REPORT OF THE DIRECTORS AND

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

FOR

Cromwell Asset Management UK Limited

CONTENTS OF THE FINANCIAL STATEMENTS
for the Year Ended 30 June 2018

Cromwell Asset Management UK Limited

COMPANY INFORMATION
for the Year Ended 30 June 2018

DIRECTORS:	R J Cotterell Cromwell Director Limited
SECRETARY:	Cromwell Corporate Secretarial Limited
REGISTERED OFFICE:	1st Floor Unit 16 Manor Court Business Park Scarborough YO11 3TU
REGISTERED NUMBER:	03239548 (England and Wales)
INDEPENDENT AUDITORS :	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors Central Square 29 Wellington Street Leeds LS1 4DL
BANKERS:	Bank of Scotland 2nd Floor New Uberior House 11 Earl Grey Street Edinburgh EH3 9BN

REPORT OF THE DIRECTORS
for the Year Ended 30 June 2018

The directors present their annual report and the audited financial statements of the company for the year ended 30 June 2018.

PRINCIPAL ACTIVITIES
The principal activities of the company in the year under review were those of the provision of asset management services to property funds.

DIVIDENDS
During the year the company declared and paid a dividend of £nil (2017: £1,300,000).

REVIEW OF BUSINESS
The company's profit for the year is £121,893 (2017: loss of £41,039) and is dealt with as shown on the income statement. The company is in a net assets position of £127,686 (2017: £5,793). The results for the year are as expected.

There are currently no plans for the company to change its business activities.

DIRECTORS
The directors shown below have held office during the whole of the period from 1 July 2017 to the date of this report.

R J Cotterell
Cromwell Director Limited

Other changes in directors holding office are as follows:

D J Kirkby - resigned 18 October 2017

REPORT OF THE DIRECTORS
for the Year Ended 30 June 2018

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

PRINCIPAL RISKS AND UNCERTAINTIES
The company is a wholly owned subsidiary of Cromwell European Holdings Limited. The directors of Cromwell European Holdings Limited manage the group's risks at a group level, rather than at an individual business unit level. For this reason, the company's directors believe that a discussion of the company's risks would not be appropriate for an understanding of the development, performance or position of the business of Cromwell Asset Management UK Limited. The principal risks and uncertainties of the Cromwell European Holdings Limited group, which include those of the company, are discussed in the Report of the Directors and Financial Statements of Cromwell European Holdings Limited which does not form part of this report.

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

FINANCIAL RISK MANAGEMENT
The company's financial risk management is set out in detail in note 16 to the financial statements.

Cromwell Asset Management UK Limited (Registered number: 03239548)

REPORT OF THE DIRECTORS
for the Year Ended 30 June 2018

STATEMENT OF DIRECTORS' RESPONSIBILITIES
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 prepared the 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 company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable IFRSs as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

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 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 company's auditors are aware of that information.

INDEPENDENT AUDITORS
PricewaterhouseCoopers LLP will be replaced as group auditors by Deloitte LLP for the year ended 30 June 2019.

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD:

.... C Treacy For and on behalf of
Cromwell Director Limited - Director

Date: 1 October 2018

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF CROMWELL ASSET MANAGEMENT UK LIMITED (REGISTERED NUMBER: 03239548)

Report on the audit of the financial statements

Opinion
In our opinion, Cromwell Asset Management UK Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2018 and of its profit and cash flows for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Report of the Directors and Financial Statements (the "Annual Report"), which comprise: the statement of financial position as at 30 June 2018; the income statement, the statement of comprehensive income, the statement of cash flows, the notes to the statement of cash flows, the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence
We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern
We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you when:

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

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Reporting on other information
The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Report of the Directors, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF CROMWELL ASSET MANAGEMENT UK LIMITED (REGISTERED NUMBER: 03239548)

Report of the Directors

In our opinion, based on the work undertaken in the course of the audit, the information given in the Report of the Directors for the year ended 30 June 2018 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements. In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Report of the Directors.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors Responsibilities, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' 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 auditors' 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 auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:
- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

SL Yeates

Stephanie Yeates (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Leeds

Date: 1 October 2018

Cromwell Asset Management UK Limited (Registered number: 03239548)

INCOME STATEMENT
for the Year Ended 30 June 2018

	Notes	30.6.18 £	30.6.17 £
CONTINUING OPERATIONS			
Revenue		1,045,526	1,335,661
Cost of sales		(923,763)	(1,175,961)
GROSS PROFIT		121,763	159,700
Administrative expenses		(4)	(200,739)
OPERATING PROFIT/(LOSS)		121,759	(41,039)
Finance income	4	134	-
PROFIT/(LOSS) BEFORE INCOME TAX	5	121,893	(41,039)
Income tax	6	-	-
PROFIT/(LOSS) FOR THE YEAR		121,893	(41,039)

The notes form part of these financial statements

STATEMENT OF COMPREHENSIVE INCOME
for the Year Ended 30 June 2018

	30.6.18	30.6.17
	£	£
PROFIT/(LOSS) FOR THE YEAR	121,893	(41,039)
OTHER COMPREHENSIVE INCOME	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	121,893	(41,039)

The notes form part of these financial statements

Cromwell Asset Management UK Limited (Registered number: 03239548)

STATEMENT OF FINANCIAL POSITION
30 June 2018

	Notes	30.6.18 £	30.6.17 £
ASSETS			
CURRENT ASSETS			
Trade and other receivables	8	636,589	208,335
Cash and cash equivalents	9	144,581	211,446
		781,170	419,781
TOTAL ASSETS		781,170	419,781
EQUITY			
SHAREHOLDERS' EQUITY			
Called up share capital	10	1,000	1,000
Retained earnings	11	126,686	4,793
TOTAL EQUITY		127,686	5,793
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	12	653,484	413,988
TOTAL LIABILITIES		653,484	413,988
TOTAL EQUITY AND LIABILITIES		781,170	419,781

The financial statements on pages 7 to 22 were approved by the Board of Directors on 1 October 2018 and were signed on its behalf by:

C Treacy For and on behalf of
Cromwell Director Limited - Director

The notes form part of these financial statements

Cromwell Asset Management UK Limited (Registered number: 03239548)

STATEMENT OF CHANGES IN EQUITY
for the Year Ended 30 June 2018

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 July 2016	1,000	1,345,832	1,346,832
Changes in equity			
Dividends	-	(1,300,000)	(1,300,000)
Total comprehensive income	-	(41,039)	(41,039)
Balance at 30 June 2017	1,000	4,793	5,793
Changes in equity			
Total comprehensive income	-	121,893	121,893
Balance at 30 June 2018	1,000	126,686	127,686

The notes form part of these financial statements

Cromwell Asset Management UK Limited (Registered number: 03239548)

STATEMENT OF CASH FLOWS
for the Year Ended 30 June 2018

	Notes	30.6.18 £	30.6.17 £
Cash flows from operating activities			
Cash generated from operations	1	(66,999)	1,313,453
Net cash from operating activities		(66,999)	1,313,453
Cash flows from investing activities			
Interest received		134	-
Net cash from investing activities		134	-
Cash flows from financing activities			
Equity dividends paid		-	(1,300,000)
Net cash from financing activities		-	(1,300,000)
(Decrease)/increase in cash and cash equivalents		(66,865)	13,453
Cash and cash equivalents at beginning of year	2	211,446	197,993
Cash and cash equivalents at end of year	2	144,581	211,446

The notes form part of these financial statements

NOTES TO THE STATEMENT OF CASH FLOWS
for the Year Ended 30 June 2018

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

	30.6.18	30.6.17
	£	£
Profit/(loss) before income tax	121,893	(41,039)
Finance income	(134)	-
	121,759	(41,039)
(Increase)/decrease in trade and other receivables	(428,254)	12,713,828
Increase/(decrease) in trade and other payables	239,496	(11,359,336)
Cash generated from operations	(66,999)	1,313,453

2. CASH AND CASH EQUIVALENTS

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

Year ended 30 June 2018

	30.6.18	1.7.17
	£	£
Cash and cash equivalents	144,581	211,446

Year ended 30 June 2017

	30.6.17	1.7.16
	£	£
Cash and cash equivalents	211,446	197,993

NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 30 June 2018

1. STATUTORY INFORMATION

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

2. ACCOUNTING POLICIES

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

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

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

2. ACCOUNTING POLICIES - continued

New and amended standards adopted by the company
There are no new standards and amendments to standards that are mandatory for the financial period beginning 1 July 2017.

New and amended standards not currently relevant to the company
The following new standards, amendments to standards and interpretations are mandatory for the first time for the financial year beginning 1 July 2017, but are not currently relevant to the company:

- Amendment to IAS7, Statement of cash flows on disclosure initiative (effective for annual periods beginning on or after 1 January 2017)

- Amendments to IAS 12, 'Income taxes' on Recognition of deferred tax assets for unrealised losses (effective for annual periods beginning on or after 1 January 2017)

- Annual improvements 2014-16 - IFRS 12, 'Disclosure of interests in other entities' regarding clarification of the scope of the standard (effective for annual periods beginning on or after 1 January 2017)

New and amended standards not effective for current financial year
The following new standards and amendments have been issued but are not effective for the financial year beginning 1 July 2017 and have not been adopted early:

- Amendments to IFRS 2 'Share-based payment' on clarifying how to account for certain types of share-based payment transactions (effective 1 January 2018)

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

- IFRS 15 'Revenue from contracts with customers' (effective 1 January 2018)

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

- Amendments to IAS 40, 'Investment property' relating to transfers of investment property (effective 1 January 2018)

- Annual Improvements 2014-16, (effective 1 January 2018)

- Annual Improvements 2015-17, (effective 1 January 2019)

- Amendments to IAS 28, 'Investments in associates' on long term interests in associates and joint ventures (effective 1 January 2019)

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

- IFRIC 22 'Foreign currency transactions and advance consideration' (effective 1 January 2018)

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

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

2. ACCOUNTING POLICIES - continued

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

Financial instruments
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 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 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:

a) 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 year.

b) 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.

Critical judgements in applying accounting policies and key sources of estimation uncertainty
Some of the amounts included in the financial statements involve the use of judgement and/or estimation. These judgements and estimates are based on management's best knowledge of the relevant facts and circumstances, having regard to previous experience, but actual results may differ from the amounts included in the financial statements. Information about such judgements and estimation is contained in the accounting policies and/or the notes to the financial statements, and the key areas summarised below.

Areas of judgement and sources of estimation uncertainty that have the most significant effect on the amounts recognised in the financial statements are:

Review of impairment charges on receivables
The company performs impairment testing in accordance with the receivables accounting policy. The calculation of recoverable amounts requires the use of estimates and assumptions consistent with the most recent budgets and plans that have been formally approved by management.

Estimation of the Net Asset Value ("NAV") of the funds
The revenue received by Cromwell Asset Management UK Limited relates to asset management services provided to property funds. This management services income is recognised in line with the contractual terms of the management agreement. In the majority of cases, the management agreement states that the amount of income is calculated as a percentage of the NAV of the fund. Consequently, the NAV of the fund has a direct impact on the level of management services income recognised.

The most significant attribute contributing towards the NAV of the fund is the value of the investment property within the fund. The fair value of investment property reflects amongst other things, rental income from current leases, assumptions about rental income for future leases and the possible outcome of planning applications, in the light of current market conditions.

2. **ACCOUNTING POLICIES - continued**

Other policies
Taxation

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

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

- deferred tax is not provided on the initial recognition of an asset or liability in a transaction that does not affect accounting profit or taxable profit and is not a business combination; and

- deferred tax assets are only recognised if it is probable that there will be sufficient profits from which the future reversal of the temporary differences can be deducted. In deciding whether future reversal is probable, the directors review the company's forecasts and make an estimate of the aggregate deferred tax asset that should be recognised. This aggregate deferred tax asset is then allocated into the different categories of deferred tax.

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

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

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

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

2. ACCOUNTING POLICIES - continued

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

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

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

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

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

3. EMPLOYEES AND DIRECTORS

The company had no employees during the current or prior year. During the current and prior year the company paid £nil in relation to the remuneration of employees of fellow group companies.

Directors' emoluments
The directors have not been remunerated for services to the company in the current or prior year.

4. NET FINANCE INCOME

	30.6.18	30.6.17
	£	£
Finance income:		
Deposit account interest	134	-

5. PROFIT/(LOSS) BEFORE INCOME TAX

The profit before income tax (2017 - loss before income tax) is stated after charging:

	30.6.18	30.6.17
	£	£
Management charges payable to group companies	-	200,000
Foreign exchange differences	-	699

Auditors' remuneration
Auditors' remuneration, relating to audit fees, for the current and prior year has been absorbed in full by Cromwell European Management Services Limited, a fellow Group company. These fees were £5,150 for the current year (2017: £5,000).

6. INCOME TAX

Analysis of tax expense
No liability to UK corporation tax arose for the year ended 30 June 2018 nor for the year ended 30 June 2017.

Factors affecting the tax expense
The tax assessed for the year is lower than (2017 - higher than) the standard rate of corporation tax in the UK. The difference is explained below:

	30.6.18	30.6.17
	£	£
Profit/ (loss) before income tax	121,893	(41,039)
Profit/ (loss) before income tax multiplied by the standard rate of corporation tax in the UK of 19.00% (2017 - 19.75%)	23,160	(8,105)
Effects of:		
Group relief (surrendered by)/ surrendered to fellow group companies for nil consideration	(23,160)	8,105
Tax expense	-	-

Changes to the UK corporation tax rate were announced in the Chancellor's 2016 Budget. These included a reduction to the Corporation Tax main rate to reduce the rate to 17% from 1 April 2020.

7. DIVIDENDS

During the year the company declared and paid a dividend of £nil (2017: £1,300,000).

8. TRADE AND OTHER RECEIVABLES

	30.6.18	30.6.17
	£	£
Current:		
Trade receivables	219,681	104,656
Amounts owed by group undertakings	299,239	-
Other tax and social security	-	12,141
Accrued income	89,118	88,369
Prepayments	28,551	3,169
	636,589	208,335

8. TRADE AND OTHER RECEIVABLES - continued

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

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

As at 30 June 2018, £219,680 of trade receivables (2017: £nil) were past due but not impaired. These relate to a number of customers for whom there is no recent history of default and consequently there are no indications at the reporting date that they will not meet their payment obligations. The ageing analysis of these trade receivables is as follows:

	30.6.18	30.6.17
	£	£
Under 3 months	219,680	-

9. CASH AND CASH EQUIVALENTS

	30.6.18	30.6.17
	£	£
Bank accounts	144,581	211,446

10. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	30.6.18	30.6.17
			£	£
1,000	Ordinary	£1	1,000	1,000

11. RETAINED EARNINGS

	Retained earnings
	£
At 1 July 2016	1,345,832
Dividends Paid	(1,300,000)
Loss for the year	(41,039)
At 30 June 2017	4,793
Profit for the year	121,893
At 30 June 2018	126,686

12. TRADE AND OTHER PAYABLES

	30.6.18	30.6.17
	£	£
Current:		
Trade payables	3,978	145,600
Amounts owed to group undertakings	512,284	268,388
Accruals and deferred income	127,859	-
Other tax and social security	9,363	-
	653,484	413,988

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

13. FINANCIAL INSTRUMENTS

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

	30.6.18		30.6.17	
	Book value	Fair value	Book value	Fair value
	£	£	£	£
Assets				
Trade and other receivables	337,349	337,349	193,025	193,025
Cash and cash equivalents	144,581	144,581	211,446	211,446
Liabilities				
Trade and other payables	525,625	525,625	413,988	413,988

In accordance with IAS 39, the company classifies the receivables and payables in the analysis above as 'loans and receivables' and 'financial liabilities' measured at amortised cost, respectively. At the 2018 and 2017 year ends, the company did not have any 'held to maturity' or 'available for sale' financial assets or 'held for trading' financial assets and liabilities as defined by IAS 39.

14. ULTIMATE PARENT COMPANY

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

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

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

15. RELATED PARTY DISCLOSURES

Key management compensation
Key management are the directors and the company secretary. The remuneration paid or payable to key management for employee services is shown in the financial statements of Cromwell European Management Services Limited, a fellow group company. They received no remuneration in respect of their services to the company in the current or prior year.

Amounts owed (to)/by related parties
The funding of Cromwell Europe Limited, the company's intermediate parent, and its subsidiaries ('the group') is controlled centrally. Resources are allocated to different entities within the group according to their needs, which constantly vary due to differing trading patterns, seasonality and other factors.

Amounts owed (to)/by related parties at the reporting date are as follows:

Group undertakings	30.6.18 £	30.6.17 £
Amounts owed to group undertakings		
Cromwell Europe Limited	(493,830)	(268,388)
Cromwell Holdings Europe Limited	(7,215)	-
Cromwell Investment Services Limited	(9,778)	-
Cromwell Corporate Secretarial Limited	(1,461)	-
	(512,284)	(268,388)
Amounts owed by group undertakings		
Cromwell European Holdings Limited	22	-
Cromwell European Management Services Limited	299,217	-
	299,239	-

During the year, Cromwell European Management Services Limited charged the company £nil (2017: £200,000) for centralised expenses. The amount outstanding at the reporting date in relation to these fees was £nil (2017: £200,000).

16. FINANCIAL RISK MANAGEMENT

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

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

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

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

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

The company's main source of liquidity is its asset management business. Cash generation by this business is dependent upon the asset management fees.

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

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

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

In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, return capital to its parent, issue new shares or sell assets to reduce debt.