Parent for: 8239548.

Cromwell European Holdings Limited

Annual report and financial statements

For the year ended 30 June 2020

Registration Number: 09381845

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THE BOARD OF DIRECTORS

PL Weightman
MA McLaughlin
RJ Cotterell
TW Sewell

COMPANY SECRETARY

Cromwell Corporate Secretarial Limited

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The Directors present their strategic report on the affairs of Cromwell European Holdings Limited ("the Company") and its controlled entities ('the Group') for the year ended 30 June 2020.

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 manages property funds and mandates in Europe comprising 158 assets with 2,272 tenants. It operates in 11 countries through 18 offices and had assets under management ("AUM") at the balance sheet date of approximately €3.5bn (2019: €3.8bn).

The Group principally derives revenue from fund and asset management fees, as well as other fees for accounting, leasing and property project management. The Group also earns property acquisition and disposal fees and fund performance fees when pre-agreed fund performance thresholds have been exceeded.

The Group recorded a profit for the year of €5,360k (2019: loss for the year of €5,892k) and is in a net liability position of €876k (2019: net liability position €5,705k). During the year the Group earned total revenues from fund management and associated operations of €60,663k (2019: €39,353k), including €20,337k which related to fund performance fees and in the year the Group had net cash inflows from operating activities of €13,444k (2019: cash outflows of €8,029k).

A resolution was passed for a reduction in share capital with a transfer of this amount to distributable reserves was proposed in order to create distributable reserves and allow the Company to declare dividends. Resulting in 16,734,641 of the 16,735,641 A ordinary shares of €1 each, 10,000 B ordinary shares of €1 each and 40,806,401 of the 40,807,401 B preference shares of €1 each being cancelled. The result was a reduction in share capital to €1k ordinary share capital and €1k preference share capital, with a corresponding increase in distributable reserves.

Future Prospects

The Group continues to pursue opportunities to grow through expansion of existing funds, launch of new funds, partnering with new and existing capital partners in portfolio acquisitions and securing bank workout/restructuring mandates. The Group has strengthened its transaction and product development teams during the year to ensure that it is well positioned to capitalise on those new business opportunities.

STATEMENT BY THE DIRECTORS IN PERFORMANCE OF THEIR STATUTORY DUTIES IN ACCORDANCE WITH s172 COMPANIES ACT 2006

Engaging with stakeholders to deliver long-term success is an area of focus for the Board in order to develop a long term sustainable business model.

To ensure the Board's decision making reflects a wide range of perspectives, the views of other stakeholders are gathered and where relevant, reflected within the board papers and those of the relevant committees. The Board's priority is to ensure that Directors have acted both individually and collectively in the way they consider, in good faith, would be most likely to promote the success of the Group for the benefit of its stakeholders and to the matters set out in paragraphs a-f of section 172 of the Companies Act 2006. These details are set out below:

Risk Management
We operate in a business which provides asset and fund management services to our investors, including in a regulated environment. As our business has evolved, our risk profile has changed and the need to manage risk effectively has become more critical. In particular, the management of regulated mandates requires identify, evaluate and mitigate risks. Our risk-management processes are regularly reviewed and evaluated to ensure that they are operating effectively and are independently reviewed.

People
We recognise that our people are the most important element of our business and have developed a people strategy to help us achieve our business objectives. For our business to succeed, we need to manage our people effectively and efficiently whilst fostering a culture which reflects our business values. We focus on identifying and developing talent, ensuring we provide the best service to our investors. We engage regularly with our people through a bi-annual employee engagement survey the results of which are reviewed by management and used to identify weaknesses and inform future people strategies.

Business Relationships
Our business model relies on organic growth through existing mandates and the launch of new products. To achieve this we need to ensure that we maintain and grow strong relationships with existing investors and suppliers, and can attract new investors and business partners. It is therefore essential we maintain the highest standards in our business dealings, that is reflected in our core values of Principled, Respectful and Responsible.

Community and Environment
The Group is committed to making a positive impact on the communities in which it operates and on the environment. The Group is a member of the Global Real Estate Sustainability Benchmark (GRESB) which is used to compare performance of real estate companies. This includes 2 pillars; an Environment pillar under which the Group commits to reducing the environmental impact of the business and of the funds that it manages; and a People pillar which commits to the health and safety of people and communities and to building a diverse and inclusive workforce.

GOING CONCERN

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

Non-current loans with the Group's immediate and ultimate controlling parent entity, Cromwell Corporation Limited are not due for repayment until 2025, however to confirm this the Group has obtained confirmations from the Group's immediate and ultimate controlling parent entity, Cromwell Corporation Limited, 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. On the basis that there will be no requirement to repay loans to Cromwell Corporation Limited, the Group is in a net asset position and is projected to continue to be so for a period of at least a further 12 months. In addition, the Group holds substantial opening cash reserves, and benefits from secured cash-generative fee streams from long-dated funds which it manages, and as such has sufficient liquidity to service the fixed cost base during the going concern period.

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

PRINCIPAL RISKS AND UNCERTAINTIES

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

COVID-19
In common with most businesses, the Global COVID-19 pandemic has had a potentially significant impact on many aspects of the business in the year.

Business Performance
The Group earns the majority of its fees from managing assets on behalf of investors which are based on the value of the Assets Under Management ("AUM"). A fall in the value of AUM will therefore have a direct impact on fee income. In addition, the Group holds co-investments in many of the mandates which it manages to align itself with investors. The valuation of those co-investments is directly correlated with the value of the assets held by each mandate.

The Group's AUM is spread across 11 European countries (2019: 11) with no one country representing more than 25% of the total AUM of €3.5bn. In addition, the Group manages assets in a range of sectors including office, retail, light industrial and logistics and no single asset class accounts for more than 50% of the total AUM of the Group. This diversification is a key factor in mitigating the impact of COVID-19 on asset valuations in individual jurisdictions or asset classes.

Many of the funds the Group manages have an independent valuation conducted on an annual basis. For those assets not independently revalued at 30 June 2020, an internal review has been performed to assess whether there has been a revaluation of assets held which would have a material impact on income or co-investment valuations. The directors are satisfied that any impact from revaluations has been fairly reflected in the financial statements.

Business Model
The Group's business model relies on a certain level of transactional activity to generate a significant proportion of

its revenues in the form of acquisition and disposals fees. COVID-19 has had an impact on transaction levels in the market which has resulted in a reduction in the number of transactions completed in the second half of the financial year compared to the Group's expectations. The directors' view is that transaction volumes will continue to be subdued in the second half of 2020 before returning to more normal levels in Q1 of 2021.

Liquidity
The Group has prepared cash flows for the forthcoming 12 months incorporating certain assumptions, in particular those related to asset valuations and transactional activity relating to COVID-19. At 30 June, the Group has cash at bank of €23m which represents approximately 6 months' operating cash, and combined with approximately 50% of the Group's fees being of a recurring and secured nature, management are of the opinion that there is sufficient liquidity for the forthcoming 12 months.

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 has taken 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 expiry of the transition period. This has not materially impacted the fair value of assets and liabilities reported in the balance sheet at 30 June 2020, but may impact these in future, as well as the value of managed investment property. The value of AUM located in the UK represents 5% of total AUM with the remainder located in other European countries, so the directors do not consider the overall risk to revenues and balance sheet investments to be material.

KEY PERFORMANCE INDICATORS

The Directors consider Operating Earnings and AUM to be the key performance indicators for the business.

Operating Earnings for the year were €7.8m which represents a significant increase on the prior year (2019: loss €5.7m). The Group maintains a full year P&L forecast which is updated on a monthly basis and reported to the board of directors to ensure that performance against KPIs can be monitored. The increase in Operating Earnings against the prior year was largely driven by a number of fund performance fees which were earned in year totalling €20,337k (2019: €664k).

Total AUM at 30 June 2020 was €3.5bn (2019: €3.8bn). A database of assets managed by the Group is maintained along with an AUM forecast for the remainder of the financial year to ensure that the AUM KPI is met. The Group continues to work towards establishing a sustainable business model that will be successful through investment and market cycles by increasing the proportion of AUM held in long-dated discretionary mandates. The proportion of AUM held in this category of fund increased to 74% of total AUM (2019: 48%).

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 27 to the financial statements.

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.

Approved by the Board and signed on its behalf by:

TW Sewell

TW Sewell
Director
14th October 2020

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 auditor's reports and audited consolidated financial statements for the year ended 30 June 2020.

DIVIDENDS

During the year a dividend of €nil was declared by the Directors and paid to the parent entity (2019: €nil). 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 5.

GOING CONCERN

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

STREAMLINED ENERGY AND CARBON REPORTING (SECR)

The Group has nothing to report for Scope 1 (direct emissions) which are those from the activities of entities owned or controlled by the Group. Our Scope 2 emissions relate to the consumption of electricity at our UK offices. We have no UK leased or owned vehicles on which to report. Scope 2 (energy indirect) emissions for the year amounted to 79,100 kilowatt hours (kWh). This is the equivalent of 18,400 kg CO_2e (carbon dioxide equivalent) which has been converted using the *'2020 conversion factors'* published by the *Department for Business, Energy & Industrial Strategy*. Our scope 2 emissions represent 17 kg CO^2e per m^2 (square metre) of office space which is an intensity ratio measure used for monitoring emissions.

The Group is not required to report on Scope 3 (other indirect) emissions.

For the latest reporting on sustainability issued by the Cromwell Property Group, visit:
https://www.cromwellpropertygroup.com/sustainability

DIRECTORS

The Directors who, unless otherwise stated, served throughout the year ended 30 June 2020 and up to the date of signing the financial statements except as noted were as follows:

PL Weightman	
MA McLaughlin	
RJ Cotterell	(Appointed 1 April 2020)
TW Sewell	(Appointed 1 April 2020)

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
- 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

INDEPENDENT AUDITORS

The auditors, Deloitte LLP, have indicated their willingness to continue in office.

Approved by the Board and signed on its behalf by:

TW Sewell, Director
14th October 2020

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 2020 and of the group's profit 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 and parent cash flow statement;
- the related notes 1 to 27 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.

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.

M. L. Lewis

Mark Lewis ACA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Leeds, United Kingdom
14 October 2020

GROUP INCOME STATEMENT
For the year ended 30 June 2020

	Note	2020 €'000	2019 €'000
REVENUE	2	60,663	39,353
Administrative expenses	3,5	(49,891)	(40,681)
Fair value loss on co-investments held at fair value through profit and loss	3	(690)	(1,243)
Impairment of intangibles		-	(57)
OPERATING PROFIT / (LOSS) BEFORE JOINT VENTURE / ASSOCIATES RESULTS		10,082	(2,628)
Share of pre-tax (loss) / profit from joint ventures/associates		(380)	353
Share of joint ventures' tax		61	1
Share of post-tax (loss) / profit from joint ventures/associates accounted for using the equity method	13	(319)	354
Finance income	6	147	197
Finance costs	6	(2,140)	(3,574)
PROFIT / (LOSS) BEFORE TAX		7,770	(5,651)
Income tax expense	7	(2,410)	(241)
PROFIT / (LOSS) FOR THE YEAR		5,360	(5,892)
Attributable to:			
Owners of Cromwell European Holdings Limited		4,905	(5,981)
Non-controlling interests		455	89
PROFIT / (LOSS) FOR THE YEAR		5,360	(5,892)

Cromwell European Holdings Limited
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GROUP STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2020

	2020 €'000	2019 €'000
Profit / (loss) for the year	**5,360**	(5,892)
Other comprehensive (expense) / income for the year:		
Items that may subsequently be reclassified to profit and loss		
Exchange differences arising during the year	**(81)**	186
Total comprehensive income / (expense) for the year	**5,279**	(5,706)
Total comprehensive income / (expense) for the year attributable to:		
Owners of Cromwell European Holdings Limited	**4,824**	(5,795)
Non-controlling interest	**455**	89
Total comprehensive income / (loss) for the year	**5,279**	(5,706)

Cromwell European Holdings Limited

Registration number: 09381845

GROUP STATEMENT OF FINANCIAL POSITION

As at 30 June 2020

	Note	2020 €'000	2019 €'000
Non-current assets			
Other financial assets	12	**10,724**	19,567
Investments accounted for using the equity method	13	**141**	886
Property, plant and equipment	14	**1,664**	1,821
Right of use assets	15	**8,273**	-
Intangible assets	16	**3,399**	1,693
Deferred tax asset	19	**112**	-
Total non-current assets		**24,313**	23,967
Current assets			
Other financial assets	12	**2,630**	-
Cash and cash equivalents	8	**23,079**	5,345
Current tax receivables	9	**518**	338
Loans to related parties	24	**1,187**	1,152
Trade and other receivables	10	**12,053**	15,482
Developments held for sale	11	**9,422**	9,636
Total current assets		**48,889**	31,953
Total assets		**73,202**	55,920
Current liabilities			
Payables	17	**(17,647)**	(14,559)
Loans from related parties	24	**(1,285)**	(42,182)
Current tax liabilities	18	**(538)**	(216)
Total current liabilities		**(19,470)**	(56,957)
Net current assets/(liabilities)		**29,419**	(25,004)
Non-current liabilities			
Payables	17	**(11,512)**	(4,668)
Loans from related parties	24	**(42,226)**	-
Deferred tax liabilities	19	**(870)**	-
Total non-current liabilities		**(54,608)**	(4,668)
Total liabilities		**(74,078)**	(61,625)
Net liabilities		**(876)**	(5,705)
Equity			
Ordinary shares	20	**1**	16,746
Preference shares	21	**1**	40,807
Translation reserve	22	**(521)**	(440)
Accumulated losses		**(1,047)**	(63,500)
Equity attributable to owners of the company		**(1,566)**	(6,387)
Non-controlling interest		**690**	682
Total negative equity		**(876)**	(5,705)

The financial statements on pages 10 to 44 were approved and authorised for issue by the Board of Directors on 14th October 2020 and were signed on its behalf by:

TW Sewell, Director

Cromwell European Holdings Limited

Registration number: 09381845

GROUP STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2020

	Ordinary shares	Preference shares	Translation reserve	Accumulated losses	Non-Controlling *interest*	Total (deficit)/equity
	€'000	€'000	€'000	€'000	€'000	€'000
Balance at 1 July 2019	**16,746**	**40,807**	**(440)**	**(63,500)**	**682**	**(5,705)**
Profit for the year	-	-	-	4,905	455	**5,360**
Other comprehensive income	-	-	(81)	-	-	**(81)**
***Total comprehensive* income for the year**	-	-	(81)	4,905	455	**5,279**
Capital reduction (Notes 20&21)	(16,745)	(40,806)	-	57,551	-	-
Dividend paid	-	-	-	-	(449)	**(449)**
Balance at 30 June 2020	**1**	**1**	**(521)**	**(1,044)**	**688**	**(875)**

	Ordinary shares	Preference shares	Translation reserve	Accumulated losses	Non-Controlling interest	Total (deficit)/equity
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	-	-	-	(331)	331	-
Balance at 30 June 2019	**16,746**	**40,807**	**(440)**	**(63,500)**	**682**	**(5,705)**

Cromwell European Holdings Limited

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GROUP STATEMENT OF CASH FLOWS

For the year ended 30 June 2020

	2020 €'000	2019 €'000
Cash flows from operating activities		
Cash receipts in course of operations	**64,984**	50,250
Cash payments in course of operations	**(51,183)**	(61,006)
Interest received	**15**	70
Interest paid	**(73)**	(254)
Distribution from other financial assets	**1,198**	1,850
Income tax (paid) / refunded	**(1,497)**	1,061
Net cash inflow / (outflow) from operating activities	**13,444**	(8,029)
Cash flows from investing activities		
Purchase of property, plant and equipment	**(543)**	(6,619)
Purchase of intangibles	**(2,779)**	(1,497)
Purchase of financial assets at fair value through profit or loss	**-**	(563)
Proceeds from the disposal of property, plant and equipment	**-**	-
Proceeds from the disposal of financial assets	**9,947**	1,247
Loans to third parties	**-**	(215)
Loans to third parties repaid	**-**	536
Loan to joint ventures	**(55)**	(56)
Loan to related parties repaid	**-**	524
Loan from parent entity repaid	**-**	(2,550)
Net cash inflow / (outflow) from investing activities	**6,570**	(7,432)
Cash flows from financing activities		
Dividends paid	**(449)**	-
Bank loans received	**-**	4,686
Lease liability principal payments	**(1,471)**	-
Net cash (outflow) / inflow from financing activities	**(1,920)**	2,925
Net increase / (decrease) in cash and cash equivalents	**18,094**	(12,536)
Cash and cash equivalents at the beginning of the financial year	**5,345**	18,062
Effect of exchange rate changes on cash and cash equivalents	**(360)**	(181)
Cash and cash equivalents at the end of the financial year	**23,079**	5,345

Refer to note 17 for a reconciliation of movements of liabilities to cashflows arising from financing activities

Material non-cash financing transaction

During the period €16,745k of ordinary share capital and €40,806k of preference share capital was converted into distributable reserves by way of a solvent capital reduction. Refer to notes 20 and 21 for further details.

In the prior 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. The prior year balance was held a current liability as it was repayable on 31 March 2020; on that date the bond was rolled over for a further 5 years and is now held as a non-current liability. The bond has a face value of €44,278k (2019: €42,120k) which is now repayable on 31 March 2025.

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 25.

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 an unlisted private company limited by shares, registered in the UK (England & Wales). 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 2019, and have been adopted by the Group:

IFRS 16 'Leases'

With effect from 1 July 2019, the Group applies, for the first time, IFRS 16 'Leases' and the Group has therefore changed its accounting policies as a result of adopting this new standard. The impact of IFRS 16 on the Group has been disclosed below and in note 1.3.

IFRS 16 introduces new or amended requirements with respect to lease accounting. It introduces significant changes to lessee accounting by removing the distinction between operating and finance lease and requiring the recognition of a right-of-use asset and a lease liability at commencement for all leases, except for short-term leases and leases of low value assets when such recognition exemptions are adopted. In contrast to lessee accounting, the requirements for lessor accounting have remained largely unchanged. Details of these new requirements are described in note 1.3. The impact of the adoption of IFRS 16 on the Group's consolidated financial statements is described below.

The date of initial application of IFRS 16 for the Group is 1 July 2019. The Group has applied IFRS 16 using the cumulative catch-up approach.

There has been no restatement of comparative periods as a result of adopting the new standard.

(a) Impact of the new definition of a lease
The Group has made use of the practical expedient available on transition to IFRS 16 not to reassess whether a contract is or contains a lease. Accordingly, the definition of a lease in accordance with IAS 17 and IFRIC 4 will continue to be applied to those leases entered or changed before 1 July 2019.

The change in definition of a lease mainly relates to the concept of control. IFRS 16 determines whether a contract contains a lease on the basis of whether the customer has the right to control the use of an identified asset for a period of time in exchange for consideration. This is in contrast to the focus on 'risks and rewards' in IAS 17 and IFRIC 4.

The Group applies the definition of a lease and related guidance set out in IFRS 16 to all lease contracts entered into or changed on or after 1 July 2019 (whether it is a lessor or a lessee in the lease contract). In preparation for the first-time application of IFRS 16, the Group has carried out an implementation project. The project has shown that the new definition in IFRS 16 will not significantly change the scope of contracts that meet the definition of a lease for the Group.

(b) Impact on Lessee Accounting
(i) Former operating leases

IFRS 16 changes how the Group accounts for leases previously classified as operating leases under IAS 17, which were off balance sheet.

Applying IFRS 16 for all leases (except as noted below), the Group:

(a) recognises 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, with the right-of-use asset adjusted by the amount of any prepaid or accrued lease payments in accordance with IFRS 16;

(b) recognises depreciation of right-of-use assets and interest on lease liabilities in the consolidated statement of profit or loss;

(c) separates the total amount of cash paid into a principal portion (presented within financing activities) and interest (presented within financing activities) in the consolidated statement of cash flows.

Lease incentives (e.g. rent-free period) are recognised as part of the measurement of the right-of-use assets and lease liabilities whereas under IAS 17 they resulted in the recognition of a lease incentive, amortised as a reduction of rental expenses on a straight-line basis.

Under IFRS 16, right-of-use assets are tested for impairment in accordance with IAS 36.

For short-term leases (lease term of 12 months or less) and leases of low-value assets (which includes tablets and personal computers, small items of office furniture and telephones), the Group has opted to recognise a lease expense on a straight-line basis as permitted by IFRS 16. This expense is presented within 'other operating expenses' in profit or loss.

The Group has used the following practical expedients when applying the cumulative catch-up approach to leases previously classified as operating leases applying IAS 17.

- The Group has applied a single discount rate to a portfolio of leases with reasonably similar characteristics.
- The Group has adjusted the right-of-use asset at the date of initial application by the amount of provision for onerous leases recognised under IAS 37 in the statement of financial position immediately before the date of initial application as an alternative to performing an impairment review.
- The Group has elected not to recognise right-of-use assets and lease liabilities to leases for which the lease term ends within 12 months of the date of initial application.
- The Group has excluded initial direct costs from the measurement of the right-of-use asset at the date of initial application.
- The Group has used hindsight when determining the lease term when the contract contains options to extend or terminate the lease.

(c) Impact on Lessor Accounting

IFRS 16 does not change substantially how a lessor accounts for leases. Under IFRS 16, a lessor continues to classify leases as either finance leases or operating leases and account for those two types of leases differently. There is no significant impact on the Group as a lessor.

(d) Financial impact of initial application of IFRS 16.

The weighted average lessee's incremental borrowing rate applied to lease liabilities recognised in the statement of financial position on 1 July 2019 is 2.32%.

The following table shows the operating lease commitments disclosed applying IAS 17 at 30 June 2019, discounted using the incremental borrowing rate at the date of initial application and the lease liabilities recognised in the statement of financial position at the date of initial application.

	€'000
Operating lease commitments at 30 June 2019	**9,390**
Short-term leases and leases of low-value assets	**-**
Effect of discounting the above amounts	**(416)**
Finance lease liabilities recognised under IAS 17 at 30 June 2019	**8,974**

The associated right-of-use ("ROU") assets were measured equal to the lease liability. As a result, there is no impact on opening retained earnings at 1 July 2019.

The Group has recognised €8,974k of right-of-use assets and €8,974k of lease liabilities upon transition to IFRS 16.

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 of 1 January 2019. They do not impact these financial statements.

Going concern

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

Non-current loans with the Group's immediate and ultimate controlling parent entity, Cromwell Corporation Limited are not due for repayment until 2025, however to confirm this the Group has obtained confirmations from the Group's immediate and ultimate controlling parent entity, Cromwell Corporation Limited, 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. On the basis that there will be no requirement to repay loans to Cromwell Corporation Limited, the Group is in a net asset position and is projected to continue to be so for a period of at least a further 12 months. In addition, the Group holds substantial opening cash reserves, and benefits from secured cash-generative fee streams from long-dated funds which it manages, and as such has sufficient liquidity to service the fixed cost base during the going concern period.

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 2 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.

(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.

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 accrual's 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 accrual's basis.

(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 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.

(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.

(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.

(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 interests in launched property funds are accounted for as financial assets at fair value through profit or loss. These group interests are typically less than 10%.

(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) Leases

The Group has applied IFRS 16 using the cumulative catch-up approach and therefore comparative information has not been restated and is presented under IAS 17. The nature of leases to which IFRS 16 applies includes premises and plant and equipment, including office rent, copier and franking machines, cars leases,

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

Right-of-use assets

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented on a separate line in the consolidated statement of financial position and disclosed in the notes to the accounts, refer to note 15.

The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss.

Lease liabilities

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease or the incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented within the *payables* line in the consolidated statement of financial position, split between its current and non-current component and disclosed in the notes to the accounts, refer to note 17.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group did not make any such adjustments during the periods presented.

(n) Development properties held for sale
Properties held as development properties held for sale are accounted for in accordance with IAS 2 '*Inventories*'. It is Management's intention to continue to hold the asset for sale in the ordinary course of business, and look at opportunities to sell the property, and as such the asset is classified as current. This classification is supported by the active marketing of the asset, with a clear intention of finding a buyer. Development properties held for sale are measured at the lower of cost and net realisable value.

(o) Other Intangible assets
Intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses.

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
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 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 accrual's 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.
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.

(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) 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.

(y) 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 but not judgements in arriving at the financial statements as follows:

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.

2 *Revenue*

	2020 €'000	2019 €'000
Property management fees	**514**	648
Asset management fees	**27,647**	24,177
Property disposal fees	**4,457**	4,536
Leasing fees	**2,236**	3,145
Accounting fees	**622**	1,030
Development management fees	**561**	723
Acquisition fees	**3,000**	1,934
Co-investment income	**1,198**	1,850
Performance fees	**20,337**	664
Other fees	**91**	646
Total revenue	**60,663**	39,353

3 Operating profit / loss before joint venture/associate results

Operating loss before joint venture/associate results is stated after charging/(crediting):	2020 €'000	2019 €'000
Depreciation of property, plant and equipment	**587**	513
Depreciation on right-of-use asset	**1,527**	-
Amortisation of intangible assets	**1,071**	370
Other administrative costs	**18,192**	17,472
Lease costs	**379**	1,829
Fair value loss on co-investments held at fair value through profit and loss	**690**	1,243
Impairment of receivables	**132**	179
Impairment of intangibles	-	57
Foreign exchange	**415**	340
Profit on disposal of investments	**(236)**	-
Loss on disposal of property, plant and equipment	**99**	-
	22,856	22,003

4 Auditor's remuneration

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

	2020 €'000	2019 €'000
Fees payable to the Group's auditors for the audit of the parent entity and Group financial statements	**138**	150
Fees payable for other services:		
The audit of the Company's subsidiaries pursuant to legislation	**108**	116
Total audit fees	**246**	266
Non-recurring fees in relation to the provision of other consultancy services	**93**	45
The audit of the financial statements of any joint venture or associate of the Company	-	-
Total non-audit fees	**93**	45
Total auditor's remuneration	**339**	311

5 Staff costs

(a) Staff costs

	2020 €'000	2019 €'000
Wages and salaries	**23,860**	16,338
Social security costs	**2,937**	2,551
Other pension costs	**928**	1,089
	27,725	19,978

The monthly average number of people employed by the Group during the year was 208 (2019: 198). All employees are employed in administration-related roles.

(b) Directors' emoluments

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

	2020 €'000	2019 €'000
Aggregate emoluments excluding pension contributions	**2,202**	1,667
Pension contributions (number of participants in the scheme: **3**, 2019:2)	**24**	9
Termination benefits	**-**	-
	2,226	1,676

Highest paid director:	2020 €'000	2019 €'000
Aggregate emoluments excluding pension contributions	**2,030**	1,375
Pension contributions	**19**	**17**
	2,049	1,392

6 Finance income and costs

	2020 €'000	2019 €'000
Finance income		
Bank interest income	**13**	37
Other interest income	**133**	160
	147	197
Finance costs		
Bank interest paid	**(77)**	(32)
Interest payable to related parties	**(1,727)**	(3,360)
Amortisation of borrowing costs	**(93)**	(155)
Lease cost	**(209)**	-
Other interest paid	**(34)**	(27)
	(2,140)	(3,574)
Net finance costs	**(1,993)**	(3,377)

7 Income tax expense / (credit)

(a) Income tax expense / (credit)

	2020 €'000	2019 €'000
Current tax – current year	**1,591**	305
Current tax – adjustment in respect of prior years	**44**	(64)
Deferred tax – current year	**834**	-
Deferred tax - adjustment in respect of prior periods	**(59)**	-
	2,410	241

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

The tax on the Group's profit (2019: loss) before income tax is higher (2019: higher) than the UK statutory tax rate of 19% (2019: 19%). The differences are explained below.

	2020 €'000	2019 €'000
Profit / (loss) before income tax expense / (credit)	**7,770**	(5,651)
Tax on profit / (loss) before income tax at standard UK corporate tax rate of 19% (2019: 19%)	**1,476**	(1,074)
Effects of:		
Non-deductible impairment of goodwill	-	11
Non-deductible finance charge	-	200
Other non-deductible expenditure	**120**	176
Non-taxable gain on disposal of co-investments	**(45)**	-
Non-taxable dividend income	**(103)**	(393)
Tax deductible goodwill amortisation	-	(105)
Partnership profits taxable in hands of non-controlling investors	**(98)**	-
Disallowable Polish transfer pricing charges	**194**	-
Profits of associates	**144**	13
Tax losses carried forward for which no deferred tax recognised	**18**	1,360
Capital allowances in excess of depreciation not recognised for deferred tax	**(128)**	(155)
Other temporary differences not recognised for deferred tax	**283**	-
Non-deductible fair value loss on investment	**131**	236
Non-taxable release of impairment of receivables	**25**	34
Tax rate differences on current tax	**399**	(14)
Current tax adjustment in respect of prior years	**44**	(64)
Deferred tax adjustment in respect of prior years	**(59)**	-
Other taxes	**9**	16
Total income tax expense / (credit) for the year	**2,410**	241

(c) Factors affecting future tax expense

The legislation to reduce the main rate of UK corporation tax from 19% to 17% which was due to take effect on 1 April 2020, was reversed in the Finance Act 2020. Accordingly, the main rate of UK corporation tax will remain at 19%.

8 Cash and cash equivalents

	2020 €'000	2019 €'000
Cash at bank and in hand	23,079	5,345
	23,079	5,345

At the year-end there was €137k (2019: €139k) 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. The level of restricted cash is determined by the capital requirements of Cromwell Investment Services Limited which has ordinary share capital of £125k (2019: £125k). The movement relates to changes in FX rates.

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.

9 Current tax receivables

	2020 €'000	2019 €'000
Corporate income tax receivable	518	338
	518	338

10 Trade and other receivables

	2020 €'000	2019 €'000
Trade receivables	2,012	3,972
Accrued income	6,938	7,992
Prepayments	1,200	1,218
Bonds	669	408
Recharged costs	854	999
Other receivables	380	893
	12,053	15,482

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivables as disclosed above.

Trade receivables

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

As at 30 June 2020 trade receivables of €1,048k (2019: €2,834k) were due within 30 days.

As at 30 June 2020 trade receivables of €2,012k (2019: €3,972k) 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:

	2020 €'000	2019 €'000
Up to 3 months	1,730	3,195
3 to 6 months	282	777
Over 6 months	-	-
	2,012	3,972

As at 30 June 2020, there were no provisions against trade receivables (2019: €nil).

11 Development property held for sale

	2020 €'000	2019 €'000
At beginning of year	9,636	-
Professional fees	(214)	-
At end of year	9,422	9,636

Development property held for sale is valued at cost.

12 Other financial assets

	2020 €'000	2019 €'000
Financial assets carried at fair value through profit or loss		
Unlisted investments – co-investments in property funds		
At beginning of year	11,111	12,637
Unrealised losses through profit and loss	(411)	(843)
Loss on disposal	(59)	-
Total losses recognised in profit or loss	(470)	(843)
Purchases	-	563
Capital proceeds	(627)	(1,246)
Sale proceeds	(2,143)	-
At end of year	7,871	11,111
Listed investments – investments in property funds		
At beginning of year	5,083	-
Unrealised losses through profit and loss	(313)	(424)
Gain on disposal	304	-
Purchases	4,186	5,507
Sale proceeds	(8,080)	-
At end of year	1,180	5,083

	2020 €'000	2019 €'000
Loans carried at amortised cost		
Loans to property funds		
At beginning of year	3,373	3,579
Foreign exchange movements	(7)	(12)
Unrealised losses through profit and loss	(91)	-
Total losses recognised in profit or loss	(98)	(12)
Interest	125	127
New loan issues	1,179	215
Loan repayments	(276)	(536)
At end of year	4,303	3,373
Loans carried at amortised cost – Current	2,630	-
Loans carried at amortised cost – Non-current	1,673	3,373
Total at end of year	13,354	19,567

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 10%. 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. The valuation of fund co-investment is not directly proportional to the valuation of the investment property held by the fund due to impact of gearing in each fund. The impact of a 5% valuation change to the investment property portfolio to the value of the investment would be approximately 8% based on current gearing levels 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 2020 and 30 June 2019 was level 3 on the basis that, whilst the valuations are based on the underlying asset valuations of the funds, not all assets have formal and recent valuations and therefore make use of assumptions in deriving valuations. The fair value adjustment of the unlisted investments in the year amounted to a €377k reduction. The remaining decrease in value is disclosed above and are cash-driven.

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.

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 €nil (2019: €153,009) of the loan was repaid and a capital investment of €28,413 was made. 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. 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 (2019: SEK nil) 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 €138k (2019: €307k) was made during the current year. The outstanding loan at the year-end was €178k (2019: €317k).

(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. Repayments of £72,500 have been made in prior years leaving an outstanding balance of £670,036.
During the current year there was a loan impairment of €90k (2019: €nil) and an unrealised foreign exchange loss of €10k (2019: €9k). The carrying value of the loan at the year-end was €647k (2019: €747k).

(vi) Omega

During the prior year the Group made a loan of €214,079 to ELQ Omega UK Ltd, a third-party property fund. The outstanding balance of the loan (€137,408) was repaid to the Group during the year (2019: €75,678).

(vii) CEIF2

During the year the Group made fixed interest bearing loans totalling €1,150,149 to CEIF Properties S.à r.l., a private limited liability company (société à responsabilité limitée) incorporated in Luxembourg. Interest is payable at 3% p.a. The balance as at 30 June 2020 was €1,150k.

13 Investments accounted for using the equity method

	2020 €'000	2019 €'000
Non-current		
Investments in joint ventures (a)	**141**	886
Investments in associates (b)	**-**	-
	141	886

At 30 June 2020, the Group had no capital commitments in relation to any of its joint ventures or associates (2019: nil).

At 30 June 2020, the Group had no contingent liabilities in relation to any of its joint ventures or associates (2019: nil).

(a) Investments in joint ventures

	2020 €'000	2019 €'000
Carrying amount at the beginning of the year	**886**	966
Share of (loss) / profit after income tax	**(319)**	354
Shareholder loan interest	**(439)**	(424)
Foreign exchange movement	**13**	(10)
Carrying amount at the end of the year	**141**	886

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

Joint ventures	**Country of incorporation**	**Principal activities**	**Type of share**	**Ownership interest 2020 %**	**Ownership interest 2019 %**
Equitis Limited (Dissolved 26.12.19)	UK	Asset Management	Ordinary	-	50
D.U.K.E Real Estate Limited	UK	Property Investment	Ordinary	50	50
Valad Salfords Custodian Limited (in liquidation)	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 (Dissolved 27.12.19)	UK	Dormant Company	Ordinary	-	50
D.U.K.E. Combined Limited Partnership	UK	Property Investment	Partnership	50	50
Stirling Development Agency Limited	UK	Property Development	Ordinary	50	50
SDG Tulloch Homes Limited	UK	Property Investment	Ordinary	50	50

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

Joint ventures	**Registered office**
Equitis Limited (Dissolved)	The Shard, 32 London Bridge Street, London SE1 9SG
D.U.K.E Real Estate Limited	1 Lochrin Square, 92-98 Fountainbridge Edinburgh EH3 9QA
Valad Salfords Custodian Limited	The Shard, 32 London Bridge Street, London SE1 9SG
Redhouse Holdings Limited	1st Floor, Unit 16 Manor Court Business Park, Scarborough, YO11 3TU
Redhouse Project Limited	1st Floor, Unit 16 Manor Court Business Park, Scarborough, YO11 3TU
Talbot Green Developments Limited	1st Floor, Unit 16 Manor Court Business Park, Scarborough, YO11 3TU
Talbot Green Management Company	1st Floor, Unit 16 Manor Court Business Park, Scarborough, YO11 3TU
Llantrisant Property Limited	1st Floor, Unit 16 Manor Court Business Park, Scarborough, YO11 3TU
D.U.K.E. Combined Limited Partnership	1st Floor, Unit 16 Manor Court Business Park, Scarborough, YO11 3TU
Stirling Development Agency Limited	1 Lochrin Square, 92-98 Fountainbridge Edinburgh EH3 9QA
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 2020 and 2019 and for the years then ended.

Share of joint ventures' balance sheets:	**2020 €'000**	2019 €'000
Current assets	**5,356**	5,941
Share of gross assets	**5,356**	5,941
Current liabilities	**(4,670)**	(4,583)
Share of gross liabilities	**(4,670)**	(4,583)
Share of net assets	**686**	1,358
Revenue	**31**	1,090
Expenses	**(411)**	(737)
(Loss)/profit before tax	**(380)**	353
Income tax	**61**	1
(Loss)/profit for the year	**(319)**	354

(b) Investments in associates

The carrying amount of investments in associates was €nil at 30 June 2020 and 30 June 2019.

Associates	**Country of incorporation**	**Principal Activities**	**Ownership interest 2020 %**	**2019 %**
The Teesland iDG Salfords Unit Trust	UK	Property Development	-	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	1st Floor, Unit 16 Manor Court Business Park, Scarborough, YO11 3TU
European Commercial Real Estate Limited	1 Lochrin Square, 92-98 Fountainbridge Edinburgh EH3 9QA

The Group's associate's financial year end is coterminous with that of Cromwell European Holdings Limited with the exception of European Commercial Real Estate which has a financial year end of 31 December.

The following table summarises the share of the assets, liabilities, income and expenses of the associate at 30 June 2020 and 30 June 2019 and for the years then ended.

Share of associates' balance sheets:	**2020 €'000**	2019 €'000
Current assets	**744**	759
Share of gross assets	**744**	759
Current liabilities	**(744)**	(759)
Share of gross liabilities	**(744)**	(759)
Share of net assets	-	-
Revenue	-	202
Expenses	-	(226)
Profit/(loss)profit before tax	-	(24)
Income tax credit	-	24
Result for the year	-	-

The Group has not recognised losses amounting to €6,105k (2019: €8,992k) for one associate, European Commercial Real Estate Limited, where the Group's share of the associate's net assets are already below zero.

14 Property, plant and equipment

	Leasehold Improvements €'000	Computer equipment €'000	Office furniture and fittings €'000	Total €'000
Cost				
As at 1 July 2019	1,056	1,144	904	3,104
Additions	55	184	290	529
Disposals	(49)	(24)	-	(73)
Foreign exchange movement	48	(19)	(72)	(43)
Reclassification	-	-	-	-
As at 30 June 2020	**1,110**	**1,285**	**1,122**	**3,517**
Depreciation				
As at 1 July 2019	(281)	(693)	(309)	(1,283)
Depreciation charge	(118)	(276)	(193)	(587)
Disposals	2	23	-	25
Foreign exchange movement	(39)	(19)	50	(8)
Reclassification	-	-	-	-
As at 30 June 2020	**(436)**	**(965)**	**(452)**	**(1,853)**
Net Book Value				
As at 30 June 2020	**674**	**320**	**670**	**1,664**

	Leasehold Improvements €'000	Computer equipment €'000	Office furniture and fittings €'000	Total €'000
Cost				
As 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)	-
As at 30 June 2019	**1,056**	**1,144**	**904**	**3,104**
Depreciation				
As 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	-
As at 30 June 2019	**(281)**	**(693)**	**(309)**	**(1,283)**
Net Book Value				
As at 30 June 2019	**775**	**451**	**595**	**1,821**

Depreciation of €587k (2019: €513k) is included within administrative expenses.

15 Right-of-use asset

	Plant and equipment €'000	Asset premises €'000	Total €'000
Cost			
As at 1 July 2019	-	-	-
On adoption of IFRS 16	1,004	8,795	9,799
As at 30 June 2020	**1,004**	**8,795**	**9,799**
Depreciation			
As at 1 July 2019	-	-	-
Charge for the year	(275)	(1,251)	(1,526)
As at 30 June 2020	**(275)**	**(1,251)**	**(1,526)**
At 30 June 2020			
Net Book Value	1,004	8,795	9,799
As at 30 June 2020	**729**	**7,544**	**8,273**

16 Intangible assets

	Software €'000	Goodwill €'000	Total €'000
2020			
Cost			
As at 1 July 2019	2,071	-	2,071
Additions	2,779	-	2,779
Costs written off	(1)	-	(1)
Foreign exchange movement	(41)	-	(41)
As at 30 June 2020	**4,808**	**-**	**4,808**
Depreciation			
As at 1 July 2019	(377)	-	(377)
Amortisation charge	(1,071)	-	(1,071)
Disposals	1	-	1
Foreign exchange movement	38	-	38
As at 30 June 2020	**(1,409)**	**-**	**(1,409)**
Net Book Value			
As at 30 June 2020	**3,399**	**-**	**3,399**

16 Intangible assets (continued)

	Software €'000	Goodwill €'000	Total €'000
Cost			
As at 1 July 2018	893	-	893
Additions	1,496	57	1,55 3
Costs written off	(315)	(57)	(372)
Foreign exchange movement	(3)	-	(3)
As at 30 June 2019	**2,071**	**-**	**2,07 1**
Depreciation			
As at 1 July 2018	(326)	-	(326)
Impairment charge	-	(57)	(57)
Amortisation charge	(370)	-	(370)
Amortisation and impairment write off	315	57	372
Foreign exchange movement	4	-	4
As at 30 June 2019	**(377)**	**-**	**(377)**
Net Book Value			
As at 30 June 2019	**1,694**	**-**	**1,694**

Amortisation of €1,071k (2019: €370k) is included within administrative expenses, refer to note 3.

17 Payables

	2020 €'000	2019 €'000
Current		
Trade creditors	**2,457**	3,580
Accruals	**10,962**	8,511
Lease liability	**1,495**	-
Deferred income	**235**	10
Other tax and social security	**1,100**	1,502
Other payables	**1,398**	956
	17,647	14,559
Non-current		
Bank loan	**4,680**	4,668
Lease liability	**6,832**	-
	11,512	4,668

The bank loan is due for repayment on 23 May 2022 and is secured against the Group's development property, refer to note 11. The interest rate on the loan is currently 1.5% per annum.

17 Payables (continued)

Reconciliation of movements of liabilities to cashflows arising from financing activities

2020	**Opening balance €'000**	**Interest €'000**	**Lease liability principal €'000**	**Recognition of lease liability €'000**	**Closing balance €'000**
Lease liabilities	-	-	(1,472)	9,799	8,327
Bank loan	4,668	12	-	-	4,680
	4,668	12	(1,472)	9,799	13,007

2019	**Opening balance €'000**	**Bank loan received €'000**	**Closing balance €'000**
Bank loan	-	4,688	4,668
	-	4,668	4,668

18 Current tax liabilities

	2020 €'000	2019 €'000
Corporate income tax payable	**538**	216
	538	216

19 Deferred tax assets / (liabilities)

The analysis of net deferred tax liabilities is as follows:

	2020 €'000	2019 €'000
Deferred tax assets recoverable within 12 months	**112**	-
Deferred tax liabilities to be settled within 12 months	**(870)**	-
Net deferred tax liability	**(758)**	-

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

	Deferred tax asset: Accruals €'000	**Deferred tax liability: Accrued income €'000**	**Total €'000**
Opening balance at 1 July 2019	**-**	**-**	**-**
Credited/(charged) to the income statement	**115**	**(890)**	**(775)**
Foreign exchange movement	**(3)**	**20**	**17**
Closing balance at 30 June 2020	**112**	**(870)**	**(758)**
Opening balance at 1 July 2018	-	-	-
Credited to the income statement	-	-	-
Closing balance at 30 June 2019	-	-	-

Deferred tax assets are only 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 €5,645k (2019: €5,672k) in respect of tax losses carried forward. Except for an immaterial amount of losses in two jurisdictions, these losses can be carried forward without restriction.

20 Ordinary shares

Authorised, allotted, called up and fully paid	**2020** €	2019 €
1,000 (2019: 16,735,641) 'A' ordinary shares of €1 each	**1,000**	16,735,641
nil (2019: 10,000) 'B' ordinary shares of €1 each	**-**	10,000
	1,000	16,745,641

Movement in ordinary shares

		Shares Issued (number)	**Ordinary shares €**	**Total €**
1 July 2019	Opening balance	16,745,641	16,745,641	16,745,641
15 January 2020	'A' ordinary shares cancelled	(16,734,641)	(16,734,641)	16,734,641)
15 January 2020	'B' ordinary shares cancelled	(10,000)	(10,000)	(10,000)
30 June 2020	**Closing balance**	**1,000**	**1,000**	**1,000**

- A special resolution was passed on 15 January 2020 under which 16,734,641 of the 16,735,641 A ordinary shares of €1 each and 10,000 of the 10,000 B ordinary shares of €1 each were cancelled in order to create distributable reserves.
- 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.

21 Preference shares

Authorised, allotted, called up and fully paid	**2020** €	2019 €
1,000 (2019: 40,807,401) preference shares of €1 each	**1,000**	40,807,401
	1,000	40,807,401

Movement in preference shares

		Shares Issued (number)	**Preference Shares €**	**Total €**
1 July 2019	Opening balance	40,807,401	40,807,401	40,807,401
15 January 2020	'B' preference shares cancelled	(40,806,401)	(40,806,401)	(40,806,401)
30 June 2020	**Closing balance**	**1,000**	**1,000**	**1,000**

- A special resolution was passed on 15 January 2020 under which 40,806,401 of the 40,807,401 B preference shares of €1 each were cancelled.

22 Translation reserve

	2020 €'000	2019 €'000
Opening balance at start of year	**(440)**	(626)
Translation differences arising during the year	**(81)**	186
Closing balance at end of year	**(521)**	(440)

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.

23 Dividends and distributions

During the year a dividend of €nil was declared by the Directors and paid to the parent entity (2019: €nil).

No dividend was accrued at year end for the year ended 30 June 2020 (2019: €nil).

24 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.

	2020 €'000	2019 €'000
Short term employee benefits	**3,341**	3,072
Post-employment benefits	**33**	39
Termination benefits	-	-
	3,373	3,111

(b) Outstanding balances arising from related party transactions

(i) Loan to related parties

Current assets	**2020 €'000**	2019 €'000
Loans to related parties	**1,187**	1,152
	1,187	1,152

The above amount comprises the following:

- An outstanding loan of €529k (2019: €539k) 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 €658k (2019: €613k) 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.

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

(ii) Loans from related parties

Current liabilities	**2020 €'000**	2019 €'000
Loans from related parties	**(1,285)**	**(42,182)**
	(1,285)	**(42,182)**

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, was included within current liabilities in the prior year as it was repayable on 31 March 2020; on that date the bond was rolled over for a further 5 years and therefore in the current year it is shown with non-current liabilities. Further details are included below.

- Loans totalling €1,285k (2019: €1,307k) from Redhouse Holdings Limited, a joint venture company. The balance has no interest and is repayable on demand.

	2020 €'000	2019 €'000
Non-current liabilities		
Loans from related parties	**(42,226)**	-
	(42,226)	-

The balance comprises the following:

- A deep discounted bond with a carrying value of €42,226k issued to Cromwell Corporation Limited, the Group's immediate and ultimate parent entity. The equivalent prior year balance was a current liability (see above) as it was repayable on 31 March 2020; on that date the bond was rolled over for a further 5 years. The bond has a face value of €44,278k (2019: €42,120k) which is now repayable on 31 March 2025. Amounts totalling €42,807k were repaid during the prior 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 reduced from 3.8% per annum to 1.0% per annum when the bond was rolled over on 31 March 2020. Interest of €1,288k (2019: €2,936k) accrued during the year which is reflected in the carrying value above.

(ii) Other amounts owed by related parties

The following amounts owed by / (from) related parties were outstanding at the year-end:

	2020 €'000	2019 €'000
Management fees charged to joint ventures		
D.U.K.E. Real Estate Limited	-	61
Management fees charged to associates		
European Commercial Real Estate Limited	**14**	9
Management fees charged to related parties		
Cromwell EREIT Management Pte Ltd	**652**	337
Amounts receivable from key management		
Employee receivables	**235**	204
Loans to Joint Ventures		
Stirling Development Agency Limited	**529**	539
Talbot Green Limited	**658**	613
Loans (from) Joint Ventures		
Redhouse Holdings Limited	**(1,285)**	(1,307)
	803	456

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

(c) Transactions with related parties

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

	2020	2019
	€'000	€'000
Interest charged by related parties		
Cromwell Corporation Limited	**(1,288)**	(2,936)
Management fees charged to joint ventures		
D.U.K.E. Real Estate Limited	**-**	32
Stirling Development Agency Limited	**84**	-
Talbot Green Limited	**12**	-
Management fees charged to associates		
European Commercial Real Estate Limited	**12**	36
Management fees charged to related parties		
Cromwell EREIT Management Pte Ltd	**235**	221
	(944)	(2,647)

(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.

25 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.

26 Contingent liabilities

The Group had no contingent liabilities as at 30 June 2020 (2019: €nil).

27 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.

27 Financial risk management (continued)

Market risk (continued)

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 £33,475k (2019: £21,344k) and liabilities denominated in Sterling of approximately £18,755k (2019: £8,638k). If the exchange rate between the Euro and Sterling fluctuated by 10% the Group's Sterling denominated net assets, in Euros, would increase or decrease by €1,472k (2019: €1,417k). 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.

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.

27 Financial risk management (continued)

Liquidity Risk (continued)

	Less than 1 year €'000	Between 1 and 2 years €'000	Between 2 and 5 years €'000	Over 5 years €'000
At 30 June 2020				
Trade and other payables	**17,647**	**1,292**	**7,621**	**2,599**
Loans from related parties	**1,285**	**-**	**42,226**	**-**
At 30 June 2019				
Trade and other payables	14,559	-	4,668	-
Loans from related parties	42,182	-	-	-

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 2020

	Note	2020 €'000	2019 €'000
Non-current assets			
Investments	2	**30,537**	30,537
Other financial assets	3	-	22
Total non-current assets		**30,537**	30,559
Current assets			
Cash and cash equivalents	4	**23**	1
Loans to related parties	7	**20,006**	20,069
Total current assets		**20,029**	20,070
Total assets		**50,566**	50,629
Current liabilities			
Loans from related parties	7	-	(40,878)
Total current liabilities		-	(40,878)
Non-current liabilities			
Loans from related parties	7	**(42,226)**	-
Total non-current liabilities		**(42,226)**	-
Total liabilities		**(42,226)**	(40,878)
Net assets / (liabilities)		**8,340**	9,751
Equity			
Ordinary shares	5	**1**	16,746
Preference shares	6	**1**	40,807
Retained earnings / accumulated losses		**8,338**	(47,802)
Total equity / (deficit)		**8,340**	9,751

The financial statements on pages 45 to 56 were approved and authorised for issue by the Directors on [date]. 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 loss for the financial year was €1,411k (2019: €8,206k profit).

Signed on behalf of the Board of Directors

TW Sewell
Director
14th October 2020

Cromwell European Holdings Limited
Registration number: 09381845

PARENT ENTITY STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2020

	Ordinary shares €'000	Preference shares €'000	Retained earnings/ (Accumulated losses) €'000	Total equity/ (deficit) €'000
Balance at 1 July 2019	**16,746**	**40,807**	**(47,802)**	**9,751**
Loss for the year and total comprehensive expense	-	-	(1,411)	(1,411)
Total comprehensive expense for the year	-	-	(1,411)	(1,411)
Capital reduction	(16,745)	(40,806)	57,551	-
Balance at 30 June 2020	**1**	**1**	**8,338**	**8,340**
Balance at 1 July 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

PARENT ENTITY STATEMENT OF CASH FLOWS
For the year ended 30 June 2020

	2020 €'000	2019 €'000
Cash flows from operating activities		
Interest paid	-	(167)
Net cash inflow / (outflow) from operating activities	-	(167)
Cash flows from investing activities		
Loans from subsidiaries	-	-
Loans to subsidiaries	-	(846)
Loan from parent repaid	-	(2,000)
Proceeds from disposal of financial assets	22	82
Net cash inflow / (outflow) from investing activities	22	(2,765)
Cash flows from financing activities		
Dividends paid to parent entity	-	-
Net cash inflow / (outflow) from financing activities	-	-
Net increase / (decrease) in cash and cash equivalents	22	(2,932)
Cash and cash equivalents at the beginning of the financial year	1	2,933
Effect of exchange rate on cash and cash equivalents	-	-
Cash and cash equivalents at the end of the financial year	23	1

Material non-cash financing transactions

During the period €16,745k of ordinary share capital and €40,806k of preference share capital was converted into distributable reserves by way of a solvent capital reduction. Refer to note 5 for further details.

During the prior 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.

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

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) 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.

(b) 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.

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

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

(e) 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).

(f) 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.

(g) Share capital

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.

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

Management has considered the following to be areas of judgement and or key sources of estimation uncertainty in arriving at the financial statements as follows:

Carrying value of investments in subsidiaries
Management consider this to be an area of judgement with investments in subsidiaries (note 3) being stated at cost less provision for any impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

1. 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.

Auditor's remuneration
The audit fee for the year of €138k (2019: €150k) was borne by Cromwell European Management Services Limited, a subsidiary company.

2. Investments

Shares in Group undertakings	2020 €'000	2019 €'000
At 30 June		
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 2020 %	Holding 2019 %
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**
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
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 CEE Coinvest Limited Partnership	Scotland	Holding entity	Partnership interest	**100**	100
Cromwell CEE Promote Limited Partnership	Scotland	Holding entity	Partnership interest	**83.19**	100
Cromwell Central Europe BV	The Netherlands	Holding company	Ordinary	**100**	100

Subsidiaries	Country of Incorporation	Principal activities	Type of share	Holding 2020 %	Holding 2019 %
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
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
Cromwell Norway A/S	Norway	Asset management	Ordinary	**-**	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 Property Group Poland 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 CPR Promote Sarl	Luxembourg	Dormant company	Ordinary	**100**	100
Cromwell WBP Poland Limited Partnership	Scotland	Holding entity	Partnership interest	**100**	100

Subsidiaries	Country of Incorporation	Principal activities	Type of share	Holding 2020 %	Holding 2019 %
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
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**	100
CPRF GP Sarl	Luxembourg	General Partner	Ordinary	**100**	-
D.U.K.E. (Cheetham Hill) Limited (in liquidation)	England & Wales	Property Development	Ordinary	**-**	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**	100

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 Lochrin Square, 1 Lochrin Square, 92-98 Fountainbridge Edinburgh EH3 9QA.

2. 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, Dadlaw House, Nicosia, P.C. 1520, Cyprus
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 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 Property Group Poland Sp z.o.o.	59 Zlota 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.	8 Boulevard Royal, L-2449 Luxembourg
Cromwell Sweden AB	Baltzarsgatan 21 B, Box 374, 211 36 Malmö, Sweden
Cromwell CPR Promote Sarl	8 Boulevard Royal, L-2449 Luxembourg
CPRF GP Sarl	8 Boulevard Royal, L-2449 Luxembourg
LiNK Hradec Králové sro	Praha - Vysočany Na Harfě 337/3 PSČ 19005 Czech Republic

Audit Exemption

For the year ended 30 June 2020 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
I O 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

3. Other financial assets

	2020 €'000	2019 €'000
Financial assets carried at fair value through profit or loss		
Unlisted investments – co-investment in property fund		
At beginning of year	**22**	82
Unrealised losses through profit and loss	**-**	21
Capital repayments	**(22)**	(81)
At end of year	**-**	22

The investment represented a co-investment in Parc d'Activités 1 LP, a property fund, at an original cost of €3,800,000. The carrying value of the investment at the end of the prior period was €21,760. The investment was disposed of during the current period for €22,345, realising a profit on disposal of €585.

4. Cash and cash equivalents

	2020 €'000	2019 €'000
Cash at bank and in hand	**23**	1
	23	1

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.

5. (a) Ordinary shares

	2020 €	2019 €
Authorised, allotted, called up and fully paid		
1,000 (2019: 16,735,641) 'A' ordinary shares of €1 each	**1,000**	16,735,610
nil (2019: 10,000) 'B' ordinary shares of €1 each	**-**	10,0000
	1,000	16,745,610

Movement in ordinary shares

		Shares Issued (number)	Ordinary shares €	Total €
1 July 2019	Opening balance	16,745,641	16,745,641	16,745,641
15 January 2020	Cancellation of 'A' ordinary shares	(16,734,641)	(16,734,641)	(16,734,641)
15 January 2020	Cancellation of 'B' ordinary shares	(10,000)	(10,000)	(10,000)
30 June 2020	**Closing balance**	**1,000**	**1,000**	**1,000**

- A special resolution was passed on 15 January 2020 under which 16,734,641 of the 16,735,641 A ordinary shares of €1 each and 10,000 of the 10,000 B ordinary shares of €1 each were cancelled in order to create distributable reserves.
- 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.

6. Preference shares

(b) Preference shares

	2020	2019
	€	€
Authorised, allotted, called up and fully paid		
1,000 (2019: 40,807,401) preference shares of €1 each	**1,000**	40,807,401
	1,000	40,807,401

Movement in preference shares

		Shares Issued (number)	**Preference shares €**	**Total €**
1 July 2019	Opening balance	40,807,401	40,807,401	40,807,401
15 January 2020	Cancellation of B preference shares	(40,806,401)	(40,806,401)	40,806,401)
30 June 2020	**Closing balance**	**1,000**	**1,000**	**1,000**

- A special resolution was passed on 15 January 2020 under which 40,806,401 of the 40,807,401 B preference shares of €1 each were cancelled.

7. Related party transactions

(a) Outstanding balances arising from related party transactions

(i) Loans to related parties

	2020	2019
	€'000	€'000
Loans to related parties	**20,006**	20,069
	20,006	20,069

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

	2020	2019
	€'000	€'000
Current liabilities	**-**	(40,878)
Loans from related parties		
	-	(40,878)

- A deep discounted bond with a carrying value of €40,938k issued to Cromwell Corporation Limited, the Group's immediate and ultimate parent entity, was included within current liabilities in the prior year as it was repayable on 31 March 2020; on that date the bond was rolled over for a further 5 years and therefore in the current year it is shown with non-current liabilities. Further details are included below.

7. Related party transactions (continued)

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

	2020 €'000	2019 €'000
Non-current liabilities		
Loans from related parties	**(42,226)**	-
	(42,226)	-

The balance comprises the following:

- A deep discounted bond with a carrying value of €42,226k issued to Cromwell Corporation Limited, the Group's immediate and ultimate parent entity. The equivalent prior year balance was a current liability (see above) as it was repayable on 31 March 2020; on that date the bond was rolled over for a further 5 years. The bond has a face value of €44,278k (2019: €42,120k) which is now repayable on 31 March 2025. Amounts totalling €42,807k were repaid during the prior 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 reduced from 3.8% per annum to 1.0% per annum when the bond was rolled over on 31 March 2020. Interest of €1,288k (2019: €2,936k) accrued during the year which is reflected in the carrying value above.

(b) Transactions with related parties

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

	2020 €'000	2019 €'000
Interest charged by related parties		
Cromwell Corporation Limited	**(1,288)**	(2,936)
	(1,288)	(2,936)

(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 €nil from its subsidiary, Cromwell Europe Limited, during the year (2019: €11,275k).

The company declared and paid a dividend of €nil during the year.

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 2020 (2019: €nil)

11. Financial risk management

The comments in note 27 of the Group financial statements in relation to financial risk management are also relevant to the financial risk management of the Company.