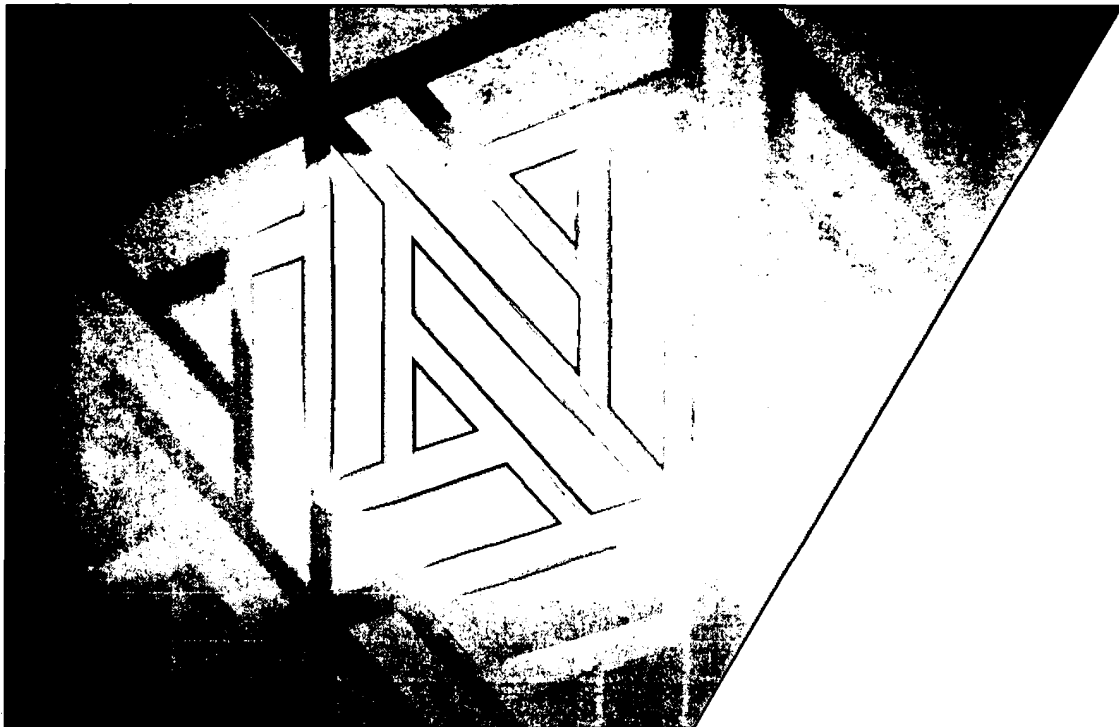




Registration number: 7073383

InfraRed European Active Real Estate Fund Trustee Limited

Directors' Report and Financial Statements
for the Year Ended 31 December 2020



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InfraRed European Active Real Estate Fund Trustee Limited

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InfraRed European Active Real Estate Fund Trustee Limited

Company Information

Directors D Hudson
A Katsaros
T G Thorp

Company secretary E Mendes

Registered office Level 7
One Bartholomew Close
Barts Square
London
EC1A 7BL

Banker HSBC Bank Plc
8 Canada Square
London
E14 5HQ

Auditor KPMG LLP
15 Canada Square
London
E14 5GL

InfraRed European Active Real Estate Fund Trustee Limited

Directors' Report for the Year Ended 31 December 2020

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

Principal activity

The Company's principal activity is to act as the Trustee of the InfraRed European Active Real Estate Fund Trust ("the Trust"). On 8 May 2019, the Trust's last remaining asset was sold and as a result the Trust is expected to be wound-up. Immediately following the distribution of the Trust's last assets, it is the directors intention to wind up the Trustee. Therefore the financial statements of the Trustee are not prepared on a going concern basis. The effect of this is explained in note 2.

Strategic report

The Company has taken advantage of the exemption provided for under section 414B (b) of the Companies Act 2006, and has not produced a strategic report.

Risk management

The Company is part of the InfraRed Partners LLP group ("the Group"). The Managing Partners of the Group ("the Managing Partners") are ultimately responsible for the Group's risk management framework, which includes the structure for risk governance or oversight, the identification and assessment of risks, and maintaining an appropriate system of internal controls.

Further to these principles, the Risk Oversight Committee ("ROC") provides oversight and challenge to the Group's reported risk profile, and identifies emerging issues and changes in business conditions that may affect the outlook, e.g. in respect of legal, regulatory or IT risks. The ROC reviews changes to the Group's quarterly risk matrices, considers internal and external audit and review findings, any operational errors and breaches of policy, and receives updates on the progress of agreed action plans.

An important part of the risk management framework is to have documented policies and procedures in place.

The directors consider the Company's risk management framework to be appropriate for a company of its size and complexity.

Financial risk management

The Company is subject to a number of financial risks throughout its business, primarily liquidity risk and credit risk.

Liquidity risk

Liquidity risk is the risk that the Company may be unable to meet its financial obligations as they fall due or can only do so at a significantly high cost. The Company's approach to managing liquidity is to first ensure that it meets all regulatory requirements and then to ensure, as far as possible, that it will always have sufficient funds to meet its liabilities when due.

The Company monitors its cash flow requirements daily and compares expected cash flow obligations with expected cash flow receipts to ensure they are appropriately aligned. By virtue of receiving the majority of management fees in advance, the Company is inherently liquid. The balance sheet of the Company is also largely held in cash with no indebtedness.

InfraRed European Active Real Estate Fund Trustee Limited

Directors' Report for the Year Ended 31 December 2020 (continued)

Credit risk

Credit risk is the risk of financial loss if a counterparty fails to meet its obligations to pay outstanding amounts as they fall due.

Credit risk for the Company primarily arises from its own working capital in liquid deposits and from receivables from funds (either directly or indirectly through fellow group companies) managed or advised by the Company.

With regards to working capital in liquid deposits, the Company only deposits money with appropriately rated banks or in liquidity funds or short term bonds. In relation to receivables from funds, credit risk stems largely from insolvency caused by investor default. This underlying risk is mitigated by investors' contractual obligation to commit capital, the forfeiture provisions of limited partnership agreements and the variety and diversity of investors. It is further controlled by an assessment of credit-worthiness prior to accepting investors.

Future developments

The Company will continue to act in its role as Trustee of the Trust with no other activities.

Dividends

The directors have declared dividends of £908 (2019: £2,964) in respect of the year ended 31 December 2020 of which £908 was paid during the year (2019: £2,964). Dividends are reflected in the financial statements in the period in which they are declared.

Directors of the Company

The directors who held office during the year were as follows:

C J Huxtable (resigned 31 July 2020)

D Hudson (appointed 21 September 2020)

A Katsaros

T G Thorp

Directors' liabilities

The Articles of Association of the Company provide that in certain circumstances the directors are entitled to be indemnified out of the assets of the Company against claims from third parties in respect of certain liabilities arising in connection with the performance of their functions, in accordance with the provisions of the UK Companies Act 2006. Indemnity provisions of this nature have been in place during the financial year but have not been utilised by the directors.

Disclosure of information to the auditor

Each person who is a director at the date of approval of this report confirms that so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and the Director has taken all the steps that he or she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information. This confirmation is given pursuant to section 418 of the Companies Act 2006 and should be interpreted in accordance therewith.

Reappointment of auditor

The auditor KPMG LLP is deemed to be reappointed under section 487 of the Companies Act 2006.

InfraRed European Active Real Estate Fund Trustee Limited

Directors' Report for the Year Ended 31 December 2020 (continued)

Approved by the Board on 16 April 2021 and signed on its behalf by:

Tim Thorp

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T G Thorp
Director

Registered Office
Level 7
One Bartholomew Close
Barts Square
London
EC1A 7BL

InfraRed European Active Real Estate Fund Trustee Limited

Statement of Directors' responsibilities in respect of the Directors' Report and the Financial Statements

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 they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

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 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;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so. As explained in note 2, the Directors do not believe that it is appropriate to prepare these financial statements on a going concern basis.

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 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, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

InfraRed European Active Real Estate Fund Trustee Limited

Independent Auditor's Report to the Members of InfraRed European Active Real Estate Fund Trustee Limited

Opinion

We have audited the financial statements of InfraRed European Active Real Estate Fund Trustee Limited ("the Company") for the year ended 31 December 2020, which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2020 and of its results for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Emphasis of matter - non-going concern basis of preparation

We draw attention to the disclosure made in note 2 to the financial statements which explains that the financial statements have not been prepared on the going concern basis for the reasons set out in that note. Our opinion is not modified in respect of this matter.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of the directors of whether they are aware of fraud and of the Company's high-level policies and procedures to prevent and detect fraud;
- Reading Board minutes.

InfraRed European Active Real Estate Fund Trustee Limited

Independent Auditor's Report to the Members of InfraRed European Active Real Estate Fund Trustee Limited (continued)

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because the Company had no revenue during the year.

We did not identify any additional fraud risks.

In determining the audit procedures, we took into account the results of our evaluation and testing of the operating effectiveness of the Company fraud risk management controls.

We also performed procedures including:

- identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted to unusual accounts;
- evaluating the business purpose of any significant unusual transactions.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the directors (as required by auditing standards) and discussed with the directors the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies' legislation), distributable profits and taxation legislation. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: data protection and certain aspects of company legislation recognising the nature of the Company's activities and its legal form.

InfraRed European Active Real Estate Fund Trustee Limited

Independent Auditor's Report to the Members of InfraRed European Active Real Estate Fund Trustee Limited (continued)

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws or regulation.

Directors' report

The directors are responsible for the directors' report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the directors' report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

InfraRed European Active Real Estate Fund Trustee Limited

Independent Auditor's Report to the Members of InfraRed European Active Real Estate Fund Trustee Limited (continued)

Directors' responsibilities

As explained more fully in their statement set out on page 4, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; 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; 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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 auditor's 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.

Kushan Tikkoo

.....
Kushan Tikkoo (Senior Statutory Auditor)
For and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants

15 Canada Square
London
E14 5GL

Date:.....16 April 2021

InfraRed European Active Real Estate Fund Trustee Limited

Statement of Comprehensive Income for the Year Ended 31 December 2020

	Note	2020 £	2019 £
Turnover		-	-
Operating profit/(loss)		-	-
Profit/(loss) before tax		-	-
Profit/(loss) for the financial year		-	-
Total comprehensive income for the financial year		-	-

The above results were derived from continuing operations.

The notes on pages 13 to 16 form an integral part of these financial statements.

InfraRed European Active Real Estate Fund Trustee Limited

(Registration number: 7073383)

Statement of Financial Position as at 31 December 2020

	Note	2020 £	2019 £
Current assets			
Cash at bank and in hand		<u>100</u>	<u>1,008</u>
Capital and reserves			
Called up share capital	6	100	100
Profit and loss account		<u>-</u>	<u>908</u>
Total equity		<u><u>100</u></u>	<u><u>1,008</u></u>

Approved and authorised by the Board on 16 April 2021 and signed on its behalf by:

Tim Thorp
.....

T G Thorp

Director

The notes on pages 13 to 16 form an integral part of these financial statements.

InfraRed European Active Real Estate Fund Trustee Limited

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

	Called up share capital £	Profit and loss account £	Total £
At 1 January 2019	100	3,872	3,972
Dividends	-	(2,964)	(2,964)
At 31 December 2019	<u>100</u>	<u>908</u>	<u>1,008</u>
	Called up share capital £	Profit and loss account £	Total £
At 1 January 2020	100	908	1,008
Dividends	-	(908)	(908)
At 31 December 2020	<u>100</u>	<u>-</u>	<u>100</u>

The notes on pages 13 to 16 form an integral part of these financial statements.

InfraRed European Active Real Estate Fund Trustee Limited

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

1 General information

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

The address of its registered office is:

Level 7

One Bartholomew Close

Barts Square

London

EC1A 7BL

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.

Statement of compliance

These financial statements were prepared in accordance with FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

Basis of preparation

These financial statements have been prepared using the historical cost convention.

In previous years, the financial statements have been prepared on a going concern basis. However, on 8 May 2019, the Trust's last remaining asset was sold and as a result the Trust is expected to be wound-up. Immediately following the distribution of the Trust's last assets, it is the directors intention to wind up the Trustee. Therefore the financial statements of the Trustee are not prepared on a going concern basis. There is no effect on the financial statements.

Turnover

Turnover is recognised to the extent that the Company obtains the right to consideration in exchange for its performance. Turnover comprises Trustee fees payable quarterly in arrears.

Tax

The tax expense for the period comprises tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

InfraRed European Active Real Estate Fund Trustee Limited

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

2 Accounting policies (continued)

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Short-term debtors and creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the statement of comprehensive income in other operating expenses.

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.

Judgements

When preparing the financial statements, it is the directors' responsibility to select suitable accounting policies and to make judgements and estimates that are reasonable and prudent. There are no accounting policies that are deemed critical to the Company's results and financial position, in terms of materiality of the items to which the policy is applied, which involve a high degree of judgement and estimation.

Dividends

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

Cash flow statement

The Company is a wholly-owned subsidiary of InfraRed Partners LLP and is included in the consolidated financial statements of InfraRed Partners LLP. Consequently, the Company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 102.1.12.

3 Information regarding directors and employees

Directors are not remunerated by the Company. The directors are all partners of InfraRed Partners LLP ("LLP"), the parent undertaking and are remunerated through profit shares from the LLP.

The number of persons employed by the Company during the year was nil (2019: nil).

InfraRed European Active Real Estate Fund Trustee Limited

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

4 Auditor's remuneration

The auditor's remuneration for statutory audit services was £3,000 (2019: £2,760), and was borne by a fellow group subsidiary and relates solely to amounts paid to KPMG LLP.

5 Taxation

The tax on profit before tax for the year is the same as the standard rate of corporation tax in the UK (2019 - the same as the standard rate of corporation tax in the UK) of 19% (2019 - 19%).

	2020 £	2019 £
Profit/(loss) before tax	-	-
Corporation tax at standard rate	-	-
Total tax charge/(credit)	-	-

Factors affecting current and future tax charges

The Government has confirmed an increase to the UK corporation tax rate from 19% to 25%, with effect from 1 April 2023. In addition, the 19% rate will continue to apply to companies with profits of not more than £50,000, with marginal relief for profits of up to £250,000. The company is expected to be subject to the 25% UK corporation tax rate, once enacted. This measure is not regarded as being substantively enacted, as such the 19% rate has been applied to deferred tax balance sheet amounts.

6 Share capital

Allotted, called up and fully paid shares

	No.	2020 £	No.	2019 £
Ordinary shares of £1 each	100	100	100	100

7 Related party transactions

As a wholly owned subsidiary of InfraRed Partners LLP, the Company has taken advantage of the exemption granted by FRS 102.33.1A not to disclose related party transactions between it and other fellow wholly owned group companies.

InfraRed European Active Real Estate Fund Trustee Limited

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

8 Parent and ultimate parent undertaking

The immediate parent undertaking of the Company is InfraRed Capital Partners (HoldCo) Limited.

The ultimate parent undertaking of the Company is Sun Life Financial Inc, with a registered address of 1 York Street, Toronto, Ontario, Canada, M5J 0B6, which is the largest group which consolidates the results of the Company.

The smallest group is InfraRed Partners LLP, with a registered address of Level 7, One Bartholomew Close, Barts Square, London, EC1A 7BL, which also consolidates the results of the Company.

The consolidated financial statements of this group are available to the public and may be obtained from Companies House.

9 Subsequent events

There were no events post the statement of financial position date requiring disclosure in these financial statements.