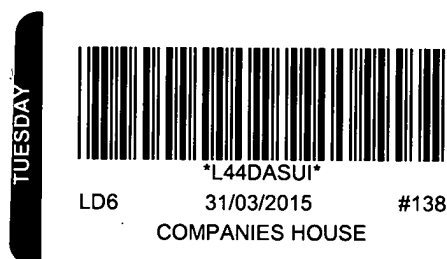


# AEW Global Advisors (Europe) Limited

Annual Report

For the year ended 31 December 2014



# AEW Global Advisors (Europe) Limited

## Company Information

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

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# AEW Global Advisors (Europe) Limited

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# AEW Global Advisors (Europe) Limited

## Strategic Report

For the year ended 31 December 2014

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The directors present their report and financial statements for the year ended 31 December 2014.

### **Review of the business, analysis based on Key Performance Indicators and future developments**

The principal activity of the company continued to be that of the provision of investment management services with respect to publically traded real estate securities. The company is authorised and regulated by the Financial Conduct Authority ('FCA').

Since inception the company has achieved an investment result which is on average 2% per annum higher than the benchmark, the FTSE EPRA/NAREIT Developed Europe Index. This result has been achieved with a lower risk than the benchmark as the volatility of these returns has been lower than the benchmark. The directors expect the investment trend performance to continue in future years. AEW Global Advisors (Europe) Limited manages more than 20 separate mandates which are the European sleeve of a Global mandate or European only accounts.

The board monitors the progress of the company on a monthly basis by reference to the following key performance indicators:

1. Revenue
2. Profit
3. Assets under management

The board are satisfied with the company's performance during the year. Assets under management have increased during the year, this has resulted in increased turnover in the year to £2.76m (2013: £2.45m). The administrative expenses remaining in line with previous years £1.12m (2013 £1.16m), resulting in increased profit after tax of £1.29m (2013: £0.98m).

The company continues to pay regular dividends. Dividends payable for the year ended 31 December 2014 were £0.80m (2013: £0.80m) and this is expected to continue in future years.

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

### **Principal risks and uncertainties**

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.

On behalf of the board



.....  
Robert Oosterkamp  
Director  
.....

26/2/2015

# AEW Global Advisors (Europe) Limited

## Directors' Report

For the year ended 31 December 2014

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The directors present their report and financial statements for the year ended 31 December 2014.

### Results and dividends

The results for the year are set out in the profit and loss account.

An interim ordinary dividend was paid amounting to £800,000. The directors do not recommend payment of a final dividend.

### Future developments

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

### Directors

The following directors have held office since 1 January 2014:

James Finnegan

Jeffrey Furber

Robert Oosterkamp

Louise Staniforth

(Resigned 30 June 2014)

### Auditors

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

### 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.

# AEW Global Advisors (Europe) Limited

## Directors' Report (Continued)

For the year ended 31 December 2014

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### 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.

### Pillar 3 Disclosures

Details of the company's unaudited Pillar 3 disclosures, required under section 11 of the FCA's Prudential Sourcebook for Banks, Building Societies and Investment Firms (BIPRU), can be found at the following website: <http://www.pillar3.eu/aew1200502/>

On behalf of the board



.....  
Robert Oosterkamp  
Director  
.....

26/2/2015

# AEW Global Advisors (Europe) Limited

## Independent Auditors' Report to the Members of AEW Global Advisors (Europe) Limited

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We have audited the financial statements of AEW Global Advisors (Europe) Limited for the year ended 31 December 2014 which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement 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).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditors**

As explained more fully in the Directors' Responsibilities Statement, 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 Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 2014 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 Strategic Report and 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 to the Members of AEW Global Advisors (Europe) Limited (Continued)

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### 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.

*Kingston Smith LLP*

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

*6 March 2015*

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 2014

	Notes	2014 £	2013 £
<b>Turnover</b>	<b>2</b>	2,759,393	2,445,775
Administrative expenses		(1,124,252)	(1,164,984)
<b>Operating profit</b>	<b>3</b>	1,635,141	1,280,791
Other interest receivable and similar income	<b>4</b>	3,795	3,498
<b>Profit on ordinary activities before taxation</b>		1,638,936	1,284,289
Tax on profit on ordinary activities	<b>5</b>	(352,379)	(299,576)
<b>Profit for the year</b>	<b>11</b>	1,286,557	984,713

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 2014

	Notes	2014 £	£	2013 £	£
<b>Current assets</b>					
Debtors	7	690,121		655,648	
Cash at bank and in hand		1,623,447		1,197,297	
		<u>2,313,568</u>		<u>1,852,945</u>	
<b>Creditors: amounts falling due within one year</b>	8	(441,783)		(467,717)	
<b>Total assets less current liabilities</b>		<u>1,871,785</u>		<u>1,385,228</u>	
<b>Capital and reserves</b>					
Called up share capital	10	200,000		200,000	
Profit and loss account	11	1,671,785		1,185,228	
<b>Shareholders' funds</b>	12	<u>1,871,785</u>		<u>1,385,228</u>	

Approved by the board and authorised for issue on 26/2/2015



Robert Oosterkamp  
Director

Company Registration No. 05406927

# AEW Global Advisors (Europe) Limited

## Cash Flow Statement

For the year ended 31 December 2014

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	£	2014 £	£	2013 £
<b>Net cash inflow from operating activities</b>		1,537,896		1,214,407
<b>Returns on investments and servicing of finance</b>				
Interest received	3,795		3,498	
<b>Net cash inflow for returns on investments and servicing of finance</b>		3,795		3,498
<b>Taxation</b>		(315,541)		(262,712)
<b>Equity dividends paid</b>		(800,000)		(800,000)
<b>Net cash inflow before management of liquid resources and financing</b>		426,150		155,193
<b>Increase in cash in the year</b>		426,150		155,193

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# AEW Global Advisors (Europe) Limited

## Notes to the Cash Flow Statement

For the year ended 31 December 2014

<b>1</b>	<b>Reconciliation of operating profit to net cash outflow from operating activities</b>		<b>2014</b>	<b>2013</b>
			£	£
	Operating profit		1,635,141	1,280,791
	Increase in debtors		(34,473)	(31,283)
	Decrease in creditors within one year		(62,772)	(35,101)
	<b>Net cash inflow from operating activities</b>		<u>1,537,896</u>	<u>1,214,407</u>
<b>2</b>	<b>Analysis of net funds</b>	<b>1 January 2014</b>	<b>Cash flow</b>	<b>Other non-31 December cash changes</b>
		£	£	£
	Net cash:			
	Cash at bank and in hand	1,197,297	426,150	-
	<b>Net funds</b>	<u>1,197,297</u>	<u>426,150</u>	<u>-</u>
<b>3</b>	<b>Reconciliation of net cash flow to movement in net funds</b>		<b>2014</b>	<b>2013</b>
			£	£
	Increase in cash in the year		426,150	155,193
	<b>Movement in net funds in the year</b>		426,150	155,193
	Opening net funds		1,197,297	1,042,104
	<b>Closing net funds</b>		<u>1,623,447</u>	<u>1,197,297</u>

# AEW Global Advisors (Europe) Limited

## Notes to the Financial Statements

For the year ended 31 December 2014

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### 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.

#### 1.7 Cash at bank and in hand

Cash at bank and in hand comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

### 2 Turnover

The total turnover of the company for the year has been derived from its principal activity. In the year to 31 December 2014 100% (2013: 100%) of the company's turnover was to the United States of America.

### 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

2014	2013
£	£
6,000	6,000
<u>6,000</u>	<u>6,000</u>

# AEW Global Advisors (Europe) Limited

## Notes to the Financial Statements (Continued)

For the year ended 31 December 2014

<b>4</b>	<b>Investment income</b>	<b>2014</b>	<b>2013</b>
		<b>£</b>	<b>£</b>
	Bank interest	3,795	3,498
		<u>3,795</u>	<u>3,498</u>
<b>5</b>	<b>Taxation</b>	<b>2014</b>	<b>2013</b>
		<b>£</b>	<b>£</b>
	<b>Domestic current year tax</b>		
	U.K. corporation tax	352,214	299,576
	Adjustment for prior years	165	-
	<b>Total current tax</b>	<u>352,379</u>	<u>299,576</u>
	<b>Factors affecting the tax charge for the year</b>		
	Profit on ordinary activities before taxation	<u>1,638,936</u>	<u>1,284,289</u>
	<i>Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 21.49% (2013 - 23.25%)</i>	<u>352,260</u>	<u>298,597</u>
	Effects of:		
	Non deductible expenses	88	-
	Adjustments to previous periods	165	-
	Provisions adjustment	(134)	238
	Other tax adjustments	-	741
		<u>119</u>	<u>979</u>
	<b>Current tax charge for the year</b>	<u>352,379</u>	<u>299,576</u>
<b>6</b>	<b>Dividends</b>	<b>2014</b>	<b>2013</b>
		<b>£</b>	<b>£</b>
	Ordinary interim dividend paid	<u>800,000</u>	<u>800,000</u>

# AEW Global Advisors (Europe) Limited

## Notes to the Financial Statements (Continued)

For the year ended 31 December 2014

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<b>7 Debtors</b>	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Trade debtors	686,730	652,479
Other debtors	2,155	2,029
Prepayments and accrued income	1,236	1,140
	<u>690,121</u>	<u>655,648</u>
<b>8 Creditors: amounts falling due within one year</b>	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Trade creditors	161	-
Corporation tax	185,003	148,165
Other taxes and social security costs	246,546	274,420
Other creditors	3,573	4,192
Accruals and deferred income	6,500	40,940
	<u>441,783</u>	<u>467,717</u>
<b>9 Pension and other post-retirement benefit commitments</b>		
<b>Defined contribution</b>		
	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Contributions payable by the company for the year	<u>53,705</u>	<u>43,026</u>
<b>10 Share capital</b>	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
<b>Allotted, called up and fully paid</b>		
200,000 Ordinary shares of £1 each	<u>200,000</u>	<u>200,000</u>

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# AEW Global Advisors (Europe) Limited

## Notes to the Financial Statements (Continued)

For the year ended 31 December 2014

### 11 Statement of movements on profit and loss account

	Profit and loss account
	£
Balance at 1 January 2014	1,185,228
Profit for the year	1,286,557
Dividends paid	(800,000)
Balance at 31 December 2014	<u>1,671,785</u>

### 12 Reconciliation of movements in shareholders' funds

	2014 £	2013 £
Profit for the financial year	1,286,557	984,713
Dividends	(800,000)	(800,000)
Net addition to shareholders' funds	<u>486,557</u>	<u>184,713</u>
Opening shareholders' funds	1,385,228	1,200,515
Closing shareholders' funds	<u>1,871,785</u>	<u>1,385,228</u>

### 13 Directors' remuneration

	2014 £	2013 £
Remuneration for qualifying services	451,418	430,897
Company pension contributions to defined contribution schemes	28,966	24,234
	<u>480,384</u>	<u>455,131</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2013 - 1).

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

Remuneration for qualifying services	451,418	430,897
Company pension contributions to defined contribution schemes	28,966	24,234
	<u>480,384</u>	<u>455,131</u>



# AEW Global Advisors (Europe) Limited

## Notes to the Financial Statements (Continued)

For the year ended 31 December 2014

### 14 Employees

#### Number of employees

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

	2014 Number	2013 Number
Financial and administration	3	3

#### Employment costs

	2014 £	2013 £
Wages and salaries	767,034	825,286
Social security costs	111,302	113,554
Other pension costs	53,705	43,026
	932,041	981,866

### 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 Global Asset Management LP ('Natixis'), a limited partnership 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.

### 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.