

**STRATEGIC REPORT, REPORT OF THE DIRECTORS AND
UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019**

FOR

**Cromwell European Management
Services Limited**



**Cromwell European Management
Services Limited (Registered number: 03112917)**

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for the Year Ended 30 June 2019**

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**Cromwell European Management
Services Limited**

**COMPANY INFORMATION
for the Year Ended 30 June 2019**

DIRECTORS:	T W Sewell M A McLaughlin
SECRETARY:	Cromwell Corporate Secretarial Limited
REGISTERED OFFICE:	1st Floor Unit 16 Manor Court Business Park Scarborough YO11 3TU
REGISTERED NUMBER:	03112917 (England and Wales)
BANKERS:	Bank of Scotland 2nd Floor New Uberior House 11 Earl Grey Street Edinburgh EH3 9BN

**Cromwell European Management
Services Limited (Registered number: 03112917)**

**STRATEGIC REPORT
for the Year Ended 30 June 2019**

The directors present their strategic report for the year ended 30 June 2019.

REVIEW OF BUSINESS

The company's loss for the year is £232,150 (2018: £5,359,356) and is dealt with as shown on the income statement. The company is in a net asset position of £1,113,719 (2018: £1,345,869).

The results for the year are as expected.

There are currently no plans for any significant business developments.

PRINCIPAL RISKS AND UNCERTAINTIES

The directors of Cromwell European Holdings Limited manage the group's risks at a group level, rather than at an individual business unit level. For this reason, the company's directors believe that a discussion of the company's risks would not be appropriate for an understanding of the development, performance or position of the business of Cromwell European Management Services Limited. The principal risks and uncertainties of the Cromwell European Holdings Limited group, which include those of the company, are discussed in the group's annual report which does not form part of this report.

FUTURE BUSINESS DEVELOPMENTS

The company plans to continue to provide management services to the group and to related parties. There are currently no plans for any significant business developments.

KEY PERFORMANCE INDICATORS

The directors of Cromwell European Holdings Limited manage the group's operations on a divisional basis. For this reason, the company's directors believe that analysis using key performance indicators of the company is not necessary or appropriate for an understanding of the development, performance or position of the business of the company. The development, performance and position of Cromwell European Holdings Limited, which includes the company, is discussed in the report of the Directors and financial statements of Cromwell European Holdings Limited, which do not form part of this report.

ON BEHALF OF THE BOARD:



.....
T W Sewell - Director

Date: 18 December 2019

**Cromwell European Management
Services Limited (Registered number: 03112917)**

**REPORT OF THE DIRECTORS
for the Year Ended 30 June 2019**

The directors present their annual report and the unaudited financial statements of the company for the year ended 30 June 2019.

PRINCIPAL ACTIVITIES

The principal activities of the company in the year under review were those of the provision of management services to the Cromwell European Holdings Limited group, related parties and third parties.

DIVIDENDS

The directors declared and paid a dividend of £nil during the current year (2018: £nil).

DIRECTORS

M A McLaughlin has held office during the whole of the period from 1 July 2018 to the date of this report.

Other changes in directors holding office are as follows:

C Treacy - resigned 15 February 2019

T W Sewell - appointed 15 February 2019

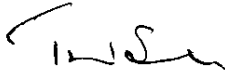
GOING CONCERN

We have prepared the financial statements on a going concern basis. The justification for this is disclosed in the accounting policies note under going concern.

FINANCIAL RISK MANAGEMENT

The company's financial risk management is set out in detail in note 18 of the financial statements.

ON BEHALF OF THE BOARD:



.....
T W Sewell - Director

Date: 18 December 2019

**Cromwell European Management
Services Limited (Registered number: 03112917)**

**INCOME STATEMENT
for the Year Ended 30 June 2019**

	Notes	30.6.19 £	30.6.18 £
CONTINUING OPERATIONS			
Revenue		15,268,065	13,233,597
Cost of sales		(83,763)	(150,000)
GROSS PROFIT		15,184,302	13,083,597
Administrative expenses		(15,608,749)	(19,350,784)
OPERATING LOSS		(424,447)	(6,267,187)
Finance costs	4	(2,853)	(489)
Finance income	4	16,450	2,039
LOSS BEFORE INCOME TAX	5	(410,850)	(6,265,637)
Income tax	6	178,700	906,281
LOSS FOR THE YEAR		<u>(232,150)</u>	<u>(5,359,356)</u>

The notes form part of these financial statements

**Cromwell European Management
Services Limited (Registered number: 03112917)**

**STATEMENT OF COMPREHENSIVE INCOME
for the Year Ended 30 June 2019**

	30.6.19 £	30.6.18 £
LOSS FOR THE YEAR	(232,150)	(5,359,356)
OTHER COMPREHENSIVE INCOME	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>(232,150)</u>	<u>(5,359,356)</u>

The notes form part of these financial statements

**Cromwell European Management
Services Limited (Registered number: 03112917)**

**STATEMENT OF FINANCIAL POSITION
30 June 2019**

	Notes	30.6.19 £	30.6.18 £
ASSETS			
NON-CURRENT ASSETS			
Intangible assets	7	1,376,306	480,275
Property, plant and equipment	8	978,374	93,106
		<u>2,354,680</u>	<u>573,381</u>
CURRENT ASSETS			
Trade and other receivables	9	25,764,924	17,882,440
Tax receivable	14	-	720,000
Cash and cash equivalents	10	256,903	3,016,889
		<u>26,021,827</u>	<u>21,619,329</u>
TOTAL ASSETS		<u>28,376,507</u>	<u>22,192,710</u>
EQUITY			
SHAREHOLDERS' EQUITY			
Called up share capital	11	2	2
Capital redemption reserve	12	369,640	369,640
Retained earnings	12	744,077	976,227
TOTAL EQUITY		<u>1,113,719</u>	<u>1,345,869</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	13	27,262,788	20,846,841
TOTAL LIABILITIES		<u>27,262,788</u>	<u>20,846,841</u>
TOTAL EQUITY AND LIABILITIES		<u>28,376,507</u>	<u>22,192,710</u>

The company is entitled to exemption from audit under Section 479A of the Companies Act 2006 relating to subsidiary companies for the year ended 30 June 2019.

The members have not required the company to obtain an audit of its financial statements for the year ended 30 June 2019 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

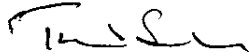
- ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and
- preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The notes form part of these financial statements

**Cromwell European Management
Services Limited (Registered number: 03112917)**

**STATEMENT OF FINANCIAL POSITION - continued
30 June 2019**

The financial statements on pages 4 to 26 were approved by the Board of Directors on 18 December 2019 and were signed on its behalf by:



.....
T W Sewell - Director

The notes form part of these financial statements

**Cromwell European Management
Services Limited (Registered number: 03112917)**

**STATEMENT OF CHANGES IN EQUITY
for the Year Ended 30 June 2019**

	Called up share capital £	Retained earnings £	Capital redemption reserve £	Total equity £
Balance at 1 July 2017	2	6,335,583	369,640	6,705,225
Changes in equity				
Total comprehensive income	-	(5,359,356)	-	(5,359,356)
Balance at 30 June 2018	2	976,227	369,640	1,345,869
Changes in equity				
Total comprehensive income	-	(232,150)	-	(232,150)
Balance at 30 June 2019	2	744,077	369,640	1,113,719

The notes form part of these financial statements

**Cromwell European Management
Services Limited (Registered number: 03112917)**

**STATEMENT OF CASH FLOWS
for the Year Ended 30 June 2019**

		30.6.19 £	30.6.18 £
Cash flows from operating activities			
Cash generated from operations	1	(1,415,434)	3,067,908
Interest paid		(2,853)	(489)
Tax paid		898,700	(214,453)
Net cash from operating activities		<u>(519,587)</u>	<u>2,852,966</u>
Cash flows from investing activities			
Purchase of intangible fixed assets		(1,160,680)	(487,998)
Purchase of property, plant & equipment		(1,096,169)	(117,031)
Sale of tangible fixed assets		-	11,852
Interest received		16,450	2,039
Net cash from investing activities		<u>(2,240,399)</u>	<u>(591,138)</u>
at beginning of year			
	2	<u>3,016,889</u>	<u>755,061</u>
at end of year			
	2	<u><u>256,903</u></u>	<u><u>3,016,889</u></u>

The notes form part of these financial statements

**NOTES TO THE STATEMENT OF CASH FLOWS
for the Year Ended 30 June 2019**

1. RECONCILIATION OF LOSS BEFORE INCOME TAX TO CASH GENERATED FROM OPERATIONS

	30.6.19	30.6.18
	£	£
Loss before income tax	(410,850)	(6,265,637)
Depreciation and amortisation charges	475,549	313,682
Finance costs	2,853	489
Finance income	(16,450)	(2,039)
	<u>51,102</u>	<u>(5,953,505)</u>
Increase in trade and other receivables	(7,882,484)	(2,738,197)
Increase in trade and other payables	6,415,948	11,759,610
Cash generated from operations	<u><u>(1,415,434)</u></u>	<u><u>3,067,908</u></u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

Year ended 30 June 2019

	30.6.19	1.7.18
	£	£
Cash and cash equivalents	256,903	3,016,889
	<u>256,903</u>	<u>3,016,889</u>

Year ended 30 June 2018

	30.6.18	1.7.17
	£	£
Cash and cash equivalents	3,016,889	755,061
	<u>3,016,889</u>	<u>755,061</u>

**NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 30 June 2019**

1. STATUTORY INFORMATION

Cromwell European Management Services Limited is a private company, limited by shares, registered in England and Wales. The company is incorporated and domiciled in England and Wales. The address of its registered office is: 1st Floor, Unit 16, Manor Court Business Park, Scarborough, YO11 3TU.

2. ACCOUNTING POLICIES

Basis of preparation

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

These financial statements have been prepared in accordance with European Union ("EU") Endorsed International Financial Reporting Standards ("IFRSs"), IFRS IC interpretations and those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements have been prepared under the historical cost convention.

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 company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed within the accounting policies.

**NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 30 June 2019**

2. ACCOUNTING POLICIES - continued

New and amended standards not currently relevant to the company

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 Company:

- IFRS 15 'Revenue from contracts with customers' (effective 1 January 2018)
- Amendments to IFRS 15, 'Revenue from contracts with customers' (effective 1 January 2018)
- IFRS 9 'Financial instruments' (effective 1 January 2018)

The effect of these new standards on the Company is not material.

New and amended standards not currently relevant to the Company

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 Company:

- 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)
- IFRS 16 'Leases' (effective 1 January 2019)
- IFRIC 23, 'Uncertainty over income tax treatments' (effective 1 January 2019)

The impact of these standards is yet to be finalised by the Company but is not expected to be material.

Revenue recognition

Revenue, which excludes value added tax, represents the invoiced value of asset management services for the year. Recurring quarterly fees are recognised on an accruals basis and variable performance fees are recognised upon completion of the performance period. All revenue arises from one class of business and within the United Kingdom.

**NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 30 June 2019**

2. ACCOUNTING POLICIES - continued

Other policies

Taxation

Current Tax

The expense or credit for current tax is based on the results for the year 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 reporting 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 statement of financial position 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.

Dividend distribution

Dividend distribution to the company's shareholders is 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).

**NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 30 June 2019**

2. ACCOUNTING POLICIES - continued

Going concern

The financial statements have been prepared on the going concern basis. In forming their view as to going concern, the directors have prepared long term cash flow forecasts for the group based on its trading. The directors have also considered alternative scenarios based on key sensitivities. The projections indicate, taking into account the relatively predictable nature of the group costs, that the group will be able to operate within its existing cash resources, taking into account the key sensitivities.

Taking all the above into consideration, the directors believe that the company will be able to meet its liabilities as they fall due for at least a period of 12 months from the date of signing these financial statements and that it is appropriate to prepare the company's financial statements on a going concern basis.

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 are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements are presented in British Pounds Sterling, which is the company'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 year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the trade receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the income statement within administrative expenses. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables.

Subsequent recoveries of amounts previously written off are credited against administrative expenses in the income statement.

Trade payables

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

Cash and cash equivalents

In the preparation of the company's statement of cash flows, cash and cash equivalents represent short term liquid investments which are readily realisable. Cash which is subject to restrictions, being held to match certain liabilities, is included in cash and cash equivalents in the statement of financial position.

Ordinary shares

Ordinary shares are classified as 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.

**NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 30 June 2019**

2. ACCOUNTING POLICIES - continued

Capital redemption reserve

The capital redemption reserve is a statutory, non-distributable reserve.

Property, plant and equipment

Property, plant and equipment is stated at cost net of depreciation and any provisions for impairment. Depreciation is provided on property, plant and equipment to write off the cost less the estimated residual value, in equal instalments over the estimated useful lives of the assets. The estimated useful lives of the assets are as follows:

Fixtures and fittings	3 years
Long leasehold	Life of lease
Computer equipment	3 years

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 year 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:

IT Software	1 to 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.

Pension costs

Payments made direct to employees' personal pension schemes are charged to the income statement in the period to which they relate. Contributions payable to the group's pension scheme, an insured defined contribution scheme, are charged to the income statement in the period to which they relate.

3. EMPLOYEES AND DIRECTORS

	30.6.19	30.6.18
	£	£
Wages and salaries	6,554,849	8,440,713
Social security costs	653,706	625,091
Other pension costs	424,495	347,871
	<u>7,633,050</u>	<u>9,413,675</u>

The average number of employees during the year was as follows:

	30.6.19	30.6.18
Administrative	<u>72</u>	<u>75</u>

**Cromwell European Management
Services Limited (Registered number: 03112917)**

**NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 30 June 2019**

3. EMPLOYEES AND DIRECTORS - continued

Directors' emoluments

	30.6.19	30.6.18
	£	£
Aggregate emoluments excluding pension contributions	302,195	384,550
Pension contributions	8,608	12,356
Termination benefits	-	542,924
	<u>310,803</u>	<u>939,830</u>

The number of directors accruing benefits under money purchase pension schemes was 2 (2018:2).

Highest paid director:

	30.6.19	30.6.18
	£	£
Aggregate emoluments including termination benefits and excluding pension contributions	<u>249,291</u>	<u>662,009</u>

4. NET FINANCE INCOME

	30.6.19	30.6.18
	£	£
Finance income:		
Deposit account interest	6,523	1,860
Other interest receivable	9,927	179
	<u>16,450</u>	<u>2,039</u>
Finance costs:		
Bank interest	11	55
Other interest payable	2,842	434
	<u>2,853</u>	<u>489</u>
Net finance income	<u>13,597</u>	<u>1,550</u>

5. LOSS BEFORE INCOME TAX

The (loss)/profit before income tax is stated after charging:

	30.6.19	30.6.18
	£	£
Depreciation - owned assets	210,901	194,080
Amortisation of intangible assets	264,648	119,602
Auditors remuneration: Audit of the company	-	10,000
Auditors remuneration: Audit of fellow group undertakings	184,580	162,750
Operating leases - rent	721,343	610,044
Operating leases - office equipment	53,998	41,655

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 30 June 2019

6. INCOME TAX

(a) Income tax (credit)/charge

	30.6.19	30.6.18
	£	£
Current tax - current year	-	(838,655)
Current tax - adjustment in respect of prior periods	(178,700)	(67,626)
	<u>(178,700)</u>	<u>(906,281)</u>

(b) Factors affecting the tax (credit)/charge

The tax assessed for the year is higher (2018: higher) than the standard rate of corporation tax in the UK. The difference is explained below:

	30.6.19	30.6.18
	£	£
(Loss)/ profit before income tax	<u>(410,850)</u>	<u>(6,265,637)</u>
(Loss)/ profit before income tax multiplied by the standard rate of corporation tax in the UK of 19% (2018 - 19%)	(78,062)	(1,190,471)
Effects of:		
Group relief surrendered to/ (by) fellow group companies for nil consideration	-	390,423
Expenses not allowable for tax purposes	71,247	52,547
Capital allowances in excess of depreciation and amortisation	(103,230)	(59,278)
Non-deductible loan impairment	8,940	-
Tax rate differences		(31,876)
Tax losses carried forward for which no deferred tax recognised	101,105	-
Adjustment in respect of prior periods	(178,700)	(67,626)
Income tax (credit)/charge for the year	<u>(178,700)</u>	<u>(906,281)</u>

7. INTANGIBLE ASSETS

	IT Software £
COST	
At 1 July 2018	646,985
Additions	1,160,680
At 30 June 2019	<u>1,807,665</u>
AMORTISATION	
At 1 July 2018	166,710
Amortisation for year	264,649
At 30 June 2019	<u>431,359</u>
NET BOOK VALUE	
At 30 June 2019	<u>1,376,306</u>
At 30 June 2018	<u>480,275</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 30 June 2019**

7. INTANGIBLE ASSETS - continued

The intangible fixed assets relate to accounting software purchased by the company.

The amortisation expense of £264,649 (2018: £119,602) is included in administrative expenses.

**8. PROPERTY, PLANT
AND EQUIPMENT**

	Short leasehold £	Fixtures and fittings £	Computer equipment £	Totals £
COST				
At 1 July 2018	-	-	230,283	230,283
Additions	646,912	279,168	170,089	1,096,169
At 30 June 2019	646,912	279,168	400,372	1,326,452
DEPRECIATION				
At 1 July 2018	-	-	137,177	137,177
Charge for year	46,933	57,873	106,095	210,901
At 30 June 2019	46,933	57,873	243,272	348,078
NET BOOK VALUE				
At 30 June 2019	599,979	221,295	157,100	978,374
At 30 June 2018	-	-	93,106	93,106

The depreciation expense of £210,901 (2018: £194,080) is included in administration expenses.

**9. TRADE AND OTHER
RECEIVABLES**

	30.6.19 £	30.6.18 £
Current:		
Trade receivables	53,877	1,623,509
Other receivables	1,046,253	227,480
Amounts owed by related parties	21,900	12,300
Amounts owed by group undertakings	23,531,113	15,228,958
VAT	353,891	254,500
Accrued income	757,890	-
Prepayments	-	535,693
	25,764,924	17,882,440

**NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 30 June 2019**

9. TRADE AND OTHER RECEIVABLES - continued

All amounts owed by group undertakings are interest free, carry no security and are repayable on demand.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable as disclosed above. The company does not hold any collateral as security.

As at 30 June 2019, there were no provisions against trade receivables (2018: £nil).

As at 30 June 2019, trade receivables of £8,832 (2018: £1,205,209) were past due but not impaired. These relate to a number of customers for whom there is no recent history of default and consequently there are no indications at the reporting date that they will not meet their payment obligations. The ageing analysis of these trade receivables is as follows:

	30.6.19 £	30.6.18 £
Under 3 months	3,698	1,196,399
Between 3 and 6 months	5,134	8,810
	<u>8,832</u>	<u>1,205,209</u>

**10. CASH AND CASH
EQUIVALENTS**

	30.6.19 £	30.6.18 £
Bank accounts	<u>256,903</u>	<u>3,016,889</u>

11. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid: Number:	Class:	Nominal value: £1	30.6.19 £	30.6.18 £
2	Ordinary		<u>2</u>	<u>2</u>

12. RESERVES

	Retained earnings £	Capital redemption reserve £	Totals £
At 1 July 2018	976,227	369,640	1,345,867
Deficit for the year	(232,150)	-	(232,150)
At 30 June 2019	<u>744,077</u>	<u>369,640</u>	<u>1,113,717</u>

**Cromwell European Management
Services Limited (Registered number: 03112917)**

**NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 30 June 2019**

12. RESERVES - continued

	Retained earnings £	Capital redemption reserve £	Totals £
At 1 July 2017	6,335,583	369,640	6,705,223
Deficit for the year	(5,359,356)	-	(5,359,356)
At 30 June 2018	<u>976,227</u>	<u>369,640</u>	<u>1,345,867</u>

**13. TRADE AND OTHER
PAYABLES**

	30.6.19 £	30.6.18 £
Current:		
Trade payables	2,192,590	619,284
Amounts owed to group undertakings	20,813,045	14,119,176
Other payables	372,190	209,235
Accruals	3,884,963	5,899,146
	<u>27,262,788</u>	<u>20,846,841</u>

All amounts owed to group undertakings shown above are interest free, carry no security and are repayable on demand.

The maximum exposure to credit risk at the reporting date is the full value of each class of receivable as disclosed above. The company does not hold any collateral as security.

14. TAX (RECEIVABLE)/ PAYABLE

	30.6.19 £	30.6.18 £
Corporate income tax (receivable)/ payable	<u>-</u>	<u>(720,000)</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 30 June 2019**

15. FINANCIAL INSTRUMENTS

The company's principal financial instruments include trade and other receivables, cash and cash equivalents and payables.

	30.6.19		30.6.18	
	Book value	Fair value	Book value	Fair value
	£	£	£	£
Assets				
Trade and other receivables	24,653,143	24,653,143	17,092,247	17,092,247
Cash and cash equivalents	256,903	256,903	3,016,889	3,016,889
Liabilities				
Trade and other payables	23,377,825	23,377,825	14,947,695	14,947,695

In accordance with IAS 39, the company classifies the assets and liabilities in the analysis above as 'loans and receivables' and 'financial liabilities' measured at amortised cost, respectively. At the year ends, the company did not have any 'held to maturity' or 'available for sale' financial assets or 'held for trading' financial assets and liabilities as defined by IAS 39.

16. ULTIMATE PARENT COMPANY

The company's immediate parent company is Cromwell Holdings Europe Limited. The ultimate parent entity and controlling party is Cromwell Corporation Limited, an Australian entity.

Cromwell European Holdings Limited, a UK entity, is the parent of the smallest group for which consolidated financial statements are drawn up of which the company is a member. Copies of Cromwell European Holdings Limited's consolidated financial statements can be obtained from 1st Floor, Unit 16 Manor Court Business Park, Scarborough YO11 3TU.

Cromwell Corporation Limited is the parent of the largest 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.

**Cromwell European Management
Services Limited (Registered number: 03112917)**

**NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 30 June 2019**

17. RELATED PARTY DISCLOSURES

Amounts owed by/(to) related parties

The funding of Cromwell Corporation Limited and its subsidiaries ('the group') is controlled centrally. Resources are allocated to different entities within the group according to their needs, which constantly vary due to differing trading patterns, seasonality and other factors.

Amounts owed by/(to) group undertakings at the reporting date are as follows:

	30.6.19	30.6.18
	£	£
Group companies		
Cromwell European Holdings Limited	-	31
Cromwell Property Group Czech Republic SRO	87,172	-
Cromwell Denmark A/S	1,010,830	717,722
Cromwell Development Management UK Limited	116,030	100,000
Cromwell Finland oy	1,944,127	529,810
Cromwell France S.A.S	1,006,841	502,513
Cromwell Germany GmbH	845,696	7,499
Cromwell Investment Services Limited	210,510	201,902
Cromwell Investment Management Services Limited	12,456,112	10,717,829
Cromwell Property Group Italy S.r.l	2,168,207	800,423
Cromwell Netherlands B.V.	2,965,584	1,389,974
Cromwell Poland Sp. z.o.o.	345,772	8,349
Cromwell Norway A/S	-	52,581
Cromwell Promote CPRF Limited Partnership	511	357
Cromwell Coinvest ECV Limited Partnership	14,412	7,644
Cromwell Promote ECV Limited Partnership	15,712	9,126
Cromwell YCM Promote Limited Partnership	11,150	9,245
Cromwell CEE Promote Limited Partnership	16,333	9,542
Cromwell Coinvest CEIF Limited Partnership	20,393	9,126
Cromwell Promote CEIF Limited Partnership	4,865	1,233
Cromwell Promote HIG Limited Partnership	4,202	430
Cromwell WBP Poland Limited Partnership	10,884	965
Cromwell Promote CEVAF I Limited Partnership	11,211	4,695
Cromwell REIM Luxembourg S.a.r.l	-	16,956
Cromwell Property Group Romania SRL	53,456	28,697
Cromwell Corporate Secretarial Limited	-	976
Cromwell CEE Development Holdings Limited	155,056	101,333
Cromwell Investment Luxembourg S.a.r.l	969	-
Cromwell Holdings Europe Limited	7,833	-
Cromwell Poland No. 2 Sp z.o.o.	47,248	-
Amounts owed by group companies	23,531,116	15,228,958

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 30 June 2019

17. Related party disclosures (continued)

	30.6.19	30.6.18
	£	£
Group companies		
Cromwell Asset Management Limited	(323,705)	(299,217)
Cromwell Holdings Europe Limited	-	(2)
IO Management Services Limited	(51,651)	(51,823)
D.U.K.E. (Cheetham Hill) Limited	-	(2,952,876)
Cromwell Poland Retail UK Limited	(1,110,432)	(1,097,434)
Nordic Aktiv General Partner Limited	(130,000)	(130,000)
Nordic Aktiv General Partner 2 Limited	-	(1,961)
The IO Group Limited	(463,339)	(463,339)
Cromwell Europe Limited	(13,142,505)	(9,059,764)
Cromwell Sweden AB	(607,599)	(62,760)
Cromwell Corporate Secretarial Limited	(823,483)	-
Cromwell REIM Luxembourg S.a.r.l	(21,362)	-
Cromwell Development Holdings UK Limited	(2,383,267)	-
Cromwell European Holdings Limited	(1,755,702)	-
	<hr/>	<hr/>
Amounts owed to group undertakings	(20,813,045)	(14,119,176)

Amounts charged to other group companies for overheads and salaries during the year are as follows:

Invoiced to:	30.6.19	30.6.18
	£	£
Nordic Aktiv 2 General Partner Limited	-	13,012
Cromwell Asset Management UK Limited	-	-
Cromwell Property Group Czech Republic SRO	171,560	232,300
Cromwell Denmark A/S	418,774	520,060
Cromwell Development Management UK Limited	-	-
Cromwell Finland oy	1,774,919	1,036,121
Cromwell France S.A.S	1,584,429	1,152,399
Cromwell Germany GmbH	902,472	1,168,710
Cromwell Property Group Hungary Kft	15,621	46,438
Cromwell Property Group Italy S.r.l	2,224,886	629,613
Cromwell Investment Management Services Limited	1,400,000	1,500,000
Cromwell Netherlands B.V.	4,264,563	3,868,917
Cromwell Poland Sp. z.o.o.	705,329	734,199
Cromwell Norway A/S	803	17,704
Cromwell Poland No. 2 Sp z.o.o.	731,818	743,653
Cromwell REIM Luxembourg S.a.r.l	33,144	12,010
Cromwell Property Group Romania SRL	31,427	48,980
Cromwell Sweden A/B	84,547	272,450
	<hr/>	<hr/>
	14,344,292	11,996,566

**Cromwell European Management
Services Limited (Registered number: 03112917)**

**NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 30 June 2019**

17. Related party disclosures (continued)

The company was charged the following amounts by group companies for overheads and salaries during the year:

Invoiced by:	30.6.19 £	30.6.18 £
Group companies		
Cromwell Corporation Limited	266,064	245,159
Cromwell REIM Luxembourg S.a.r.l	54,063	57,914
Cromwell Poland Sp. z.o.o.	39,212	85,346
Cromwell Netherlands B.V.	677,180	664,839
Cromwell Poland No. 2 Sp z.o.o.	136,900	176,607
Cromwell Sweden A/B	739,141	782,538
	<u>1,912,560</u>	<u>2,012,403</u>

Joint Venture of parent company:

Amounts owed by related parties at the reporting date are as follows:

	30.6.19 £	30.6.18 £
Related Parties		
Redhouse Projects Limited	-	9,000
Stirling Development Agency Limited	18,600	-
Talbot Green Developments Limited	3,300	3,300
	<u>21,900</u>	<u>12,300</u>

Key Management Compensation

Key management personnel received the following benefits during the year:

	30.6.19 £	30.6.18 £
Short term employee benefits	1,507,163	1,451,881
Post employment benefits	34,182	66,706
Termination benefits	-	608,831
	<u>1,541,345</u>	<u>2,127,418</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 30 June 2019**

18. FINANCIAL RISK MANAGEMENT

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

Risk management is carried out by a central treasury function on a group-wide basis under policies approved by the board of directors. The central treasury function identifies, evaluates and hedges financial risks for the group as a whole. The board provides 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.

Credit risk

The company is subject to credit risk arising from outstanding receivables and committed cash and cash equivalents and deposits with banks and financial institutions. The company's policy is to manage credit exposure to trading counterparties within defined trading limits. All of the company's significant counterparties are assigned internal credit limits.

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

Liquidity risk

The company 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 company 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 for Cromwell European Holdings Limited group as a whole.

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.

Foreign exchange risk

The company is exposed to foreign currency risk on sales, purchases and borrowings that are denominated in currencies other than pound sterling. The currency giving rise to this risk is primarily the Euro. The company does not hedge profit translation exposure, unless there is a corresponding cash flow, since such hedges provide only a temporary deferral of the effects of movement in foreign exchange rates.

Capital risk management

The company's objectives when managing capital are to safeguard the company's ability to continue as a going concern in order to provide returns for shareholders 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 company may adjust the amount of dividends paid to shareholders, return capital to its parent, issue new shares or sell assets to reduce debt.

**NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 30 June 2019**

19. COMMITMENTS

Operating lease commitments

The Company has entered into commercial leases on certain properties and items of equipment. These leases have a duration of between 1 and 6 years. Only the property lease agreements contain an option for renewal, and with such options being exercisable three months before the expiry of the lease term at rentals based on market prices at the time of exercise. There are no restrictions placed upon the lessee by entering into these leases.

The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

	30.6.19	30.6.18
	£	£
No later than 1 year	742,452	300,790
Later than 1 year and no later than 5 years	2,476,489	372,099
Later than 5 years	2,403,282	299,591
	<u>5,622,223</u>	<u>972,480</u>