

AEW Promote LP Limited

Annual Report and Financial Statements

For the year ended 31 December 2019



AEW Promote LP Limited

Company Information

Director	Russell Jewell
Company number	04963186
Registered office	33 Jermyn Street London SW1Y 6DN
Auditors	Moore Kingston Smith LLP Devonshire House 60 Goswell Road London EC1M 7AD
Bankers	Royal Bank of Scotland International Limited 280 Bishopsgate London EC2M 4RB

AEW Promote LP Limited

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AEW Promote LP Limited

Strategic Report

For the year ended 31 December 2019

The director presents the strategic report and financial statements for the year ended 31 December 2019.

Principal activities

The company's principal activity is to act as the corporate limited partner in new carry and co-investment funds raised by AEW Europe LLP. The first fund in which the company is investing is AEW EVP SLP LP ('the Fund'), which is the carry and co-investment fund for AEW Europe Value Partners LP. In November 2017 the company was the 100% allocated partner in the Fund. On 14 May 2018 employee individuals were admitted into the Fund signing an Agreement of Assignment and Adherence, with AEW Promote LP Limited transferring part of its interest.

Capital calls during the year

During 2019 the company made three capital calls totalling €51,278 (2018: €143,512) of the capital committed totalling €257,500:

- 3 May 2019 € 32,298
- 7 October 2019 € 18,980

Principal risk and uncertainties

The director has overall responsibility for identifying, evaluating and managing major business risks. He regularly assesses the business risks exposure and control including compliance assessments and determines any appropriate action required.

Principal business risks reviewed include the performance of the funds into which the company invests. AEW Value Europe Partners LP is subject to AIFMD reporting requirements to the Financial Conduct Authority.

COVID-19

As at the date of approval of the financial statements, the director continues to assess the impact of the outbreak of COVID-19 and the measures taken to contain it on the company's activities. COVID-19 is a non-adjusting event occurring after the reporting date of 31 December 2019 and consequently no adjustment has been made to the financial statements as a result of its impact. At the date of approval of the financial statements, the estimated impact on the value of the company's asset base has not been able to be quantified. Whilst the overall effect of COVID-19 on the company cannot be established at this time, the director does not believe that it will affect the ability of the company to continue its operations and meet its liabilities as they fall due. In addition, the parent entity, AEW Europe LLP, has provided confirmation that it will support the company to enable it to continue its operations for at least twelve months from the date of approval of the financial statements. As a result, the director has prepared the financial statement on a going concern basis.

Taking advantage of the strong demand for stabilised assets during these uncertain times, AEW Europe Value Partners LP sold two office assets in Utrecht and Dresden at a substantial profit.

AEW Promote LP Limited

Strategic Report

For the year ended 31 December 2019

Investment Strategy

The director monitors the progress of its investment in AEW Europe Value Partners LP, via AEW EVP SLP LP, with weekly meetings with the Fund Principals and their quarterly reporting of the Fund's performance to their investors of which AEW Promote LP Limited is one.

AEW Europe Value Partners LP strategies are shown below:

Investment strategy:

- Focus on smaller assets in markets with proven liquidity
- Assets with multiple options for value creation and limited down-side risk
- Office repositioning
- Neighbourhood retail and
- Urban logistics

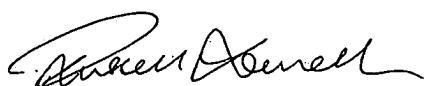
Asset management strategy:

- Protect the assets from the short-term consequences of the COVID-19 crisis whilst preparing for disposals before end of 2021
- Complete the execution of business plans of the Kerpen and Futura 2 assets; sell the Planetocio and Union Street assets as soon as the capital markets allow it

As at 31 December 2019 the company had a cash balance of £3.6k (2018: £3.1k), with a capital contribution for its co-invest and carry share to AEW EVP SLP LP of £44k (2018:£132k). The operating expenses are limited to an annual interest charge on the loans provided by AEW Europe LLP and bank charges. In 2018 the audit fees for 2016 and 2017 were written off and are now borne directly by AEW Europe LLP and not recharged.

The directors are optimistic about the future growth of the business and profitability.

On behalf of the board



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Russell Jewell
Director
Date : 3 July 2020

AEW Promote LP Limited

Director's Report

For the year ended 31 December 2019

The director presents his annual report and financial statements for the year ended 31 December 2019.

Principal activities

The company's principal activity is to act as the corporate limited partner in new carry and co-investment funds raised by AEW Europe LLP.

Directors

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

Russell Jewell

Serge Bataillie (resigned 21 November 2019)

Results

The results for the year are set out on page 7.

Future developments

The company has chosen to include this information in the Strategic Report in accordance with section 414C of the Companies Act 2006.

Auditors

Moore Kingston Smith LLP were reappointed as auditors to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

Statement of disclosure to auditors

The director in office at the date of approval of this annual report confirms that:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- the director has taken all the steps that he ought to have taken as director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board



.....
Russell Jewell
Director
Date: 3 July 2020

AEW Promote LP Limited

Director's Responsibilities Statement

For the year ended 31 December 2019

The director is responsible for preparing the Director's Report, Strategic Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

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

AEW Promote LP Limited

Independent Auditors' Report (Continued)

To the Members of AEW Promote LP Limited

Opinion

We have audited the financial statements of AEW Promote LP Limited for the year ended 31 December 2019 which comprise the Profit And Loss Account, the Balance Sheet, the Statement of Changes in Equity, the Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard Applicable in the UK and Ireland'.

In our opinion the 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

This report is made solely to the company's members, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken for no purpose other than to draw to the attention of the company's members those matters which we are required to include in an auditors' report addressed to it. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the company and the company's members, for our audit work, for this report, or for the opinions we have formed.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs(UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the 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 group's or the parent 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.

Other information

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

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

We have nothing to report in this regard.

AEW Promote LP Limited

Independent Auditors' Report (Continued)

To the Members of AEW Promote LP Limited

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit the information given in the Strategic Report and the Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements, and the Strategic Report and the Director's Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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

Other matter

In the previous accounting period the directors of the company took advantage of the audit exemption under s477 of the Companies Act 2006. Therefore the prior period financial statements were not subject to audit.

Respective responsibilities of directors and auditors

As explained more fully in the Director's Report, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal controls as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the director is 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 director 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

AEW Promote LP Limited

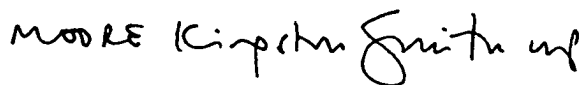
Independent Auditors' Report (Continued)

To the Members of AEW Promote LP Limited

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's or the parent company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or the parent company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Thomas Moore (Senior Statutory Auditor)
for and on behalf of Moore Kingston Smith LLP

7 July 2020

Chartered Accountants
Statutory Auditor

Devonshire House
60 Goswell Road
London
United Kingdom
EC1M 7AD

AEW Promote LP Limited

Profit and Loss Account

For the year ended 31 December 2019

	Notes	2019 £	2018 £
Turnover		-	-
Administrative expenses		(165)	3,354
Operating (loss)/profit	3	(165)	3,354
Interest charged on loan		(3,701)	(2,145)
Changes in fair value of financial assets at fair value through profit or loss		35,268	7,474
Profit before taxation		31,402	8,682
Taxation	4	-	-
Profit for the financial year		31,402	8,682
Total comprehensive profit for the year		31,402	8,682

The profit and loss account has been prepared on the basis that all operations are continuing operations.


AEW Promote LP Limited

Balance Sheet

For the year ended 31 December 2019

	Notes	2019		2018	
		£	£	£	£
Assets					
Non-current assets					
Financial assets at fair value through profit or loss	5	213,245		134,168	
		<u>213,245</u>		<u>134,168</u>	
Current assets					
Debtors	6	1,131		1,131	
Cash at bank and in hand		3,566		3,132	
		<u>4,697</u>		<u>4,263</u>	
Total assets		217,942		138,431	
Creditors: amounts falling due within one year	7	<u>(180,291)</u>		<u>(132,182)</u>	
Net current assets/(liabilities)		<u>37,651</u>		<u>6,249</u>	
Capital and reserves					
Called up share capital	8		100		100
Profit and loss reserves			<u>37,551</u>		<u>6,149</u>
Total equity			<u>37,651</u>		<u>6,249</u>

The financial statements were approved by the director and authorised for issue on 3 July 2020 and are signed on its behalf by:



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Russell Jewell
Director

Company Registration No. 04963186

AEW Promote LP Limited
Statement of Changes in Equity
For the year ended 31 December 2019

	Share capital	Profit and loss reserves	Total
	£	£	£
Balance at 1 January 2018	100	(2,533)	(2,433)
Year ended 31 December 2018:			
Profit and total comprehensive income for the year	-	8,682	8,682
Balance at 31 December 2018	100	6,149	6,249
Year ended 31 December 2019:			
Profit and total comprehensive income for the year	-	31,402	31,402
Balance at 31 December 2019	100	37,551	37,561

AEW Promote LP Limited

Statement of Cash Flows

For the year ended 31 December 2019

	2019 £	2018 £
Cash flows from operating activities		
Profit before taxation	31,402	8,682
Movements in working capital		
Interest charged	(3,701)	(2,145)
(Increase)/decrease in debtors	-	(895)
Increase/(decrease) in creditors	48,109	124,951
(Increase)/decrease in fair value	(35,268)	(7,474)
Cash generated from operating activities	40,542	123,119
Cash flows from investing activities		
Investment in Fund	(43,809)	(125,681)
Proceeds on disposal of investment	-	896
Interest charged	3,701	2,145
Net cash generated from investing activities	(40,108)	(122,640)
Cash flows from financing activities		
Distributions paid to limited partners	-	-
Return of equity to limited partners	-	-
Net cash flows used in financing activities	-	-
Net increase in cash and cash equivalents	434	479
Cash and cash equivalents at the beginning of the period	3,132	2,653
Cash and cash equivalents at 31 December 2019	3,566	3,132

AEW Promote LP Limited

Notes to the Financial Statements

For the year ended 31 December 2019

1 Accounting policies

Company information

AEW Promote LP Limited is a private company limited by shares incorporated in England and Wales. The registered office is 33 Jermyn Street, London, SW1Y 6DN.

The company did not have any employees during 2019 (2018: Nil).

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest pound.

The financial statements have been prepared on the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the balance sheet date the company had net current assets of £37,651 (2018: net current assets of £6,249). AEW Europe LLP, a fellow group undertaking, has confirmed they will continue to provide financial support to the extent necessary for the company to meet its liabilities as they fall due. Accordingly the director has deemed it appropriate to prepare the financial statements on the going concern basis.

AEW Europe LLP has provided the company with loans totalling £180,291 (2018: £132,182) to meet its capital commitment when called by the Fund. These loans are expected to be fully paid, including the interest charged, by distributions made from the Fund on disposals of assets.

As at the date of approval of the financial statements, the director continues to assess the impact of the outbreak of COVID-19 and the measures taken to contain it on the company's activities. COVID-19 is a non-adjusting event occurring after the reporting date of 31 December 2019 and consequently no adjustment has been made to the financial statements as a result of its impact. At the date of approval of the financial statements, the estimated impact on the value of the company's asset base has not been able to be quantified. Whilst the overall effect of COVID-19 on the company cannot be established at this time, the director does not believe that it will affect the ability of the company to continue its operations and meet its liabilities as they fall due. In addition, the parent entity, AEW Europe LLP, has provided confirmation that it will support the company to enable it to continue its operations for at least twelve months from the date of approval of the financial statements. As a result, the director has prepared the financial statements on a going concern basis.

1.3 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less.

1.4 Financial Instruments

The Company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial assets are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets are classified into specified categories. The classification depends on the nature and purpose of the financial assets and is determined at the time of recognition.

AEW Promote LP Limited

Notes to the Financial Statements

For the year ended 31 December 2019

1 Accounting policies (continued)

Basic financial assets

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

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

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.5 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.6 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

In accordance with FRS 19, deferred tax is recognised as a liability or asset if transactions or events that give the company the obligation to pay more tax in future or a right to pay less tax in future have occurred by the balance sheet date.

2 Critical accounting estimates and judgements

Estimates and assumptions concerning the future are made in the preparation of the financial statements. They affect the application of accounting policies, reported amounts of assets, liabilities, income and expenses and disclosures made. They are assessed on an ongoing basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances. The key assumption concerning the future estimation uncertainly at the reporting date, that has a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year is shown below.

Carrying value of Financial Assets at fair value through profit or loss

The company periodically revalues its investments based on its share of the underlying value of the net assets of the investments of the fund. The share of net assets is determined by reference to a valuation of the fund's assets prepared by independent external fund managers.

AEW Promote LP Limited

Notes to the Financial Statements

For the year ended 31 December 2019

3 Operating profit

Operating profit for the year is stated after charging/(crediting) :

	2019 £	2018 £
Changes in foreign exchange movements	-	(936)
Fees payable to the company's auditors for the audit of the financial statements	-	(2,500)
	<u>-</u>	<u>(3,436)</u>

Auditor fees of £4,900 will be borne directly by AEW Europe LLP, a group company, and not charged to the Company.

4 Taxation

	2019 £	2018 £
Current tax		
UK corporation tax on profits for the current period	<u>-</u>	<u>-</u>

5 Financial assets at fair value through profit or loss

The company is a limited partner of AEW EVP SLP LP, the carry and co-investment vehicle for AEW Europe Value Partners LP ('the Fund').

	2019 £	2018 £
Cost:		
As at 1 January	134,168	1,909
Disposal	-	(896)
Additions	43,809	125,681
Changes in fair value of financial assets at fair value through profit or loss	35,268	7,474
	<u>213,245</u>	<u>134,168</u>
As at 31 December		

6 Debtors

	2019 £	2018 £
Amounts falling due within one year:		
Amounts due from group undertakings	<u>1,131</u>	<u>1,131</u>

AEW Promote LP Limited

Notes to the Financial Statements

For the year ended 31 December 2019

6 Debtors (continued)

A total of £471 (2018: £471) in other debtors is due from AEW EVP SLP LP in respect of bank charges and employee member's co-invest and carry capital contributions. AEW Europe LLP owes the company £560 in respect of employee members' co-invest and carry capital contributions paid in cash. The remaining £100 relates to unpaid share capital due equally from AEW Global Limited and AEW Global UK Limited.

7 Creditors: amounts falling due within one year

	2019 £	2018 £
Amounts due to group undertakings	180,291	132,182

Amounts due to group undertakings includes a loan to the company for its equity investment in the Fund from AEW Europe LLP. The loan is unsecured and incurs interest at a rate of 2.5% per annum.

8 Share capital

	2019 £	2018 £
Called up share capital not paid 100 Ordinary shares of £1 each	100	100

9 Controlling party

Group BPCE is the parent undertaking of the largest and smallest group of undertakings of which the company is a member and for which group financial statements are prepared. The group financial statements may be obtained from the Finance Director, AEW Promote LP Limited, 33 Jermyn Street, London, SW1Y 6DN.

10 Related party disclosures

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.

The related parties to the company are AEW Europe LLP, acting as manager to AEW Europe Value Partners LP, and AEW EVP SLP LP, the Fund.

During 2018 the amount owed to AEW Europe LLP from the prior year was waived and £2,500 credited to the profit and loss account.

11 Post balance sheet events

Disposals

On 15 June 2020, AEW EVP SLP LP made a distribution to the company in respect of portfolio disposals of Utrecht and Dresden amounting to €130,609.