

Cromwell European Holdings Limited
Annual report and financial statements
For the year ended 30 June 2021

Registration Number: 09381845

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Cromwell European Holdings Limited

Registration number: 09381845

ANNUAL REPORT AND FINANCIAL STATEMENTS

For the year ended 30 June 2021

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Cromwell European Holdings Limited

Registration number: 09381845

DIRECTORS, OFFICERS AND PROFESSIONAL SERVICE PROVIDERS

THE BOARD OF DIRECTORS

PM Vanhanen
MD Wilde
TW Sewell

COMPANY SECRETARY

Cromwell Corporate Secretarial Limited

REGISTERED OFFICE

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

INDEPENDENT AUDITOR

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

BANKERS

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

Cromwell European Holdings Limited

Registration number: 09381845

STRATEGIC REPORT

For the year ended 30 June 2021

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 2021. This strategic report has been prepared for the Group as a whole and therefore gives greater emphasis to those matters which are significant to the Group and its subsidiary undertakings when viewed as a whole.

PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS

The principal continuing activity of the Group is 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 161 assets (2020: 158) with 1,989 tenants (2020: 2,272). It operates in 11 countries (2020: 11) through 17 offices (2020: 17) and had assets under management ("AUM") at the balance sheet date of approximately €3.7bn (2020: €3.5bn).

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 loss for the year of €2,585k (2020: €3,353k profit restated) and is in a net liability position of €13,676k (2020: €3,706k restated). During the year the Group earned total revenues from fund management and associated operations of €38,627k (2020: €60,663k). Total revenues in FY21 included fund performance fees of €4,949k compared with €20,337k in FY20 which is reflected in the difference in total revenues between the 2 years. In the year the Group had net cash outflows from operating activities of €2,699k (2020: cash inflows of €10,855k restated).

Future Prospects

The Group continues to pursue opportunities to grow through expansion of existing funds, launch of new funds, and partnering with new and existing capital partners in portfolio acquisitions. 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 us to identify, evaluate and mitigate risks. Our risk-management processes are regularly reviewed and evaluated by the Group's Risk Committee 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 as well as a combination of both formal and informal meetings.

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.

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STRATEGIC REPORT

For the year ended 30 June 2021

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.

The Directors acknowledge that the Group has recorded a loss for the financial year. This is largely attributable to the impact of the COVID-19 pandemic on market sentiment and hence the ability of the Group to complete transactions which has in turn had a negative impact on transaction fees. The Directors remain confident that the Group is well placed to capitalise on future opportunities and will become profitable in the short term.

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 of €30.5m (2020: €42.6m) 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.

Sensitivity analysis has been prepared to assess the potential impact on going concern of a significant reduction in transaction activity in the next 12 months. This analysis has confirmed that the Group will have sufficient resources to continue as a going concern even if transaction levels fall to €nil in the 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 (2020: 11) with no one country representing more than 25% of the total AUM of €3.7bn (2020: €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. The results of those independent valuations have demonstrated that, although certain sectors were more heavily impacted than others, overall, there has not been a material adverse impact on asset valuations in the funds that the Group manages during the year. There has therefore not been a significant impact on management fee income as a result of those revaluations.

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 financial year compared to the Group's

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STRATEGIC REPORT

For the year ended 30 June 2021

expectations. The directors' view is that transaction volumes will return to more normal levels during 2022.

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 €16m (2020: €23m) which represents approximately 4 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 31 January 2020, the United Kingdom ("UK") left the European Union ("EU"). This has not materially impacted the fair value of assets and liabilities reported in the balance sheet at 30 June 2021, nor is it anticipated that there will be a material impact in future. The value of AUM located in the UK represents 3% (2020: 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, defined as the profit or loss for the year and AUM to be the key performance indicators for the business.

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. Loss before tax for the year was €2.5m which represents a significant decrease on the prior year (2020: profit before tax €4.9m). This decrease was largely driven by a number of fund performance fees which were earned in FY20 totalling €20,337k. The equivalent figure for FY21 was €4,949k.

Total AUM at 30 June 2021 was €3.7bn (2020: €3.5bn). 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 78% of total AUM (2020: 74%).

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
Director
21 October 2021

Cromwell European Holdings Limited

Registration number: 09381845

DIRECTORS' REPORT

For the year ended 30 June 2021

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 2021.

DIVIDENDS

During the year a dividend of €6m was declared by the Directors and paid to the parent entity (2020: €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, refer to the Directors' s.172 statement in the strategic report on page 3 for further details.

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 35,900 kilowatt hours (kWh) (2020: 79,100kWh). This is the equivalent of 7,600 kg CO₂e (carbon dioxide equivalent) (2020: 18,400kg) which has been converted using the '2021 conversion factors' published by the *Department for Business, Energy & Industrial Strategy*. Our scope 2 emissions represent 7 kg CO₂e per m² (square metre) (2020: 17kg CO₂e per m²) 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>

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DIRECTORS' REPORT

For the year ended 30 June 2021

DIRECTORS

The Directors who, unless otherwise stated, served throughout the year ended 30 June 2021 and up to the date of signing the financial statements except as noted were as follows:

PM Vanhanen	(Appointed 2 February 2021)
MD Wilde	(Appointed 1 January 2021)
TW Sewell	
PL Weightman	(Resigned 31 December 2020)
MA McLaughlin	(Resigned 31 March 2021)
RJ Cotterell	(Resigned 18 February 2021)

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 regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the UK. 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 group'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
21 October 2021

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GROUP STATEMENT OF PROFIT OR LOSS

For the year ended 30 June 2021

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 2021 and of the group's loss for the year then ended;
- have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the group income statement;
- the group statement of comprehensive income;
- the group and parent company statement of financial position;
- the group and parent company statements of changes in equity;
- the group and parent company statement of cash flows;
- the related notes 1 to 24 of the group financial statements; and
- the related notes 1 to 11 of the parent company financial statements.

The financial reporting framework that has been applied in their preparation is applicable law and international accounting standards in conformity with the requirements 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

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

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 this regard.

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GROUP STATEMENT OF PROFIT OR LOSS

For the year ended 30 June 2021

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.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the group's industry and its control environment, and reviewed the group's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory framework that the group operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included the UK Companies Act and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the group's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team including significant component audit teams regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the following area, and our specific procedures performed to address it are described below:

- Valuation of unlisted co-investments has been identified as a significant risk due to fraud. We have agreed the valuation of the investment to investor reports and tested any adjustments to the valuation. We have performed sensitivity analysis to consider what level of volatility in the property market would result in a material difference to the valuation of the investments.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

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GROUP STATEMENT OF PROFIT OR LOSS

For the year ended 30 June 2021

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.



Mark Lewis ACA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Leeds, United Kingdom
21 October 2021

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GROUP STATEMENT OF PROFIT OR LOSS

For the year ended 30 June 2021

	Note	2021 €'000	Restated* 2020 €'000
REVENUE	2	38,627	60,663
Administrative expenses	3,5	(39,314)	(51,898)
Fair value loss on co-investments held at fair value through profit and loss	3	(1,096)	(690)
OPERATING (LOSS)/PROFIT BEFORE JOINT VENTURE / ASSOCIATES RESULTS		(1,783)	8,075
Share of pre-tax (loss)/profit from joint ventures/associates		284	(380)
Share of joint ventures' tax		-	61
Share of post-tax (loss)/profit from joint ventures/associates accounted for using the equity method	13	284	(319)
Finance income	6	186	147
Finance costs	6	(1,177)	(2,140)
(LOSS)/PROFIT BEFORE TAX		(2,490)	5,763
Income tax expense	7	(95)	(2,410)
(LOSS)/PROFIT FOR THE YEAR		(2,585)	3,353
Attributable to:			
Owners of Cromwell European Holdings Limited		(3,120)	2,898
Non-controlling interests		535	455
(LOSS)/PROFIT FOR THE YEAR		(2,585)	3,353

* See accounting policy note r for details about restatement for changes in accounting policies.

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GROUP STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2021

	2021 €'000	Restated* 2020 €'000
(Loss)/profit for the year	(2,585)	3,353
Other comprehensive expense for the year:		
Items that may subsequently be reclassified to profit and loss		
Exchange differences arising during the year	(790)	(81)
Total comprehensive (expense)/income for the year	(3,375)	3,272
Total comprehensive (expense)/income for the year attributable to:		
Owners of Cromwell European Holdings Limited	(3,910)	2,817
Non-controlling interest	535	455
Total comprehensive (expense)/income for the year	(3,375)	3,272

* See accounting policy note 1 for details about restatement for changes in accounting policies.

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GROUP STATEMENT OF FINANCIAL POSITION

As at 30 June 2021

	Note	2021 €'000	2020 Restated* €'000	1 July 2019* Restated €'000
Non-current assets				
Other financial assets	12	8,470	10,724	19,567
Investments accounted for using the equity method	13	-	141	886
Property, plant and equipment	14	1,945	1,664	1,821
Right of use assets	15	8,801	8,273	-
Intangible assets	16	354	569	870
Deferred tax asset	19	273	112	-
Total non-current assets		19,843	21,483	23,144
Current assets				
Other financial assets	12	1,346	2,630	-
Cash and cash equivalents	8	15,670	23,079	5,345
Current tax receivables	9	259	518	338
Loans to related parties	24	1,320	1,187	1,152
Trade and other receivables	10	13,424	12,053	15,482
Developments held for sale	11	-	9,422	9,636
Total current assets		32,019	48,889	31,953
Total assets		51,862	70,372	55,097
Current liabilities				
Payables	17	13,368	17,647	14,559
Loans from related parties	24b(ii)	1,551	1,285	42,182
Current tax liabilities	18	362	538	216
Total current liabilities		15,281	19,470	56,957
Net current assets/(liabilities)		16,738	29,419	(25,004)
Non-current liabilities				
Payables	17	7,334	11,512	4,668
Loans from related parties	24b(iii)	42,650	42,226	-
Deferred tax liabilities	19	273	870	-
Total non-current liabilities		50,257	54,608	4,668
Total liabilities		65,538	74,078	61,625
Net liabilities		(13,676)	(3,706)	(6,528)
Equity				
Ordinary shares	20	1	1	16,746
Preference shares	21	1	1	40,807
Translation reserve	22	(1,311)	(521)	(440)
Retained losses		(12,764)	(3,887)	(64,323)
Equity attributable to owners of the company		(14,073)	(4,396)	(7,210)
Non-controlling interest		397	690	682
Total negative equity		(13,676)	(3,706)	(6,528)

The financial statements on pages 11 to 39 were approved and authorised for issue by the Board of Directors on 21st October 2021 and were signed on its behalf by:



TW Sewell, director

* See accounting policy note r for details about restatement for changes in accounting policies.

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GROUP STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2021

	Ordinary shares	Preference shares	Translation reserve	Retained losses	Non- Controlling interest	Total deficit
	€'000	€'000	€'000	€'000	€'000	€'000
Balance at 1 July 2020	1	1	(521)	(3,877)	690	(3,706)
Loss for the year	-	-	-	(3,120)	535	(2,585)
Disposal of non-controlling interest	-	-	-	233	(233)	-
Other comprehensive expense	-	-	(790)	-	-	(790)
Total comprehensive expense for the year	-	-	(790)	(2,887)	302	(3,375)
Dividend paid (note 23)	-	-	-	(6,000)	(595)	(6,595)
Balance at 30 June 2021	1	1	(1,311)	(12,764)	397	(13,676)

Restated*	Ordinary shares	Preference shares	Translation reserves	Retained* losses	Non- controlling interest	Total deficit
	€'000	€'000	€'000	€'000	€'000	€'000
Balance at 1 July 2019 (as previously reported)	16,746	40,807	(440)	(63,500)	682	(5,705)
Changes due to Saas Adjustment (Note 1r)	-	-	-	(823)	-	(823)
Balance at 1 July 2019 (Restated)	16,746	40,807	(440)	(64,323)	682	(6,528)
Profit for the year	-	-	-	2,898	455	3,353
Other comprehensive expense	-	-	(81)	-	-	(81)
Total comprehensive income for the year	-	-	(81)	2,898	455	3,272
Capital reduction	(16,745)	(40,806)	-	57,551	-	-
Dividend paid	-	-	-	-	(449)	(449)
Rounding					2	
Balance at 30 June 2020	1	1	(521)	(3,874)	690	(3,706)

* See accounting policy note r for details about restatement for changes in accounting policies.

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GROUP STATEMENT OF CASH FLOWS

For the year ended 30 June 2021

	2021 €'000	Restated* 2020 €'000
Cash flows from operating activities		
Cash receipts in course of operations	42,041	64,984
Cash payments in course of operations	(45,398)	(53,772)
Interest received	151	15
Interest paid	(79)	(73)
Distribution from other financial assets	1,408	1,198
Income tax paid	(822)	(1,497)
Net cash (outflow) / inflow from operating activities	(2,699)	10,855
Cash flows from investing activities		
Purchase of property, plant and equipment	(846)	(543)
Purchase of intangibles	(1,624)	(190)
Purchase of financial assets at fair value through profit or loss	(427)	-
Proceeds of financial assets at fair value through profit or loss	3,102	-
Purchase of investments in non-controlling interest	(215)	-
Proceeds from the disposal of financial assets	5,263	9,947
Loan to joint ventures	(58)	(55)
Net cash inflow from investing activities	5,195	9,159
Cash flows from financing activities		
Loans to third parties	(457)	-
Dividends paid	(6,595)	(449)
Lease liability principal payments	(1,713)	(1,471)
Net cash outflow from financing activities	(8,765)	(1,920)
Net (decrease) / increase in cash and cash equivalents	(6,269)	18,094
Cash and cash equivalents at the beginning of the financial year	23,079	5,345
Effect of exchange rate changes on cash and cash equivalents	(1,140)	(360)
Cash and cash equivalents at the end of the financial year	15,670	23,079

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

Material non-cash financing transaction

No material non-cash financing transactions occurred.

* See accounting policy note r for details about restatement for changes in accounting policies.

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NOTES TO THE GROUP FINANCIAL STATEMENTS

For the year ended 30 June 2021

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 22.

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.

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.

Changes in accounting policy and future accounting developments

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

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

Future accounting developments

A number of amendments and improvements to accounting standards have been issued by the International Accounting Standards Board (IASB). 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.

The Directors acknowledge that the Group has recorded a loss for the financial year. This is largely attributable to the impact of the COVID-19 pandemic on market sentiment and hence the ability of the Group to complete transactions which has in turn had a negative impact on transaction fees. The Directors remain confident that the Group is well placed to capitalise on future opportunities and will become profitable in the short term.

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 of €30.5m (2020: €42.6m) 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.

Sensitivity analysis has been prepared to assess the potential impact on going concern of a significant reduction in transaction activity in the next 12 months. This analysis has confirmed that the Group will have sufficient resources to continue as a going concern even if transaction levels fall to €nil in the period.

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NOTES TO THE GROUP FINANCIAL STATEMENTS

For the year ended 30 June 2021

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.

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

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For the year ended 30 June 2021

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.

(e) 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 presented in Other Comprehensive Income.

(f) 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.
- iii) **Finance income**
Finance revenue includes bank interest receivable. Finance revenue is recognised on an accrual's basis.

(g) 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.

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For the year ended 30 June 2021

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.

(h) 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.

(i) 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.

(j) 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.

(k) 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

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For the year ended 30 June 2021

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.

(l) 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.

(m) 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.

(n) 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%.

(o) 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:

(p) Leases

	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.

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.

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For the year ended 30 June 2021

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.

(q) 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. Our intangible assets consist of software which have an estimated useful life of 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.

During the year, as a result of a relevant IFRIC Agenda Decision, the Group changed its accounting policy with regard to the capitalisation of specific software 'configuration and customisation costs' in relation to 'Software-as-a-Service' ('SaaS') arrangements. The rationale and financial impact of the change in accounting policy is shown below in **note r**.

Adjusted intangible assets

Software

Cost

Derecognition of previously capitalised SaaS costs

Adjusted cost

Accumulated amortisation

Derecognition of previously amortised SaaS costs

Adjusted amortisation

Balance at 30 June

2021 **2020**

€'000 **€'000**

3,474 5,128

(1,501) (3,419)

1,973 1,709

3,119 1,729

(1,500) (588)

1,619 1,141

354 569

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(r) Software-as-a-service (SaaS) arrangements

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

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

Application to Cromwell

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

- Accounting policy change is applied to the current year and retrospectively, meaning a retrospective restatement of historical financial information is required in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- Derecognition of relevant capitalised Software-as-a-Service ('SaaS') costs and reversal of associated amortisation in the current year and retrospectively, which has resulted in the restatement of the prior year comparatives as disclosed below; and
- An opening balance adjustment at 1 July 2019 of €823k.

Retrospective restatement

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

	Audited 30 June 2020 €'000	Opening adjustment 'SaaS' adjustment 01 July 2019 €'000	'SaaS' adjustment 30 June 2020 €'000	Restated 30 June 2020 €'000
Financial statement impact:				
Group Statement of Financial Position				
Intangible assets	3,399	(823)	(2,007)	569
Total assets	3,399	(823)	(2,007)	569
Retained earnings	(1,047)	(823)	(2,007)	(3,877)
Total equity	(1,047)	(823)	(2,007)	(3,877)
Group Statement of Profit or Loss				
Amortisation of intangible assets (note 3)	(1,071)	-	582	(489)
Other administrative costs (note 3)	(18,192)	-	(2,589)	(20,781)
Administrative expenses	(19,263)	-	(2,007)	(21,270)
Group Statement of Cash Flows				
Payments in the course of operations	(51,183)	-	(2,589)	(53,772)
Net Cash provided by operating activities	(51,183)	-	(2,589)	(53,772)
Payment for intangible assets	(2,779)	-	2,589	(190)
Net Cash used in investing activities	(2,779)	-	2,589	(190)

(s) 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.

(t) Trade and other payables

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

(u) 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.

(v) Deferred income

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

(w) Interest bearing loans and borrowings

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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.

(x) 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.

(y) 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.

(z) 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).

(aa) 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.

(bb) Fair value estimations

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.

1.3 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.

Estimates

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.

Judgements

Management has considered the following to be judgements in arriving at the financial statements as follows:

Capitalisation of configuration and customisation costs in SaaS arrangements

Costs incurred to configure or customise Cromwell's SaaS application software are expenses when the costs are incurred. Costs which relate to the development of software code that enhances or modifies or creates additional capability to existing on-premises software to enable it to connect with cloud-based SaaS applications may meet the definition of an intangible asset and can be capitalised.

Judgement is required to determine whether these costs meet the definition of and recognition criteria for an intangible asset under IAS 38 *Intangible Assets*. Management applies judgement to the concept of 'control' of these software enhancements, whereby an assessment is made whether the SaaS provider, as the supplier, or Cromwell, as the customer, has control of these assets. When Cromwell consider that 'control' remains with the supplier, these costs are expensed. Where Cromwell consider it has control over the software code, it may recognise these costs as assets.

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2 Revenue

	2021 €'000	2020 €'000
Property management fees	494	514
Asset management fees	24,671	27,647
Property disposal fees	786	4,457
Leasing fees	2,146	2,236
Accounting fees	605	622
Development management fees	1,388	561
Acquisition fees	2,084	3,000
Co-investment income	1,408	1,198
Performance fees	4,949	20,337
Other fees	96	91
Total revenue	38,627	60,663

Other fees consist of services transferred at a point in time.

3 Operating (loss)/profit before joint venture/associate results

	2021 €'000	Restated* 2020 €'000
Operating (loss)/profit before joint venture/associate results is stated after charging/(crediting):		
Depreciation of property, plant and equipment	602	587
Depreciation of right-of-use assets	1,098	1,527
Amortisation of intangible assets (Restated*)	480	489
Other administrative costs (including auditor's remuneration see note 4) (Restated*)	14,912	20,781
Lease costs	602	379
Fair value loss on co-investments held at fair value through profit and loss	1,096	690
Impairment of receivables	(18)	132
Impairment of intangibles	-	-
Foreign exchange	60	415
Loss / (Profit) on disposal of investments	11	(236)
(Profit) / Loss on disposal of property, plant, and equipment	(170)	99
	18,673	24,863

4 Auditor's remuneration

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

	2021 €'000	2020 €'000
Fees payable to the auditor for the audit of the annual accounts		
Group	119	115
UK Subsidiaries	23	23
The audit of the Company's subsidiaries pursuant to legislation	104	108
Total audit fees	246	246
Non-recurring fees in relation to the provision of other consultancy services	6	93
Total non-audit fees	6	93
Total auditor's remuneration	252	339

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5 Staff costs

	2021 €'000	2020 €'000
(a) Staff costs		
Wages and salaries	18,181	23,860
Social security costs	2,542	2,937
Other pension costs	1,014	929
	<u>21,737</u>	<u>27,725</u>

The monthly average number of people employed by the Group during the year was 220 (2020: 208). All employees are employed in administration-related roles. No people were employed by the Parent Company.

(b) Directors' emoluments

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

	2021 €'000	2020 €'000
Aggregate emoluments excluding pension contributions	1,838	2,202
Pension contributions (number of participants in the scheme: 4, 2020:3)	39	24
Termination benefits	-	-
	<u>1,877</u>	<u>2,226</u>

	2021 €'000	2020 €'000
Highest paid director:		
Aggregate emoluments excluding pension contributions	941	2,030
Pension contributions	14	19
	<u>955</u>	<u>2,049</u>

6 Finance income and costs

	2021 €'000	2020 €'000
Finance income		
Bank interest income	-	13
Other interest income	186	133
	<u>186</u>	<u>147</u>
Finance costs		
Bank interest paid	(67)	(77)
Interest payable to related parties	(853)	(1,727)
Amortisation of borrowing costs	-	(93)
Lease cost	(221)	(209)
Other interest paid	(36)	(34)
	<u>(1,177)</u>	<u>(2,140)</u>
Net finance costs	<u>(991)</u>	<u>(1,993)</u>

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7 Income tax expense

(a) Income tax expense

	2021 €'000	2020 €'000
Current tax – current year	(79)	1,591
Current tax – adjustment in respect of prior years	924	44
Deferred tax – current year	-	834
Deferred tax - adjustment in respect of prior periods	(750)	(59)
	<u>95</u>	<u>2,410</u>

(b) Factors affecting tax expense for the year

The tax on the Group's loss (2020: profit) before income tax is higher (2020: higher) than the UK statutory tax rate of 19% (2020: 19%). The differences are explained below.

	2021 €'000	2020 €'000
(Loss) / profit before income tax expense	<u>(2,489)</u>	<u>5,763</u>
Tax on (loss) / profit before income tax at standard UK corporate tax rate of 19% (2020: 19%)	(473)	1,095
Effects of:		
Other non-deductible expenditure	135	120
Non-taxable gain on disposal of co-investments	(33)	(45)
Non-taxable dividend income	(1,071)	(103)
Partnership profits taxable in hands of non-controlling investors	-	(98)
Disallowable Polish transfer pricing charges	212	194
Profits of associates and joint ventures	28	144
Tax losses carried forward for which no deferred tax recognised	1,152	18
Capital allowances in excess of depreciation not recognised for deferred tax	57	(128)
Other temporary differences not recognised for deferred tax	(233)	664
Non-deductible fair value loss on investment	208	131
Non-taxable release of impairment of receivables	(3)	25
Tax rate differences on current tax	(64)	399
Current tax adjustment in respect of prior years	924	44
Deferred tax adjustment in respect of prior years	(750)	(59)
Other taxes	6	9
Total income tax expense for the year	<u>95</u>	<u>2,410</u>

(c) Factors affecting future tax expense

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

8 Cash and cash equivalents

	2021 €'000	2020 €'000
Cash at bank and in hand	<u>15,670</u>	<u>23,079</u>
	<u>15,670</u>	<u>23,079</u>

At the year-end there was €137k (2020: €137k) 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 (2020: £125k).

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.

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9 Current tax receivables

	2021 €'000	2020 €'000
Corporate income tax receivable	259	518

10 Trade and other receivables

	2021 €'000	2020 €'000
Trade receivables	3,348	2,012
Accrued income	7,549	6,938
Prepayments	1,176	1,200
Bonds	658	669
Recharged costs	99	854
Other receivables	594	380
	13,424	12,053

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 2021 trade receivables of €1,444k (2020: €1,048k) were due within 30 days.

As at 30 June 2021 trade receivables of €3,348k (2020: €2,012k) 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:

	2021 €'000	2020 €'000
Up to 3 months	2,072	1,730
3 to 6 months	431	282
Over 6 months	845	-
	3,348	2,012

As at 30 June 2021, there were no provisions against trade receivables (2020: €nil).

11 Development property held for sale

	2021 €'000	2020 €'000
At beginning of year	9,422	9,636
Professional fees	-	(214)
Sale of development property held for sale	(9,422)	-
At end of year	-	9,422

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12 Other financial assets

	2021 €'000	2020 €'000
Financial assets carried at fair value through profit or loss		
Unlisted investments – co-investments in property funds		
At beginning of year	7,871	11,111
Unrealised losses through profit and loss	(1,190)	(411)
Loss on disposal	-	(59)
Total losses recognised in profit or loss	(1,190)	(470)
Capital proceeds	(1,438)	(627)
Capital investments	412	-
Sale proceeds	-	(2,143)
At end of year	5,655	7,871
Listed investments – investments in property funds		
At beginning of year	1,180	5,083
Unrealised gains/(losses) through profit and loss	219	(313)
Gain on disposal	-	304
Purchases	-	4,186
Sale proceeds	-	(8,080)
At end of year	1,399	1,180
Loans carried at amortised cost		
Loans to property funds		
At beginning of year	4,303	3,373
Foreign exchange movements	36	(7)
Unrealised gains/(losses) through profit and loss	18	(91)
Total gains/(losses) recognised in profit or loss	54	(98)
Interest	53	125
New loan issues	16	1,179
Loan repayments	(1,664)	(276)
At end of year	2,762	4,303
Loans carried at amortised cost – Current	1,346	2,630
Loans carried at amortised cost – Non-current	1,417	1,673
Total at end of year	2,762	13,354

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. 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 on 30 June 2021 and 30 June 2020 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 €1.3m reduction (2020: €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 this listed investment was level 1.

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Loans carried at amortised cost

(i) *Equinox*

The Group made a loan to one of the property funds that it manages, AG Equinox Co-operative UA ("Equinox") which had an opening balance on 1 July 2020 of €133,762 which was repaid during the year to 30 June 2021.

(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, which was subsequently increased to €1,346,011. The facility expires in December 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 4,054,648 (2020: 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 2021 an additional capital investment of €16k was made to Hummingbird B.V. With no repayments made during the year, the outstanding loan at the year-end was €194k (2020: €178k). The loan is denominated in Euros.

(v) *Gloag Serviced Apartments Ltd ("Kintore House")*

A fair value adjustment of €18k and foreign exchange adjustments of €41k during the year ended 30 June 2021 have resulted in an increase to the loan balance outstanding at 30 June 2021 to €706k (2020: €647k).

(vi) *CEIF2*

In the prior year the Group made fixed interest-bearing loans totalling €1.15m to CEIF Properties S.à r.l., a private limited liability company (société à responsabilité limitée) incorporated in Luxembourg. Interest was payable at 3% p.a. The loans were repaid during the year ended 30 June 2021.

13 Investments accounted for using the equity method

	2021 €'000	2020 €'000
Non-current		
Investments in joint ventures (a)	-	141
Investments in associates (b)	-	-
	-	141

At 30 June 2021, the Group had no capital commitments in relation to any of its joint ventures or associates (2020: nil).

At 30 June 2021, the Group had no contingent liabilities in relation to any of its joint ventures or associates (2020: nil).

(a) **Investments in joint ventures**

	2021 €'000	2020 €'000
Carrying amount at the beginning of the year	141	886
Share of (loss) / profit after income tax	284	(319)
Shareholder loan interest	(429)	(439)
Foreign exchange movement	4	13
Carrying amount at the end of the year	-	141

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

Joint ventures	Country of incorporation	Principal activities	Type of share	Ownership interest 2021 %	Ownership interest 2020 %
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
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
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	1 st Floor, Unit 16 Manor Court Business Park, Scarborough, YO11 3TU
Redhouse Project Limited	1 st Floor, Unit 16 Manor Court Business Park, Scarborough, YO11 3TU
Talbot Green Developments Limited	1 st Floor, Unit 16 Manor Court Business Park, Scarborough, YO11 3TU
Talbot Green Management Company Limited	1 st Floor, Unit 16 Manor Court Business Park, Scarborough, YO11 3TU
D.U.K.E. Combined Limited Partnership	1 st Floor, Unit 16 Manor Court Business Park, Scarborough, YO11 3TU
Stirling Development Agency Limited	1 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 2021 and 2020 and for the years then ended.

	2021 €'000	2020 €'000
Share of joint ventures' balance sheets:		
Current assets	5,850	5,356
Share of gross assets	5,850	5,356
Current liabilities	(4,529)	(4,670)
Share of gross liabilities	(4,529)	(4,670)
Share of net assets	1,321	686
Revenue	-	31
Expenses	284	(411)
(Loss)/profit before tax	284	(380)
Income tax	-	61
(Loss)/profit for the year	284	(319)

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(b) Investments in associates

The carrying amount of investments in associates was €nil at 30 June 2021 and 30 June 2020.

Associates	Country of incorporation	Principal Activities	Ownership interest	
			2021 %	2020 %
European Commercial Real Estate Limited	UK	Property Investment	39	39

The registered office address of each associate is listed below:

Associates	Registered office
European Commercial Real Estate Limited	1 Lochrin Square, 92-98 Fountainbridge Edinburgh EH3 9QA

The above associate 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 2021 and 30 June 2020 and for the years then ended.

	2021 €'000	2020 €'000
Share of associates' balance sheets:		
Current assets	81	290
Share of gross assets	81	290
Current liabilities	(81)	(290)
Share of gross liabilities	(81)	(290)
Share of net assets	-	-
Revenue	-	-
Expenses	-	-
Profit/(loss)/profit before tax	-	-
Income tax credit	-	-
Result for the year	-	-

The Group has not recognised losses amounting to €4,703k (2020: €6,105k) for the associate, where the Group's share of the associate's net assets is already below zero.

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14 Property, plant and equipment

	Leasehold Improvements €'000	Computer equipment €'000	Office furniture and fittings €'000	Total €'000
Cost				
As at 1 July 2020	1,110	1,285	1,122	3,517
Additions	486	129	231	846
Disposals	(55)	(2)	(44)	(101)
Foreign exchange movement	45	27	19	91
Reclassification from intangible assets	84	-	-	84
As at 30 June 2021	1,670	1,439	1,328	4,437
Depreciation				
As at 1 July 2020	(436)	(965)	(452)	(1,853)
Depreciation charge	(136)	(184)	(282)	(602)
Disposals	18	2	9	29
Foreign exchange movement	(8)	(20)	(9)	(37)
Reclassification	(29)	12	(12)	-
As at 30 June 2021	(590)	(1,155)	(746)	(2,491)
Net Book Value				
As at 30 June 2021	1,079	284	582	1,945

	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)
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)
As at 30 June 2020	(436)	(965)	(452)	(1,853)
Net Book Value				
As at 30 June 2020	674	320	670	1,664

Depreciation of €602k (2020: €587k) is included within administrative expenses.

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15 Right-of-use asset

	Plant and equipment €'000	Office premises €'000	Total €'000
Cost			
As at 1 July 2020	1,004	8,795	9,799
Additions	386	2,067	2,454
Disposals, terminations and modifications	(120)	(686)	(806)
As at 30 June 2021	1,271	10,176	11,447
Depreciation			
As at 1 July 2020	(275)	(1,251)	(1,526)
Charge for the year	(177)	(942)	(1,119)
As at 30 June 2021	(453)	(2,193)	(2,646)
Net Book Value			
As at 30 June 2021	818	7,983	8,801

	Plant and equipment €'000	Office 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)
Net Book Value			
As at 30 June 2020	729	7,544	8,273

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For the year ended 30 June 2021

16 Intangible assets

	Software €'000	Total €'000
2021		
Cost		
As at 1 July 2020	1,390	1,390
Additions	123	123
Disposals	(58)	(58)
Reclassification to tangible assets	(84)	(84)
Foreign exchange movement	286	286
As at 30 June 2021	1,657	1,657
Amortisation		
As at 1 July 2020	(821)	(821)
Amortisation charge	(480)	(480)
Disposals	87	87
Foreign exchange movement	(85)	(85)
As at 30 June 2021	(1,303)	(1,303)
Net Book Value		
As at 30 June 2021	354	354

	2020 Before restatement	2020 Before restatement	2020 Restated	2020 Restated
	Software €'000	Total €'000	Software €'000	Total €'000
2020				
Cost				
As at 1 July 2019	2,071	2,071	2,071	2,071
SaaS opening balance adjustment			(829)	(829)
Restated opening balance at 1 July 2019			1,242	1,242
Additions	2,779	2,779	2,779	2,779
SaaS adjustment			(2,589)	(2,589)
Disposals	(1)	(1)	(1)	(1)
Foreign exchange movement	(41)	(41)	(41)	(41)
Restated As at 30 June 2020	4,808	4,808	1,390	1,390
Amortisation				
As at 1 July 2019	(377)	(377)	(377)	(377)
SaaS opening balance adjustment			6	6
Restated opening balance at 1 July 2019			(371)	(371)
Amortisation charge	(1,071)	(1,071)	(1,071)	(1,071)
SaaS adjustment			582	582
Disposals	1	1	1	1
Foreign exchange movement	38	38	38	38
As at 30 June 2020	(1,409)	(1,409)	(821)	(821)
Net Book Value				
As at 30 June 2020	3,399	3,399	569	569

Amortisation of €480k (2020: €489k) is included within administrative expenses, refer to note 3. Following the decision reached by IFRS Interpretations Committee (IFRIC) on 'Configuration or Customisation Costs in a Cloud Computing Arrangement, a prior year

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restatement was required, refer to the footnote below.*

17 Payables

	2021 €'000	2020 €'000
Current		
Trade creditors	1,120	2,457
Accruals	8,457	10,962
Lease liability	1,707	1,495
Deferred income	46	235
Other tax and social security	1,225	1,100
Other payables	813	1,398
	13,368	17,647
Non-current		
Bank loan	-	4,668
Lease liability	7,334	6,832
	7,334	11,512

Reconciliation of movements of liabilities to cashflows arising from financing activities

2021	Opening balance €'000	Interest €'000	Lease liability principal €'000	Recognition of lease liability €'000	Bank loan repaid €'000	Closing balance €'000
Lease liabilities	8,327	221	(1,713)	2,206	-	9,041
Bank loan	4,680	-	-	-	(4,680)	-
	13,007	221	(1,713)	2,206	(4,680)	9,041

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

18 Current tax receivables

	2021 €'000	2020 €'000
Corporate income tax receivable	362	538
	362	538

19 Deferred tax assets / (liabilities)

The analysis of net deferred tax liabilities is as follows:

	2021 €'000	2020 €'000
Deferred tax assets recoverable within 12 months	273	112
Deferred tax liabilities to be settled within 12 months	(273)	(870)
Net deferred tax liability	-	(758)

* See accounting policy note r for details about restatement for changes in accounting policies.

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For the year ended 30 June 2021

19 Deferred tax assets / (liabilities) (continued)

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 2020	112	(870)	(758)
Credited/(charged) to the income statement	163	587	750
Foreign exchange movement	(2)	10	8
Closing balance at 30 June 2021	273	(273)	-
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)

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 €7,459k (2020: €5,645k) 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

1,000 'A' Ordinary shares of €1 each

2021	2020
€	€
1,000	1,000
1,000	1,000

21 Preference shares

The B Preference Shares are redeemable at the election of the Company and are convertible into A Ordinary Shares at the sole discretion of the Company and are classified as equity.

Authorised, allotted, called up and fully paid

1,000 'B' Preference shares of €1 each

2021	2020
€	€
1,000	1,000
1,000	1,000

22 Translation reserve

Opening balance at start of year
Translation differences arising during the year
Closing balance at end of year

2021	2020
€'000	€'000
(521)	(440)
(790)	(81)
(1,311)	(521)

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 an interim dividend of €6,000,000 was declared by the Directors and paid to the parent entity. (2020: €nil). The dividend per share was €3,000 per 1,000 'A' ordinary shares and €3,000 per 1,000 'B' preference shares.

No dividend was accrued at year end for the year ended 30 June 2021 (2020: €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.

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	2021 €'000	2020 €'000
Short term employee benefits	3,142	3,341
Post-employment benefits	101	33
Termination benefits	-	-
	<u>3,243</u>	<u>3,373</u>

(b) Outstanding balances arising from related party transactions

(i) Loan to related parties

Current assets	2021 €'000	2020 €'000
Loans to related parties	<u>1,320</u>	<u>1,187</u>
	<u>1,320</u>	<u>1,187</u>

The above amount comprises the following:

- An outstanding loan of €563k (2020: €529k) 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 €757k (2020: €658k) due from Talbot Green Developments Limited, a joint venture company. No interest has been charged during the year and the loan is repayable on demand.

(ii) Loans from related parties

Current liabilities	2021 €'000	2020 €'000
Loans from related parties	<u>(1,551)</u>	<u>(1,285)</u>
	<u>(1,551)</u>	<u>(1,285)</u>

The above amount comprises the following:

- Loans totalling €1,365k (2020: €1,285k) from Redhouse Holdings Limited, a joint venture company. The balance has no interest and is repayable on demand.
- Loans totalling €186k (2020: €nil) due to Cromwell Corporation Limited, the Company's immediate and ultimate parent entity.

(iii) Loans from related parties

Non-current liabilities	2021 €'000	2020 €'000
Loans from related parties	<u>(42,650)</u>	<u>(42,226)</u>
	<u>(42,650)</u>	<u>(42,226)</u>

The balance comprises the following:

- A deep discounted bond with a carrying value of €42,650k issued to Cromwell Corporation Limited, the Group's immediate and ultimate parent entity. The bond has a face value of €44,278k (2020: €44,278k) which is repayable on 31 March 2025. 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 €424k (2020: €1,288k) accrued during the year which is reflected in the carrying value above.

(iv) Other amounts owed by related parties

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

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For the year ended 30 June 2021

	2021 €'000	2020 €'000
Management fees charged to joint ventures		
Stirling Development Agency Limited	14	-
Management fees charged to associates		
European Commercial Real Estate Limited	-	14
Management fees charged to related parties		
Cromwell EREIT Management Pte Ltd	-	652
Amounts receivable from key management		
Employee receivables	251	235
Loans to joint ventures		
Stirling Development Agency Limited	563	529
Talbot Green Limited	757	658
Loans (from) joint ventures		
Redhouse Holdings Limited	(1,365)	(1,285)
	<u>219</u>	<u>803</u>

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:

	2021 €'000	2020 €'000
Interest charged by related parties		
Cromwell Corporation Limited	(424)	(1,288)
Management fees charged to joint ventures		
Stirling Development Agency Limited	519	84
Talbot Green Limited	12	12
Management fees charged to associates		
European Commercial Real Estate Limited	55	12
Management fees charged to related parties		
Cromwell EREIT Management Pte Ltd	237	235
	<u>(399)</u>	<u>(944)</u>

(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 2021 (2020: €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.

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NOTES TO THE GROUP FINANCIAL STATEMENTS

For the year ended 30 June 2021

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 £24,526k (2020: £33,475k) and liabilities denominated in Sterling of approximately £9,807k (2020: £18,755k). If the exchange rate between the Euro and Sterling fluctuated by 10% the Group's Sterling denominated net assets of £14,718k (2020: £14,720), in Euros, would increase or decrease by €1,472k (2020: €1,472k). 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 through its asset and property 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.

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

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
	€'000	€'000	€'000	€'000
At 30 June 2021				
Trade and other payables	13,368	3,817	1,707	1,810
Loans from related parties	1,551	-	42,650	-
At 30 June 2020				
Trade and other payables	17,647	1,292	7,621	2,599
Loans from related parties	1,285	-	42,226	-

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.

To maintain or adjust the capital structure, the Directors may introduce or withdraw capital.

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PARENT ENTITY STATEMENT OF FINANCIAL POSITION

As at 30 June 2021

	Note	2021 €'000	2020 €'000
Non-current assets			
Investments	3	30,537	30,537
Other financial assets	4	-	-
Total non-current assets		30,537	30,537
Current assets			
Cash and cash equivalents	5	23	23
Loans to related parties	8ai	14,075	20,006
Total current assets		14,098	20,029
Total assets		44,635	50,566
Current liabilities			
Total current liabilities		-	-
Non-current liabilities			
Loans from related parties	8aii	(42,650)	(42,226)
Total non-current liabilities		(42,650)	(42,226)
Total liabilities		(42,650)	(42,226)
Net assets		1,985	8,340
Equity			
Ordinary shares	6	1	1
Preference shares	7	1	1
Retained earnings		1,983	8,338
Total equity		1,985	8,340

The financial statements on pages 40 to 49 were approved and authorised for issue by the Directors on 21st October 2021. 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 €355k (2020: €1,411k loss).

Signed on behalf of the Board of Directors



TW Sewell
Director
21 October 2021

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PARENT ENTITY STATEMENT OF CHANGES IN EQUITY*For the year ended 30 June 2021*

	Ordinary shares €'000	Preference shares €'000	Retained earnings €'000	Total equity €'000
Balance at 1 July 2020	1	1	8,338	8,340
Loss for the year and total comprehensive expense	-	-	(355)	(355)
Dividend paid (Note 8)			(6,000)	(6,000)
Total comprehensive expense for the year	-	-	(6,355)	(6,355)
Balance at 30 June 2021	1	1	1,983	1,985
 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

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PARENT ENTITY STATEMENT OF CASH FLOWS

For the year ended 30 June 2021

	2021 €'000	2020 €'000
Cash flows from operating activities		
Interest paid	(355)	-
Net cash inflow from operating activities	(355)	-
Cash flows from investing activities		
Loans from parent	424	-
Loans to subsidiaries repaid	5,931	-
Loan from parent repaid	-	-
Proceeds from disposal of financial assets	-	22
Net cash inflow from investing activities	6,355	22
Cash flows from financing activities		
Dividends paid to parent entity	(6,000)	-
Net cash inflow from financing activities	(6,000)	-
Net increase in cash and cash equivalents	-	22
Cash and cash equivalents at the beginning of the financial year	23	1
Effect of exchange rate on cash and cash equivalents	-	-
Cash and cash equivalents at the end of the financial year	23	23

Material non-cash financing transactions

During the period the company paid a dividend of €6,000,000

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NOTES TO THE PARENT ENTITY FINANCIAL STATEMENTS

For the year ended 30 June 2021

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.

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NOTES TO THE PARENT ENTITY FINANCIAL STATEMENTS

For the year ended 30 June 2021

1.3 Critical accounting judgement 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 but not critical accounting judgements 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.

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NOTES TO THE PARENT ENTITY FINANCIAL STATEMENTS

For the year ended 30 June 2021

2. Operating costs

Employees' remuneration

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

Directors' remuneration

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

Auditor's remuneration

The audit fee for the year of €142k (2020: €138k) was borne by Cromwell European Management Services Limited, a subsidiary company.

3. Investments

Shares in Group undertakings

At 30 June

	2021 €'000	2020 €'000
Cost	142,305	142,305
Accumulated impairment	(111,768)	(111,768)
Net book amount	30,537	30,537

The subsidiaries are shown below:

Subsidiaries	Country of incorporation	Principal activities	Type of share	Holding	
				2021 %	2020 %
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
Gateshead Investments Limited	Cyprus	Dormant company	Ordinary	100	100
IO Management Services Limited	England & Wales	Asset management	Ordinary	100	100
Nordic Aktiv General Partner Limited	Guernsey	General partner	Ordinary	-	100**
Nordic Aktiv General Partner 2 Limited	Guernsey	General partner	Ordinary	-	100**
Parc d'Activites 1 GP Limited	England & Wales	General partner	Ordinary	100**	100**
The IO Group Limited	England & Wales	Holding company	Ordinary	100	100
Upperastoria Trading & Investments Limited	Cyprus	Holding company	Ordinary	100	100
Cromwell Asset Management UK Limited	England & Wales	Asset management	Ordinary	100	100
Cromwell Capital Ventures UK Limited	England & Wales	Holding company	Ordinary	100	100
Cromwell CEE Coinvest Limited Partnership	Scotland	Holding entity	Partnership interest	100	100
Cromwell CEE Promote Limited Partnership	Scotland	Holding entity	Partnership interest	83.19	83.19
Cromwell Central Europe BV	The Netherlands	Holding company	Ordinary	100	100
Cromwell Coinvest CEIF Limited Partnership	Scotland	Holding entity	Partnership interest	90.4	90.4

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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 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 Retail UK Limited	England & Wales	Holding company	Ordinary	100	100
Cromwell Poland Retail LLP*	England & Wales	Holding entity	Partnership interest	100	100
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	96.8	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
Cromwell REIM Luxembourg S.à.r.l.	Luxembourg	Asset management	Ordinary	100	100

Cromwell European Holdings Limited

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NOTES TO THE PARENT ENTITY FINANCIAL STATEMENTS

For the year ended 30 June 2021

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
Cromwell WBP Poland Limited Partnership	Scotland	Holding entity	Partnership interest	100	100
Cromwell YCM Coinvest Limited Partnership	Scotland	Holding entity	Partnership interest	100	100
Cromwell YCM Promote Limited Partnership	Scotland	Holding entity	Partnership interest	88.16	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	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
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 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.

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

Subsidiaries

Gateshead Investments Limited
Upperastoria Trading & Investments Limited
Cromwell Central Europe BV
Cromwell Property Group Czech Republic sro
Cromwell Denmark A/S
Cromwell Finland oy
Cromwell France S.A.S
Cromwell Germany GmbH
Cromwell Property Group Italy SRL
Cromwell Luxembourg SA
Cromwell Netherlands B.V.
Cromwell Property Group Poland Sp z.o.o.
Cromwell REIM Luxembourg S.à.r.l.
Cromwell Sweden AB
CPRF GP Sarl

Registered office

Thasos 3, Dadlaw House, Nicosia, P.C. 1520, Cyprus
Thasos 3, Dadlaw House, Nicosia, P.C. 1520, Cyprus
Jachthavenweg 124, 1081 KJ Amsterdam, Netherlands
Praha 1, V Celnici 1031/4, 110 00 Prague 1, Czech Republic
Stamholmen, 151 5 sal 2650, Hvidovre, Denmark
Salomonkatu 17A, Helsinki, FI-00100, Finland
43-47 avenue de la Grande Armée, F75116, Paris, France
Friedrichstraße 76, 10117 Berlin, Germany
Milano (MI) Via, Montenapoleone 29 Cap, 20121, Italy
14 rue Edward Steichen, 2540, Luxembourg
Jachthavenweg 124, 1081 KJ Amsterdam, Netherlands
59 Zlota St., 00-120 Warsaw, Poland
8 Boulevard Royal, L-2449 Luxembourg
Baltzarsgatan 21 B, Box 374, 211 36 Malmö, Sweden
8 Boulevard Royal, L-2449 Luxembourg

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NOTES TO THE PARENT ENTITY FINANCIAL STATEMENTS

For the year ended 30 June 2021

Audit Exemption

For the year ended 30 June 2021 the following subsidiaries of the Company were entitled to exemption from audit under Section 479A of the Companies Act 2006 relating to subsidiary companies:

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

4. Other financial assets

	2021 €'000	2020 €'000
<i>Financial assets carried at fair value through profit or loss</i>		
Unlisted investments – co-investment in property fund		
At beginning of year	-	22
Unrealised losses through profit and loss	-	-
Capital repayments	-	(22)
At end of year	-	-

5. Cash and cash equivalents

	2021 €'000	2020 €'000
Cash at bank and in hand	23	23
	<u>23</u>	<u>23</u>

Reconciliation to cash at the end of the year:

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

6. (a) Ordinary shares

	2021 €	2020 €
Authorised, allotted, called up and fully paid		
1,000 'A' ordinary shares of €1 each	1,000	1,000
	<u>1,000</u>	<u>1,000</u>

7. Preference shares

(b) Preference shares

	2021 €	2020 €
Authorised, allotted, called up and fully paid		
1,000 Preference shares of €1 each	1,000	1,000
	<u>1,000</u>	<u>1,000</u>

Cromwell European Holdings Limited

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NOTES TO THE PARENT ENTITY FINANCIAL STATEMENTS

For the year ended 30 June 2021

8. Related party transactions

(a) Outstanding balances arising from related party transactions

(i) Loans to related parties

	2021 €'000	2020 €'000
Loans to related parties	14,075	20,006
	<u>14,075</u>	<u>20,006</u>

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

	2021 €'000	2020 €'000
Non-current liabilities		
Loans from related parties	(42,650)	(42,226)
	<u>(42,650)</u>	<u>(42,226)</u>

The balance comprises the following:

- A deep discounted bond with a carrying value of €42,650k issued to Cromwell Corporation Limited, the Group's immediate and ultimate parent entity. The bond has a face value of €44,278k (2020: €44,278k) which is 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 €424k (2020: €1,288k) 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:

	2021 €'000	2020 €'000
Interest charged by related parties		
Cromwell Corporation Limited	(424)	(1,288)
	<u>(424)</u>	<u>(1,288)</u>

(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.

9. Dividends

The Company received a dividend of €nil from its subsidiary, Cromwell Europe Limited, during the year (2020: €nil).

During the year an interim dividend of €6,000,000 was declared by the Directors and paid to the parent entity. (2020: €nil). The dividend per share was €3,000 per 1,000 'A' ordinary shares and €3,000 per 1,000 'B' preference shares.

10. 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.

11. Contingent liabilities

The Company had no contingent liabilities at 30 June 2021 (2020: €nil).

12. 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.