 03984658)

## Statement of Financial Position as at 31 December 2020

	Note	31 December 2020 £ 000	31 December 2019 £ 000
<b>Non-current assets</b>			
Intangible assets	10	-	241
<b>Current assets</b>			
Trade and other receivables	11	193	5,543
Cash and cash equivalents		10,785	7,065
		<b>10,978</b>	<b>12,608</b>
<b>Creditors: amounts falling due within one year</b>			
Trade and other payables	12	(7,360)	(2,082)
Current tax liability		(197)	(1,071)
		<b>(7,557)</b>	<b>(3,153)</b>
<b>Net current assets</b>		<b>3,421</b>	<b>9,455</b>
<b>Net assets</b>		<b>3,421</b>	<b>9,696</b>
<b>Equity</b>			
Called up share capital	13	2,537	10,150
Retained earnings/(accumulated losses)		884	(454)
<b>Total shareholders' funds</b>		<b>3,421</b>	<b>9,696</b>

The notes on pages 11 to 22 form an integral part of these financial statements.

The financial statements on pages 8 to 22 were approved by the Board of Directors on 15 April 2021 and signed on its behalf by:

DocuSigned by:  
  
 8773366E2EE04BA  
 C. P. Throssell  
 Director

# **Nuveen Management AIFM Limited**

## **Statement of Changes in Equity for the Year Ended 31 December 2020**

	Called up share capital £ 000	(Accumulated losses)/ retained earnings £ 000	Total Shareholders' Funds £ 000
<b>Balance at 1 January 2019</b>	<b>10,150</b>	<b>(1,017)</b>	<b>9,133</b>
Profit and total comprehensive income for the year	-	563	563
<b>Balance as at 31 December 2019</b>	<b>10,150</b>	<b>(454)</b>	<b>9,696</b>
Profit and total comprehensive income for the year	-	225	225
Capital reduction	(7,613)	7,613	-
Dividends paid	-	(6,500)	(6,500)
<b>Balance as at 31 December 2020</b>	<b>2,537</b>	<b>884</b>	<b>3,421</b>

The notes on pages 11 to 22 form an integral part of these financial statements.

## **Nuveen Management AIFM Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2020**

#### **1 General information**

Nuveen Management AIFM Limited ("the Company") is a private company limited by shares, 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 address of its registered office is:

9th Floor  
201 Bishopsgate  
London, England  
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.

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),
  - 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),

## **Nuveen Management AIFM Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)**

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

- 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 17 of IAS 24 'Related party disclosures' (key management compensation);
- IFRS 7, 'Financial instruments: Disclosures'.
- 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'.

#### **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.

#### **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. It is included in the consolidated financial statements of TIAA International Holdings 2 Limited which are publicly available upon request from 5 Market Yard Mews, 194-204 Bermondsey Street, London, England, SE1 3TQ. Therefore the Company is exempt by virtue of section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements.

#### **Changes in accounting policies**

The accounting policies set out in these financial statements have been applied consistently to all years presented.

#### **New standards, amendments and IFRIC interpretations**

There are no amendments to accounting standards, or IFRIC interpretations that are effective for the year ended 31 December 2020 that have a material impact on the Company's financial statements.

## **Nuveen Management AIFM Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2020 (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 2020 (continued)**

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

##### **Financial instruments**

- **Recognition and initial measurement**

Financial assets and financial liabilities are recognised on the Statement of Financial Position when the Company has become a party to the contractual obligations of the financial instrument. The Company determines the classification of its financial instruments at initial recognition in accordance with the categories outlined below and re-evaluates this designation at each reporting period end. When financial instruments are recognised initially, they are measured at fair value, being the transaction price plus, in the case of financial assets and financial liabilities not at fair value through the Statement of Comprehensive Income, directly attributable transaction costs.

- **Financial assets**

All financial assets are subject to review for impairment at least at each reporting date to identify whether there is any objective evidence that a financial asset is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described below. All income and expenses relating to financial assets that are recognised in Statement of Comprehensive Income are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within expenses.

- **Financial liabilities**

The Company's financial liabilities include trade and other payables. Financial liabilities are measured subsequently at amortised cost using the effective interest method, except for financial liabilities held for trading or designated at fair value through the Profit and Loss account, that are carried subsequently at fair value with gains or losses recognised in the Statement of Comprehensive Income.

- **Derecognition**

The Company derecognises a financial asset when the contractual rights to the cash flow from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognised as a separate asset or liability. The Company derecognises a financial liability when its contractual obligations are extinguished, discharged or cancelled or have expired.

- **Provisions**

Provisions are recognised when the Company has a present legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the obligation. 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 risk specific to the obligation. The increase in the provision due to the passage of time is recognised as interest expense.

##### **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.



## **Nuveen Management AIFM Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)**

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

##### **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 2020 (continued)**

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

##### **Revenue recognition**

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**

Interest income and expense are recognised within finance income and finance costs in the Statement of Comprehensive Income using the effective interest rate method.

##### **Administrative expenses**

Expenses include transfer pricing expenses, 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).

##### **Rounding of amounts**

All amounts disclosed in the financial statements and notes have been rounded off to the nearest thousand currency units unless otherwise stated.

##### **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 2020 (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.

##### **Dividends**

Dividend distribution to the Company's shareholders is recognised as a liability in the Company's financial statements in the period in which the dividends are approved by the Company's shareholders.

#### **3 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.

##### **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 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 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.

## Nuveen Management AIFM Limited

### Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

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

##### (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) 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. These contracts were fully amortised in 2020 therefore no estimates exist.

#### 4 Revenue

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

	2020 £ 000	2019 £ 000
Management fees	2,641	3,428
Other income	-	3,203
	<u>2,641</u>	<u>6,631</u>

#### 5 Administrative expenses

Operating profit is stated after charging:

	2020 £ 000	2019 £ 000
Transfer pricing expense	2,269	-
Amortisation of intangibles	241	321
Foreign exchange losses	8	104
Administration fees	(4)	102
Legal and professional fees	24	45
Auditors' remuneration	18	17
	<u>2,556</u>	<u>589</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.

## Nuveen Management AIFM Limited

### Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

#### 6 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.

#### 7 Finance income

	2020 £ 000	2019 £ 000
Interest on cash held at bank	17	16

#### 8 Finance costs

	2020 £ 000	2019 £ 000
Bank charges	1	3

#### 9 Income tax expense

Tax charged in the Statement of Comprehensive Income

	2020 £ 000	2019 £ 000
Corporation tax - current year	-	1,031
Corporation tax - prior year	(124)	20
Deferred tax - current year	-	123
	(124)	1,174

#### 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:

	2020 £ 000	2019 £ 000
Profit before tax	101	1,737
Tax on profit on ordinary activities at standard UK corporation tax rate of 19% (2019: 19%)	19	330
Expenses not deductible	-	820
Tax effect of adjustments to tax charge in respect of previous periods	(124)	20
Losses utilised	(19)	4
Total tax (credit)/charge	(124)	1,174

## Nuveen Management AIFM Limited

### Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

#### 10 Intangible assets

	Goodwill £ 000	Contractual customer relationships £ 000	Total £ 000
<b>Cost or valuation</b>			
At 1 January 2020	4,319	3,195	7,514
At 31 December 2020	4,319	3,195	7,514
<b>Amortisation</b>			
At 1 January 2020	(4,319)	(2,954)	(7,273)
Amortisation charge	-	(241)	(241)
At 31 December 2020	(4,319)	(3,195)	(7,514)
<b>Carrying amount</b>			
At 31 December 2020	-	-	-
At 31 December 2019	-	241	241

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.

The IMC was amortised over 6 years of which now has been fully amortised during the year.

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 2020 (continued)

#### 11 Trade and other receivables

	31 December 2020 £ 000	31 December 2019 £ 000
Amounts receivable from related parties	-	5,169
Trade receivables	130	268
Prepayments and accrued income	63	94
Receivable from group managed funds	-	12
	<u>193</u>	<u>5,543</u>

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 the financial risk management and impairment note.

#### 12 Trade and other payables

	31 December 2020 £ 000	31 December 2019 £ 000
<b>Amounts falling due within a year</b>		
Accruals and deferred income	5	1,844
VAT liability	-	238
Trade payables	6	-
Amounts payable to related parties	<u>7,349</u>	<u>-</u>
	<u>7,360</u>	<u>2,082</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.

#### 13 Called up share capital

	31 December 2020 £000	31 December 2019 £000
<b>Ordinary shares of £0.20 Each</b>		
<b>Allotted and fully paid</b>		
Opening balance	10,150	10,150
Share Capital Reduction	<u>(7,613)</u>	<u>-</u>
Closing balance	<u>2,537</u>	<u>10,150</u>

## **Nuveen Management AIFM Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)**

#### **14 Events after the reporting period**

No events occurred after the Statement of Financial Position date that have a material impact on the financial statements. The Directors have not received any further information as at the approval date which has not been reflected in the financial statements as presented.

#### **15 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 5 Market Yard Mews, 194-204 Bermondsey Street, London, SE1 3TQ.