

**STRATEGIC REPORT, REPORT OF THE DIRECTORS AND
UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021**

FOR

**Cromwell European Management
Services Limited**

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for the Year Ended 30 June 2021**

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**Cromwell European Management
Services Limited**

**COMPANY INFORMATION
for the Year Ended 30 June 2021**

DIRECTORS:

T W Sewell
P M Vanhanen

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 Ueberior House
11 Earl Grey Street
Edinburgh
EH3 9BN

**STRATEGIC REPORT
for the Year Ended 30 June 2021**

The directors present their strategic report for the year ended 30 June 2021.

REVIEW OF BUSINESS

The company's profit for the year is £1,879,011 (2020 restated loss: £1,134,019) and is dealt with as shown on the income statement. The company is in a net asset position of £1,151,834 (2020 restated net liabilities: £727,177).

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: 16 December 2021

**REPORT OF THE DIRECTORS
for the Year Ended 30 June 2021**

The directors present their annual report and the unaudited financial statements of the company for the year ended 30 June 2021.

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 (2020: £nil).

DIRECTORS

T W Sewell has held office during the whole of the period from 1 July 2020 to the date of this report.

Other changes in directors holding office are as follows:

M A McLaughlin - resigned 4 February 2021

P M Vanhanen - appointed 4 February 2021

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 projections for the group based on its trading. The directors have also considered alternative scenarios based on key sensitivities, including Covid 19. 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 all the above into consideration, the directors believe that the company, with minimal external creditors, will be able to meet its liabilities as they fall due for at least 12 months from the signing of the financial statements and that it is appropriate to prepare the company's financial statements on a going concern basis.

FINANCIAL RISK MANAGEMENT

The company's financial risk management is set out in detail in note 19 of the financial statements.

ON BEHALF OF THE BOARD:



.....
T W Sewell - Director

Date: 16 December 2021

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

**INCOME STATEMENT
for the Year Ended 30 June 2021**

	Notes	30.6.21 £	30.6.20 as restated £
CONTINUING OPERATIONS			
Revenue		18,145,639	19,757,470
Gain/loss on revaluation of investments		-	(541)
Administrative expenses		(16,702,171)	(20,187,060)
Other operating expenses		<u>545,364</u>	<u>(582,115)</u>
OPERATING PROFIT/(LOSS)		1,988,832	(1,012,246)
Finance costs	4	(109,821)	(126,063)
Finance income	4	<u>-</u>	<u>4,290</u>
PROFIT/(LOSS) BEFORE INCOME TAX 5		1,879,011	(1,134,019)
Income tax	6	<u>-</u>	<u>-</u>
PROFIT/(LOSS) FOR THE YEAR		<u><u>1,879,011</u></u>	<u><u>(1,134,019)</u></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 2021**

	30.6.21	30.6.20 as restated
	£	£
PROFIT/(LOSS) FOR THE YEAR	1,879,011	(1,134,019)
OTHER COMPREHENSIVE INCOME	—	—
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>1,879,011</u>	<u>(1,134,019)</u>

The notes form part of these financial statements

STATEMENT OF FINANCIAL POSITION
30 June 2021

	Notes	30.6.21 £	30.6.20 as restated £	1.7.19 £
ASSETS				
NON-CURRENT ASSETS				
Owned				
Intangible assets	8	252,464	511,551	1,376,306
Property, plant and equipment	9	592,699	794,031	978,374
Right-of-use Property, plant and equipment	9, 15	<u>4,013,540</u>	<u>4,508,211</u>	<u>-</u>
		<u>4,858,703</u>	<u>5,813,793</u>	<u>2,354,680</u>
CURRENT ASSETS				
Trade and other receivables	10	9,723,427	20,828,920	25,764,924
Cash and cash equivalents	11	<u>315,822</u>	<u>485,779</u>	<u>256,903</u>
		<u>10,039,249</u>	<u>21,314,699</u>	<u>26,021,827</u>
TOTAL ASSETS		<u>14,897,952</u>	<u>27,128,492</u>	<u>28,376,507</u>
EQUITY				
SHAREHOLDERS' EQUITY				
Called up share capital	12	2	2	2
Capital redemption reserve	13	369,640	369,640	369,640
Retained earnings	13	<u>782,192</u>	<u>(1,096,819)</u>	<u>744,077</u>
TOTAL EQUITY		<u>1,151,834</u>	<u>(727,177)</u>	<u>1,113,719</u>
LIABILITIES				
NON-CURRENT LIABILITIES				
Trade and other payables	14	<u>3,477,671</u>	<u>3,968,283</u>	<u>-</u>
CURRENT LIABILITIES				
Trade and other payables	14	<u>10,268,447</u>	<u>23,887,386</u>	<u>27,262,788</u>
TOTAL LIABILITIES		<u>13,746,118</u>	<u>27,855,669</u>	<u>27,262,788</u>
TOTAL EQUITY AND LIABILITIES		<u>14,897,952</u>	<u>27,128,492</u>	<u>28,376,507</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 2021.

The members have not required the company to obtain an audit of its financial statements for the year ended 30 June 2021 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and

The notes form part of these financial statements

**STATEMENT OF FINANCIAL POSITION - continued
30 June 2021**

- (b) 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 financial statements on pages 4 to 28 were approved by the Board of Directors and authorised for issue on 16 December 2021 and were signed on its behalf by:



.....
T W Sewell - Director

**STATEMENT OF CHANGES IN EQUITY
for the Year Ended 30 June 2021**

	Called up share capital £	Retained earnings £	Capital redemption reserve £	Total equity £
Balance at 1 July 2019	2	744,077	369,640	1,113,719
Prior year adjustment	-	(706,877)	-	(706,877)
As restated	2	37,200	369,640	406,842
Changes in equity				
Total comprehensive income	-	588,910	-	588,910
Balance at 30 June 2020	2	626,110	369,640	995,752
Prior year adjustment	-	(1,722,929)	-	(1,722,929)
As restated	2	(1,096,819)	369,640	(727,177)
Changes in equity				
Total comprehensive income	-	1,879,011	-	1,879,011
Balance at 30 June 2021	2	782,192	369,640	1,151,834

**STATEMENT OF CASH FLOWS
for the Year Ended 30 June 2021**

		30.6.21	30.6.20 as restated
		£	£
Cash flows from operating activities			
Cash generated from operations	1	116,049	1,017,062
Interest paid		-	(1,316)
Lease interest paid		<u>(109,821)</u>	<u>(124,747)</u>
Net cash from operating activities		<u>6,228</u>	<u>890,999</u>
Cash flows from investing activities			
Purchase of intangible fixed assets		(99,756)	(200,069)
Purchase of property, plant & equipment		(135,061)	(67,726)
Sale of tangible fixed assets		58,632	541
Interest received		<u>-</u>	<u>4,290</u>
Net cash from investing activities		<u>(176,185)</u>	<u>(262,964)</u>
Cash flows from financing activities			
Movement on intercompany loans		<u>-</u>	<u>(399,159)</u>
Net cash from financing activities		<u>-</u>	<u>(399,159)</u>
		<u>-</u>	<u>-</u>
at beginning of year	2	<u>485,779</u>	<u>256,903</u>
at end of year	2	<u><u>315,822</u></u>	<u><u>485,779</u></u>

**NOTES TO THE STATEMENT OF CASH FLOWS
for the Year Ended 30 June 2021**

1. RECONCILIATION OF PROFIT/(LOSS) BEFORE INCOME TAX TO CASH GENERATED FROM OPERATIONS

	30.6.21	30.6.20 as restated
	£	£
Profit/(loss) before income tax	1,879,011	(1,134,019)
Depreciation and amortisation charges	1,131,275	1,191,589
Finance costs	109,821	126,063
Finance income	-	(4,290)
	<u>3,120,107</u>	<u>179,343</u>
Decrease in trade and other receivables	11,105,493	5,122,370
Decrease in trade and other payables	<u>(14,109,551)</u>	<u>(4,284,651)</u>
Cash generated from operations	<u><u>116,049</u></u>	<u><u>1,017,062</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 2021

	30.6.21	1.7.20
	£	£
Cash and cash equivalents	<u>315,822</u>	<u>485,779</u>
	<u><u>315,822</u></u>	<u><u>485,779</u></u>

Year ended 30 June 2020

	30.6.20 as restated	1.7.19
	£	£
Cash and cash equivalents	<u>485,779</u>	<u>256,903</u>
	<u><u>485,779</u></u>	<u><u>256,903</u></u>

**NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 30 June 2021**

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.

New and amended standards not currently relevant to the company

During the year, the Group revised its accounting policy in relation to upfront configuration and customisation costs incurred in implementing Software-as-a-Service (SaaS) arrangements in response to the IFRIC agenda decision clarifying its interpretation of how current accounting standards apply to these types of arrangements. The new accounting policy is presented below. Historical financial information has been restated to account for the impact of the change - refer to note 7.

No changes to accounting policies have been made nor have any new standards or interpretations been implemented on the basis that no new standards or interpretations are applicable or material to the financial statements.

Future accounting developments

A number of amendments and improvements to accounting standards have been issued by the International Accounting Standards Board (IASB) with an effective date after 1 July 2021. They do not impact these financial statements.

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 2021**

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).

Leases

Leases are recognised as finance leases. The lease liability is initially recognised at the present value of the lease payments which have not yet been made and subsequently measured under the amortised cost method. The initial cost of the right-of-use asset comprises the amount of the initial measurement of the lease liability, lease payments made prior to the lease commencement date, initial direct costs and the estimated costs of removing or dismantling the underlying asset per the conditions of the contract.

Where ownership of the right-of-use asset transfers to the lessee at the end of the lease term, the right-of-use asset is depreciated over the asset's remaining useful life. If ownership of the right-of-use asset does not transfer to the lessee at the end of the lease term, depreciation is charged over the shorter of the useful life of the right-of-use asset and the lease term.

**NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 30 June 2021**

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 projections for the group based on its trading. The directors have also considered alternative scenarios based on key sensitivities, including Covid 19. 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 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 2021**

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.

Software-as-a-service (SaaS) arrangements

As a result of a relevant IFRIC Agenda Decision, SaaS arrangements are considered to be service contracts providing the Company with the right to access the cloud provider's application software over the contract period. Costs incurred to configure or customise, and the ongoing fees to obtain access to the cloud provider's application software, are recognised as operating expenses when the services are received.

Some of these costs incurred are for the development of software code that enhances or modifies, or creates additional capability to, existing on-premises systems and meets the definition of and recognition criteria for an intangible asset. These costs are recognised as intangible software assets and amortised over the useful life of the software on a straight-line basis. The useful lives of these assets are reviewed at least at the end of each financial year, and any change accounted for prospectively as a change in accounting estimate.

Application to Cromwell

The impact of the accounting policy change in relation to SaaS includes:

- Accounting policy change is applied to the current year and retrospectively, meaning a retrospective restatement of historical financial information is required in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;

**NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 30 June 2021**

2. ACCOUNTING POLICIES - continued

- Derecognition of relevant capitalised Software-as-a-Service ('SaaS') costs and reversal of associated amortisation in the current year and retrospectively, which has resulted in the restatement of the prior year comparatives as disclosed in note 7; and

- An opening balance adjustment at 1 July 2019 to reduce the net assets at that date by £706,877.

3. EMPLOYEES AND DIRECTORS

	30.6.21	30.6.20 as restated
	£	£
Wages and salaries	6,112,589	8,799,715
Social security costs	701,150	657,409
Other pension costs	332,531	304,690
	<u>7,146,270</u>	<u>9,761,814</u>

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

	30.6.21	30.6.20 as restated
Administrative	<u>75</u>	<u>77</u>

Directors' emoluments

	30.6.21	30.6.20
	£	£
Aggregate emoluments excluding pension contributions	526,295	260,326
Pension contributions	12,767	2,900
Termination benefits	-	-
	<u>539,062</u>	<u>263,226</u>

The number of directors accruing benefits under money purchase pension schemes was 2 (2020: 1).

Highest paid director:

	30.6.21	30.6.20
	£	£
Aggregate emoluments including termination benefits and excluding pension contributions	<u>309,394</u>	<u>243,226</u>

4. NET FINANCE COSTS

	30.6.21	30.6.20 as restated
	£	£
Finance income:		
Deposit account interest	<u>-</u>	<u>4,290</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 30 June 2021**

4. NET FINANCE COSTS - continued

	30.6.21	30.6.20 as restated
	£	£
Finance costs:		
Bank interest	-	37
Other interest payable	-	1,279
Lease costs	<u>109,821</u>	<u>124,747</u>
	<u>109,821</u>	<u>126,063</u>
 Net finance costs	 <u>109,821</u>	 <u>121,773</u>

5. PROFIT/(LOSS) BEFORE INCOME TAX

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

	30.6.21	30.6.20 as restated
	£	£
Depreciation - owned assets	241,736	251,529
Depreciation - right of use assets	530,696	582,114
Amortisation of intangible assets	358,843	359,946
Auditors remuneration: Audit of fellow group undertakings	148,406	230,595
Software as a service	<u>1,288,401</u>	<u>2,222,714</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 30 June 2021**

6. INCOME TAX

(a) Income tax (credit)/charge

	30.6.21	30.6.20
	£	£
Current tax - current year	-	-
Current tax - adjustment in respect of prior periods	-	-
	<u>-</u>	<u>-</u>

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

The tax assessed for the year is lower (2020 restated: higher) than the standard rate of corporation tax in the UK.
The difference is explained below:

	30.6.21	30.6.20 as restated
	£	£
Profit / (loss) before income tax	<u>1,879,011</u>	<u>(1,134,019)</u>
Profit / (loss) before income tax multiplied by the standard rate of corporation tax in the UK of 19% (2020 - 19%)	357,012	(215,467)
Effects of:		
Group relief surrendered to/ (by) fellow group companies for nil consideration	71,377	-
Expenses not allowable for tax purposes	91,925	68,044
Capital allowances in excess of depreciation and amortisation	33,923	(311,873)
(Non-taxable)/Non-deductible loan impairment	(24,700)	2,850
(Deductible)/Non-deductible prior year restatement	(325,171)	327,447
Tax losses carried forward for which no deferred tax recognised	-	(226,526)
Non-taxable capital gains	-	103
Depreciation not allowable for tax purposes	-	217,219
Movement in provisions (not taxable)/non-deductible	<u>(206,366)</u>	<u>138,290</u>
Income tax charge/(credit) for the year	<u>-</u>	<u>-</u>

(c) Factors affecting future tax expense

The main rate of UK corporation tax will increase from 19% to 25% with effect from 1 April 2023.

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 30 June 2021

7. PRIOR YEAR ADJUSTMENT

Retrospective restatement:

The schedule provides information about the retrospective impact to previously recognised capitalised and amortised Software-as-a-Service (SaaS) costs, which includes the derecognition of previously capitalised costs as if they had not been recognised. The 30 June 2020 restatement recognises the derecognition of all SaaS costs capitalised and amortised during that year. The 1 July 2019 opening balance adjustment represents the derecognition of cumulative historical capitalised and amortised SaaS costs. The SaaS adjustment has been presented below to bridge the prior period audited accounts to the restated amounts disclosed on the face of the primary financial statements.

	Balance per signed accounts 30 June 2020 £	Opening 'SaaS' adjustment 1 July 2019 £	'SaaS' adjustment 30 June 2020 £	As restated 30 June 2020 £
Financial Statement impact:				
Statement of Financial Position				
Intangible assets	2,941,358	(706,877)	(1,722,929)	511,552
Total Assets	2,941,358	(706,877)	(1,722,929)	511,552
Retained Earnings	1,332,987	(706,877)	(1,722,929)	(1,096,819)
Total equity	1,332,987	(706,877)	(1,722,929)	(1,096,819)
Statement of Profit or Loss				
Amortisation of intangible assets (note 5)	859,731	-	(499,785)	359,946
Software as a Service (note 5)	-	-	2,222,714	2,222,714
Administrative expenses	859,731	-	1,722,929	2,582,660

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 30 June 2021

8. INTANGIBLE ASSETS

	IT Software £
COST	
At 1 July 2020	1,295,831
Additions	<u>99,756</u>
At 30 June 2021	<u>1,395,587</u>
AMORTISATION	
At 1 July 2020	784,280
Amortisation for the year	<u>358,843</u>
At 30 June 2021	<u>1,143,123</u>
NET BOOK VALUE	<u>252,464</u>
At 30 June 2021	<u>511,552</u>
At 30 June 2020 as restated	

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

The amortisation expense of £358,843 (2020 as restated: £359,946) is included in administrative expenses.

**9. PROPERTY, PLANT
AND EQUIPMENT**

	Short leasehold £	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Totals £
COST					
At 1 July 2020	5,477,220	263,914	299,189	443,206	6,483,529
Additions	-	94,656	438	39,967	135,061
Disposals	<u>(19,556)</u>	<u>(97,138)</u>	<u>-</u>	<u>-</u>	<u>(116,694)</u>
At 30 June 2021	<u>5,457,664</u>	<u>261,432</u>	<u>299,627</u>	<u>483,173</u>	<u>6,501,896</u>
DEPRECIATION					
At 1 July 2020	616,522	77,503	156,507	330,755	1,181,287
Charge for year	541,255	54,304	99,530	77,343	772,432
Eliminated on disposal	<u>(18,178)</u>	<u>(39,884)</u>	<u>-</u>	<u>-</u>	<u>(58,062)</u>
At 30 June 2021	<u>1,139,599</u>	<u>91,923</u>	<u>256,037</u>	<u>408,098</u>	<u>1,895,657</u>
NET BOOK VALUE					
At 30 June 2021	<u>4,318,065</u>	<u>169,509</u>	<u>43,590</u>	<u>75,075</u>	<u>4,606,239</u>
At 30 June 2020	<u>4,860,698</u>	<u>186,411</u>	<u>142,682</u>	<u>112,451</u>	<u>5,302,242</u>

The table includes owned and right of use assets. The net book value in relation to the right-of-use assets is shown in Note 15.

The depreciation expense of £796,308 (2020: £833,643) is included in administration expenses.

**NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 30 June 2021**

**10. TRADE AND OTHER
RECEIVABLES**

	30.6.21	30.6.20 as restated
	£	£
Current:		
Trade receivables	43,380	44,724
Other receivables	489,223	942,149
Amounts owed by group undertakings	8,371,701	18,823,765
VAT	371,748	447,547
Accrued income	<u>447,375</u>	<u>570,735</u>
	<u>9,723,427</u>	<u>20,828,920</u>

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 2021, there were no provisions against trade receivables (2020: £nil).

As at 30 June 2021, trade receivables of £nil (2020: £861) were past due but not impaired.

**11. CASH AND CASH
EQUIVALENTS**

	30.6.21	30.6.20 as restated
	£	£
Bank accounts	<u>315,822</u>	<u>485,779</u>

12. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:			30.6.21	30.6.20 as restated
Number:	Class:	Nominal value:		
			£	£
2	Ordinary	£1	<u>2</u>	<u>2</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 30 June 2021**

13. RESERVES

	Retained Earnings £	Capital redemption reserve £	Totals £
At 1 July 2020 as restated	(1,096,819)	369,640	(727,179)
Profit for the year	<u>1,879,011</u>	<u>-</u>	<u>1,879,011</u>
At 30 June 2021	<u>782,192</u>	<u>369,640</u>	<u>1,151,832</u>

	Retained Earnings £	Capital redemption reserve £	Totals £
At 1 July 2019	744,077	369,640	1,113,717
Prior year adjustment	<u>(706,877)</u>	<u>-</u>	<u>(706,877)</u>
	37,200	369,640	406,840
Deficit for the year	<u>(1,134,019)</u>	<u>-</u>	<u>(1,134,019)</u>
At 30 June 2020	<u>(1,096,819)</u>	<u>369,640</u>	<u>(727,179)</u>

**14. TRADE AND OTHER
PAYABLES**

	30.6.21 £	30.6.20 as restated £
Current:		
Trade payables	359,329	1,878,356
Amounts owed to group undertakings	5,668,268	15,706,534
Amounts owed to participating interests	159,444	-
Other payables	329,638	361,299
Lease liabilities	566,979	573,940
Accruals	<u>3,184,789</u>	<u>5,367,257</u>
	<u>10,268,447</u>	<u>23,887,386</u>
Non-current:		
Lease liabilities	<u>3,477,671</u>	<u>3,968,283</u>
Aggregate amounts	<u>13,746,118</u>	<u>27,855,669</u>

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

**NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 30 June 2021**

15. LEASING

Right-of-use assets

Property, plant and equipment	30.6.21 £	30.6.20 £
Cost		
Bought forward	5,090,326	-
Additions	94,656	5,090,326
Disposals	(116,694)	-
As at 30 June	<u>5,068,288</u>	<u>5,090,326</u>
Depreciation		
Bought forward	(582,115)	-
Charge for the year	(530,696)	(582,115)
Disposals	58,062	-
As at 30 June	<u>(1,054,749)</u>	<u>(582,115)</u>
NET BOOK VALUE	<u>4,013,539</u>	<u>4,508,211</u>

Other leases	30.6.21 £	30.6.20 £
Variable lease payments	<u>(643,421)</u>	<u>(672,850)</u>

Reconciliation of movements of liabilities to cashflows arising from financing activities

	Opening balance		Lease liability principal	Recognition of lease liability	Closing balance
2021	(£)	Interest (£)	(£)	(£)	(£)
Lease liabilities	4,542,223	109,821	(643,421)	36,027	4,044,650

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 10 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 leases are as follows:

	30.6.21 £	30.6.20 £
No later than 1 year	566,979	573,940
Later than 1 year and no later than 5 years	2,288,697	2,221,897
Later than 5 years	<u>1,188,974</u>	<u>1,746,386</u>
	<u>4,044,650</u>	<u>4,542,223</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 30 June 2021**

16. FINANCIAL INSTRUMENTS

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

	30.6.21		30.6.20	
	Book value £	Fair value £	Book value £	Fair value £
Assets				
Trade and other receivables	9,265,091	9,265,091	19,810,638	19,810,638
Cash and cash equivalents	315,822	315,822	485,779	485,779
Liabilities				
Trade and other payables	7,083,657	7,083,657	18,520,130	18,520,130
Other payables > 1 year	3,477,671	3,477,671	3,968,283	3,968,283

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.

17. 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.

**NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 30 June 2021**

18. 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:

	30.6.21	30.6.20
	£	£
Group companies		
Cromwell Property Group Czech Republic SRO	275,868	320
Cromwell Denmark A/S	127,275	110,599
Cromwell Development Management UK Limited	-	116,030
Cromwell Finland oy	463,307	393,052
Cromwell France S.A.S	1,478,476	607,349
Cromwell Germany GmbH	1,277,858	249,498
Cromwell Investment Services Limited	-	219,604
Cromwell Investment Management Services Limited	750,000	14,028,346
Cromwell Property Group Italy S.r.l	2,364,196	742,442
Cromwell Netherlands B.V.	372,192	72,786
Cromwell European Holdings Limited	294	-
Cromwell Management Holdings Limited	1,059	2,508
Cromwell Promote CPRF Limited Partnership	-	517
Cromwell Coinvest ECV Limited Partnership	-	23,083
Cromwell Promote ECV Limited Partnership	-	24,158
Cromwell YCM Promote Limited Partnership	-	19,499
Cromwell CEE Promote Limited Partnership	-	25,037
Cromwell Coinvest CEIF Limited Partnership	-	28,740
Cromwell Promote CEIF Limited Partnership	-	12,318
Cromwell Promote HIG Limited Partnership	-	11,642
Cromwell WBP Poland Limited Partnership	-	11,473
Cromwell Promote CEVAF I Limited Partnership	-	19,553
Cromwell REIM Luxembourg S.a.r.l	-	31,869
Cromwell Corporate Secretarial Limited	70	-
Upperastoria Trading and Investment Ltd	-	5,538
Cromwell Investment Holdings UK Ltd	-	5,000
Cromwell CEE Development Holdings Limited	4,612	161,851
Cromwell Investment Luxembourg S.a.r.l	500,142	624,673
Cromwell Holdings Europe Limited	-	1,141
Cromwell Property Group Poland Sp z.o.o.	753,008	1,275,139
Cromwell CEREIT Holdings Limited	1,114	-
Cromwell Central Europe B.V.	2,230	-
Amounts owed by group companies	<u>8,371,701</u>	<u>18,823,765</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 30 June 2021**

18. Related party disclosures (continued)

	30.6.21	30.6.20
Group companies	£	£
Cromwell Asset Management UK Limited	(11,948)	(498,154)
IO Management Services Limited	-	(56,432)
Cromwell Capital Ventures UK Ltd	-	(13)
Cromwell Poland Retail UK Limited	-	(1,130,001)
Nordic Aktiv General Partner Limited	-	(130,000)
The IO Group Limited	-	(463,339)
Cromwell Europe Limited	(5,191,629)	(8,344,566)
Cromwell Sweden AB	(242,772)	(143,751)
Cromwell Corporate Secretarial Limited	-	(822,434)
Cromwell REIM Luxembourg S.a.r.l	(850)	-
Cromwell Development Holdings UK Limited	-	(2,333,267)
Cromwell European Holdings Limited	-	(1,784,577)
Cromwell Investment Services Limited	(221,069)	-
Amounts owed to group undertakings	<u>(5,668,268)</u>	<u>(15,706,534)</u>

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

Invoiced to:	30.6.21	30.6.20
	£	£
Cromwell Investment Luxembourg S.a.r.l	1,181,319	672,023
Cromwell Luxembourg SA	-	2,870
Cromwell Property Group Czech Republic SRO	425,939	212,289
Cromwell Denmark A/S	531,930	416,648
Cromwell Finland oy	1,310,939	1,335,864
Cromwell France S.A.S	2,093,895	2,363,085
Cromwell Germany GmbH	1,170,642	1,883,380
Cromwell Property Group Italy S.r.l	3,164,615	2,189,908
Cromwell Investment Management Services Limited	(650,000)	1,400,000
Cromwell Netherlands B.V.	4,017,597	7,223,565
Cromwell Poland Sp. z.o.o.	-	7,710
Cromwell Property Group Poland Sp z.o.o.	3,184,868	4,506,562
Cromwell REIM Luxembourg S.a.r.l	15,124	32,038
Cromwell Property Group Romania SRL	9,433	40,781
Cromwell Sweden A/B	197,640	204,595
Cromwell Investment Services Limited	268,719	-
Cromwell Central Europe B.V.	2,259	-
Cromwell Operations Pty	117,797	-
Cromwell EREIT Management Pte.	1,280,351	-
Cromwell EREIT Management Luxembourg S.a.r.l	1,983	-
	<u>18,325,050</u>	<u>22,491,318</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 30 June 2021**

18. Related party disclosures (continued)

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

Invoiced by:	30.6.21 £	30.6.20 £
Group companies		
Cromwell Operations Pty	2,411,807	330,915
Cromwell Investment Services Limited	300,131	-
Cromwell EREIT Management Pte	1,826	-
Cromwell REIM Luxembourg S.a.r.l	37,224	231,530
Cromwell Netherlands B.V.	2,658,286	2,618,421
Cromwell Property Group Poland Sp z.o.o.	221,542	140,543
Cromwell Sweden A/B	360,764	580,632
Cromwell Investment Luxembourg S.a.r.l	-	68,944
Cromwell France SAS	73,062	17,001
Cromwell Germany GmbH	201,865	419,000
Cromwell Property Group Italy	-	118,259
Cromwell Denmark A/S	84,413	16,749
Cromwell Finland Oy	2,736	5,543
	<u>6,353,656</u>	<u>6,708,599</u>

Joint Venture of parent company:

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

	30.6.21 £	30.6.20 £
Related Parties		
Stirling Development Agency Limited	10,500	-
Talbot Green Developments Limited	3,330	-
D.U.K.E. Real Estate Limited	342	-
	<u>14,172</u>	<u>-</u>

Key Management Compensation

Key management personnel received the following benefits during the year:

	30.6.21 £	30.6.20 £
Short term employee benefits	1,131,175	1,012,650
Post employment benefits	27,402	28,203
Termination benefits	-	-
	<u>1,158,577</u>	<u>1,040,853</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 30 June 2021**

19. 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.