

AEW GLOBAL ADVISORS (EUROPE) LIMITED

Directors' Report And Financial Statements

For the year ended 31 December 2011

Company Registration No 05406927 (England And Wales)



AEW GLOBAL ADVISORS (EUROPE) LIMITED

COMPANY INFORMATION

Directors	James Finnegan Jeffrey Furber Robert Oosterkamp Louise Staniforth
Secretary	Louise Staniforth
Company number	05406927
Registered office	33 Jermyn Street London SW1Y 6DN
Auditors	Kingston Smith LLP Devonshire House 60 Goswell Road London EC1M 7AD
Bankers	National Westminster Bank plc 94 Moorgate London EC2M 6XT

AEW GLOBAL ADVISORS (EUROPE) LIMITED

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AEW GLOBAL ADVISORS (EUROPE) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2011

The directors present their report and financial statements for the year ended 31 December 2011

Principal activities and review of the business

The company principal activity is the provision of investment management services with respect to publically traded real estate related securities

Since the start of the business, the company has been able to show better investment returns than the market which attracted new clients and the directors expect this to continue in the future

The directors have overall responsibility for identifying, evaluating and managing major business risks. They regularly assess the business risks exposure and control including compliance assessments and determine any appropriate action required

Principal business risks reviewed include allocation of responsibilities and control environment, financial control, quality and integrity of personnel, compliance controls and IT systems

Due to market conditions assets under management (AUM) have declined during the year

AUM £394,643,000 (2010 £526,794,000)

In a more difficult equity market environment AEW Global Advisors has still managed to build a strong track record and shown ability to add value for its clients. Based on that we've strengthened our position in the market place

Results and dividends

The results for the year are set out on page 5

An interim ordinary dividend was paid amounting to £1,000,000. The directors do not recommend payment of a final dividend

Future developments

The directors are optimistic about the future growth of the business and profitability. The company will continue to explore other investment management opportunities

Directors

The following directors have held office since 1 January 2011

James Finnegan
Jeffrey Furber
Robert Oosterkamp
Louise Staniforth

Auditors

The auditors, Kingston Smith LLP, are deemed to be reappointed under section 487(2) of the Companies Act 2006

AEW GLOBAL ADVISORS (EUROPE) LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2011

Statement of directors' responsibilities

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

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

- select suitable accounting policies and then apply them consistently,
- make 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.

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board



Robert Oosterkamp

Director

20th February 2012

AEW GLOBAL ADVISORS (EUROPE) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AEW GLOBAL ADVISORS (EUROPE) LIMITED

We have audited the financial statements of AEW Global Advisors (Europe) Limited for the year ended 31 December 2011 set out on pages 5 to 13. 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).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken 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 them. 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 as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on pages 1 - 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2011 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

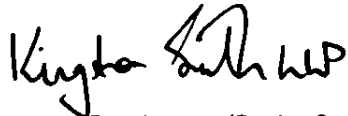
AEW GLOBAL ADVISORS (EUROPE) LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED) TO THE MEMBERS OF AEW GLOBAL ADVISORS (EUROPE) LIMITED

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 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, or



Martin Burchmore (Senior Statutory Auditor)
for and on behalf of Kingston Smith LLP

22nd Feb 2012

Chartered Accountants
Statutory Auditor

Devonshire House
60 Goswell Road
London
EC1M 7AD

AEW GLOBAL ADVISORS (EUROPE) LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2011

	Notes	2011 £	2010 £
Turnover	2	2,496,652	2,182,085
Administrative expenses		(1,121,200)	(866,860)
Operating profit	3	1,375,452	1,315,225
Other interest receivable and similar income	4	4,871	3,651
Profit on ordinary activities before taxation		1,380,323	1,318,876
Tax on profit on ordinary activities	5	(365,786)	(369,060)
Profit for the year	11	1,014,537	949,816

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

There are no recognised gains and losses other than those passing through the profit and loss account

AEW GLOBAL ADVISORS (EUROPE) LIMITED

BALANCE SHEET AS AT 31 DECEMBER 2011

	Notes	2011 £	£	2010 £	£
Current assets					
Debtors	7	525,627		644,566	
Cash at bank and in hand		1,304,281		1,183,262	
		<u>1,829,908</u>		<u>1,827,828</u>	
Creditors, amounts falling due within one year	8	(422,206)		(434,663)	
Total assets less current liabilities			1,407,702		1,393,165
Provisions for liabilities			<u></u>		<u></u>
Capital and reserves					
Called up share capital	10	200,000		200,000	
Profit and loss account	11	1,207,702		1,193,165	
		<u>1,407,702</u>		<u>1,393,165</u>	
Shareholders' funds	12		1,407,702		1,393,165
			<u></u>		<u></u>

Approved by the Board and authorised for issue on *20 February 2012*

LSB Staniforth

Louise Staniforth
Director

Company Registration No 05406927

AEW GLOBAL ADVISORS (EUROPE) LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2011

	£	2011 £	£	2010 £
Net cash inflow from operating activities		1,465,551		1,160,167
Returns on investments and servicing of finance				
Interest received	4,871		3,651	
Net cash inflow for returns on investments and servicing of finance		4,871		3,651
Taxation		(349,403)		(278,172)
Equity dividends paid		(1,000,000)		(300,000)
Net cash inflow before management of liquid resources and financing		121,019		585,646
Increase in cash in the year		121,019		585,646

AEW GLOBAL ADVISORS (EUROPE) LIMITED

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2011

1 Reconciliation of operating profit to net cash inflow from operating activities	2011	2010
	£	£
Operating profit	1,375,452	1,315,225
Decrease/(increase) in debtors	118,939	(37,444)
(Decrease)/Increase in creditors within one year	(28,840)	67,386
Other reserve movement	-	(185,000)
Net cash inflow from operating activities	1,465,551	1,160,167

2 Analysis of net funds	1 January 2011	Cash flow	Other non-cash changes	31 December 2011
	£	£	£	£
Net cash				
Cash at bank and in hand	1,183,262	121,019	-	1,304,281
Bank deposits	-	-	-	-
Net funds	1,183,262	121,019	-	1,304,281

3 Reconciliation of net cash flow to movement in net funds	2011	2010
	£	£
Increase in cash in the year	121,019	585,646
Movement in net funds in the year	121,019	585,646
Opening net funds	1,183,262	597,616
Closing net funds	1,304,281	1,183,262

AEW GLOBAL ADVISORS (EUROPE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated)

1.3 Turnover

Turnover represents fees receivable for investment management services provided net of VAT

1.4 Pensions

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

1.5 Deferred taxation

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.

1.6 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

2 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

3 Operating profit

Operating profit is stated after charging

Fees payable to the company's auditor for the audit of the company's annual accounts

2011	2010
£	£
4,365	6,600

4 Investment income

Bank interest

2011	2010
£	£
4,871	3,651
4,871	3,651

AEW GLOBAL ADVISORS (EUROPE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2011

5	Taxation	2011	2010
		£	£
	Domestic current year tax		
	U K corporation tax	365,786	317,260
	Total current tax	365,786	317,260
	Deferred tax		
	Deferred tax adjust re previous year	-	51,800
		365,786	369,060
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	1,380,323	1,318,876
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 26 00% (2010 - 28 00%)	358,884	369,285
	Effects of		
	Non deductible expenses	123	-
	Provisions adjustment	257	(52,025)
	Other tax adjustments	6,522	-
		6,902	(52,025)
	Current tax charge for the year	365,786	317,260
6	Dividends	2011	2010
		£	£
	Ordinary interim paid	1,000,000	300,000
7	Debtors	2011	2010
		£	£
	Trade debtors	521,876	642,687
	Other debtors	407	94
	Prepayments and accrued income	3,344	1,785
		525,627	644,566

AEW GLOBAL ADVISORS (EUROPE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2011

8 Creditors amounts falling due within one year	2011	2010
	£	£
Corporation tax	168,021	151,638
Other taxes and social security costs	242,399	263,331
Other creditors	2,836	1,849
Accruals and deferred income	8,950	17,845
	<u>422,206</u>	<u>434,663</u>

9 Pension and other post-retirement benefit commitments **Defined contribution**

	2011	2010
	£	£
Contributions payable by the company for the year	<u>20,810</u>	<u>20,548</u>

10 Share capital

	2011	2010
	£	£
Allotted, called up and fully paid		
200,000 Ordinary shares of £1 each	<u>200,000</u>	<u>200,000</u>

11 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 January 2011	1,193,165
Profit for the year	1,014,537
Dividends paid	(1,000,000)
Balance at 31 December 2011	<u>1,207,702</u>

12 Reconciliation of movements in shareholders' funds

	2011	2010
	£	£
Profit for the financial year	1,014,537	949,816
Dividends	(1,000,000)	(300,000)
Net addition to shareholders' funds	<u>14,537</u>	<u>649,816</u>
Opening shareholders' funds	1,393,165	743,349
Closing shareholders' funds	<u>1,407,702</u>	<u>1,393,165</u>

AEW GLOBAL ADVISORS (EUROPE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2011

13 Directors' remuneration	2011	2010
	£	£
Remuneration for qualifying services	358,052	347,112
Company pension contributions to defined contribution schemes	5,124	12,500
	<u>363,176</u>	<u>359,612</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2010 - 1)

Remuneration disclosed above include the following amounts paid to the highest paid director

Remuneration for qualifying services	358,052	347,112
Company pension contributions to defined contribution schemes	5,124	12,500
	<u>363,176</u>	<u>359,612</u>

14 Employees

Number of employees

The average monthly number of employees (including directors) during the year was

	2011	2010
	Number	Number
Financial and administration	<u>3</u>	<u>3</u>

Employment costs

	2011	2010
	£	£
Wages and salaries	777,249	539,135
Social security costs	105,584	92,150
Other pension costs	20,810	20,548
	<u>903,643</u>	<u>651,833</u>

15 Control

The company's immediate parent entity is AEW Capital Management LP, registered in the United States

The ultimate parent company and controlling entity is Natixis, a company incorporated and registered in France

Natixis 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 Global Advisors (Europe) Limited, 33 Jermyn Street, London, SW1Y 6DN

AEW GLOBAL ADVISORS (EUROPE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2011

16 Related party relationships and transactions

The company has taken advantage of the exemption by FRS 8 paragraph 3(c) not to disclose transactions with related parties as it is a wholly owned subsidiary of Natixis, the consolidated financial statements for which are publically available