

Cromwell European Holdings Limited and its controlled entities

Annual report and financial statements

For the year ended 30 June 2019



Registration Number: 09381845

Cromwell European Holdings Limited

Registration number: 09381845

ANNUAL REPORT AND FINANCIAL STATEMENTS

For the year ended 30 June 2019

<u>CONTENTS</u>	<u>PAGE</u>
Directors, officers and professional service providers	2
Strategic report for the year ended 30 June 2019	3
<i>Directors' report for the year ended 30 June 2019</i>	5
Independent auditors' report to the members of Cromwell European Holdings Limited	7
Group income statement for the year ended 30 June 2019	9
<i>Group statement of comprehensive income for the year ended 30 June 2019</i>	10
<i>Group statement of financial position as at 30 June 2019</i>	11
Group statement of changes in equity for the year ended 30 June 2019	12
Group statement of cash flows for the year ended 30 June 2019	13
Notes to the group financial statements for the year ended 30 June 2019	14
<i>Parent entity statement of financial position as at 30 June 2019</i>	46
<i>Parent entity statement of changes in equity for the year ended 30 June 2019</i>	47
<i>Parent entity statement of cash flows for the year ended 30 June 2019</i>	48
Notes to the parent entity financial statements for the year ended 30 June 2019	49

Cromwell European Holdings Limited

Registration number: 09381845

DIRECTORS, OFFICERS AND PROFESSIONAL SERVICE PROVIDERS

THE BOARD OF DIRECTORS

PL Weightman
MA McLaughlin

COMPANY SECRETARY

Cromwell Corporate Secretarial Limited

REGISTERED OFFICE

1st Floor, Unit 16 Manor Court Business Park
Eastfield
Scarborough
North Yorkshire
England
YO11 3TU

INDEPENDENT AUDITORS

Deloitte LLP
Statutory Auditors
1 City Square
Leeds
United Kingdom
LS1 2AL

BANKERS

Bank of Scotland
2nd Floor
New Uberior House
11 Earl Grey Street
Edinburgh
EH3 9BN

Cromwell European Holdings Limited

Registration number: 09381845

STRATEGIC REPORT

For the year ended 30 June 2019

The Directors present their strategic report on the affairs of Cromwell European Holdings Limited and its controlled entities ('the Group') for the year ended 30 June 2019.

PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS

The principal continuing activity of the Group consists of real estate investment management. The principal activity of the Company is that of a holding company.

The Group recorded a net loss for the year of €5,892k (2018: loss for the year of €46,595k) and is in a net deficit position of €5,705k (2018: net deficit position €40,806k). In the year the Group had net cash outflows from operating activities of €3,343k (2018: cash inflows of €4,877k).

Real Estate Investment Management

The Group manages 25 property funds and mandates in Europe comprising 205 assets with approximately 3,000 tenants. It operates in 12 different countries through 20 offices and had assets under management ("AUM") at the balance sheet date of approximately €3.8bn (2018: €3.9bn).

The Group derives revenue from fund and asset management fees based principally on the AUM or rental/net operating income of the fund, as well as other fees for accounting, leasing and property and development management. The Group also earns acquisition and/or disposal fees on some of its funds such fees generally being calculated as a percentage of the total acquisition or sales price.

During the year the Group earned total revenues from fund management and associated operations of €39,353k (2018: €45,730k) which is in line with management expectations.

Future Prospects

The Group will seek opportunities to grow organically through the launch of new funds, portfolio acquisitions by partnering with existing investors and securing bank workout/restructuring mandates.

GOING CONCERN

The Directors have prepared long term cash flow forecasts for the Group and notwithstanding the result for the current year, based on these they have a reasonable expectation the Group has adequate resources to continue in operational existence for a period of at least 12 months from the date of approval of these financial statements.

The Group has obtained confirmations that the Group's immediate and ultimate controlling parent entity, Cromwell Corporation Limited, will continue to support the Group and that the Group will not be required to repay the loans due to Cromwell Corporation Limited, unless it is able to do so, for a period of at least 12 months from the date of approval of these financial statements.

Accordingly, taking the above into consideration, the Directors continue to adopt the going concern basis in preparing the report and financial statements.

Cromwell European Holdings Limited

Registration number: 09381845

STRATEGIC REPORT

For the year ended 30 June 2019

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks and uncertainties which impact on the Company and its subsidiaries mainly relate to the health of the property market and, in particular, the degree of investor interest in real estate as an asset class.

Reliance on property market conditions

The Group's revenue and net asset value can be adversely affected by a downturn in real estate markets in Europe.

Revenues derived from fund and asset management, which represent approximately €24.2m (2018: €23.6m) in the current year, are generally a function of the value of the AUM. A fall in property values would therefore have an adverse impact on Group revenues.

General market conditions are outside of the Group's control but to help mitigate the risk, the Group's AUM is spread across 11 European countries (2018: 13) with no one country representing more than 25% of the total of €3.8bn. In addition the Group manages assets in a range of sectors including office, retail, light industrial and logistics. No single asset class accounts for more than 50% of the total AUM of the Group.

Impact of United Kingdom European Union membership referendum ("Brexit")

On 23 June 2016 the United Kingdom ("UK") electorate voted to leave the European Union ("EU"). This decision commenced a process that is taking several years to fully complete. There has been a continued resultant period of uncertainty and volatility for the UK economy and real estate and financial markets, which is expected to continue until after the UK formally withdraws from the EU. This has not materially impacted the fair value of assets and liabilities reported in the balance sheet at 30 June 2019, but may impact these in future, as well as the value of managed investment property, the value of which is the basis for a significant portion of fee income. Of total AUM, UK based real estate represents 5%.

KEY PERFORMANCE INDICATORS

The Directors view total AUM as the most effective measure of progress towards achieving the Group's fund and asset management goals. Total AUM is the measure of the total value of properties managed by the Group through its managed funds. A large proportion of the income received by the Group is directly linked to this value. Total AUM at 30 June 2019 stood at €3.8bn (2018: €3.9bn). The Group aims to develop a sustainable business model through investment and market cycles. To achieve this it is targeting an increase in the proportion of recurring fees earned by the Group by increasing AUM in long-dated funds such as CEREIT year on year.

FINANCIAL RISK MANAGEMENT

The Group's financial risk management objectives and policies and details of exposure to market risk, credit risk, liquidity risk, cash flow interest rate risk and foreign currency risk are disclosed in note 26 to the financial statements.

Approved by the Board and signed on its behalf by:



MA McLaughlin
Director

3 October 2019

Cromwell European Holdings Limited

Registration number: 09381845

DIRECTORS' REPORT

For the year ended 30 June 2019

The Directors present their annual report on the affairs of Cromwell European Holdings Limited (the 'Company') and the entities it controls (the 'Group') together with the auditors' reports and audited consolidated financial statements for the year ended 30 June 2019.

DIVIDENDS

During the year a dividend of €nil was declared by the Directors and paid to the parent entity (2018: €10,000k). No post year end dividend has been proposed.

ETHICAL POLICY

The Company and Group are committed to working with our customers, suppliers and contractors to promote responsible working and trading practices.

EMPLOYEES

The Group is committed to employment policies, which follow best practice, based on equal opportunities for all employees irrespective of sex, race, colour, disability or marital status. The Group gives full and fair consideration to applications for employment from disabled persons, having regard to their particular aptitudes and abilities. Appropriate arrangements are made for the continued employment and training, career development and promotion of disabled persons employed by the group. If Directors or staff become disabled the Group continues employment, either in the same or an alternative position, with appropriate retraining being given if necessary.

The Group systematically provides employees with information on matters of concern to them, consulting them or their representatives regularly, so that their views can be taken into account when making decisions that are likely to affect their interests. *Employee involvement in the Group is encouraged, as achieving a common awareness on the part of all employees of the financial and economic factors affecting the Group plays a major role in maintaining its employees.* The Group encourages the involvement of its employees by means of open communication and *group-wide activities.*

FUTURE DEVELOPMENTS

Please refer to the information contained within the Strategic Report on Page 3.

FINANCIAL RISK MANAGEMENT

Please refer to the information contained within the Strategic Report on Page 4.

GOING CONCERN

Please refer to the information contained within the Strategic Report on Page 3.

DIRECTORS

The Directors who, unless otherwise stated, served throughout the year ended 30 June 2019 and up to the date of signing the financial statements were as follows:

PL Weightman
MA McLaughlin
C Treacy

(Resigned 15 February 2019)

Cromwell European Holdings Limited

Registration number: 09381845

DIRECTORS' REPORT

For the year ended 30 June 2019

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the group financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and company financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. 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 group and company and of the profit or loss of the group and company for that period. In preparing these financial statements, International Accounting Standard 1 requires that directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable financial information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the company's ability to continue as a going concern.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company and enable them to ensure that the financial statements comply with the Companies Act 2006 and, as regards the group financial statements, Article 4 of the IAS Regulation. They are also responsible for safeguarding the assets of the group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the group's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Directors' confirmations

In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the group and company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the group and company's auditors are aware of that information

INDEPENDENT AUDITORS

The auditors, Deloitte LLP, were appointed in the period and have indicated their willingness to continue in office.

Approved by the Board and signed on its behalf by:



MA McLaughlin
Director

3 October 2019

Cromwell European Holdings Limited

Registration number: 09381845

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CROMWELL EUROPEAN HOLDINGS LIMITED

Independent auditor's report to the members of Cromwell European Holdings Limited

Report on the audit of the financial statements

Opinion

In our opinion:

- the financial statements of Cromwell European Holdings Limited (the 'parent company') and its subsidiaries (the 'group') give a true and fair view of the state of the group's and of the parent company's affairs as at 30 June 2019 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the consolidated income statement;
- the consolidated statement of comprehensive income;
- the consolidated and parent company statement of financial position;
- the consolidated and parent company statements of changes in equity;
- the consolidated cash flow statement;
- the related notes 1 to 26 of the group financial statements; and
- the related notes 1 to 11 of the parent entity financial statements.

The financial reporting framework that has been applied in their preparation is applicable law and IFRSs as adopted by the European Union and, as regards the parent company financial statements, as applied in accordance with the provisions 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 under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (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 are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in 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.

We have nothing to report in respect of these matters.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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 respect of these matters.

Cromwell European Holdings Limited

Registration number: 09381845

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CROMWELL EUROPEAN HOLDINGS LIMITED

Responsibilities of directors

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, and for such internal control 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 directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the group and of the parent company and their environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

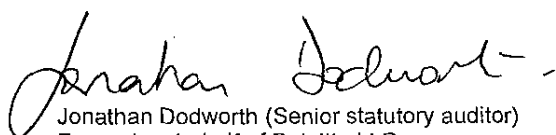
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

We have nothing to report in respect of these matters.

Use of our report

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.



Jonathan Dodworth (Senior statutory auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

Leeds, United Kingdom

3 October 2019

Cromwell European Holdings Limited

Registration number: 09381845

GROUP INCOME STATEMENT

For the year ended 30 June 2019

	Note	2019 €'000	2018 €'000
REVENUE	2	39,353	45,730
Administrative expenses		(40,681)	(42,924)
Fair value loss on co-investments held at fair value through profit and loss	3	(1,243)	(724)
Impairment of intangibles	3, 15	(57)	(46,325)
OPERATING LOSS BEFORE JOINT VENTURE / ASSOCIATES RESULTS	3	(2,628)	(44,243)
Share of pre-tax profit from joint ventures/associates		353	1,434
Share of joint ventures' tax		1	(291)
Share of post-tax profit from joint ventures/associates accounted for using the equity method	13(a)	354	1,143
Finance income	6	197	274
Finance costs	6	(3,574)	(4,524)
LOSS BEFORE TAX		(5,651)	(47,350)
Income tax (expense)/credit	7	(241)	755
LOSS FOR THE YEAR		(5,892)	(46,595)
Attributable to:			
Owners of Cromwell European Holdings Limited		(5,981)	(46,564)
Non-controlling interests		89	(31)
LOSS FOR THE YEAR		(5,892)	(46,595)

Cromwell European Holdings Limited

Registration number: 09381845

GROUP STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2019

	2019 €'000	2018 €'000
Loss for the year	(5,892)	(46,595)
Other comprehensive income for the year:		
Items that may subsequently be reclassified to profit and loss		
Exchange differences arising during the year	186	71
Total comprehensive expense for the year	(5,706)	(46,524)
Total comprehensive expense for the year attributable to:		
Owners of Cromwell European Holdings Limited	(5,795)	(46,493)
Non-controlling interest	89	(31)
Total comprehensive expense for the year	(5,706)	(46,524)

Cromwell European Holdings Limited

Registration number: 09381845

GROUP STATEMENT OF FINANCIAL POSITION

As at 30 June 2019

	Note	2019 €'000	2018 €'000
Non-current assets			
Other financial assets	12	19,567	16,216
Investments accounted for using the equity method	13	886	966
Property, plant and equipment	14a	1,821	625
Investment property under construction	14b	-	4,721
Intangible assets	15	1,693	567
Total non-current assets		23,967	23,095
Current assets			
Cash and cash equivalents	8	5,345	18,062
Current tax receivables	9	338	1,520
Loans to related parties	23	1,152	1,109
Trade and other receivables	10	15,482	15,987
Developments held for sale	11	9,636	-
Total current assets		31,953	36,678
Total assets		55,920	59,773
Current liabilities			
Payables	16	(14,559)	(18,325)
Loans from related parties	23	(42,182)	(1,031)
Current tax liabilities	17	(216)	(111)
Total current liabilities		(56,957)	(19,467)
Net current assets/(liabilities)		(25,004)	17,211
Non-current liabilities			
Payables	16	(4,668)	-
Loans from related parties	23	-	(81,112)
Deferred tax liabilities	18	-	-
Total non-current liabilities		(4,668)	(81,112)
Total liabilities		(61,625)	(100,579)
Net liabilities		(5,705)	(40,806)
Equity			
Ordinary shares	19a	16,746	16,746
Preference shares	19b	40,807	-
Share premium	19	-	-
Translation reserve	20	(440)	(626)
Accumulated losses		(63,500)	(57,188)
Equity attributable to owners of the company		(6,387)	(41,068)
Non-controlling interest		682	262
Total equity		(5,705)	(40,806)

The financial statements on pages 9 to 45 were approved and authorised for issue by the Board of Directors on 3 October 2019 and were signed on its behalf by

MA McLaughlin
Director

Cromwell European Holdings Limited

Registration number: 09381845

GROUP STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2019

	Ordinary shares €'000	Preference shares €'000	Share premium €'000	Translation reserve €'000	Accumulated losses €'000	Non- Controlling interest €'000	Total (deficit) /equity €'000
Balance at 1 July 2018	16,746	-	-	(626)	(57,188)	262	(40,806)
Loss for the year	-	-	-	-	(5,981)	89	(5,892)
Other comprehensive income	-	-	-	186	-	-	186
Total comprehensive expense for the year	-	-	-	186	(5,981)	89	(5,706)
Issuance of preference shares	-	40,807	-	-	-	-	40,807
Reclassification of non- controlling interest	-	-	-	-	(331)	331	-
Balance at 30 June 2019	16,746	40,807	-	(440)	(63,500)	682	(5,705)
Balance at 1 July 2017	100	-	10,800	(697)	(11,424)	413	(808)
Loss for the year	-	-	-	-	(46,564)	(31)	(46,595)
Other comprehensive income	-	-	-	71	-	-	71
Total comprehensive expense for the year	-	-	-	71	(46,564)	(31)	(46,524)
Capital reduction	-	-	(10,800)	-	10,800	-	-
Issuance of shares	16,646	-	-	-	-	-	16,646
Dividends paid or provided	-	-	-	-	(10,000)	-	(10,000)
Disposals of non- controlling interests	-	-	-	-	-	(120)	(120)
Balance at 30 June 2018	16,746	-	-	(626)	(57,188)	262	(40,806)

Cromwell European Holdings Limited

Registration number: 09381845

GROUP STATEMENT OF CASH FLOWS

For the year ended 30 June 2019

	2019 €'000	2018 €'000
Cash flows from operating activities		
Cash receipts in course of operations	50,250	49,038
Cash payments in course of operations	(61,006)	(45,011)
Interest received	70	153
Interest paid	(254)	(19)
Distribution from other financial assets	1,850	1,882
Income tax refunded/(paid)	1,061	(1,166)
Net cash (outflow) / inflow from operating activities	(8,029)	4,877
Cash flows from investing activities		
Payment for property, plant and equipment	(6,619)	(5,081)
Payments for intangibles	(1,497)	(710)
Purchase of financial assets at fair value through profit or loss	(563)	(162)
Proceeds from the disposal of property, plant and equipment	-	4
Proceeds from the disposal of financial assets	1,247	10,456
Net cash (outflow) / inflow from investing activities	(7,432)	4,507
Cash flows from financing activities		
Loans to third parties	(215)	(1,140)
Loans to third parties repaid	536	1,807
Loan to joint ventures	(56)	-
Loan to related parties repaid	524	282
Loan from parent entity repaid	(2,550)	(1,500)
Dividends paid to parent entity	-	(10,000)
Bank loans received	4,686	-
Net cash inflow / (outflow) from financing activities	2,925	(10,551)
Net decrease in cash and cash equivalents	(12,536)	(1,167)
Cash and cash equivalents at the beginning of the financial year	18,062	19,602
Effect of exchange rate changes on cash and cash equivalents	(181)	(373)
Cash and cash equivalents at the end of the financial year	5,345	18,062

Material non-cash financing transaction

During the period preference share capital of €40,807k was issued to Cromwell Corporation Limited, the immediate parent company, the proceeds being used to repay the same amount of deep discounted bonds issued to that company.

Cromwell European Holdings Limited

Registration number: 09381845

NOTES TO THE GROUP FINANCIAL STATEMENTS

For the year ended 30 June 2019

1. Accounting policies

The Group financial information incorporates the financial statements of Cromwell European Holdings Limited (the 'Company') and its subsidiaries (together the 'Group').

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied throughout the period, unless otherwise stated.

1.1 Basis of preparation

These financial statements have been prepared in accordance with European Union ("EU") Endorsed International Financial Reporting Standards ("IFRSs"), IFRS Interpretations Committee interpretations and those parts of the Companies Act 2006 applicable to entities reporting under IFRS. The financial statements have been prepared under the historic cost convention, as modified by financial assets held at fair value through profit and loss.

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed on page 23.

The Group has taken advantage of the exemption from the preparation of partnership accounts of certain subsidiaries provided by Regulation 7 of The Partnership (Accounts) Regulations 2008.

Certain subsidiaries have claimed exemption from audit of their financial statements under s479A of the Companies Act 2006.

General information

The Group financial statements are presented in Euros (the Group's functional currency) and all values are rounded to the nearest thousand Euros (€'000) except where otherwise indicated. The Group financial statements consolidate the financial statements of Cromwell European Holdings Limited and the entities it controls (its subsidiaries).

The Company is a private company limited by shares which is not listed and is incorporated and domiciled in the UK. The address of its registered office is 1st Floor, Unit 16 Manor Court Business Park, Eastfield, Scarborough, North Yorkshire, England YO11 3TU.

New and amended standards adopted by the Group

The following new standards, amendments to standards and interpretations are mandatory for the first time for the financial year beginning 1 July 2018, and have been adopted by the Group:

- IFRS 9 'Financial instruments' (effective 1 January 2018)

IFRS 9 Financial Instruments replaces IAS 39 Financial Instruments: Recognition and Measurement for periods beginning on or after 1 January 2018, bringing together all three aspects of accounting for financial instruments: classification and measurement; impairment; and hedge accounting. Under IFRS 9, the group recognises the gain or loss on a non-substantial modification of debt through the profit and loss account, amortised over the life of the financial liability through the effective interest rate. In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model as opposed to an incurred credit loss model under IAS 39. The expected credit loss model requires the group to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition of the financial assets. There are no material changes to the amounts in the financial statements in relation to the adoption of IFRS 9.

- IFRS 15 'Revenue from contracts with customers' and Amendments to IFRS 15 (both effective 1 January 2018)

IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised, and replaces IAS 18: revenue, and IFRIC 18: transfers of assets from customers. Revenue is recognised either when the performance obligation in the contract has been performed ("point in time") or "over time" as control of the performance obligation is transferred to the customer. There are no material changes to the amounts in the financial statements in relation to the adoption of IFRS 15.

Cromwell European Holdings Limited

Registration number: 09381845

NOTES TO THE GROUP FINANCIAL STATEMENTS

For the year ended 30 June 2019

1.1 Basis of preparation (continued)

New and amended standards not currently relevant to the Group

The following new standards, amendments to standards and interpretations are mandatory for the first time for the financial year beginning 1 July 2018, but are not currently relevant to the Group:

- IFRIC 22 'Foreign currency transactions and advance consideration' (effective 1 January 2018)
- Annual Improvements 2014-16, (effective 1 January 2018)

New and amended standards not effective for current financial year

The following new standards and amendments have been issued but are not effective for the financial year beginning 1 July 2018 and have not been adopted early:

- Amendments to IFRS 2 'Share-based payment' on clarifying how to account for certain types of share-based payment transactions (effective 1 January 2019)
- Annual Improvements 2015-17, (effective 1 January 2019)
- Amendments to IAS 28, 'Investments in associates' on long term interests in associates and joint ventures (effective 1 January 2019)
- IFRIC 23, 'Uncertainty over income tax treatments' (effective 1 January 2019)

The impact of the above standards is not expected to be material.

- IFRS 16 'Leases' (effective 1 January 2019)

From 1 July 2019 IFRS 16 will supersede the current lease guidance including IAS 17 Leases and the related Interpretations. IFRS 16 distinguishes between leases and service contracts on the basis of whether the use of an identified asset is controlled by the customer. Control is considered to exist if the customer has a) the right to obtain substantially all of the economic benefits from the use of an identified asset; and b) the right to direct the use of that asset. The new definition in IFRS 16 will not materially change the scope of contracts that meet the definition of a lease for the Group.

IFRS 16 will also change how the Group accounts for leases previously classified as operating leases under IAS 17, which were off-balance sheet. The Group will

- a) Recognise right-of-use assets and lease liabilities in the consolidated statement of financial position, initially measured at the present value of the future lease payments;
- b) Recognise depreciation of right-of-use assets and interest on lease liabilities in the consolidated statement of profit or loss;
- c) Separate the total amount of cash paid into a principal portion (presented within financing activities) and interest (presented within operating activities) in the consolidated cash flow statement.

A preliminary assessment shows that the group will recognise a right-of-use asset of €6.6m and a corresponding lease liability of €6.6m in respect of all these leases in the statement of financial position. There is not expected to be a material impact on the statement of profit or loss or the consolidated cash flow statement.

Going concern

The Directors have prepared long term working capital forecasts for the Group, including considering alternative scenarios based upon key sensitivities. Notwithstanding the result for the current year, based on these forecasts the Directors have a reasonable expectation the Group has adequate resources to continue in operational existence for a period of at least 12 months from the date of approval of these financial statements.

The Group has obtained confirmations that the Group's immediate and ultimate controlling parent entity, Cromwell Corporation Limited, will continue to support the Group and that the Group will not be required to repay the loans due to Cromwell Corporation Limited, unless it is able to do so, for a period of at least 12 months from the date of approval of these financial statements.

Cromwell European Holdings Limited

Registration number: 09381845

NOTES TO THE GROUP FINANCIAL STATEMENTS

For the year ended 30 June 2019

1.1 Basis of preparation (continued)

Going concern (continued)

Accordingly, taking the above into consideration, the Directors continue to adopt the going concern basis in preparing the report and financial statements.

1.2 Basis of Consolidation

The Group financial information incorporates the financial statements of Cromwell European Holdings Limited and its subsidiaries.

(a) Subsidiaries

Subsidiaries are entities controlled by the Group. Control exists when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The acquisition method of accounting is used to account for the business combinations by the Group (refer to note 1.2(d)).

Inter-entity transactions, balances and unrealised gains on transactions between Group entities are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the statement of comprehensive income and the balance sheet respectively.

Investments in subsidiaries are accounted for at cost in the individual financial statements of the Company. A list of subsidiaries appears in note 4 to the parent entity financial statements.

(b) Associates

The Group's interests in its associates, being those entities over which it has significant influence and which are neither subsidiaries nor joint ventures, are accounted for using the equity method of accounting.

Under the equity method, the investment in an associate is carried in the statement of financial position at cost plus post-acquisition changes in the Group's share of net assets of the associate, less distributions received and less any impairment in the value of individual investments. The Group income statement reflects the share of the associate's results after tax.

Any goodwill arising on the acquisition of an associate, representing the excess of the cost of the investment compared to the Group's share of the net fair value of the associate's identifiable assets, liabilities and contingent liabilities, is included in the carrying amount of the associate and is not amortised. To the extent that the net fair value of the associate's identifiable assets, liabilities and contingent liabilities is greater than the cost of the investment, a gain is recognised and added to the Group's share of associate's profit or loss in the year in which the investment is acquired.

The financial statements of the associates are not all prepared to the same financial year end. However, quarterly and interim financial statements are prepared to take account of any differences in the reporting dates. Adjustments are made to bring into line any dissimilar accounting policies that may exist and eliminate the Group's share of unrealised gains and losses on transactions between the Group and its associated entities.

Cromwell European Holdings Limited

Registration number: 09381845

NOTES TO THE GROUP FINANCIAL STATEMENTS

For the year ended 30 June 2019

1.2 Basis of Consolidation (continued)

(c) Joint arrangements

Investments in joint arrangement are classified as either joint operations or joint ventures. The classification depends upon the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement.

Interests in joint venture entities are accounted for in the Group's financial statements using the equity method. Under the equity method, the share of the profits or losses of the joint venture entity is recognised in profit or loss, and the share of movements in reserves is recognised in reserves.

Profits or losses on transactions establishing the joint venture entity and transactions with the joint venture are eliminated to the extent of the Group's ownership interest until such time as they are realised by the joint venture entity on consumption or sale, unless they relate to an unrealised loss that provides evidence of the impairment of an asset transferred.

Where relevant, the Group recognises its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses, and these are incorporated in the financial statements under the appropriate headings.

(d) Business combinations

The acquisition method of accounting is used to account for all business combinations regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes the fair value of any contingent consideration and the fair value of any pre-existing equity interest in the subsidiary. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the Group's share of the net identifiable assets acquired are recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets acquired and the measurement of all amounts has been reviewed, the difference is recognised directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions. Contingent consideration is classified as either equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

Cromwell European Holdings Limited

Registration number: 09381845

NOTES TO THE GROUP FINANCIAL STATEMENTS

For the year ended 30 June 2019

1.3 Summary of other significant accounting policies

(a) Foreign currency translation

Functional and presentation currency

Transactions in foreign currencies are initially recorded in the functional currency by applying the spot exchange rate ruling at the date of the transaction.

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Euros, which is the Group's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the income statement within 'finance income' or 'finance cost'. All other foreign exchange gains and losses are presented in the income statement within 'administrative expenses'.

Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets such as equities classified as available-for-sale are included in the available-for-sale reserve in equity.

Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated in the presentation currency as follows:

- (i) assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- (ii) income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- (iii) all resulting exchange differences are recognised as a separate component of equity.

(b) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is recognised either when the performance obligation in the contract has been performed ("point in time") or "over time" as control of the performance obligation is transferred to the customer. Revenue is measured at the fair value of the consideration received excluding VAT. The following criteria must also be met before revenue is recognised:

- i) **Rendering of services**
Commissions and fees, excluding VAT, arise from fund, asset, property and project management services. Recurring fees are recognised on an accruals basis. Additional variable performance fees are recognised upon completion of the performance period or in line with fulfilment of obligations under the contract. Such commissions and fees are classified as revenue in the income statement.
- ii) **Dividend income**
Dividend income is recognised when the Group's right to receive payment is established. This is recognised within revenue within the income statement.

(c) Finance income

Finance revenue includes bank interest receivable. Finance revenue is recognised on an accruals basis.

Cromwell European Holdings Limited

Registration number: 09381845

NOTES TO THE GROUP FINANCIAL STATEMENTS

For the year ended 30 June 2019

1.3 Summary of other significant accounting policies (continued)

(d) Income taxes

Current Tax

The expense or credit for current tax is based on the results for the period adjusted for items that are either not subject to taxation or for expenditure which cannot be deducted in computing the tax expense or credit. The tax expense or credit is calculated using taxation rates that have been enacted or substantively enacted at the balance sheet date.

Deferred Tax

Deferred tax is recognised using the balance sheet liability method on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax basis used in the computation of taxable profit. Deferred tax is recognised in respect of all taxable temporary differences, with certain limited exceptions:

- deferred tax is not provided on the initial recognition of an asset or liability in a transaction that does not affect accounting profit or taxable profit and is not a business combination; and
- deferred tax assets are only recognised if it is probable that there will be sufficient profits from which the future reversal of the temporary differences can be deducted. In deciding whether future reversal is probable, the Directors review the Group's forecasts and make an estimate of the aggregate deferred tax asset that should be recognised. This aggregate deferred tax asset is then allocated into the different categories of deferred tax.

Deferred tax is calculated at the tax rates that are expected to apply in the periods in which temporary differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date. Deferred tax is charged or credited to the income statement, except where it applies to items credited or charged to equity, in which case the deferred tax is also dealt with in equity.

(e) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions and other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value.

(f) Financial instruments and derivatives

The Group recognises financial instruments when it becomes party to the contractual provisions of the instrument. Financial assets are derecognised when the contractual right to receive the cash flows expires or it has transferred the financial asset and the economic benefit of the cash flows. Financial liabilities are derecognised when the obligation specified in the contract is discharged, cancelled or expires.

Financial instruments are used to support the Group's operations. Interest is charged to the income statement as incurred or earned. Issue costs for instruments subsequently recorded at amortised cost are netted against the fair value of the related debt instruments on initial recognition and are charged to the income statement over the term of the relevant facility.

Financial instruments are recorded initially at fair value. Subsequent measurement depends on the designation of the instrument, as follows:

- (i) Financial assets/liabilities held for short-term gain, including derivatives other than hedging instruments, are measured at fair value and movements in fair value are credited/charged to the income statement in the period.
- (ii) Loans and receivables/payables and non-derivative financial assets/liabilities with fixed or determinable payments that are not quoted in an active market are measured at amortised cost. These are included in current assets/liabilities except for instruments that mature after more than 12 months which are included in non-current assets/liabilities.

In relation to the impairment of financial assets, the Group accounts for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition of the financial assets.

Cromwell European Holdings Limited

Registration number: 09381845

NOTES TO THE GROUP FINANCIAL STATEMENTS

For the year ended 30 June 2019

1.3 Summary of other significant accounting policies (continued)

(g) Financial assets and liabilities

Classification

The Group classifies its financial assets in the following categories: loans and receivables and financial assets at fair value through profit and loss. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

i) **Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets.

ii) **Financial assets at fair value through profit or loss**

Financial assets at fair value through profit or loss are those that are designated by the entity as fair value through profit or loss upon initial recognition as they meet the criteria for this designation. Assets in this category are classified as current assets if expected to be settled within 12 months, otherwise they are classified as non-current.

Recognition and measurement

Regular purchases and sales of financial assets are recognised on the trade-date – the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets are held at fair value.

(h) Impairment of financial assets

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The asset's carrying amount of the asset is reduced and the amount of the loss is recognised in the consolidated income statement. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Group may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the consolidated income statement.

(i) Trade and other receivables

Trade and other receivables are recognised initially at fair value and are subsequently measured at amortised cost using the effective interest rate method less any provision for impairment. The general credit terms are 30 days.

Provisions are made when there is objective evidence that the Group will not be able to recover balances in full. Balances are written off when the probability of recovery is assessed as being remote. When a trade receivable is uncollectible, it is written off against an allowance amount.

Cromwell European Holdings Limited

Registration number: 09381845

NOTES TO THE GROUP FINANCIAL STATEMENTS

For the year ended 30 June 2019

1.3 Summary of other significant accounting policies (continued)

(j) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, do not qualify as trading assets and have not been designated as either fair value through profit or loss or available for sale. Such assets are carried at amortised cost using the effective interest method. Gains and losses are recognised in income when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

A loan or receivable is derecognised upon receipt of cash or where the right to receive cash flows from the asset has expired. The Group must assess at each statement of financial position date whether there is any objective evidence that an impairment loss has been incurred. If there is objective evidence the loss must be recognised in the Group income statement. The amount of the loss is determined by looking at the carrying value and comparing it with the present value of the future cash flows discounted at the effective interest rate.

(k) Investments in launched funds

The Group's minority interests in launched property funds are accounted for as financial assets at fair value through profit or loss. Minority interests are typically not more than 5%.

(l) Property, plant and equipment

Property, plant and equipment is stated at historic cost less accumulated depreciation and any impairment losses. The historic cost comprises the purchase price and any costs directly attributable to making the asset capable of operating as intended.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the items will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation on all property, plant and equipment is calculated using the straight-line method to allocate their cost or revalued amounts to the residual values over their estimated useful lives, as follows:

	Estimated useful life
Leasehold improvements	Term of lease
Computer equipment	3 years
Office furniture and fittings	3-5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

(m) Investment property under construction

Properties held as investment properties are accounted for at valuation in accordance with IAS 40 'Investment Property' or if appropriate, in inventories as assets held for disposal. Investment property under construction is measured at fair value. The fair values are determined by obtaining a valuation prepared in accordance with the current edition of the Appraisal and Valuation Standards published by the Royal Institution of Chartered Surveyors. Valuations are carried out by either external, independent valuation firms having appropriate, recognised professional qualifications and recent experience in the location and category of property being valued, or by suitably qualified executives of the asset manager. Changes in fair values are recorded in the income statement.

(n) Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in 'intangible assets'. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combinations in which the goodwill arose identified according to the operating segment. See note 15 for further information in relation the methodology used for testing impairment of goodwill.

Cromwell European Holdings Limited

Registration number: 09381845

NOTES TO THE GROUP FINANCIAL STATEMENTS

For the year ended 30 June 2019

1.3 Summary of other significant accounting policies (continued)

(o) Other Intangible assets

Intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses. Intangible assets created within the business are not capitalised and expenditure is charged to the income statement in the period in which the expenditure is incurred. An intangible asset acquired as part of a business combination is recognised outside goodwill if the asset is separable or arises from contractual or other legal rights and its fair value can be reliably measured.

The significant intangible assets with a finite life have no residual value and are amortised on a straight-line basis over their expected useful lives as follows:

	Estimated useful life
Management rights	Term of contract (1-10 years)
Software	3 years

Amortisation charged on assets with a finite life is recognised in administrative expense in the income statement. The carrying value of intangible assets is reviewed for impairment whenever events or changes in circumstances indicate the carrying value may not be recoverable.

(p) Impairment of assets

Assets that have an indefinite useful life, for example goodwill, are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less disposal costs and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

(q) Trade and other payables

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

(r) Accrued income

Accrued income is revenue recognised on an accruals basis from the rendering of services that have been performed but not invoiced at the period end.

(s) Deferred income

Deferred income is revenue received in advance for the rendering of services performed in the future.

(t) Interest bearing loans and borrowings

All loans and borrowings are initially recognised at fair value less directly attributable transaction costs. After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Gains and losses arising on the repurchase, settlement or otherwise cancellation of such liabilities are recognised respectively in finance revenue and finance costs in the Group income statement. An interest bearing loan or borrowing is derecognised when the obligations under the liability are cancelled or expire.

(u) Share capital

Ordinary shares and preference shares are classified as equity. Share premium is shown separately within equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Cromwell European Holdings Limited

Registration number: 09381845

NOTES TO THE GROUP FINANCIAL STATEMENTS

For the year ended 30 June 2019

1.3 Summary of other significant accounting policies (continued)

(v) Reserves

Translation reserve

The foreign exchange translation reserve is used to record exchange rate differences which arise on consolidation when subsidiaries with a functional currency different from the presentational currency are translated into the Group's presentational currency. The reserve is recognised in the statement of comprehensive income when the net investment is disposed of.

(w) Dividend distributions

Dividend distributions to the Group's shareholders (including non-controlling interests) are recognised in the financial statements in the year in which the dividends are paid (in the case of interim dividends) or approved by the Group's shareholders (in the case of final dividends).

(x) Leases

Leases where the lessor retains substantially all the risks and benefits of ownership of the assets are classified as operating leases. Operating lease payments, including incentives, are recognised as an expense in the Group income statement on a straight-line basis over the lease term.

(y) Pensions

The Group operates defined contribution pension plans. Payments to defined contribution pension plans are charged as an expense to the Group income statement as incurred when the related employee service is rendered. The Group has no further legal or constructive payment obligations once the contributions have been made.

(z) Fair value estimation

Fair value estimation under IFRS 13 requires the Group to classify for disclosure purposes fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements on its financial assets. The fair value hierarchy has the following levels:

- Level (1) quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level (2) inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices)
- Level (3) inputs for the asset or liability that are not based on observable market data (unobservable inputs)

The fair values of other financial assets are determined by using valuation techniques. See note 12 for further details of the judgements and assumptions made.

1.4 Critical Judgements in applying accounting policies and key sources of estimation uncertainty

In the application of the Group's accounting policies, which are described in Note 1, the directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or the period of the revision and future periods if the revision affects both current and future periods.

Management has considered the key sources of estimation uncertainty in arriving at the financial statements as follows:

Impairment of intangible assets

The Group has performed impairment tests on the carrying value of its intangible assets (note 15). To the extent that assumptions made in this calculation regarding forecasts and terminal value change, the results of the impairment may also change.

Estimation of fair value of other financial assets

The fair value of other investments (note 12) reflects the Group's share of the underlying net asset value ("NAV") of the funds. The most significant attribute contributing towards the NAV of the funds under management is the value of the investment property within those funds.

Cromwell European Holdings Limited

Registration number: 09381845

NOTES TO THE GROUP FINANCIAL STATEMENTS

For the year ended 30 June 2019

1 Revenue

Revenue is analysed by management as shown in the following table:

	2019 €'000	2018 €'000
Property management fees	648	578
Asset management fees	24,177	23,594
Property disposal fees	4,536	6,399
Leasing fees	3,145	1,312
Accounting fees	1,030	1,973
Development management fees	723	1,098
Performance fees	-	5,443
Acquisition fees	1,934	162
Coinvestment income	1,850	1,881
Other fees	1,310	3,290
Total revenue	39,353	45,730

2 Operating loss before joint venture/associate results

Operating loss before joint venture/associate results is stated after (charging)/crediting:

	2019 €'000	2018 €'000
Depreciation of property, plant and equipment	(513)	(402)
Amortisation of intangible assets	(370)	(1,770)
Operating lease costs	(1,829)	(1,630)
Fair value loss on co-investments held at fair value through profit and loss	(1,243)	(724)
Impairment of receivables	(179)	(25)
Impairment of intangibles	(57)	(46,325)
Foreign exchange	(340)	(587)
Profit on disposal of investments	-	679
Profit on disposal of property, plant and equipment	-	3

3 Auditors' remuneration

During the year the Group (including overseas subsidiaries) obtained the following services from the Group's auditors and their associates:

	2019 €'000	2018 €'000
Fees payable to the Group's auditors for the audit of the parent entity and Group financial statements	150	74
Fees payable for other services:		
The audit of the Company's subsidiaries pursuant to legislation	116	189
Total audit fees	266	263
Non-recurring fees in relation to the provision of other consultancy services	45	26
The audit of the financial statements of any joint venture or associate of the Company	-	23
Total non-audit fees	45	49
Total auditors' remuneration	311	312

Cromwell European Holdings Limited

Registration number: 09381845

NOTES TO THE GROUP FINANCIAL STATEMENTS

For the year ended 30 June 2019

4 Staff costs**(a) Staff costs**

	2019 €'000	2018 €'000
Wages and salaries	16,338	18,866
Social security costs	2,551	2,833
Other pension costs	1,089	967
	<u>19,978</u>	<u>22,666</u>

The monthly average number of people employed by the Group during the year was 198 (2018: 204). All employees are employed in administration-related roles.

(b) Directors' emoluments

Directors who served the Company during the year were remunerated as follows:

	2019 €'000	2018 €'000
Aggregate emoluments excluding pension contributions	1,667	615
Pension contributions (2 directors)	9	15
Termination benefits	-	613
	<u>1,676</u>	<u>1,243</u>

	2019 €'000	2018 €'000
Highest paid director:		
Aggregate emoluments excluding pension contributions	1,392	875
	<u>1,392</u>	<u>875</u>

6. Finance income and costs

	2019 €'000	2018 €'000
Finance income		
Bank interest income	37	27
Other interest income	160	247
	<u>197</u>	<u>274</u>
Finance costs		
Bank interest paid	(32)	(6)
Interest payable to related parties	(3,360)	(3,650)
Amortisation of borrowing costs	(155)	(855)
Other interest paid	(27)	(13)
	<u>(3,574)</u>	<u>(4,524)</u>
 Net finance costs	 <u>(3,377)</u>	 <u>(4,250)</u>

Cromwell European Holdings Limited

Registration number: 09381845

NOTES TO THE GROUP FINANCIAL STATEMENTS**For the year ended 30 June 2019****7. Income tax expense / (credit)****(a) Income tax expense / (credit)**

	2019	2018
	€'000	€'000
Current tax – current year	305	11
Current tax – adjustment in respect of prior years	(64)	(169)
Deferred tax – current year (see note 18)	-	(597)
	241	(755)

(b) Factors affecting tax expense / (credit) for the year

The tax on the Group's loss (2018: loss) before income tax is higher (2018: higher) than the UK statutory tax rate of 19% (2018: 19%). The differences are explained below.

	2019	2018
	€'000	€'000
Loss before income tax expense / (credit)	(5,651)	(47,350)
Tax on loss before income tax at standard UK corporate tax rate of 19% (2018: 19%)	(1,074)	(8,997)
Effects of:		
Non-deductible impairment of goodwill	11	8,538
Non-deductible finance charge	200	358
Other non-deductible expenditure	176	116
Non-taxable gain on disposal of co-investments	-	(133)
Non-taxable dividend income	(393)	(1,340)
Tax deductible goodwill amortisation	(105)	(238)
Profits of associates	13	(148)
Tax losses carried forward for which no deferred tax recognised	1,360	1,049
Capital allowances in excess of depreciation not recognised for deferred tax	(155)	(61)
Non-deductible fair value loss on investment	236	138
Non-taxable release of impairment of receivables	34	5
Tax rate differences on deferred tax	-	(30)
Tax rate differences on current tax	(14)	111
Current tax adjustment in respect of prior years	(64)	(169)
Other taxes	16	46
Total income tax expense / (credit) for the year	241	(755)

(c) Factors affecting future tax expense

As a result of changes introduced by the Finance act 2016 which was fully enacted on 15 September 2016, the main rate of UK corporation tax will be reduced from 19% to 17% on 1 April 2020.

8. Cash and cash equivalents

	2019	2018
	€'000	€'000
Cash at bank and in hand	5,345	18,062
	5,345	18,062

At the year end there was €139k (2018: €141k) of restricted cash, being the amount of cash held in a subsidiary, Cromwell Investment Services Limited, that has to be maintained in line with Financial Conduct Authority (FCA) Regulations.

Reconciliation to cash at the end of the year:

The above figures are equal to cash at the end of the financial year as shown in the statement of cash flows.

Cromwell European Holdings Limited

Registration number: 09381845

NOTES TO THE GROUP FINANCIAL STATEMENTS

For the year ended 30 June 2019

9. Current tax receivables

	2019 €'000	2018 €'000
Corporate income tax receivable	338	1,520
	<u>338</u>	<u>1,520</u>

10. Trade and other receivables

	2019 €'000	2018 €'000
Trade receivables	3,972	5,784
Accrued income	7,992	6,346
Prepayments	1,218	1,094
Bonds	408	261
Recharged costs	999	328
Other receivables	893	2,174
	<u>15,842</u>	<u>15,987</u>

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivables as disclosed above. The provision for impairment of receivables is determined by the collectability of these receivables.

Trade receivables

The carrying value of the Group's trade receivables is approximate to their fair value.

As at 30 June 2019 trade receivables of €2,834k (2018: €2,619k) were fully performing.

As at 30 June 2019 trade receivables of €3,972k (2018: €3,165k) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The ageing analysis of these trade receivables is as follows:

	2019 €'000	2018 €'000
Up to 3 months	3,195	3,032
3 to 6 months	777	133
Over 6 months	-	-
	<u>3,972</u>	<u>3,165</u>

As at 30 June 2019, there were provisions against trade receivables of €nil (2018: €nil).

11. Development property held for sale

	2019 €'000	2018 €'000
At beginning of year	-	-
Reclassified from investment property under construction (Note 14b)	9,636	-
At end of year	<u>9,636</u>	<u>-</u>

Development property held for sale is valued at cost.

Cromwell European Holdings Limited

Registration number: 09381845

NOTES TO THE GROUP FINANCIAL STATEMENTS

For the year ended 30 June 2019

12. Other financial assets

	2019 €'000	2018 €'000
<i>Financial assets carried at fair value through profit or loss</i>		
Unlisted investments – co-investments in property funds		
At beginning of year	12,637	23,043
Unrealised losses through profit and loss	(843)	(794)
Gain on disposal	-	682
Total losses recognised in profit or loss	(843)	(112)
Purchases	563	162
Capital proceeds	(1,246)	(4,413)
Sale proceeds	-	(6,043)
At end of year	11,111	12,637
 Listed investments – investments in property funds		
At beginning of year	-	-
Purchases	5,507	-
Unrealised losses through profit and loss	(424)	-
At end of year	5,083	-
	2019 €'000	2018 €'000
<i>Loans carried at amortised cost</i>		
Loans to property funds		
At beginning of year	3,579	4,179
Foreign exchange movements	(12)	(54)
Total losses recognised in profit or loss	(12)	(54)
Interest	127	120
New loan issues	215	1,140
Loan repayments	(536)	(1,806)
At end of year	3,373	3,579
 Total at end of year	19,567	16,216

Financial assets carried at fair value through profit or loss

The Group holds co-investments in some of the property funds it manages. These co-investments typically have an equity stake of less than 5%. At the year end the Group calculates the fair value of these co-investments based on the equity proportion held, and the total net asset fair value of the funds. The funds have annual audits and where their year end is non-coterminous the net asset value is calculated based on financial information as at 30 June.

A key determinant of the net asset value of the funds is the valuation of their investment property portfolios. These are valued independently and professionally every year end, and where the year end of the fund is not 30 June, the Directors of the fund update their assessment of the fair value of each property, taking into account the most recent independent valuations. Where an external investor has expressed an interest in purchasing some or all of the Group's co-investment in a fund, the Directors will assess whether this represents a more appropriate fair value due to it being the current bid price in an active market.

The fair value hierarchy of these unlisted investments at 30 June 2019 and 30 June 2018 was level 3.

The Group also holds a non-controlling interest in the Cromwell European Real Estate Investment Trust (CEREIT), a diversified pan-European REIT issued on the main board of the Singapore stock exchange.

The fair value hierarchy of the above listed investment was level 1.

Cromwell European Holdings Limited

Registration number: 09381845

NOTES TO THE GROUP FINANCIAL STATEMENTS

For the year ended 30 June 2019

12. Other financial assets (continued)

Loans carried at amortised cost

(i) Equinox

The Group has made a loan to one of the property funds that it manages, AG Equinox Co-operative UA ("Equinox"). During the year ended 30 June 2014 Cromwell Coinvest ECV Limited Partnership, a subsidiary of Cromwell European Holdings Limited, provided a mezzanine finance facility of €387,445 to Equinox in accordance with the terms of the asset management agreement. The facility expires in May 2021 or earlier if agreed by the relevant parties. During the period ended 30 June 2015 the facility was drawn down to €315,000. During the current year €153,009 (2018: €56,641) of the loan was repaid. The loan facility is unsecured, Euro denominated and carries an interest rate of 10% p.a.

(ii) Wisniowy

The Group has made a loan to one of the property funds that it manages, Cherry TopCo B.V. ("Wisniowy"). During the year ended 30 June 2016 Cromwell WBP Poland Limited Partnership, a subsidiary of Cromwell European Holdings Limited, provided a fully drawn mezzanine finance facility of €1,207,000 to Wisniowy. A further €nil (2018: €139,011) was loaned during the current year. The facility expires in June 2021 or earlier if agreed by the relevant parties. The loan facility is unsecured, Euro denominated and carries an interest rate of 4% p.a.

(iii) Quattro

During the year ended 30 June 2016 the Group subscribed to acquire 742,808,376 preferred equity certificates ("PECs") for SEK 7,428,083.76 in Tempus Holdings 1 Sarl ("Quattro"). The PECs have a term of 30 years, but can be retired earlier pursuant to the Terms and Conditions. The PECs are unsecured, convey no voting rights and carry a yield equivalent to that earned by Tempus Holdings 1 Sarl plus a margin. PECs with a value of SEK nil (2018: SEK 3,143,000) were repaid during the current year. No additional loan has been made during the current year.

(iv) Hummingbird B.V.

During the year ended 30 June 2017 a loan of €1,250k was made to Hummingbird B.V. The loan is denominated in Euros and a repayment of €307k (2018: €233k) was made during the current year. The outstanding loan at the year end was €316k (2018: €620k).

(v) Gloag Serviced Apartments Ltd

During the year ended 30 June 2017 the Group made loans totalling £742,536 to Gloag Serviced Apartments Limited. This represents 10% of the funding required for a property purchase. A repayment of €nil (2018: €82k) was made during the year. The outstanding loan at the year end was €747k (2018: €756k).

(vi) Och Ziff

During the year ended 30 June 2017 the Group made a loan of £1,126,714 to D.U.K.E. Investor Jersey Limited in relation to the Och Ziff fund as part of a Revolving Credit Facility. The loan consisted of an interest free element of £848,099 and an interest bearing element of £278,615 with an interest rate of 12% p.a. During the year ended 30 June 2017 the entire interest bearing element and part of the interest free element was repaid. During the prior year the remaining interest free element was repaid. The facility permits further lending of any repaid parts of the loan, up to the maximum balances stated above.

(vii) Omega

During the current year the Group made a loan of €214,079 to ELQ Omega UK Ltd, a third party property fund. €75,678 of this loan was repaid to the Group during the year.

Cromwell European Holdings Limited

Registration number: 09381845

NOTES TO THE GROUP FINANCIAL STATEMENTS

For the year ended 30 June 2019

13. Investments accounted for using the equity method

	2019 €'000	2018 €'000
Non-current		
Investments in joint ventures (a)	886	966
Investments in associates (b)	-	-
	886	966

At 30 June 2019, the Group had no capital commitments in relation to any of its joint ventures or associates (2018: nil).

At 30 June 2019, the Group had no contingent liabilities in relation to any of its joint ventures or associates (2018: nil).

(a) Investments in joint ventures

	2019 €'000	2018 €'000
Carrying amount at the beginning of the year	966	191
Share of profit after income tax	354	1,143
Shareholder loan interest	(424)	(366)
Dividends	-	-
Foreign exchange movement	(10)	(2)
Carrying amount at the end of the year	886	966

The Group has a joint venture interest in the following principal entities:

Joint ventures	Country of incorporation	Principal activities	Type of share	Ownership interest 2019	Ownership interest 2018
				%	%
Equitis Limited (in liquidation)	UK	Asset Management	Ordinary	50	50
D.U.K.E Real Estate Limited	UK	Property Investment	Ordinary	50	50
Valad Salfords Custodian Limited	UK	Dormant Company	Ordinary	50	50
Redhouse Holdings Limited	UK	Property Development	Ordinary	50	50
Redhouse Projects Limited	UK	Property Development	Ordinary	50	50
Talbot Green Developments Limited	UK	Property Development	Ordinary	50	50
Talbot Green Management Company Limited	UK	Property Development	Ordinary	50	50
Llantrisant Property Limited	UK	Dormant Company	Ordinary	50	50
D.U.K.E. Combined Limited Partnership	UK	Property Investment	Partnership interest	50	50
Stirling Development Agency Limited	UK	Property Development	Ordinary	50	50
SDG Tulloch Homes Limited	UK	Property Investment	Ordinary	50	50

Cromwell European Holdings Limited

Registration number: 09381845

NOTES TO THE GROUP FINANCIAL STATEMENTS

For the year ended 30 June 2019

13. Investments accounted for using the equity method (continued)

(a) Investments in joint ventures (continued)

The registered office address of each joint venture is listed below:

Joint ventures	Registered office
Equitis Limited	The Shard, 32 London Bridge Street, London SE1 9SG
D.U.K.E Real Estate Limited	1 st Floor Exchange Place 3, 3 Semple Street, Edinburgh, EH3 8BL
Valad Salfords Custodian Limited	1 st Floor Exchange Place 3, 3 Semple Street, Edinburgh, EH3 8BL
Redhouse Holdings Limited	1 st Floor, Unit 16 Manor Court Business Park, Scarborough, YO11 3TU
Redhouse Project Limited	1 st Floor, Unit 16 Manor Court Business Park, Scarborough, YO11 3TU
Talbot Green Developments Limited	1 st Floor, Unit 16 Manor Court Business Park, Scarborough, YO11 3TU
Talbot Green Management Company	1 st Floor, Unit 16 Manor Court Business Park, Scarborough, YO11 3TU
Llantrisant Property Limited	1 st Floor, Unit 16 Manor Court Business Park, Scarborough, YO11 3TU
D.U.K.E. Combined Limited Partnership	1 st Floor, Unit 16 Manor Court Business Park, Scarborough, YO11 3TU
Stirling Development Agency Limited	1 st Floor Exchange Place 3, 3 Semple Street, Edinburgh, EH3 8BL
SDG Tulloch Homes Limited	Stoneyfield House, Stoneyfield Business Park, Inverness IV2 7PA

The Group's joint ventures have financial year ends which are coterminous with that of Cromwell European Holdings Limited, with the exception of Stirling Development Agency Limited, which has a financial year end of 31 March. The Group equity accounts for the non-coterminous joint venture based on financial information for the year to 30 June.

The following table summarises the share of the assets, liabilities, income and expenses of the joint ventures at 30 June 2019 and 2018 and for the years then ended.

	2019 €'000	2018 €'000
Share of joint ventures' balance sheets:		
Current assets	5,941	6,247
Non-current assets	-	85
Share of gross assets	5,941	6,332
Current liabilities	(4,583)	(5,336)
Non-current liabilities	-	-
Share of gross liabilities	(4,583)	(5,336)
Share of net assets	1,358	966
Revenue	1,090	5,459
Expenses	(1,161)	(4,391)
Profit before tax	(71)	1,068
Income tax	1	(291)
Profit/(loss) for the year	70	777

The Group has not recognised profits amounting to €nil (2018: €10k) for one joint venture, D.U.K.E. Real Estate Limited, where the Group's share of the joint venture's net assets are below zero.

Cromwell European Holdings Limited

Registration number: 09381845

NOTES TO THE GROUP FINANCIAL STATEMENTS

For the year ended 30 June 2019

13. Investments accounted for using the equity method (continued)

(b) Investments in associates

The carrying amount of investments in associates was €nil at 30 June 2019 and 30 June 2018.

Associates	Country of incorporation	Principal Activities	Ownership interest	
			2019 %	2018 %
The Teesland iDG Salfords Unit Trust	UK	Property Development	20	20
European Commercial Real Estate Limited	UK	Property Investment	39	39

The registered office address of each associate is listed below:

Associates	Registered office
The Teesland iDG Salfords Unit Trust	1 st Floor, Unit 16 Manor Court Business Park, Scarborough, YO11 3TU
European Commercial Real Estate Limited	1 st Floor Exchange Place 3, 3 Semple Street, Edinburgh, EH3 8BL

The Group's associates have financial year ends which are coterminous with that of Cromwell European Holdings Limited, with the exception of The Teesland iDG Salfords Unit Trust, which has a financial year end of 31 December. The Group equity accounts for the non-coterminous associate based on financial information for the year to 30 June.

The following table summarises the share of the assets, liabilities, income and expenses of the associates at 30 June 2019 and 30 June 2018 and for the years then ended.

	2019 €'000	2018 €'000
Share of associates' balance sheets:		
Current assets	759	1,048
Non-current assets	-	-
Share of gross assets	759	1,048
Current liabilities	(759)	(1,048)
Non-current liabilities	-	-
Share of gross liabilities	(759)	(1,048)
Share of net assets	-	-
Revenue	202	220
Expenses	(226)	(300)
Profit/(loss) before tax	(24)	(80)
Income tax credit	24	80
Result for the year	-	-

The Group has not recognised losses amounting to €8,992k (2018: €7,612k) for one associate, European Commercial Real Estate Limited, where the Group's share of the associate's net assets are already below zero.

Cromwell European Holdings Limited

Registration number: 09381845

NOTES TO THE GROUP FINANCIAL STATEMENTS

For the year ended 30 June 2019

14a. Property, plant and equipment

	Leasehold improvements €'000	Computer equipment €'000	Office furniture and fittings €'000	Total €'000
At 1 July 2017				
Cost	112	484	130	726
Accumulated depreciation	(21)	(56)	38	(39)
Net book amount	91	428	168	687
Year ended 30 June 2018				
Opening net book amount	91	428	168	687
Additions	19	189	151	359
Disposals	-	(4)	-	(4)
Foreign exchange movement	(19)	(14)	18	(15)
Depreciation charge	(39)	(197)	(166)	(402)
Closing net book amount	52	402	171	625
At 30 June 2018				
Cost	114	1,038	621	1,773
Accumulated depreciation	(62)	(636)	(450)	(1,148)
Net book amount	52	402	171	625
Cost				
At 1 July 2018	114	1,038	621	1,773
Additions	731	360	613	1,704
Disposals	-	(250)	(117)	(367)
Foreign exchange movement	-	(4)	(2)	(6)
Reclassification	211	-	(211)	-
At 30 June 2019	1,056	1,144	904	3,104
Accumulated depreciation				
At 1 July 2018	(62)	(636)	(450)	(1,148)
Depreciation charge	(130)	(276)	(107)	(513)
Disposals	-	250	122	372
Foreign exchange movement	-	5	1	6
Reclassification	(89)	(36)	125	-
At 30 June 2019	(281)	(693)	(309)	(1,283)
At 30 June 2019				
Cost	1,056	1,144	904	3,104
Accumulated depreciation	(281)	(693)	(309)	(1,283)
Net book amount	775	451	595	1,821

Depreciation of €513k (2018: €402k) is included within administrative expenses.

14b. Investment property under construction

	2019 €'000	2018 €'000
At the start of the year	4,721	-
Additions	4,915	4,721
Reclassified to development property held for sale	(9,636)	-
At the end of the year	-	4,721

The fair value of the Group's investment property at 30 June 2018 was arrived at on the basis of a valuation carried out at that date by suitably qualified external valuations experts. The valuation conforms to International Valuation Standards. The fair value was determined based on the market comparable approach that reflects recent transaction prices for similar properties.

Cromwell European Holdings Limited

Registration number: 09381845

NOTES TO THE GROUP FINANCIAL STATEMENTS

For the year ended 30 June 2019

15. Intangible assets

	Software €'000	Management rights €'000	Goodwill €'000	Total €'000
Cost				
At 1 July 2017	301	12,999	101,399	114,699
Exchange differences	3	-	-	3
Additions	591	-	119	710
Disposals	(2)	(12,999)	(101,518)	(114,519)
As at 30 June 2018	893	-	-	893
Exchange differences	(4)	-	-	(4)
Additions	1,496	-	57	1,553
Cost written off	(315)	-	(57)	(372)
As at 30 June 2019	2,070	-	-	2,070
Accumulated amortisation and impairment				
At 1 July 2017	(152)	(10,015)	(56,581)	(66,748)
Exchange differences	(2)	-	-	(2)
Impairment charge	-	(1,388)	(44,937)	(46,325)
Amortisation charge	(174)	(1,596)	-	(1,770)
Amortisation and impairment written off	2	12,999	101,518	114,519
As at 30 June 2018	(326)	-	-	(326)
Exchange differences	4	-	-	4
Impairment charge	-	-	(57)	(57)
Amortisation charge	(370)	-	-	(370)
Amortisation and impairment written off	315	-	57	372
As at 30 June 2019	(377)	-	-	(377)
Net book value				
Cost	893	-	-	893
Accumulated impairment and amortisation	(326)	-	-	(326)
As at 30 June 2018	567	-	-	567
Cost	2,070	-	-	2,070
Accumulated impairment and amortisation	(377)	-	-	(377)
As at 30 June 2019	1,693	-	-	1,693

Amortisation of €370k (2018: €1,770k) is included within administrative expenses.

Management rights and goodwill were identified on acquisition of Cromwell Europe Limited and Cromwell Poland Retail LLP in accordance with the policy set out at note 1.3.

Goodwill and management rights are tested for impairment annually, or more frequently if there are indicators of impairment (refer to the note 1.4). In the current year an impairment loss of €57k (2018: €44,937k) was recognised for goodwill and an impairment loss of €nil (2018: €1,388k) was recognised for management rights.

Subsequent to the impairment of the balance of goodwill and management rights, the cost and accumulated amortisation and impairment have been written off from the balance sheet.

(a) Management rights

Management rights relate to future income streams from managed funds. The recoverable amount of management rights on acquisition was valued based on discounting forecast fund income for the remaining life of the fund. The discount rate used at acquisition was 12%. This rate was compared to weighted average costs of debt for appropriateness. Management rights have been amortised over their useful life. Management rights are not considered to have any remaining value at 30 June 2019.

Cromwell European Holdings Limited

Registration number: 09381845

NOTES TO THE GROUP FINANCIAL STATEMENTS

For the year ended 30 June 2019

15. Intangible assets (continued)

(b) Goodwill

Goodwill has an indefinite useful life and is not subject to amortisation. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that it may be impaired. An impairment loss is recognised for the amount by which the carrying amount exceeds its recoverable amount, being the higher of fair value less disposal costs and value in use. Goodwill is assessed for impairment on the lowest level at which it is monitored by management and allocated to cash-generating units ("CGU's"). The allocation has been made to that CGU that is expected to benefit from the business combination, that being the Real estate investment management business.

The recoverable amount for 2018 has been determined using a value in use calculation based upon Board-approved cash flow projections over the next five years. The following table sets out the key assumptions for the Real estate investment management business CGU:

Cost growth rate	2.5%
Pre-tax discount rate – fund management fees	20%
Risk free rate	2%
Long term growth rate into perpetuity	0%

At 30 June 2019 the recoverable amount of the entire CGU was determined to be €nil (2018: €nil), leading to an impairment loss of €57k being recognised in the income statement (2018: €44,937k).

16. Payables

	2019 €'000	2018 €'000
Current		
Trade creditors	3,580	2,413
Accruals	8,511	12,230
Deferred income	10	63
Other tax and social security	1,502	2,318
Other payables	956	1,301
	<u>14,559</u>	<u>18,325</u>
Non-current		
Bank loan	4,668	-
	<u>4,668</u>	<u>-</u>

The bank loan is due for repayment on 23 May 2022 and is secured against the Group's development property. The interest rate on the loan is currently 1.5% per annum.

17. Current tax liabilities

	2019 €'000	2018 €'000
Corporate income tax payable	216	111
	<u>216</u>	<u>111</u>

Cromwell European Holdings Limited

Registration number: 09381845

NOTES TO THE GROUP FINANCIAL STATEMENTS

For the year ended 30 June 2019

18. Deferred tax liabilities

The analysis of deferred tax liabilities is as follows:

	2019 €'000	2018 €'000
Deferred tax liabilities to be settled after more than 12 months	-	-
Deferred tax liabilities to be settled within 12 months	-	-
Net deferred tax liability	-	-

The movement on deferred tax liabilities during the year is as follows:

Deferred tax liabilities	Management rights €'000	Total €'000
Opening balance at 1 July 2018	-	-
Credited to the income statement	-	-
Closing balance at 30 June 2019	-	-
Opening balance at 1 July 2017	597	597
Credited to the income statement	(597)	(597)
Closing balance at 30 June 2018	-	-

Deferred tax assets are recognised to the extent that the realisation of the related tax benefit through future taxable profits or the reversal of deferred tax liabilities is probable.

The Group did not recognise deferred tax assets of €5,672k (2018: €4,349) in respect of tax losses carried forward due to uncertainty over the realisation of these assets. All losses can be carried forward without time limitation.

19. (a) Ordinary shares

	2019 €	2018 €
Authorised, allotted, called up and fully paid		
16,735,641 (2018: 16,735,641) 'A' ordinary shares of €1 each	16,735,641	16,735,641
10,000 (2018: 10,000) 'B' ordinary shares of €1 each	10,000	10,000
	16,745,641	16,745,641

Movement in ordinary shares

	Shares Issued (number)	Ordinary shares €	Share Premium €	Total €
1 July 2018				
Opening balance	16,745,641	16,745,641	-	16,745,641
30 June 2019				
Closing balance	16,745,641	16,745,641	-	16,745,641

- The holders of the A ordinary shares are entitled to vote at general meetings, participate in the assets of the company upon winding up after payment of redeemable preference share dividends and participate in the profits of the company after payment of dividends to holders of the B ordinary shares.

- The holders of the B shares are entitled to vote at general meetings, participate in the assets of the company upon winding up after payment of redeemable preference share dividends, up to the amount of paid up share capital on the B shares, and receive dividends equal to the 6 month GBP ICE LIBOR rate applied to the issued B share capital. The total dividend accrued to 30 June 2019 is €246 (2018: €211) and therefore has not been shown separately in the financial statements as all amounts are rounded to the nearest thousand Euros.

Cromwell European Holdings Limited

Registration number: 09381845

NOTES TO THE GROUP FINANCIAL STATEMENTS

For the year ended 30 June 2019

19. (b) Preference shares

	2019 €	2018 €
Authorised, allotted, called up and fully paid		
40,807,401 (2018: nil) preference shares of €1 each	<u>40,807,401</u>	-
	<u>40,807,401</u>	-

Movement in preference shares

		Shares Issued (number)	Preference shares €	Total €
1 July 2018	Opening balance	-	-	-
30 May 2019	Issue of preference shares	40,807,401	40,807,401	40,807,401
30 June 2019	Closing balance	<u>40,807,401</u>	<u>40,807,401</u>	<u>40,807,401</u>

- On 30 May 2019 Cromwell European Holdings Limited issued 40,807,401 B preference share of €1 each to its immediate parent, Cromwell Corporation Limited, in return for the redemption of an equal amount of the deep discounted bond issued to that company (Note 23 (b) (ii)).

20. Translation reserve

	2019 €'000	2018 €'000
Opening balance at start of year	(626)	(697)
Translation differences arising during the year	186	71
Closing balance at end of year	<u>(440)</u>	<u>(626)</u>

The foreign exchange translation reserve is used to record exchange rate differences which arise on consolidation when subsidiaries with a functional currency different from the presentational currency are translated into the Group's presentational currency. The reserve is recognised in the statement of comprehensive income when the net investment is disposed of.

21. Dividends and distributions

During the year a dividend of €nil was declared by the Directors and paid to the parent entity (2018: €10,000k).

No dividend was accrued at year end for the year ended 30 June 2019 (2018: €nil).

Cromwell European Holdings Limited

Registration number: 09381845

NOTES TO THE GROUP FINANCIAL STATEMENTS

For the year ended 30 June 2019

22. Commitments

(a) Capital commitments

	2019 €'000	2018 €'000
Co-investment in the Prosta & Trinity fund	-	400
Co-investment in ELQ Omega UK Ltd	-	356
Investment in property under construction	-	2,028
	-	2,784

(b) Lease commitments: Group Company as lessee

The Group leases properties primarily under non-cancellable operating lease agreements. The lease terms are between 1 and 6 years. The lease expenditure for the year is included within administrative expenses.

Lease commitments – operating

Commitments for minimum lease payments in relation to operating leases contracted for at reporting date but not recognised as liabilities payable:

	2019 €'000	2018 €'000
Within one year	1,763	1,295
Later than one year, but not later than five years	4,266	2,167
Later than five years	2,686	421
	8,715	3,883
Representing:		
Cancellable operating leases	-	56
Non-cancellable operating leases	8,715	3,827
	8,715	3,883

23. Related party transactions

(a) Key management personnel compensation

The table below sets out the compensation paid or payable for key management personnel, in aggregate, for employment services during the year.

	2019 €'000	2018 €'000
Short term employee benefits	3,072	2,645
Post-employment benefits	39	90
Termination benefits	-	687
	3,111	3,422

Cromwell European Holdings Limited

Registration number: 09381845

NOTES TO THE GROUP FINANCIAL STATEMENTS

For the year ended 30 June 2019

23. Related party transactions (continued)

(b) Outstanding balances arising from related party transactions

(i) Loan to related parties

Current assets	2019 €'000	2018 €'000
Loans to related parties	1,152	1,109
	<u>1,152</u>	<u>1,109</u>

The above amount comprises the following:

- An outstanding loan of €539k (2018: €545k) due from Stirling Development Agency Limited, a joint venture company. No interest has been charged during the year and the loan is repayable on demand.
- An outstanding loan of €613k (2018: €564k) due from Talbot Green Developments Limited, a joint venture company. No interest has been charged during the year and the loan is repayable on demand.

(ii) Loans from related parties

Current liabilities	2019 €'000	2018 €'000
Loans from related parties	(42,182)	(1,031)
	<u>(42,182)</u>	<u>(1,031)</u>

The above amount comprises the following:

- A deep discounted bond with a carrying value of €40,938k issued to Cromwell Corporation Limited, the Group's immediate and ultimate parent entity. In the prior year this was a non-current liability (see below). The bond has a face value of €42,120k (2018: €86,947k) which is repayable on 31 March 2020. Amounts totalling €42,807k were repaid during the year, including an amount of €40,807k settled via the issue of preference share capital. The amount paid to the Group by Cromwell Corporation Limited when the bond was issued was €78,782k. The effective interest rate on the bond is 3.8% per annum (2018: 3.8%). Interest of €2,936k (2018: €3,075k) accrued during the year which is reflected in the carrying value above.
- Offset against the deep discounted bond above are unamortised capitalised borrowing costs of €93k (2018: €248k) relating to the arrangement of the loan finance. In the prior year this was offset against the non-current liability (see below). This amount comprises borrowing costs of €776k less amortisation to date of €683k. The borrowing costs are being amortised on a straight-line basis over a five year term from 4 February 2015 to 4 February 2020.
- Loans totalling €1,307k (2018: €792k) from Redhouse Holdings Limited, a joint venture company. The balance has no interest and is repayable on demand.
- An outstanding intercompany balance of €nil (2018: €209k) due to Cromwell Corporation Limited, the Group's immediate and ultimate parent entity, representing interest on a loan which has now been repaid. The balance had no interest and was repayable on demand.
- An accrued loan arrangement fee payable to Cromwell European Finance Limited of €30k (2018: €30k). This balance has no interest and is repayable on demand.

Cromwell European Holdings Limited

Registration number: 09381845

NOTES TO THE GROUP FINANCIAL STATEMENTS

For the year ended 30 June 2019

23. Related party transactions (continued)

(b) Outstanding balances arising from related party transactions (continued)

(ii) Loans from related parties (continued)

	2019 €'000	2018 €'000
Non-current liabilities		
Loans from related parties	-	(81,112)
	<u>-</u>	<u>(81,112)</u>

The prior year balance comprises the following:

- A deep discounted bond with a carrying value of €81,360k issued to Cromwell Corporation Limited, the Group's immediate and ultimate parent entity. In the current year this is a current liability (see above).
- Offset against the loan above were unamortised capitalised borrowing costs of €248k relating to the arrangement of the loan finance. In the current year these amounts are offset against the current liability (see above). This amount comprised borrowing costs of €776k less amortisation to date of €528k.

(iii) Other amounts owed by related parties

The following amounts owed by related parties were outstanding at the year end:

	2019 €'000	2018 €'000
Management fees charged to joint ventures		
D.U.K.E. Real Estate Limited	61	42
Management fees charged to associates		
European Commercial Real Estate Limited	9	63
Management fees charged to related parties		
Cromwell EREIT Management Pte Ltd	337	-
Amounts receivable from key management		
Employee receivables	204	-
	<u>611</u>	<u>105</u>

The management fees receivable are included within trade receivables in the statement of financial position. The employee receivable is included within other receivables.

Cromwell European Holdings Limited

Registration number: 09381845

NOTES TO THE GROUP FINANCIAL STATEMENTS

For the year ended 30 June 2019

23. Related party transactions (continued)

(c) Transactions with related parties

The income statement includes the following amounts charged (by) / to related parties in the year:

	2019 €'000	2018 €'000
Loan arrangement fees charged by related parties		
Cromwell European Finance Limited		-
Interest charged by related parties		
Cromwell Corporation Limited	(2,936)	(3,075)
Cromwell European Finance Limited		-
Management fees charged to joint ventures		
D.U.K.E. Real Estate Limited	32	72
Equitis Limited		-
Management fees charged to associates		
European Commercial Real Estate Limited	36	195
Management fees charged to related parties		
Cromwell EREIT Management Pte Ltd	221	-
	<u>(2,647)</u>	<u>(2,808)</u>

During the prior year the Group disposed of the shares of D.U.K.E. Guernsey Holdings Limited, a company acquired earlier in the year, to GA Minor Investor Limited, a company controlled by DJ Kirkby. The consideration was €1, being the estimated market value of the shares.

(d) Controlling entity

The immediate and ultimate controlling entity is Cromwell Corporation Limited, an Australian listed entity, whose registered address is Level 19, 200 Mary Street, Brisbane QLD 4000, Australia.

Cromwell Corporation Limited is the parent of the largest (and only other) group for which consolidated financial statements are drawn up of which the company is a member. Copies of Cromwell Corporation Limited's consolidated financial statements can be obtained from Level 19, 200 Mary Street, Brisbane QLD 4000, Australia.

24. Events occurring after reporting date

Since the end of the year the Directors are not aware of any other matter or circumstance not otherwise dealt with in the Directors' report that has significantly or may significantly affect the operations of the Group, the results of its operations, or state of the Group's affairs in future financial years.

25. Contingent liabilities

The Group had no contingent liabilities as at 30 June 2019 (2018: €nil).

Cromwell European Holdings Limited

Registration number: 09381845

NOTES TO THE GROUP FINANCIAL STATEMENTS

For the year ended 30 June 2019

26. Financial risk management

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

Risk management is carried out by a central treasury function on a Group-wide basis under policies approved by the Directors. The central treasury function identifies, evaluates and hedges financial risks. The Group has approved written principles for overall risk management, as well as written policies covering specific areas, such as interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments and investment of excess liquidity.

Market risk

Foreign exchange risk

The Group is exposed to foreign exchange risk arising from various currency exposures with respect to the Euro and Sterling. Foreign exchange risk arises on future commercial transactions, recognised assets and liabilities and net investments in foreign operations.

Management has set up a policy to require Group companies to manage their foreign exchange risk against their functional currency. Foreign exchange risk arises when future commercial transactions, recognised assets and liabilities are denominated in a currency that is not the entity's functional currency.

The Group has certain investments in foreign operations, whose net assets are exposed to foreign currency translation risk. Currency exposure arising from the net assets of the Group's foreign operations is managed primarily through borrowings denominated in the relevant foreign currencies.

The Group has assets denominated in Sterling of approximately £21,344k (2018: £18,289k) and liabilities denominated in Sterling of approximately £8,638k (2018: £9,124k). If the exchange rate between the Euro and Sterling fluctuated by 10% the Group's net assets, in Euros, would increase or decrease by €1,417k (2018: €1,034k). Management considers a maximum of 10% fluctuation in exchange rates as reasonable based on past experience.

Interest rate risk

The Group's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. Borrowings issued at fixed rates expose the Group to fair value interest rate risk.

Currently all long term borrowings carry fixed interest rates and hence cash flow interest rate risk is nil. Further, all borrowings have been issued by Cromwell Corporation Limited, the Group's immediate and ultimate parent entity, and hence the Group's exposure to fair value interest rate risk is considered to be extremely minimal.

Credit risk

Credit risk is managed on a Group basis. Credit risk arises from cash and cash equivalents and deposits with banks, as well as exposure to outstanding receivables. The Group's policy is to manage credit exposure to trading counterparties within defined trading limits. All of the Group's significant counterparties are assigned internal credit limits.

If any of the Group's customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, the Group assesses the credit quality of the customer taking into account its financial position, past experience and other factors.

There are situations where the Group makes commercial loans to third parties. The Group protects its position in these instances by taking preferred lending positions. The loans are individually monitored and assessed for recoverability.

Cromwell European Holdings Limited

Registration number: 09381845

NOTES TO THE GROUP FINANCIAL STATEMENTS

For the year ended 30 June 2019

26. Financial risk management (continued)

Liquidity risk

The Group is subject to the risk that it will not have sufficient borrowing facilities to fund its existing business and its future plan for growth. The Group manages its liquidity requirements with the use of both short and long-term cash flow forecasts. These forecasts are supplemented by a financial headroom position which is used to demonstrate funding adequacy for at least a 12 month period.

The Group's main sources of liquidity are its property and fund management businesses. Cash generation by this business is dependent upon the reliability of rental income.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying businesses, the central treasury function aims to maintain flexibility in funding by keeping committed credit lines available.

The table below analyses the Group's financial liabilities which will be settled on a net basis into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the gross contractual undiscounted cash flows.

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
	€'000	€'000	€'000	€'000
At 30 June 2019				
Trade and other payables	14,559	-	4,668	-
Loans from related parties	42,182	-	-	-
At 30 June 2018				
Trade and other payables	16,007	-	-	-
Loans from related parties	1,031	-	81,112	-

Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for equity holders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Directors may introduce or withdraw capital.

Cromwell European Holdings Limited

Registration number: 09381845


PARENT ENTITY STATEMENT OF FINANCIAL POSITION

As at 30 June 2019

	Note	2019 €'000	2018 €'000
Non-current assets			
Investments	3	30,537	30,537
Other financial assets	4	22	82
Total non-current assets		30,559	30,619
Current assets			
Cash and cash equivalents	5	1	2,933
Loans from related parties	7	20,069	8,540
Total current assets		20,070	11,473
Total assets		50,629	42,092
Current liabilities			
Loans from related parties	7	(40,878)	(242)
Total current liabilities		(40,878)	(242)
Non-current liabilities			
Loans from related parties	7	-	(81,112)
Total non-current liabilities		-	(81,112)
Total liabilities		(40,878)	(81,354)
Net assets / (liabilities)		9,751	(39,262)
Equity			
Ordinary shares	6	16,746	16,746
Preference shares	6	40,807	-
Share premium	6	-	-
Accumulated losses		(47,802)	(56,008)
Total equity / (deficit)		9,751	(39,262)

The financial statements on pages 44 to 57 were approved and authorised for issue by the Directors on 3 October 2019. As permitted by section 408 of the Companies Act 2006, the Company's income statement has not been included separately in these financial statements. The profit for the financial year before dividends paid was €8,206k (2018: €60,002k loss).

Signed on behalf of the Board of Directors



MA McLaughlin
Director

Cromwell European Holdings Limited

Registration number: 09381845

PARENT ENTITY STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2019

	Ordinary shares €'000	Preference shares €'000	Share premium €'000	Retained earnings/ (Accumulated losses) €'000	Total equity/ (deficit) €'000
Balance at 1 June 2018	16,746	-	-	(56,008)	(39,262)
Profit for the year and total comprehensive income	-	-	-	8,206	8,206
Total comprehensive income for the year	-	-	-	8,206	8,206
Issue of preference shares	-	40,807	-	-	40,807
Balance at 30 June 2019	16,746	40,807	-	(47,802)	9,751
 Balance at 1 July 2017	 100	 -	 10,800	 3,194	 14,094
Loss for the year and total comprehensive expense	-	-	-	(60,002)	(60,002)
Total comprehensive expense for the year	-	-	-	(60,002)	(60,002)
Proceeds from shares issued	16,646	-	-	-	16,646
Capital reduction	-	-	(10,800)	10,800	-
Dividends paid or provided	-	-	-	(10,000)	(10,000)
Balance at 30 June 2018	16,746	-	-	(56,008)	(39,262)

Cromwell European Holdings Limited

Registration number: 09381845

PARENT ENTITY STATEMENT OF CASH FLOWS

For the year ended 30 June 2019

	2019 €'000	2018 €'000
Cash flows from operating activities		
Interest paid	(167)	-
Net cash outflow from operating activities	(167)	-
Cash flows from investing activities		
Loans from subsidiaries	-	11,500
Loans to subsidiaries	(846)	(20)
Loan from parent repaid	(2,000)	(1,500)
Proceeds from disposal of financial assets	82	2,924
Net cash (outflow) / inflow from investing activities	(2,765)	12,904
Cash flows from financing activities		
Dividends paid to parent entity	-	(10,000)
Net cash outflow from financing activities	-	(10,000)
Net decrease) / increase in cash and cash equivalents	(2,932)	2,904
Cash and cash equivalents at the beginning of the financial year	2,933	29
Effect of exchange rate on cash and cash equivalents	-	-
Cash and cash equivalents at the end of the financial year	1	2,933

Material non-cash financing transactions

During the period the company issued preference share capital of €40,807k to Cromwell Corporation Limited, its immediate parent company, the proceeds being used to repay the same amount of deep discounted bonds issued to that company.

The company received a dividend of €11,275k from its subsidiary, Cromwell Europe Ltd, which was left outstanding on intercompany account.

Cromwell European Holdings Limited

Registration number: 09381845

NOTES TO THE PARENT ENTITY FINANCIAL STATEMENTS

For the year ended 30 June 2019

1. Accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied throughout the year, unless otherwise stated.

1.1 Basis of preparation

The comments under 'Basis of preparation', including those in relation to 'Going concern', in note 1.1 of the Group financial statements also apply to the parent entity financial statements.

The comments relating to new and amended accounting standards and interpretations in note 1.1 of the Group financial statements also apply to the parent entity financial statements.

General information

The parent entity financial statements are presented in Euros and all values are rounded to the nearest thousand Euros (€'000) except where otherwise indicated.

The nature of the parent entity's business is that of a holding company.

The Company is a limited liability company which is not listed and is incorporated and domiciled in the UK. The address of its registered office is 1st Floor, Unit 16 Manor Court Business Park, Eastfield, Scarborough, North Yorkshire, England YO11 3TU.

1.2 Summary of other significant accounting policies

(a) Taxation

Current Tax

The expense or credit for current tax is based on the results for the period adjusted for items that are either not subject to taxation or for expenditure which cannot be deducted in computing the tax expense or credit. The tax expense or credit is calculated using taxation rates that have been enacted or substantively enacted at the balance sheet date.

Deferred Tax

Deferred tax is recognised using the balance sheet liability method on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax basis used in the computation of taxable profit. Deferred tax is recognised in respect of all taxable temporary differences, with certain limited exceptions:

- deferred tax is not provided on the initial recognition of an asset or liability in a transaction that does not affect accounting profit or taxable profit and is not a business combination; and
- deferred tax assets are only recognised if it is probable that there will be sufficient profits from which the future reversal of the temporary differences can be deducted. In deciding whether future reversal is probable, the Directors review the Company's forecasts and make an estimate of the aggregate deferred tax asset that should be recognised. This aggregate deferred tax asset is then allocated into the different categories of deferred tax.

Deferred tax is calculated at the tax rates that are expected to apply in the periods in which temporary differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date. Deferred tax is charged or credited to the income statement, except where it applies to items credited or charged to equity, in which case the deferred tax is also dealt with in equity.

(b) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value.

Cromwell European Holdings Limited

Registration number: 09381845

NOTES TO THE PARENT ENTITY FINANCIAL STATEMENTS

For the year ended 30 June 2019

1. Accounting policies (continued)

(c) Financial instruments and derivatives

The Company recognises financial instruments when it becomes party to the contractual provisions of the instrument. Financial assets are derecognised when the contractual right to receive the cash flows expire or it has transferred the financial asset and the economic benefit of the cash flows. Financial liabilities are derecognised when the obligation specified in the contract is discharged, cancelled or expires.

Financial instruments are used to support the Company's operations. Interest is charged to the income statement as incurred or earned. Issue costs for instruments subsequently recorded at amortised cost are netted against the fair value of the related debt instruments on initial recognition and are charged to the income statement over the term of the relevant facility.

Financial instruments are recorded initially at fair value. Subsequent measurement depends on the designation of the instrument, as follows:

- (i) Financial assets/liabilities held for short term gain, including derivatives other than hedging instruments, are measured at fair value and movements in fair value are credited/charged to the income statement in the period.
- (ii) Loans and receivables/payables and non-derivative financial assets/liabilities with fixed or determinable payments that are not quoted in an active market, are measured at amortised cost. These are included in current assets/liabilities except for instruments that mature after more than 12 months which are included in non-current assets/liabilities.

(d) Investments

Investments held as fixed assets are stated at cost less provision for any impairment.

(e) Trade payables

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

(f) Dividend distributions

Dividend distributions to the Company's shareholders are recognised in the financial statements in the year in which the dividends are paid (in the case of interim dividends) or approved by the Company's shareholders (in the case of final dividends).

(g) Interest bearing loans and borrowings

All loans and borrowings are initially recognised at fair value less directly attributable transaction costs. After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Gains and losses arising on the repurchase, settlement or otherwise cancellation of such liabilities are recognised respectively in finance revenue and finance costs in the Group income statement. An interest bearing loan or borrowing is derecognised when the obligations under the liability are cancelled or expire.

(h) Share capital

Ordinary shares are classified as equity. Share premium is shown separately within equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

1.3 Judgements in applying accounting policies and key sources of estimation uncertainty

In the application of the Group's accounting policies, which are described in Note 1, the directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or the period of

Cromwell European Holdings Limited

Registration number: 09381845

NOTES TO THE PARENT ENTITY FINANCIAL STATEMENTS

For the year ended 30 June 2019

1.3 Judgements in applying accounting policies and key sources of estimation uncertainty (continued)

the revision and future periods if the revision affects both current and future periods.

Management has considered the key sources of estimation uncertainty in arriving at the financial statements as follows:

Carrying value of investments in subsidiaries

Investments in subsidiaries (note 3) are stated at cost less provision for any impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

Estimation of fair value of other financial assets

The fair value of other investments (note 4) reflects the Company's share of the underlying net asset value ("NAV") of the relevant fund. The most significant attribute contributing towards the NAV of the funds under management is the value of the investment property within that fund.

2. Operating costs

Employees' remuneration

The Company did not have any employees during the current or prior year.

Directors' remuneration

The remuneration of the directors was borne by Cromwell European Management Services Limited, a subsidiary company, and entities outside the Group.

Auditors' remuneration

The audit fee for the year of €150k (2018: €57k) was borne by Cromwell European Management Services Limited, a subsidiary company.

3. Investments

Shares in Group undertakings

At 30 June

	2019 €'000	2018 €'000
Cost	142,305	142,305
Accumulated impairment	(111,768)	(111,768)
Net book amount	30,537	30,537

The subsidiaries are shown below:

Subsidiaries	Country of Incorporation	Principal activities	Type of share	Holding	
				2019 %	2018 %
Cromwell CEE Development Holdings Ltd (formerly EHI Carried Interest Partner Limited)	England & Wales	Holding company	Ordinary	100	100
Equity Partnerships (Osprey) Limited	England & Wales	General partner	Ordinary	100**	100**
Equity Partnerships Fund Management (Guernsey) Limited	Guernsey	Fund management	Ordinary	100	100
Gateshead Investments Limited	Cyprus	Dormant company	Ordinary	100	100
German Aktiv General Partner Limited	Guernsey	General partner	Ordinary	100**	100**
IO Management Services Limited	England & Wales	Asset management	Ordinary	100	100
Nordic Aktiv General Partner Limited	Guernsey	General partner	Ordinary	100**	100**
Nordic Aktiv General Partner 2 Limited	Guernsey	General partner	Ordinary	100**	100**
Parc d'Activites 1 GP Limited	England & Wales	General partner	Ordinary	100**	100**
PFM Coinvestment Partner Limited	England & Wales	Holding company	Ordinary	100	100
The IO Group Limited	England & Wales	Holding company	Ordinary	100	100
Upperastoria Trading & Investments Limited	Cyprus	Holding company	Ordinary	100	100
Cromwell Asset Management UK Limited	England & Wales	Asset management	Ordinary	100	100
Cromwell Capital Ventures UK Limited	England & Wales	Holding company	Ordinary	100	100

Cromwell European Holdings Limited

Registration number: 09381845

NOTES TO THE PARENT ENTITY FINANCIAL STATEMENTS

For the year ended 30 June 2019

3. Investments (continued)

Subsidiaries	Country Of Incorporation	Principal activities	Type of share	Holding	
				2019 %	2018 %
Cromwell CEE Coinvest Limited Partnership	Scotland	Holding entity	Partnership interest	100	100
Cromwell CEE Promote Limited Partnership	Scotland	Holding entity	Partnership interest	100	100
Cromwell Central Europe BV	The Netherlands	Holding company	Ordinary	100	100
Cromwell Coinvest CEIF Limited Partnership	Scotland	Holding entity	Partnership interest	90.40	90.40
Cromwell Coinvest ECV Limited Partnership	Scotland	Holding entity	Partnership interest	89.67	89.67
Cromwell Coinvest CEVAF I Limited Partnership	Scotland	Holding entity	Partnership interest	100	100
Cromwell Property Group Czech Republic SRO	Czech Republic	Asset management	Ordinary	100	100
Cromwell Denmark A/S	Denmark	Asset management	Ordinary	100	100
Cromwell Development Management UK Limited	England & Wales	Development management	Ordinary	100	100
Cromwell Europe Limited*	Scotland	Holding company	Ordinary	100	100
Cromwell Finland oy	Finland	Asset management	Ordinary	100	100
Cromwell France S.A.S	France	Asset management	Ordinary	100	100
Cromwell Investment Holdings UK Limited	England & Wales	Fund management and holding company	Ordinary	100	100
Cromwell Germany GmbH	Germany	Asset management	Ordinary	100	100
Cromwell GP	Scotland	General partner	Ordinary	100	100
Cromwell Holdings Europe Limited	England & Wales	Holding company	Ordinary	100	100
Cromwell Property Group Hungary Kft	Hungary	Asset management	Ordinary	100	100
Cromwell Investment Management Services Limited	England & Wales	Asset management	Ordinary	100	100
Cromwell Investment Services Limited	England & Wales	Regulated entity	Ordinary	100	100
Cromwell Property Group Italy SRL	Italy	Asset management	Ordinary	100	100
Cromwell Luxembourg SA	Luxembourg	Fund management	Ordinary	100	100
Cromwell Management Holdings Limited	England & Wales	Holding company	Ordinary	100	100
Cromwell European Management Services Limited	England & Wales	Management company	Ordinary	100	100
Cromwell Netherlands B.V.	Netherlands	Asset management	Ordinary	100	100
Cromwell Poland Sp. z o.o.	Poland	Fund management	Ordinary	100	100
Cromwell Norway A/S	Norway	Asset management	Ordinary	100	100
Cromwell Poland Retail UK Limited	England & Wales	Holding company	Ordinary	100	100
Cromwell Poland Retail LLP*	England & Wales	Holding entity	Partnership interest	99.99998	99.99998
Cromwell Poland No. 2 Sp z.o.o.	Poland	Asset management	Ordinary	100	100
Cromwell Promote CEIF Limited Partnership	Scotland	Holding entity	Partnership interest	100	100
Cromwell Promote ECV Limited Partnership	Scotland	Holding entity	Partnership interest	100	100
Cromwell Promote HIG Limited Partnership	Scotland	Holding entity	Partnership interest	100	100
Cromwell Promote CEVAF I Limited Partnership	Scotland	Holding entity	Partnership interest	100	100
Cromwell Promote CPRF Limited Partnership	Scotland	Holding entity	Partnership interest	100	100
Cromwell Property Group Romania SRL	Romania	Asset management	Ordinary	100	100
Cromwell REIM Luxembourg S.à.r.l.	Luxembourg	Asset management	Ordinary	100	100
Cromwell Corporate Secretarial Limited	Scotland	Company secretarial services	Ordinary	100	100
Cromwell Sweden AB	Sweden	Asset management	Ordinary	100	100

Cromwell European Holdings Limited

Registration number: 09381845

NOTES TO THE PARENT ENTITY FINANCIAL STATEMENTS

For the year ended 30 June 2019

3. Investments (continued)

Subsidiaries	Country of Incorporation	Principal activities	Type of share	Holding	
				2019 %	2018 %
Cromwell CPR Promote Sarl	Luxembourg	Dormant company	Ordinary	100	100
Cromwell WBP Poland Limited Partnership	Scotland	Holding entity	Partnership interest	100	100
Cromwell YCM Coinvest Limited Partnership	Scotland	Holding entity	Partnership interest	100	100
Cromwell YCM Promote Limited Partnership	Scotland	Holding entity	Partnership interest	100	100
Cromwell Corporate Secretarial No. 2 Limited	England & Wales	Dormant company	Ordinary	100	100
Cromwell Director Limited	England & Wales	Dormant company	Ordinary	100	100
Cromwell Development Holdings UK Limited	England & Wales	Dormant company	Ordinary	100	100
Cromwell Investment Luxembourg Sarl	Luxembourg	Regulated entity	Ordinary	100	-
D.U.K.E. (Cheetham Hill) Limited (in liquidation)	England & Wales	Property Development	Ordinary	100	100
D.U.K.E. Combined GP Limited	England & Wales	Dormant company	Ordinary	100	100
Cromwell CEREIT Holdings Limited	England & Wales	Holding company	Ordinary	100	100
LiNK Hradec Králové sro	Czech Republic	Property development	Ordinary	90	90
Valad Salfords Custodian Ltd	England & Wales	Dormant company	Ordinary	100	50

Only companies denoted * are directly held by Cromwell European Holdings Limited.

** These interests include 50% of capital held on trust on behalf of the Group by Anson Custody Limited.

As shown in the table above, there were additions and disposals during the year of subsidiaries that were held indirectly by the company but none considered material by the directors. These disposals have not affected the carrying value of the company's investment in its direct subsidiaries.

In the opinion of the Directors, the aggregate value of the Company's investments is not less than the amount at which they are stated in the financial statements.

All entities in the table above with a country of incorporation of England and Wales have the registered office of 1st Floor, Unit 16 Manor Court Business Park, Scarborough, North Yorkshire YO11 3TU. All entities with a country of incorporation of Scotland have the registered address of 1st Floor Exchange Place 3, 3 Semple Street, Edinburgh, EH3 8BL.

Cromwell European Holdings Limited

Registration number: 09381845

NOTES TO THE PARENT ENTITY FINANCIAL STATEMENTS

For the year ended 30 June 2019

3. Investments (continued)

The table below sets out the registered office for all remaining subsidiaries:

Subsidiaries	Registered office
Equity Partnerships Fund Management (Guernsey) Limited	Ground Floor, Dorey Court, Admiral Park, St Peter Port, GY1 2HT, Guernsey
Gateshead Investments Limited	Thasos 3, Dadiaw House, Nicosia, P.C. 1520, Cyprus
German Aktiv General Partner Limited	Ground Floor, Dorey Court, Admiral Park, St Peter Port, GY1 2HT, Guernsey
Nordic Aktiv General Partner Limited	Ground Floor, Dorey Court, Admiral Park, St Peter Port, GY1 2HT, Guernsey
Nordic Aktiv General Partner 2 Limited	Ground Floor, Dorey Court, Admiral Park, St Peter Port, GY1 2HT, Guernsey
Upperastoria Trading & Investments Limited	Thasos 3, Dadlaw House, Nicosia, P.C. 1520, Cyprus
Cromwell Central Europe BV	Jachthavenweg 124, 1081 KJ Amsterdam, Netherlands
Cromwell Property Group Czech Republic sro	Praha 1, V Celnici 1031/4, 110 00 Prague 1, Czech Republic
Cromwell Denmark A/S	Stamholmen, 151 5 sal 2650, Hvidovre, Denmark
Cromwell Finland oy	Salomonkatu 17A, Helsinki, FI-00100, Finland
Cromwell France S.A.S	43-47 avenue de la Grande Armée, F75116, Paris, France
Cromwell Germany GmbH	Friedrichstraße 76, 10117 Berlin, Germany
Cromwell Property Group Hungary Kft	Váci ut 33. H-1134 Budapest, Hungary
Cromwell Property Group Italy SRL	Milano (MI) Via, Montenapoleone 29 Cap, 20121, Italy
Cromwell Luxembourg SA	14 rue Edward Steichen, 2540, Luxembourg
Cromwell Netherlands B.V.	Jachthavenweg 124, 1081 KJ Amsterdam, Netherlands
Cromwell Poland Sp. z o.o.	59 Złota St., 00-120 Warsaw, Poland
Cromwell Norway A/S	c/o Colliers, Wergelandsveien 7, 0167 Oslo, Norway
Cromwell Poland No. 2 Sp z o.o.	59 Złota St., 00-120 Warsaw, Poland
Cromwell Property Group Romania SRL	1st Floor, Room No. 12, 46 Cobalcescu Street, 1st District, Bucharest, Romania
Cromwell REIM Luxembourg S.à.r.l.	1 rue Hildegard Von Bingen, L-1282, Luxembourg
Cromwell Sweden AB	Baltzarsgatan 21 B, Box 374, 211 36 Malmö, Sweden
Cromwell CPR Promote Sarl	1 rue Hildegard Von Bingen, L-1282, Luxembourg
LiNK Hradec Králové sro	Praha - Vysočany Na Harfě 337/3 PSČ 19005 Czech Republic

Cromwell European Holdings Limited

Registration number: 09381845

NOTES TO THE PARENT ENTITY FINANCIAL STATEMENTS

For the year ended 30 June 2019

3. Investments (continued)

Audit Exemption

For the year ended 30 June 2019 the following subsidiaries of the Company were entitled to exemption from audit under Section 479A of the Companies Act 2006 relating to subsidiary companies:

Subsidiary Name	Companies House Registration Number
Cromwell European Management Services Limited	03112917
Cromwell Management Holdings Limited	02986841
Cromwell CEE Development Holdings Limited	05007426
Cromwell CEREIT Holdings Limited	11293084
Cromwell Investment Management Services Limited	03014116
The IO Group Limited	04040216
IO Management Services Limited	03014625
Cromwell Corporate Secretarial Limited	SC219311
Cromwell Development Management UK Limited	04864743
Cromwell Development Holdings UK Limited	05337387
Cromwell Holdings Europe Ltd	04368858
Cromwell Europe Limited	SC230964
Cromwell Investment Holdings UK Limited	04311414
Cromwell Capital Ventures UK Limited	04329031
Cromwell Asset Management UK Limited	03239548
Equity Partnerships (Osprey) Limited	04299729
Cromwell Poland Retail LLP	OC382076
Cromwell Poland Retail UK Limited	08338749

4. Other financial assets

	2019 €'000	2018 €'000
<i>Financial assets carried at fair value through profit or loss</i>		
Unlisted investments – co-investment in property fund		
At beginning of year	82	3,118
Unrealised losses through profit and loss	21	(113)
Capital repayments	(81)	(2,923)
At end of year	22	82

The investment represents a co-investment in Parc d'Activités 1 LP, a property fund, at an original cost of €3,800,000.

At each period end the Company calculates the fair value of this co-investment based on the equity proportion held, and the total net asset fair value of the fund. The fund has an annual audit and where its period end is non-coterminous the net asset value is calculated based on financial information as at 30 June.

During the current year the investment in Parc d'Activités 1 LP has decreased in fair value by €60k (2018: €3,036k) to €22k. This is due to capital repayments of €81k (2018: €2,923k) and a revaluation of €21k (2018: impairment of €113k).

A key determinant of the net asset value of the fund is the valuation of its investment property portfolio. This is valued independently and professionally every year end, and where the year end of the fund is not 30 June, the Directors of the fund update their assessment of the fair value of each property, taking into account the most recent independent valuations.

Where an external investor has expressed an interest in purchasing some or all of the Company's co-investment in a fund, the Directors will assess whether this represents a more appropriate fair value due to it being the current bid price in an active market.

The fair value hierarchy at 30 June 2019 and at 30 June 2018 was level 3.

Cromwell European Holdings Limited

Registration number: 09381845

NOTES TO THE PARENT ENTITY FINANCIAL STATEMENTS

For the year ended 30 June 2019

5. Cash and cash equivalents

	2019 €'000	2018 €'000
Cash at bank and in hand	1	2,933
	<u>1</u>	<u>2,933</u>

Reconciliation to cash at the end of the year:

The above figures are equal to cash at the end of the financial year as shown in the statement of cash flows.

6. (a) Ordinary shares

	2019 €	2018 €
Authorised, allotted, called up and fully paid		
16,735,641 (2018: 16,735,641) 'A' ordinary shares of €1 each	16,735,641	16,735,641
10,000 (2018: 10,000) 'B' ordinary shares of €1 each	10,000	10,000
	<u>16,745,641</u>	<u>16,745,641</u>

Movement in ordinary shares

		Shares Issued (number)	Ordinary shares €	Share Premium €	Total €
1 July 2018	Opening balance	16,745,641	16,745,641	-	16,745,641
30 June 2019	Closing balance	<u>16,745,641</u>	<u>16,745,641</u>	<u>-</u>	<u>16,745,641</u>

- The holders of the A ordinary shares are entitled to vote at general meetings, participate in the assets of the company upon winding up after payment of redeemable preference share dividends and participate in the profits of the company after payment of dividends to holders of the B ordinary shares.
- The holders of the B shares are entitled to vote at general meetings, participate in the assets of the company upon winding up after payment of redeemable preference share dividends, up to the amount of paid up share capital on the B shares, and receive dividends equal to the 6 month GBP ICE LIBOR rate applied to the issued B share capital. The total dividend accrued to 30 June 2019 is €246 (2018: €211) and therefore has not been shown separately in the financial statements as all amounts are rounded to the nearest thousand Euros.

(b) Preference shares

	2019 €	2018 €
Authorised, allotted, called up and fully paid		
40,807,401 (2018: nil) preference shares of €1 each	40,807,401	-
	<u>40,807,401</u>	<u>-</u>

Cromwell European Holdings Limited

Registration number: 09381845

NOTES TO THE PARENT ENTITY FINANCIAL STATEMENTS*For the year ended 30 June 2019***6. (b) Preference shares (continued)****Movement in preference shares**

		Shares Issued (number)	Preference shares €	Total €
1 July 2018	Opening balance	-	-	-
30 May 2019	Issue of preference shares	40,807,401	40,807,401	40,807,401
30 June 2019	Closing balance	40,807,401	40,807,401	40,807,401

- On 30 May 2019 Cromwell European Holdings Limited issued 40,807,401 B preference share of €1 each to its immediate parent, Cromwell Corporation Limited, in return for the redemption of an equal amount of the deep discounted bond issued to that company (Note 23 (b) (ii)).
- The preference shares have been classified as equity in the financial statements because their issue does not give rise to an obligation to return cash or any other asset to the shareholder.

7. Related party transactions**(a) Outstanding balances arising from related party transactions****(i) Loans to related parties**

	2019 €'000	2018 €'000
Loans to related parties	20,069	8,540
	20,069	8,540

The above loan is to Cromwell Europe Limited, a subsidiary of the company. The loan is interest free and repayable on demand.

(ii) Loans from related parties

	2019 €'000	2018 €'000
Current liabilities		
Loans from related parties	(40,878)	(242)
	(40,878)	(242)

The above amount comprises the following:

- A deep discounted bond with a carrying value of €40,938k issued to Cromwell Corporation Limited, the Group's immediate and ultimate parent entity. In the prior year this was a non-current liability (see below). The bond has a face value of €42,120k (2018: €86,947k) which is repayable on 31 March 2020. Amounts totalling €42,807k were repaid during the year, including an amount of €40,807k settled via the issue of preference share capital. The amount paid to the Group by Cromwell Corporation Limited when the bond was issued was €78,782k. The effective interest rate on the bond is 3.8% per annum (2018: 3.8%). Interest of €2,936k (2018: €3,075k) accrued during the year which is reflected in the carrying value above.
- Offset against the deep discounted bond above are unamortised capitalised borrowing costs of €93k (2018: €248k) relating to the arrangement of the loan finance. In the prior year this was offset against the non-current liability (see below). This amount comprises borrowing costs of €776k less amortisation to date of €683k. The borrowing costs are being amortised on a straight line basis over a five year term from 4 February 2015 to 4 February 2020.
- Accrued interest on a loan from Cromwell Corporation Limited of €nil (2018: €209k).
- An accrued loan arrangement fee payable to Cromwell European Finance Limited of €33k (2018: €33k). This balance has no interest and is repayable on demand.

Cromwell European Holdings Limited

Registration number: 09381845

NOTES TO THE PARENT ENTITY FINANCIAL STATEMENTS

For the year ended 30 June 2019

7. Related party transactions (continued)

(a) Outstanding balances arising from related party transactions (continued)

(ii) Loans from related parties (continued)

	2019 €'000	2018 €'000
Non-current liabilities		
Loans from related parties	-	(81,112)
	-	(81,112)

The prior year balance comprises the following:

- A deep discounted bond with a carrying value of €81,360k issued to Cromwell Corporation Limited, the Group's immediate and ultimate parent entity. In the current year this is a current liability (see above).
- Offset against the loan above were unamortised capitalised borrowing costs of €248k relating to the arrangement of the loan finance. In the current year these amounts are offset against the current liability (see above). This amount comprised borrowing costs of €776k less amortisation to date of €528k.

(b) Transactions with related parties

The income statement includes the following amounts charged by related parties in the year:

	2019 €'000	2018 €'000
Interest charged by related parties		
Cromwell Corporation Limited	(2,936)	(3,284)
	(2,936)	(3,284)

(c) Controlling entity

The immediate and ultimate controlling parent entity is Cromwell Corporation Limited, an Australian listed entity.

Cromwell Corporation Limited is the parent of the largest (and only other) group for which consolidated financial statements are drawn up of which the company is a member. Copies of Cromwell Corporation Limited's consolidated financial statements can be obtained from Level 19, 200 Mary Street, Brisbane QLD 4000, Australia.

8. Dividends

The Company received a dividend of €11,275k from its subsidiary, Cromwell Europe Limited, during the year (2018: €nil).

The company declared and paid a dividend of €nil during the year to its immediate parent, Cromwell Corporation Limited (2018: €10,000k).

9. Events occurring after reporting date

Since the end of the year the Directors are not aware of any other matter or circumstance not otherwise dealt with in the Directors' report that has significantly or may significantly affect the operations of the Group, the results of its operations, or state of the Group's affairs in future financial years.

10. Contingent liabilities

The Company had no contingent liabilities at 30 June 2019 (2018: €nil).

Cromwell European Holdings Limited

Registration number: 09381845

NOTES TO THE PARENT ENTITY FINANCIAL STATEMENTS

For the year ended 30 June 2019

11. Financial risk management

The comments in note 26 of the Group financial statements in relation to financial risk management are also relevant to the financial risk management of the Company.