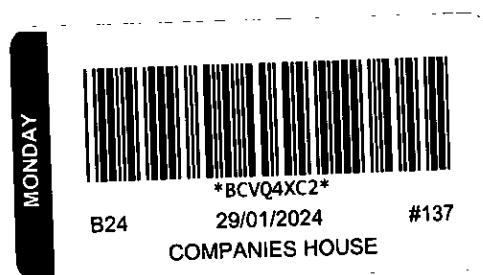


**Cromwell European Holdings Limited**  
**Annual report and financial statements**  
**For the year ended 30 June 2023**

Registration Number: 09381845



## **Cromwell European Holdings Limited**

Registration number: 09381845

### **ANNUAL REPORT AND FINANCIAL STATEMENTS**

**For the year ended 30 June 2023**

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## **Cromwell European Holdings Limited**

Registration number: 09381845

### **DIRECTORS, OFFICERS AND PROFESSIONAL SERVICE PROVIDERS**

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#### **THE BOARD OF DIRECTORS**

PM Vanhanen  
TW Sewell  
AJ Creighton  
SK White

#### **COMPANY SECRETARY**

Cromwell Corporate Secretarial Limited

#### **REGISTERED OFFICE**

5<sup>th</sup> Floor Minerva House  
29 East Parade  
Leeds  
United Kingdom  
LS1 5PS

#### **INDEPENDENT AUDITOR**

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

#### **BANKERS**

HSBC  
1 Centenary Square  
Birmingham  
United Kingdom  
B1 1HQ

## Cromwell European Holdings Limited

Registration number: 09381845

### STRATEGIC REPORT

For the year ended 30 June 2023

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The Directors present their strategic report on the affairs of Cromwell European Holdings Limited ("the Company") and its controlled entities ("the Group") for the year ended 30 June 2023. 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 162 assets (2022: 157) with 1,598 tenants (2022: 1,646). It operates in 11 countries (2022: 11) through 14 offices (2022: 17) and had assets under management ("AUM") at the balance sheet date of approximately €3.8bn (2022: €3.9bn).

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 €3,081k (2022: €4,512k) and is in a net liability position of €22,270 (2022: €18,250k). During the year the Group earned total revenues from fund management and associated operations of €43,739 (2022: €36,427k). Total revenues in FY23 included fund performance fees of €6,708k compared with €1,245k in FY22 which explains the majority of the difference in total revenues between the two years. A reduction in land sales and development profits in Joint Ventures in FY23 led to the share of post tax profits from Joint Ventures falling from €5,232k in FY22 to €760k in FY23. In the year the Group had net cash inflows from operating activities of €2,066k (2022: cash outflows of €3,278k).

#### *Future Prospects*

The Group continues to pursue opportunities to grow through expansion of existing funds and the launch of new products.

#### SECTION 172 STATEMENT

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:

#### *(a) Likely consequences of any decision in the long term*

The Board is highly mindful of the long-term impacts of the decisions that it makes.

- The Board is updated regularly by the Executive Management Team, which is drawn from all areas of the business, on progress towards long-term strategic objectives.
- The business strategy is reviewed on a regular basis to ensure that it remains appropriate in the light of changing external factors such as the macro-economic landscape.
- Appropriate action is executed by the Board in the event that the strategy is no longer in the best interests of the stakeholders as a whole.

#### *(b) The interests of the Group's employees*

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. In order to foster a diverse and inclusive workforce, the Group supports a number of initiatives including:-

- Engagement with our people through an 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.
- Support for events such as World Mental Health Day, International Women's Day, Pride Month and Black History Month.
- Introduction of flexible public holidays to recognise the diverse cultural groups within the business.
- A focus on improving its employee gender diversity at all levels by targeting a 40:40:20 gender split and by reducing the gender pay gap.
- Training focused on Diversity, Equity and Inclusion (DEI) and Environmental, Social and Governance (ESG), as well as a training programme targeted at high-potential employees.

## **Cromwell European Holdings Limited**

Registration number: 09381845

### **STRATEGIC REPORT**

**For the year ended 30 June 2023**

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*(c) The need to foster the Group's business relationships with suppliers, customers and others*

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, reflected in our core values of Accountable, Progressive and Collaborative.

*(d) The impact of the Group's operations on the community and the 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.
- In addition, the Group has engaged with the community through volunteering activities and by presenting to students at local colleges to introduce them to the opportunities within the real estate industry.

*(e) The desirability of the Group maintaining a reputation for high standards of business conduct*

The Group seeks to maintain the highest levels of corporate governance and is reflected in a number of ways:-

- The Group corporate values of Accountable, Progressive and Collaborative are at the core of all our activities and form a key component of the business objectives of all staff.
- We have introduced training and procedures to ensure our staff and supply chain partners are aware of their obligations in respect of modern slavery.
- 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.

*(f) The need to act fairly between members of the Group*

The Board has regular dialogue with the Group's shareholder to ensure that it is fully informed of the Board's strategy and performance.

### **GOING CONCERN AND FUTURE DEVELOPMENTS**

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 can in part be attributed to macro-economic conditions including rising interest rates, high inflation across Europe and uncertainty created by the conflict in Ukraine. This has had an adverse impact on the Group's ability to complete transactions, with an associated impact on fee income. 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 €21.3m (2022: €26.3m) 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. 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. The key risks impacting the real estate market are:-

## Cromwell European Holdings Limited

Registration number: 09381845

### STRATEGIC REPORT

For the year ended 30 June 2023

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#### *Macro-economic conditions*

Macro-economic conditions including rising interest rates, inflationary pressure and the conflict in Ukraine, have led to European commercial property transactions falling by more than 50% year-on-year. The Directors' view is that transaction volumes will not begin to recover before 2024. However, the majority of the fees earned by the Group are recurring and are earned from existing mandates which means they are unaffected by transaction volumes.

#### *Inflationary Pressure*

The high inflation environment has led to higher construction costs which in turn has inhibited development activities, and meant that some development projects will become uneconomic. This will potentially impact the Group's fee income from development activities. Inflation rates across Europe are anticipated to continue to fall throughout the year making development projects more attractive in 2024.

#### *Liquidity Risk*

The Group has prepared cash flows for the forthcoming 12 months to ensure that it maintains sufficient liquidity to meet its liabilities and grow its revenues. At 30 June, the Group has cash at bank of €12m (2022: €16m) which represents approximately 3 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.

#### *Operational Risk*

The Group reviews its systems and processes on a regular basis to ensure that they are sufficiently robust, and that a suitable business continuity plan is in place, such that the business can continue to operate effectively in the event of any unplanned event such as COVID-19.

### KEY PERFORMANCE INDICATORS

The Directors consider Operating Earnings, defined as the profit or loss for the year, and AUM (assets under management) to be the key performance indicators for the business, in addition to KPIs for Diversity, Equity and Inclusivity.

#### *Operating Earnings*

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 €3.1m which represents a reduction in the loss on the prior year (2022: loss before tax €4.1m). This reduction was largely driven by an increase in fund performance fees which were earned in FY23 totalling €6,708k. The equivalent figure for FY22 was €1,245k.

#### *AUM*

Total AUM at 30 June 2023 was €3.8bn (2022: €3.9bn). 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 was 62% of total AUM (2022: 80%). The reduction in the proportion of long-dated AUM is caused by the decision to market the Cromwell Polish Retail Fund portfolio which has led to it being re-classified as short-dated.

#### *Diversity, Equity and Inclusivity*

The Group is targeting a 40:40:20 gender ratio, meaning a minimum of 40% female and 40% male employees at all levels of the business. Significant progress has been made during the year at the executive level with female representation at 39%, compared to 17% in the previous year.

### 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 26 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  
16 November 2023

## **Cromwell European Holdings Limited**

Registration number: 09381845

### **DIRECTORS' REPORT**

For the year ended 30 June 2023

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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 2023.

#### **DIVIDENDS**

During the year a dividend of €nil was declared by the Directors and paid to the parent entity (2022: €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.

#### **EVENTS AFTER THE BALANCE SHEET DATE**

Please refer to the information contained within the Strategic Report on Page 5.

#### **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 53,800 kilowatt hours (kWh) (2022: 53,800kWh). This is the equivalent of 11,100 kg CO<sub>2</sub>e (carbon dioxide equivalent) (2022: 10,400kg) which has been converted using the '2023 conversion factors' published by the Department for Business, Energy & Industrial Strategy. Our scope 2 emissions represent 12kg CO<sub>2</sub>e per m<sup>2</sup> (square metre) (2022: 11kg CO<sub>2</sub>e per m<sup>2</sup>) of office space which is an intensity ratio measure used for monitoring emissions. These small increases are driven by office usage which was lower in the prior year due to lockdowns during the COVID-19 pandemic. In the current and prior year the Group has sought to improve its energy efficiency by minimising its surplus office space. The Group also has mandatory training for all employees and quarterly newsletters with recommendations as to how employees can increase energy efficiency in their working environments.

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>

## **Cromwell European Holdings Limited**

Registration number: 09381845

### **DIRECTORS' REPORT**

For the year ended 30 June 2023

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#### **DIRECTORS**

The Directors who, unless otherwise stated, served throughout the year ended 30 June 2023 and up to the date of signing the financial statements except as noted were as follows:

PM Vanhanen  
TW Sewell  
AJ Creighton (Appointed 24 January 2023)  
SK White (Appointed 17 May 2023)  
NI Batters (Resigned 17 May 2023)

#### **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;
- 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; and
- This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006

#### **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.

#### **INDEPENDENT AUDITORS**

The auditors, Deloitte LLP, have indicated their willingness to continue in office and appropriate arrangements have been put in place for them to be reappointed in the absence of an Annual General Meeting.

Approved by the Board and signed on its behalf by:



TW Sewell, Director  
16 November 2023



## **Cromwell European Holdings Limited**

Registration number: 09381845

### **INDEPENDENT AUDITOR'S REPORT**

**For the year ended 30 June 2023**

---

#### **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 2023 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 statement of profit or loss;
- 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 26 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.

## **Cromwell European Holdings Limited**

Registration number: 09381845

### **INDEPENDENT AUDITOR'S REPORT**

**For the year ended 30 June 2023**

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#### **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](http://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 and the directors about their own identification and assessment of the risks of irregularities, including those that are specific to the group's business sector.

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.

In common with all audits under ISAs (UK), we are 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.

#### **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

## **Cromwell European Holdings Limited**

Registration number: 09381845

### **INDEPENDENT AUDITOR'S REPORT**

**For the year ended 30 June 2023**

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- 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  
16 November 2023

**Cromwell European Holdings Limited**

Registration number: 09381845

**GROUP STATEMENT OF PROFIT OR LOSS**

For the year ended 30 June 2023

	Note	2023 €'000	2022 €'000
REVENUE	2	43,739	36,427
Administrative expenses	3,5	(45,952)	(43,573)
Fair value loss on co-investments held at fair value through profit and loss	3	(1,130)	(1,553)
<b>OPERATING LOSS BEFORE JOINT VENTURE / ASSOCIATES RESULTS</b>		<b>(3,343)</b>	<b>(8,699)</b>
Share of pre-tax profit from joint ventures/associates		760	5,305
Share of joint ventures' tax		-	(73)
Share of post-tax profit from joint ventures/associates accounted for using the equity method	13	760	5,232
Finance income	6	200	133
Finance costs	6	(675)	(806)
<b>LOSS BEFORE TAX</b>		<b>(3,058)</b>	<b>(4,140)</b>
Income tax expense	7	(23)	(372)
<b>LOSS FOR THE YEAR</b>		<b>(3,081)</b>	<b>(4,512)</b>
Attributable to:			
Owners of Cromwell European Holdings Limited		(3,648)	(4,511)
Non-controlling interests		567	(1)
<b>LOSS FOR THE YEAR</b>		<b>(3,081)</b>	<b>(4,512)</b>

**Cromwell European Holdings Limited**

Registration number: 09381845

**GROUP STATEMENT OF COMPREHENSIVE INCOME**

For the year ended 30 June 2023

	2023 €'000	2022 €'000
<b>Loss for the year</b>	<b>(3,081)</b>	<b>(4,512)</b>
<b>Other comprehensive expense for the year:</b>		
<b>Items that may subsequently be reclassified to profit and loss</b>		
Exchange differences arising during the year	(169)	3
<b>Total comprehensive expense for the year</b>	<b>(3,250)</b>	<b>(4,509)</b>
<b>Total comprehensive expense for the year attributable to:</b>		
Owners of Cromwell European Holdings Limited	(3,817)	(4,408)
Non-controlling interest	567	(1)
<b>Total comprehensive expense for the year</b>	<b>(3,250)</b>	<b>(4,509)</b>

**Cromwell European Holdings Limited**

Registration number: 09381845

**GROUP STATEMENT OF FINANCIAL POSITION**

As at 30 June 2023

	Note	2023 €'000	2022 €'000
<b>Non-current assets</b>			
Other financial assets	11	7,046	5,796
Investments accounted for using the equity method	12	662	1,084
Property, plant and equipment	13	1,492	1,707
Right of use assets	14	8,205	9,346
Intangible assets	15	9	104
Deferred tax asset	18	-	29
<b>Total non-current assets</b>		<b>17,414</b>	<b>18,066</b>
<b>Current assets</b>			
Other financial assets	11	407	407
Cash and cash equivalents	8	12,247	16,104
Current tax receivables	9	96	430
Loans to related parties	23	-	1,079
Trade and other receivables	10	12,589	12,695
<b>Total current assets</b>		<b>25,339</b>	<b>30,715</b>
<b>Total assets</b>		<b>42,753</b>	<b>48,781</b>
<b>Current liabilities</b>			
Payables	16	13,354	14,485
Loans from related parties	23b(ii)	1,616	1,489
Current tax liabilities	17	102	312
<b>Total current liabilities</b>		<b>15,072</b>	<b>16,286</b>
<b>Net current assets</b>		<b>10,267</b>	<b>14,429</b>
<b>Non-current liabilities</b>			
Payables	16	6,440	7,638
Loans from related parties	23b(iii)	43,511	43,078
Deferred tax liabilities	18	-	29
<b>Total non-current liabilities</b>		<b>49,951</b>	<b>50,745</b>
<b>Total liabilities</b>		<b>65,023</b>	<b>67,031</b>
<b>Net liabilities</b>		<b>(22,270)</b>	<b>(18,250)</b>
<b>Equity</b>			
Ordinary shares	19	1	1
Preference shares	20	1	1
Translation reserve	21	(1,477)	(1,308)
Retained losses		(20,798)	(17,275)
<b>Equity attributable to owners of the company</b>		<b>(22,273)</b>	<b>(18,581)</b>
Non-controlling interest		3	331
<b>Total negative equity</b>		<b>(22,270)</b>	<b>(18,250)</b>

The financial statements on pages 11 to 39 were approved and authorised for issue by the Board of Directors on 16 November 2023 and were signed on its behalf by:



TW Sewell, Director

**Cromwell European Holdings Limited**

Registration number: 09381845

**GROUP STATEMENT OF CHANGES IN EQUITY**

For the year ended 30 June 2023

	Ordinary shares (Note 19) €'000	Preference shares (Note 20) €'000	Translation Reserve (Note 21) €'000	Retained losses €'000	Non- Controlling interest €'000	Total deficit €'000
<b>Balance at 1 July 2022</b>	<b>1</b>	<b>1</b>	<b>(1,308)</b>	<b>(17,275)</b>	<b>331</b>	<b>(18,250)</b>
Loss for the year	-	-	-	(3,648)	567	(3,081)
Other comprehensive expense	-	-	(169)	-	-	(169)
<b>Total comprehensive expense for the year</b>	<b>-</b>	<b>-</b>	<b>(169)</b>	<b>(3,648)</b>	<b>567</b>	<b>(3,250)</b>
Dividend paid	-	-	-	-	(770)	(770)
Disposal of non-controlling interest				125	(125)	-
<b>Balance at 30 June 2023</b>	<b>1</b>	<b>1</b>	<b>(1,477)</b>	<b>(20,798)</b>	<b>3</b>	<b>(22,270)</b>

	Ordinary Shares (Note 19) €'000	Preference shares (Note 20) €'000	Translation Reserve (Note 21) €'000	Retained losses €'000	Non- Controlling interest €'000	Total deficit €'000
<b>Balance at 1 July 2021</b>	<b>1</b>	<b>1</b>	<b>(1,311)</b>	<b>(12,764)</b>	<b>397</b>	<b>(13,676)</b>
Loss for the year	-	-	-	(4,511)	(1)	(4,512)
Other comprehensive expense	-	-	3	-	-	3
<b>Total comprehensive expense for the year</b>	<b>-</b>	<b>-</b>	<b>3</b>	<b>(4,511)</b>	<b>(1)</b>	<b>(4,509)</b>
Dividend paid	-	-	-	-	(65)	(65)
<b>Balance at 30 June 2022</b>	<b>1</b>	<b>1</b>	<b>(1,308)</b>	<b>(17,275)</b>	<b>331</b>	<b>(18,250)</b>

**Cromwell European Holdings Limited**  
Registration number: 09381845  
**GROUP STATEMENT OF CASH FLOWS**  
For the year ended 30 June 2023

	2023 €'000	2022 €'000
<b>Cash flows from operating activities</b>		
Cash receipts in course of operations	50,714	43,845
Cash payments in course of operations	(49,440)	(46,908)
Interest received	451	14
Interest paid	(10)	(2)
Distribution from other financial assets	246	366
Income tax received / (paid)	105	(593)
<b>Net cash inflow / (outflow) from operating activities</b>	<b>2,066</b>	<b>(3,278)</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(355)	(399)
Purchase of intangibles	(13)	(56)
Purchase of financial assets at fair value through profit or loss	(4,601)	(954)
Proceeds of financial assets at fair value through profit or loss	745	2,921
Proceeds from the disposal of joint ventures	36	4,234
Loan to joint ventures	(135)	-
Repayment of loan to joint ventures	124	755
<b>Net cash (outflow)/inflow from investing activities</b>	<b>(4,199)</b>	<b>6,501</b>
<b>Cash flows from financing activities</b>		
Loans to third parties	(133)	(520)
Dividends paid	(770)	(65)
Dividends received	1,725	-
Lease liability principal payments	(2,155)	(2,112)
<b>Net cash outflow from financing activities</b>	<b>(1,333)</b>	<b>(2,697)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(3,466)</b>	<b>526</b>
Cash and cash equivalents at the beginning of the financial year	16,104	15,670
Effect of exchange rate changes on cash and cash equivalents	(391)	(92)
<b>Cash and cash equivalents at the end of the financial year</b>	<b>12,247</b>	<b>16,104</b>

Refer to note 16 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.



## Cromwell European Holdings Limited

Registration number: 09381845

### NOTES TO THE GROUP FINANCIAL STATEMENTS

For the year ended 30 June 2023

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#### 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.

#### 1.3 Basis of preparation

These financial statements have been prepared in accordance with the United Kingdom ("UK") 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 5<sup>th</sup> Floor Minerva House, East Parade, Leeds, United Kingdom, LS1 5PS. The principal activities of the Company and its subsidiaries (the Group) and the nature of the Group's operations are set out in the Strategic Report on page 3.

#### New and amended IFRS Accounting Standards that are effective for the current year

In the current year, the Group has applied a number of amendments to IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) that are mandatorily effective for the Group's accounting period beginning on 1 July 2022. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

##### **Amendments to IFRS 3 *Reference to the Conceptual Framework***

The Group has adopted the amendments to IFRS 3 *Business Combinations* for the first time in the current year. The amendments update IFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework. They also add to IFRS 3 a requirement that, for obligations within the scope of IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*, an acquirer applies IAS 37 to determine whether at the acquisition date a present obligation exists as a result of past events. For a levy that would be within the scope of IFRIC 21 *Levies*, the acquirer applies IFRIC 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date.

##### **Amendments to IAS 16 *Property, Plant and Equipment—Proceeds before Intended Use***

The Group has adopted the amendments to IAS 16 for the first time in the current year. The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced before that asset is available for use, i.e. proceeds while bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Consequently, an entity recognises such sales proceeds and related costs in profit or loss. The entity measures the cost of those items in accordance with IAS 2 *Inventories*.

The amendments also clarify the meaning of 'testing whether an asset is functioning properly'. IAS 16 now specifies this as assessing whether the technical and physical performance of the asset is such that it is capable of being used in the production or supply of goods or services, for rental to others, or for administrative purposes. If not presented separately in the statement of comprehensive income, the financial statements shall disclose the amounts of proceeds and cost included in profit or loss that relate to items produced that are not an output of the entity's ordinary activities, and which line item(s) in the statement of comprehensive income include(s) such proceeds and cost.

##### **Amendments to IAS 37 *Onerous Contracts – Cost of Fulfilling a Contract***

The Group has adopted the amendments to IAS 37 for the first time in the current year. The amendments specify that the cost of fulfilling a contract comprises the costs that relate directly to the contract. Costs that relate directly to a contract consist of both the incremental costs of fulfilling that contract (examples would be direct labour or materials) and an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

## Cromwell European Holdings Limited

Registration number: 09381845

### NOTES TO THE GROUP FINANCIAL STATEMENTS

For the year ended 30 June 2023

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#### **Annual Improvements to IFRS Accounting Standards 2018-2020 Cycle**

The Group has adopted the amendments included in the Annual Improvements to IFRS Accounting Standards 2018-2020 Cycle for the first time in the current year. The Annual Improvements include amendments to four standards:

##### *IFRS 1 First-time Adoption of International Financial Reporting Standards*

The amendment provides additional relief to a subsidiary which becomes a first-time adopter later than its parent in respect of accounting for cumulative translation differences. As a result of the amendment, a subsidiary that uses the exemption in **IFRS 1:D16(a)** can now also elect to measure cumulative translation differences for all foreign operations at the carrying amount that would be included in the parent's consolidated financial statements, based on the parent's date of transition to IFRS Accounting Standards, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. A similar election is available to an associate or joint venture that uses the exemption in **IFRS 1:D16(a)**.

##### *IFRS 9 Financial Instruments*

The amendment clarifies that in applying the '10 per cent' test to assess whether to derecognise a financial liability, an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.

##### *IFRS 16 Leases*

The amendment removes the illustration of the reimbursement of leasehold improvements.

##### *IAS 41 Agriculture*

The amendment removes the requirement in IAS 41 for entities to exclude cash flows for taxation when measuring fair value. This aligns the fair value measurement in IAS 41 with the requirements of IFRS 13 *Fair Value Measurement* to use internally consistent cash flows and discount rates and enables preparers to determine whether to use pre-tax or post-tax cash flows and discount rates for the most appropriate fair value measurement.

#### **New and revised IFRS Accounting Standards in issue but not yet effective**

At the date of authorisation of these financial statements, the Group has not applied the following new and revised IFRS Accounting Standards that have been issued but are not yet effective:

##### *IFRS 17 (including the June 2020 and December 2021 Amendments to IFRS 17) Insurance Contracts*

Amendments to IFRS 10 and IAS 28 *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

Amendments to IAS 1 *Classification of Liabilities as Current or Non-current*

Amendments to IAS 1 and IFRS Practice Statement 2 *Disclosure of Accounting Policies*

Amendments to IAS 8 *Definition of Accounting Estimates*

Amendments to IAS 12 *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

The directors do not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the Group in future periods.

#### **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 partly as a result of reduced performance fees in the period, but also 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 €21.3m (2022: €26.3m) 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.

## Cromwell European Holdings Limited

Registration number: 09381845

### NOTES TO THE GROUP FINANCIAL STATEMENTS

For the year ended 30 June 2023

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#### 1.3 Basis of Consolidation

The Group financial information incorporates the financial statements of Cromwell European Holdings Limited and its subsidiaries.

##### (a) Subsidiaries

Subsidiaries are entities controlled by the Group. Control exists when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The acquisition method of accounting is used to account for the business combinations by the Group (refer to note 1.2(d)).

Inter-entity transactions, balances and unrealised gains on transactions between Group entities are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the statement of comprehensive income and the balance sheet respectively.

Investments in subsidiaries are accounted for at cost in the individual financial statements of the Company. A list of subsidiaries appears in note 2 to the parent entity financial statements.

##### (b) Associates

The Group's interests in its associates, being those entities over which it has significant influence, and which are neither subsidiaries nor joint ventures, are accounted for using the equity method of accounting.

Under the equity method, the investment in an associate is carried in the statement of financial position at cost plus post-acquisition changes in the Group's share of net assets of the associate, less distributions received and less any impairment in the value of individual investments. The Group income statement reflects the share of the associate's results after tax.

Any goodwill arising on the acquisition of an associate, representing the excess of the cost of the investment compared to the Group's share of the net fair value of the associate's identifiable assets, liabilities and contingent liabilities, is included in the carrying amount of the associate and is not amortised. To the extent that the net fair value of the associate's identifiable assets, liabilities and contingent liabilities is greater than the cost of the investment, a gain is recognised and added to the Group's share of associate's profit or loss in the year in which the investment is acquired.

The financial statements of the associates are not all prepared to the same financial year end. However, quarterly and interim financial statements are prepared to take account of any differences in the reporting dates. Adjustments are made to bring into line any dissimilar accounting policies that may exist and eliminate the Group's share of unrealised gains and losses on transactions between the Group and its associated entities.

##### (c) Joint arrangements

Investments in joint arrangement are classified as either joint operations or joint ventures. The classification depends upon the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement.

Interests in joint venture entities are accounted for in the Group's financial statements using the equity method. Under the equity method, the share of the profits or losses of the joint venture entity is recognised in profit or loss, and the share of movements in reserves is recognised in reserves.

Profits or losses on transactions establishing the joint venture entity and transactions with the joint venture are eliminated to the extent of the Group's ownership interest until such time as they are realised by the joint venture entity on consumption or sale, unless they relate to an unrealised loss that provides evidence of the impairment of an asset transferred.

Where relevant, the Group recognises its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses, and these are incorporated in the financial statements under the appropriate headings.

##### (d) Business combinations

The acquisition method of accounting is used to account for all business combinations regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the fair values of the assets transferred, the liabilities incurred, and the equity interests issued by the Group. The consideration transferred also includes the fair value of any contingent consideration and the fair value of any pre-existing equity interest in the subsidiary. Acquisition-related costs are expensed as incurred. Identifiable assets acquired, and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the Group's share of the net identifiable assets acquired are recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets acquired, and the measurement of all amounts has been reviewed, the difference is recognised directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing

## **Cromwell European Holdings Limited**

Registration number: 09381846

### **NOTES TO THE GROUP FINANCIAL STATEMENTS**

**For the year ended 30 June 2023**

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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 as 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 accruals basis. Typically, fees are invoiced on a quarterly basis in arrears and are payable within 14 days of the invoice date. 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 accruals 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.

##### **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

## Cromwell European Holdings Limited

Registration number: 09381845

### NOTES TO THE GROUP FINANCIAL STATEMENTS

For the year ended 30 June 2023

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- 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 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.

## Cromwell European Holdings Limited

Registration number: 09381845

### NOTES TO THE GROUP FINANCIAL STATEMENTS

For the year ended 30 June 2023

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#### (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:

	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.

#### (p) Leases

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

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

#### Right-of-use assets

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

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

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

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### NOTES TO THE GROUP FINANCIAL STATEMENTS

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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 14.

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 16.

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.

#### **(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.

#### **(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.

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**For the year ended 30 June 2023**

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**(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**

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 11 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 have not been required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised. They have been required 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 11) 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.



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**NOTES TO THE GROUP FINANCIAL STATEMENTS****For the year ended 30 June 2023****2 Revenue**

	2023 €'000	2022 €'000
Property management fees	1,709	1,543
Asset management fees	26,148	24,920
Property disposal fees	952	782
Leasing fees	2,514	2,658
Accounting fees	989	642
Project management fees	1,359	1,476
Acquisition fees	1,266	2,713
Co-investment income	293	366
Performance fees	6,708	1,245
Development management fees	1,680	-
Other fees	121	82
<b>Total revenue</b>	<b>43,739</b>	<b>36,427</b>

Other fees consist of services transferred over time.

**3 Operating loss before joint venture/associate results**

Operating loss before joint venture/associate results is stated after charging/(crediting):	2023 €'000	2022 €'000
Depreciation of property, plant and equipment	574	619
Depreciation of right-of-use assets	1,855	1,811
Amortisation of intangible assets	345	302
Lease costs	241	270
Fair value loss/(gain) on co-investments held at fair value through profit and loss	1,130	1,553
Impairment of receivables	1,807	206
Foreign exchange loss	291	379
Loss/(gain) on disposal of investments	113	(216)
Loss on disposal of property, plant, and equipment	2	6

**4 Auditor's remuneration**

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

	2023 €'000	2022 €'000
Fees payable to the auditor for the audit of the annual accounts		
Group	184	128
UK Subsidiaries	19	17
The audit of the Company's subsidiaries pursuant to legislation	91	120
<b>Total audit fees</b>	<b>294</b>	<b>265</b>
Non-recurring fees in relation to the provision of other consultancy services	32	171
<b>Total non-audit fees</b>	<b>326</b>	<b>171</b>
<b>Total auditor's remuneration</b>	<b>326</b>	<b>436</b>

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	2023 €'000	2022 €'000
<b>(a) Staff costs</b>		
Wages, salaries and bonuses	20,708	19,762
Social security costs	3,730	2,521
Pension costs	1,283	1,211
Other staff costs	1,108	1,104
	<u>26,829</u>	<u>24,598</u>

The monthly average number of people employed by the Group during the year was 216 (2022: 222). 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:

	2023 €'000	2022 €'000
Aggregate emoluments excluding pension contributions	1,759	1,264
Pension contributions (number of participants in the scheme: 2, 2022: 1)	13	10
Termination benefits	89	-
	<u>1,861</u>	<u>1,274</u>

	2023 €'000	2022 €'000
Highest paid director:		
Aggregate emoluments excluding pension contributions	740	750
Pension contributions	-	-
	<u>740</u>	<u>750</u>

**6 Finance income and costs**

	2023 €'000	2022 €'000
<b>Finance income</b>		
Bank interest income	5	7
Other interest income	195	126
	<u>200</u>	<u>133</u>
<b>Finance costs</b>		
Bank interest paid	(1)	(2)
Interest payable to related parties	(433)	(551)
Lease cost	(232)	(245)
Other interest paid	(9)	(7)
	<u>(242)</u>	<u>(805)</u>
<b>Net finance costs</b>	<u>(42)</u>	<u>(991)</u>

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For the year ended 30 June 2023

#### 7 Income tax expense

##### (a) Income tax expense

	2023 €'000	202 €'000
Current tax – current year	109	321
Current tax – adjustment in respect of prior years	(86)	51
Deferred tax – current year	-	-
Deferred tax - adjustment in respect of prior periods	-	-
	<u>23</u>	<u>372</u>

##### (b) Factors affecting tax expense for the year

The tax on the Group's loss (2022: loss) before income tax is higher (2022: higher) than the UK statutory tax rate of 20.5% (2022: 19%). The differences are explained below.

	2023 €'000	2022 €'000
Loss before income tax expense	(3,058)	(4,140)
Tax on loss before income tax at standard UK corporate tax rate of 20.5% (2022: 19%)	(627)	(787)
Effects of:		
Other non-deductible expenditure/ (non-taxable income)	347	(162)
Non-taxable gain on disposal of co-investments	(818)	(27)
Non-taxable dividend income	(40)	(54)
Other temporary differences not recognised for deferred tax	(81)	87
Disallowable transfer pricing charges	116	248
Profits of associates and joint ventures	(156)	(207)
Tax losses carried forward for which no deferred tax recognised	1,015	515
Capital allowances in excess of depreciation not recognised for deferred tax	(16)	29
Non-deductible fair value loss on investment	232	295
Non-deductible impairment of receivables	134	382
Current tax adjustment in respect of prior years	(86)	51
Other taxes	3	2
Total income tax expense for the year	<u>23</u>	<u>372</u>

##### (c) Factors affecting future tax expense

On 1 April 2023 the UK statutory rate of corporation tax increased from 19% to 25%.

#### 8 Cash and cash equivalents

	2023 €'000	2022 €'000
Cash at bank and in hand	<u>12,247</u>	<u>16,104</u>
	<u>12,247</u>	<u>16,104</u>

At the year-end there was €146k (2022: €145k) 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 (2022: £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.

#### 9 Current tax receivables

	2023 €'000	2022 €'000
Corporate income tax receivable	<u>96</u>	<u>430</u>

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For the year ended 30 June 2023

#### 10 Trade and other receivables

	2023 €'000	2022 €'000
Trade receivables	1,810	2,369
Accrued income	8,387	7,746
Prepayments	1,441	1,274
Bonds	647	702
Recharged costs	181	156
Other receivables	123	448
	<u>12,589</u>	<u>12,695</u>

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 2023 trade receivables of €570k (2022: €906k) were due within 30 days.

As at 30 June 2023 trade receivables of €1,240k (2022: €1,463k) 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:

	2023 €'000	2022 €'000
Up to 3 months	846	1,463
3 to 6 months	394	-
Over 6 months	-	-
	<u>1,240</u>	<u>1,463</u>

As at 30 June 2023, there were no provisions against trade receivables (2022: €nil).

#### 11 Other financial assets

	2023 €'000	2022 €'000
<b>Financial assets carried at fair value through profit or loss</b>		
Unlisted investments – co-investments in property funds		
At beginning of year	1,857	5,655
Unrealised losses through profit and loss	(901)	(1,244)
Loss on disposal	(5)	-
Total losses recognised in profit or loss	(906)	(1,244)
Capital proceeds	(5)	(237)
Capital investments	850	343
Sale proceeds	(19)	(2,660)
At end of year	<u>1,777</u>	<u>1,857</u>
<b>Listed investments – investments in property funds</b>		
At beginning of year	1,096	1,399
Unrealised gains/(losses) through profit and loss	(219)	(303)
At end of year	<u>877</u>	<u>1,096</u>
<b>Loans carried at amortised cost</b>		
Loans to property funds		
At beginning of year	3,250	2,762
Foreign exchange movements	(70)	1
Unrealised losses through profit and loss	(1,154)	(206)
Total gains/(losses) recognised in profit or loss	(1,224)	(206)
Interest accrued / (received)	(257)	117
New loans issued	3,750	600
Loan repayments	(720)	(23)
At end of year	<u>4,799</u>	<u>3,250</u>
Loans carried at amortised cost – Current	<u>407</u>	<u>407</u>
Loans carried at amortised cost – Non-current	<u>4,392</u>	<u>2,843</u>
Total at end of year	<u>4,799</u>	<u>3,250</u>

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For the year ended 30 June 2023

Other financial assets – non-current	2023 €'000	2022 €'000
Financial assets carried at fair value through profit or loss (above)	1,777	1,857
Listed investments – investments in property funds (above)	877	1,096
Loans carried at amortised cost (above)	4,392	2,843
	<b>7,046</b>	<b>5,796</b>

#### 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 2023 and 30 June 2022 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 €0.9 reduction (2022: €1.2m reduction). The remaining decrease in value is disclosed above and is 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.

#### Loans carried at amortised cost

##### (i) 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 on 16<sup>th</sup> December 2026 or earlier if agreed by the relevant parties. The loan facility is unsecured, Euro denominated and carries an interest rate of 2.71% p.a.

##### (ii) 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 had a term of 30 years but could be retired earlier, pursuant to the Terms and Conditions. The PECs were unsecured, conveyed no voting rights and carried a yield equivalent to that earned by Tempus Holdings 1 Sarl plus a margin. The remaining PECs with a value of SEK 229,736 were repaid during the prior year.

##### (iii) Hummingbird B.V.

A loan has previously been made to Hummingbird B.V. The outstanding loan at the year-end was €194k (2022: €194k). The loan is denominated in Euros.

##### (iv) Gloag Serviced Apartments Ltd ("Kintore House")

Loans previously made to Gloag Serviced Apartments Ltd totalling €704k were repaid during the year. Prior to repayment, the carrying value of the loan balance had been adjusted to €704k and therefore no gain or loss was realised on repayment.

##### (v) Europa Capital

During the year ended 30 June 2023 loans totalling €nil (2022: €578k) were made to ERE VI-17 Sarl. Repayment dates range from 31 December 2023 to 31 July 2026. Interest rates are to be confirmed by transfer pricing analysis.

##### (vi) Carlyle

During the year ended 30 June 2023 loans of DKK 3,704,705 (2022: DKK 137,407) were advanced to CERF II Denmark Logistics Bidco Aps and loans of SEK 6,725,284 (2022: SEK nil) were advanced to Carlyle Sweden Logistics Bidco AB. The loans to CERF II Denmark Logistics Bidco Aps are repayable on or before 1 June 2029 and the loans to Carlyle Sweden Logistics Bidco AB are repayable on or before 1 February 2029.

##### (vii) JP Morgan

During the year ended 30 June 2023 loans of €2,622k (2022: €nil) were advanced to PGL Luxembourg SCSp. The loans are repayable on or before 29 February 2028.

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For the year ended 30 June 2023

**12 Investments accounted for using the equity method**

	2023 €'000	2022 €'000
<b>Non-current</b>		
Investments in joint ventures (a)	662	1,084
Investments in associates (b)	-	-
	<u>662</u>	<u>1,084</u>

At 30 June 2023, the Group had no capital commitments in relation to any of its joint ventures or associates (2022: nil).

At 30 June 2023, the Group had no contingent liabilities in relation to any of its joint ventures or associates (2022: nil).

**(a) Investments in joint ventures**

	2023 €'000	2022 €'000
Carrying amount at the beginning of the year	1,084	-
Investments during the year	698	10
Disposals during the year	(145)	(4,019)
Share of profit after tax	760	5,232
Shareholder loan interest	-	(123)
Dividends paid	(1,725)	-
Foreign exchange movement	10	(16)
Carrying amount at the end of the year	<u>662</u>	<u>1,084</u>

During the prior year there was a disposal of the Group's joint venture interest in Talbot Green Developments Limited and Talbot Green Management Company Limited. The disposal represents the Group's share of the profits which were equivalent to the carrying value of the joint venture investment.

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

Joint ventures	Country of incorporation	Principal activities	Type of share	Ownership interest 2023 %	Ownership interest 2022 %
D.U.K.E Real Estate Limited	UK	Property Investment	Ordinary	50	50
Redhouse Holdings Limited	UK	Property Development	Ordinary	50	50
Redhouse Projects Limited	UK	Property Development	Ordinary	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
Redhouse Holdings Limited	5 <sup>th</sup> Floor Minerva House 29 East Parade Leeds LS1 5PS
Redhouse Project Limited	5 <sup>th</sup> Floor Minerva House 29 East Parade Leeds LS1 5PS
Stirling Development Agency Limited	1 Lochrin Square, 92-98 Fountainbridge Edinburgh EH3 9QA
SDG Tulloch Homes Limited	c/o Johnston Carmichael, 7-11 Melville Street, Edinburgh EH3 7RE

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.

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The following table summarises the share of the assets, liabilities, income and expenses of the joint ventures at 30 June 2023 and 2022 and for the years then ended.

	2023 €'000	2022 €'000
Share of Stirling Development Agency Limited:		
Current assets	3,024	3,913
Share of gross assets	3,024	3,913
Current liabilities	(2,362)	(2,839)
Share of gross liabilities	(2,362)	(2,839)
Share of net assets	662	1,074
Revenue	794	1,267
Expenses	(24)	(53)
Profit before tax	770	1,214
Income tax	-	-
Profit for the year	770	1,214
Share of Talbot Green Developments Limited:		
Current assets	-	-
Share of gross assets	-	-
Current liabilities	-	-
Share of gross liabilities	-	-
Share of net assets	-	-
Revenue	-	4,091
Expenses	-	-
(Loss)/profit before tax	-	4,091
Income tax	-	(73)
(Loss)/profit for the year	-	4,018
Share of other joint ventures:		
Current assets	1,654	1,676
Share of gross assets	1,654	1,676
Current liabilities	(1,654)	(1,666)
Share of gross liabilities	(1,654)	(1,666)
Share of net assets	-	10
Revenue	-	-
Expenses	(10)	-
(Loss)/profit before tax	(10)	-
Income tax	-	-
(Loss)/profit for the year	(10)	-

**Cromwell European Holdings Limited**

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**NOTES TO THE GROUP FINANCIAL STATEMENTS**

For the year ended 30 June 2023

**(b) Investments in associates**

The carrying amount of investments in associates was €nil at 30 June 2023 and 30 June 2022.

Associates	Country of incorporation	Principal Activities	Ownership interest	
			2023	2022
			%	%
European Commercial Real Estate Limited (in liquidation)	UK	Property Investment	-	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 2023 and 30 June 2022 and for the years then ended.

	2023 €'000	2022 €'000
Share of associates' balance sheets:		
Current assets	-	-
Share of gross assets	-	-
Current liabilities	-	-
Share of gross liabilities	-	-
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 €4,183k (2022: €2,195k profit) for the associate, where the Group's share of the associate's net assets is already below zero.



**Cromwell European Holdings Limited**

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**NOTES TO THE GROUP FINANCIAL STATEMENTS**

For the year ended 30 June 2023

**13 Property, plant and equipment**

	Leasehold Improvements €'000	Computer equipment €'000	Office furniture and fittings €'000	Total €'000
<b>Cost</b>				
As at 1 July 2022	1,711	1,472	1,349	4,532
Additions	-	296	59	355
Disposals	(210)	(644)	(75)	(929)
Foreign exchange movement	2	10	7	19
<b>As at 30 June 2023</b>	<b>1,503</b>	<b>1,134</b>	<b>1,340</b>	<b>3,977</b>
<b>Depreciation</b>				
As at 1 July 2022	(732)	(1,245)	(848)	(2,825)
Depreciation charge	(208)	(174)	(192)	(574)
Disposals	210	644	73	927
Foreign exchange movement	(1)	(7)	(5)	(13)
<b>As at 30 June 2023</b>	<b>(731)</b>	<b>(782)</b>	<b>(972)</b>	<b>(2,485)</b>
<b>Net Book Value</b>				
<b>As at 30 June 2023</b>	<b>772</b>	<b>352</b>	<b>368</b>	<b>1,492</b>

	Leasehold Improvements €'000	Computer equipment €'000	Office furniture and fittings €'000	Total €'000
<b>Cost</b>				
As at 1 July 2021	1,670	1,439	1,328	4,437
Additions	100	126	174	399
Disposals	(57)	(76)	(91)	(223)
Foreign exchange movement	(2)	(17)	(62)	81
<b>As at 30 June 2022</b>	<b>1,711</b>	<b>1,472</b>	<b>1,349</b>	<b>4,532</b>
<b>Depreciation</b>				
As at 1 July 2021	(590)	(1,155)	(746)	(2,491)
Depreciation charge	(199)	(179)	(241)	(619)
Disposals	54	75	81	210
Foreign exchange movement	3	14	58	75
<b>As at 30 June 2022</b>	<b>(732)</b>	<b>(1,245)</b>	<b>(848)</b>	<b>(2,825)</b>
<b>Net Book Value</b>				
<b>As at 30 June 2022</b>	<b>979</b>	<b>227</b>	<b>501</b>	<b>1,707</b>

Depreciation of €574k (2022: €619k) is included within administrative expenses.

**Cromwell European Holdings Limited**

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**NOTES TO THE GROUP FINANCIAL STATEMENTS**

For the year ended 30 June 2023

**14 Right-of-use asset**

	Plant and equipment €'000	Office premises €'000	Total €'000
<b>Cost</b>			
As at 1 July 2022	1,336	12,467	13,803
Additions	109	602	711
Disposals, terminations and modifications	28	(24)	3
<b>As at 30 June 2023</b>	<b>1,472</b>	<b>13,045</b>	<b>14,517</b>
<b>Depreciation</b>			
As at 1 July 2022	(757)	(3,700)	(4,457)
Charge for the year	(299)	(1,556)	(1,855)
<b>As at 30 June 2023</b>	<b>(1,056)</b>	<b>(5,256)</b>	<b>(6,312)</b>
<b>Net Book Value</b>			
<b>As at 30 June 2023</b>	<b>416</b>	<b>7,789</b>	<b>8,205</b>

	Plant and equipment €'000	Office premises €'000	Total €'000
<b>Cost</b>			
As at 1 July 2021	1,271	10,176	11,447
Additions	104	2,579	2,683
Disposals, terminations and modifications	(39)	(288)	(327)
<b>As at 30 June 2022</b>	<b>1,336</b>	<b>12,467</b>	<b>13,803</b>
<b>Depreciation</b>			
As at 1 July 2021	(453)	(2,193)	(2,646)
Charge for the year	(304)	(1,507)	(1,811)
<b>As at 30 June 2022</b>	<b>(757)</b>	<b>(3,700)</b>	<b>(4,457)</b>
<b>Net Book Value</b>			
<b>As at 30 June 2022</b>	<b>1,579</b>	<b>8,767</b>	<b>9,346</b>

**Cromwell European Holdings Limited**

Registration number: 09381845

**NOTES TO THE GROUP FINANCIAL STATEMENTS****For the year ended 30 June 2023****15 Intangible assets**

	<b>Software</b> <b>€'000</b>
<b>2023</b>	
<b>Cost</b>	
As at 1 July 2022	1,958
Additions	13
Disposals	(2)
Foreign exchange movement	28
<b>As at 30 June 2023</b>	<b>1,997</b>
<b>Amortisation</b>	
As at 1 July 2022	(1,854)
Amortisation charge	(107)
Disposals	1
Foreign exchange movement	(28)
<b>As at 30 June 2023</b>	<b>(1,988)</b>
<b>Net Book Value</b>	
<b>As at 30 June 2023</b>	<b>9</b>

	<b>Software</b> <b>€'000</b>
<b>2022</b>	
<b>Cost</b>	
As at 1 July 2021	1,657
Additions	56
Disposals	(57)
Reclassification	316
Foreign exchange movement	(14)
<b>As at 30 June 2022</b>	<b>1,958</b>
<b>Amortisation</b>	
As at 1 July 2021	(1,303)
Amortisation charge	(302)
Disposals	56
Reclassification	(316)
Foreign exchange movement	11
<b>As at 30 June 2022</b>	<b>(1,854)</b>
<b>Net Book Value</b>	
<b>As at 30 June 2022</b>	<b>104</b>

Amortisation of €107k (2022: €302k) is included within administrative expenses. Refer to note 3.

## Cromwell European Holdings Limited

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### NOTES TO THE GROUP FINANCIAL STATEMENTS

For the year ended 30 June 2023

#### 16 Payables

	2023 €'000	2022 €'000
<b>Current</b>		
Trade creditors	976	1,007
Accruals	8,011	9,449
Lease liability	1,885	1,829
Other tax and social security	2,018	1,828
Other payables	464	373
	<u>13,354</u>	<u>14,486</u>
<b>Non-current</b>		
Lease liability	6,440	7,638
	<u>6,440</u>	<u>7,638</u>

#### Reconciliation of movements of liabilities to cashflows arising from financing activities

2023	Opening balance €'000	Interest €'000	Lease liability principal €'000	Recognition of lease liability €'000	Closing balance €'000
Lease liabilities	9,467	232	(2,155)	781	8,325
Related party loan (note 23)	43,078	433	-	-	43,511
	<u>52,545</u>	<u>665</u>	<u>(2,155)</u>	<u>781</u>	<u>51,836</u>

2022	Opening balance €'000	Interest €'000	Lease liability principal €'000	Recognition of lease liability €'000	Closing balance €'000
Lease liabilities	9,041	245	(2,112)	2,293	9,467
Related party loan (note 23)	42,650	428	-	-	43,078
	<u>51,691</u>	<u>673</u>	<u>(2,112)</u>	<u>2,293</u>	<u>52,545</u>

A summary of the total lease expense is shown below:

	2023 €'000	2022 €'000
Lease interest	232	245
Depreciation of right of use assets	1,855	1,811
Expenses relating to other leases	68	95
	<u>2,155</u>	<u>2,151</u>

#### 17 Current tax liabilities

	2023 €'000	2022 €'000
Corporate income tax liabilities	102	311
	<u>102</u>	<u>311</u>

## Cromwell European Holdings Limited

Registration number: 09381845

### NOTES TO THE GROUP FINANCIAL STATEMENTS

For the year ended 30 June 2023

#### 18 Deferred tax assets / (liabilities)

The analysis of net deferred tax liabilities is as follows:

	2023 €'000	2022 €'000
Deferred tax assets recoverable within 12 months	-	29
Deferred tax liabilities to be settled within 12 months	-	(29)
Net deferred tax liability	-	-

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 2022	29	(29)	-
Credited/(charged) to the income statement	(29)	29	-
Foreign exchange movement	-	-	-
Closing balance at 30 June 2023	-	-	-
Opening balance at 1 July 2021	273	(273)	-
Credited/(charged) to the income statement	(243)	243	-
Foreign exchange movement	(1)	1	-
Closing balance at 30 June 2022	29	(29)	-

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 €9,396k (2022: €7,296k) 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.

#### 19 Ordinary shares

Authorised, allotted, called up and fully paid

1,000 'A' Ordinary shares of €1 each

2023 €	2022 €
1,000	1,000
1,000	1,000

#### 20 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

2023 €	2022 €
1,000	1,000
1,000	1,000

#### 21 Translation reserve

	2023 €'000	2022 €'000
Opening balance at start of year	(1,308)	(1,311)
Translation differences arising during the year	(169)	3
Closing balance at end of year	(1,477)	(1,308)

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.

#### 22 Dividends and distributions

During the year an interim dividend of €nil was declared by the Directors and paid to the parent entity (2022: €nil).

No dividend was accrued at year end for the year ended 30 June 2023 (2022: €nil).

## Cromwell European Holdings Limited

Registration number: 09381845

### NOTES TO THE GROUP FINANCIAL STATEMENTS

For the year ended 30 June 2023

#### 23 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.

	2023 €'000	2022 €'000
Short term employee benefits	2,511	2,923
Post-employment benefits	13	88
Termination benefits	89	433
	<u>2,613</u>	<u>3,444</u>

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

###### (i) Loan to related parties

Current assets	2023 €'000	2022 €'000
Loans to related parties	-	1,079
	<u>-</u>	<u>1,079</u>

The above amount comprises the following:

- An outstanding loan of €nil (2022: €561k) due from Stirling Development Agency Limited, a joint venture company. The remaining loan was capitalised in the period.
- An outstanding loan of €nil (2022: €518k) due from CELF GP Sarl. The remaining loan was written off in the period.

###### (ii) Loans from related parties

Current liabilities	2023 €'000	2022 €'000
Loans from related parties	(1,516)	(1,489)
	<u>(1,516)</u>	<u>(1,489)</u>

The above amount comprises the following:

- Loans totalling €1,490k (2022: €1,362k) from Redhouse Holdings Limited, a joint venture company. The balance has no interest and is repayable on demand.
- Loans totalling €126k (2022: €127k) due to Cromwell Corporation Limited, the Company's immediate and ultimate parent entity.

###### (iii) Loans from related parties

Non-current liabilities	2023 €'000	2022 €'000
Loans from related parties	(43,511)	(43,078)
	<u>(43,511)</u>	<u>(43,078)</u>

The balance comprises the following:

- A deep discounted bond with a carrying value of €43,511k issued to Cromwell Corporation Limited, the Group's immediate and ultimate parent entity. The bond has a face value of €44,278k (2022: €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 €433k (2022: €429k) accrued during the year which is reflected in the carrying value above.

## Cromwell European Holdings Limited

Registration number: 09381845

### NOTES TO THE GROUP FINANCIAL STATEMENTS

For the year ended 30 June 2023

#### (iv) Other amounts owed by related parties

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

	2023 €'000	2022 €'000
<b>Management fees charged to joint ventures</b>		
Stirling Development Agency Limited	-	29
	-	29

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

#### (c) Transactions with related parties

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

	2023 €'000	2022 €'000
<b>Interest charged by related parties</b>		
Cromwell Corporation Limited	(433)	(429)
<b>Management fees charged to joint ventures</b>		
Stirling Developments Agency Limited	201	210
	(232)	(219)

#### (d) Controlling entity

The immediate and ultimate controlling company 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.

#### 24 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.

#### 25 Contingent liabilities

The Group had no contingent liabilities as at 30 June 2023 (2022: €nil).

#### 26 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.

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 £13,623k (2022: £9,322k) and liabilities denominated in Sterling of approximately £8,295k (2022: £15,652k). If the exchange rate between the Euro and Sterling fluctuated by 10% the Group's Sterling denominated net assets of £5,328k (2022 net liabilities: £6,330k), in Euros, would increase or decrease by €621k (2022: €735k). Management considers a maximum of 10% fluctuation in exchange rates as reasonable based on past experience.

## Cromwell European Holdings Limited

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### NOTES TO THE GROUP FINANCIAL STATEMENTS

For the year ended 30 June 2023

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#### *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
<b>At 30 June 2023</b>				
Lease liabilities	1,885	1,726	4,041	673
Other payables	11,469	-	-	-
Loans from related parties	1,616	43,511	-	-
<b>At 30 June 2022</b>				
Lease liabilities	1,829	1,802	4,332	1,504
Other payables	12,657	-	-	-
Loans from related parties	1,489	-	43,078	-

#### **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.



**Cromwell European Holdings Limited**

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**PARENT ENTITY STATEMENT OF FINANCIAL POSITION**

As at 30 June 2023

	Note	2023 €'000	2022 €'000
<b>Non-current assets</b>			
Investments	3	4,860	30,537
Non-Current debtors	7ai	15,361	15,335
<b>Total non-current assets</b>		<b>20,221</b>	<b>45,872</b>
<b>Current assets</b>			
Cash and cash equivalents	4	-	23
<b>Total current assets</b>		<b>-</b>	<b>23</b>
<b>Total assets</b>		<b>20,221</b>	<b>45,895</b>
<b>Current liabilities</b>			
Total current liabilities		-	-
<b>Non-current liabilities</b>			
Loans from related parties	7aii	(43,511)	(43,078)
Total non-current liabilities		(43,511)	(43,078)
<b>Total liabilities</b>		<b>(43,511)</b>	<b>(43,078)</b>
<b>Net assets / (liabilities)</b>		<b>(23,290)</b>	<b>2,817</b>
<b>Equity</b>			
Ordinary shares	5	1	1
Preference shares	6	1	1
Retained earnings		(23,292)	2,815
<b>Total equity</b>		<b>(23,290)</b>	<b>2,817</b>

The financial statements on pages 40 to 49 were approved and authorised for issue by the Directors on 16 November 2023. 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 €26,107k (2022: €832k profit).

Signed on behalf of the Board of Directors



**TW Sewell**  
Director

**Cromwell European Holdings Limited**

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**PARENT ENTITY STATEMENT OF CHANGES IN EQUITY**

For the year ended 30 June 2023

	Ordinary shares €'000	Preference shares €'000	Retained earnings €'000	Total equity €'000
Balance at 1 July 2022	1	1	2,815	2,817
Loss for the year and total comprehensive expense	-	-	(26,107)	(26,107)
Total comprehensive expense for the year	-	-	(26,107)	(26,107)
Balance at 30 June 2023	1	1	(23,292)	(23,290)
Balance at 1 July 2021	1	1	1,983	1,985
Profit for the year and total comprehensive income	-	-	832	832
Total comprehensive income for the year	-	-	832	832
Balance at 30 June 2022	1	1	2,815	2,817

**Cromwell European Holdings Limited**

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**PARENT ENTITY STATEMENT OF CASH FLOWS**

For the year ended 30 June 2023

	2023 €'000	2022 €'000
<b>Cash flows from operating activities</b>		
Interest paid	-	(432)
<b>Net cash inflow from operating activities</b>	-	(432)
<b>Cash flows from investing activities</b>		
Loans from parent	-	429
Loans to subsidiaries provided	(26)	(1,260)
Dividend received from subsidiary	-	1,263
<b>Net cash (outflow)/inflow from investing activities</b>	(26)	432
<b>Cash flows from financing activities</b>		
Dividends paid to parent entity	-	-
<b>Net cash inflow from financing activities</b>	-	-
<b>Net decrease in cash and cash equivalents</b>	(26)	-
Cash and cash equivalents at the beginning of the financial year	23	23
Effect of exchange rate on cash and cash equivalents	3	-
<b>Cash and cash equivalents at the end of the financial year</b>	-	23

## **Cromwell European Holdings Limited**

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### **NOTES TO THE PARENT ENTITY FINANCIAL STATEMENTS**

**For the year ended 30 June 2023**

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#### **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 and registered in England and Wales. The address of its registered office is 5<sup>th</sup> Floor Minerva House, East Parade, Leeds, United Kingdom, LS1 5PS.

##### **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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**For the year ended 30 June 2023**

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#### **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 have not been required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised. Directors are required 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 estimation in arriving at the financial statements as follows:

##### *Carrying value of investments in subsidiaries*

Management consider this to be an area of estimation 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

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#### 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 the parent entity financial statements of €3k (2022: €3k) was borne by Cromwell European Management Services Limited, a subsidiary company.

#### 3. Investments

	2023 €'000	2022 €'000
<b>Shares in Group undertakings</b>		
<b>At 30 June</b>		
Cost	142,305	142,305
Accumulated impairment	(137,445)	(111,768)
Net book amount	4,860	30,537

The subsidiaries are shown below:

Subsidiaries	Country of incorporation	Principal activities	Type of share	Holding	
				2023 %	2022 %
Cromwell CEE Development Holdings Limited	England & Wales	Holding company	Ordinary	100	100
IO Management Services Limited (in liquidation)	England & Wales	Asset management	Ordinary	100	100
Parc d'Activites 1 GP Limited	England & Wales	General partner	Ordinary	-	100**
The IO Group Limited	England & Wales	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 Central Europe BV	The Netherlands	Holding company	Ordinary	100	100
Cromwell Coinvest CEIF Limited Partnership	Scotland	Holding entity	Partnership interest	90.4	90.4
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

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### NOTES TO THE PARENT ENTITY FINANCIAL STATEMENTS

For the year ended 30 June 2023

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 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 (in liquidation)	England & Wales	Holding company	Ordinary	100	100
Cromwell Poland Retail LLP (in liquidation)*	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	86	86
Cromwell Promote HIG Limited Partnership	Scotland	Holding entity	Partnership interest	-	96.8
Cromwell Promote CEVAF I Limited Partnership	Scotland	Holding entity	Partnership interest	-	100
Cromwell Promote CPRF Limited Partnership	Scotland	Holding entity	Partnership interest	-	100
Cromwell REIM Luxembourg S.à.r.l.	Luxembourg	Asset management	Ordinary	100	100
Cromwell Corporate Secretarial Limited	Scotland	Company secretarial services	Ordinary	100	100
Cromwell Sweden AB	Sweden	Asset management	Ordinary	100	100
Cromwell 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	87.27	87.27
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
Cromwell CEREIT Holdings Limited	England & Wales	Holding company	Ordinary	100	100

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### NOTES TO THE PARENT ENTITY FINANCIAL STATEMENTS

For the year ended 30 June 2023

Cromwell Luxembourg Holdings Sarl	Luxembourg	Holding company	Ordinary	100	-
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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 5<sup>th</sup> Floor Minerva House, East Parade, Leeds, United Kingdom, LS1 5PS.. 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	Registered office
Cromwell Central Europe BV	Jachthavenweg 124, 1081 KJ Amsterdam, Netherlands
Cromwell Property Group Czech Republic sro	Praha 1, V Celnici 1031/4, 110 00 Prague 1, Czech Republic
Cromwell Denmark A/S	Stamholmen, 151 5 sal 2650, Hvidovre, Denmark
Cromwell Finland oy	Salomonkatu 17A, Helsinki, FI-00100, Finland
Cromwell France S.A.S	43-47 avenue de la Grande Armée, F75116, Paris, France
Cromwell Germany GmbH	Friedrichstraße 76, 10117 Berlin, Germany
Cromwell Property Group Italy SRL	Milano (MI) Via, Montenapoleone 28 Cap, 20121, Italy
Cromwell Netherlands B.V.	Jachthavenweg 124, 1081 KJ Amsterdam, Netherlands
Cromwell Property Group Poland Sp z o.o.	59 Zlota St., 00-120 Warsaw, Poland
Cromwell Investment Luxembourg S.à.r.l.	8 Boulevard Royal, L-2449 Luxembourg
Cromwell REIM Luxembourg S.à.r.l.	8 Boulevard Royal, L-2449 Luxembourg
Cromwell Luxembourg Holdings S.à.r.l.	8 Boulevard Royal, L-2449 Luxembourg
Cromwell Sweden AB	Baltzarsgatan 21 B, Box 374, 211 36 Malmö, Sweden
CPRF GP S.à.r.l.	8 Boulevard Royal, L-2449 Luxembourg

#### Audit Exemption

For the year ended 30 June 2023 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 CERET Holdings Limited	11293084
Cromwell Investment Management Services Limited	03014116
The IO Group Limited	04040216
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



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**4. Cash and cash equivalents**

	2023 €'000	2022 €'000
Cash at bank and in hand	-	23
	-	23

**Reconciliation to cash at the end of the year:**

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

**5. (a) Ordinary shares**

	2023 €	2022 €
Authorised, allotted, called up and fully paid		
1,000 'A' ordinary shares of €1 each	1,000	1,000
	1,000	1,000

**6. Preference shares****(b) Preference shares**

	2023 €	2022 €
Authorised, allotted, called up and fully paid		
1,000 Preference shares of €1 each	1,000	1,000
	1,000	1,000

**7. Related party transactions****(a) Outstanding balances arising from related party transactions****(i) Loans to related parties**

	2023 €'000	2022 €'000
<b>Non current assets</b>		
Loans to related parties	15,361	15,335
	15,361	15,335

The above loans are to two subsidiaries of the company, €14,098k (2022: €14,072k) to Cromwell Europe Limited, and €1,263k (2022: €1,263k) to Cromwell Poland Retail LLP. The loans are interest free and repayable on demand.

**(ii) Loans from related parties**

	2023 €'000	2022 €'000
<b>Non-current liabilities</b>		
Loans from related parties	(43,511)	(43,078)
	(43,511)	(43,078)

The balance comprises the following:

- A deep discounted bond with a carrying value of €43,511k issued to Cromwell Corporation Limited, the Group's immediate and ultimate parent entity. The bond has a face value of €44,278k (2022: €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 €433k (2021: €429k) accrued during the year which is reflected in the carrying value above.

## **Cromwell European Holdings Limited**

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### **NOTES TO THE PARENT ENTITY FINANCIAL STATEMENTS**

For the year ended 30 June 2023

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#### **(b) Transactions with related parties**

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

	2023 €'000	2022 €'000
<b>Interest charged by related parties</b>		
Cromwell Corporation Limited	(433)	(429)
	<u>(433)</u>	<u>(429)</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.

#### **8. Dividends**

The Company received a dividend of €nil from its subsidiary, Cromwell Poland Retail LLP, during the year (2022: €1,263,012).

During the year an interim dividend of €nil (2022: €nil) was declared by the Directors and paid to the parent entity.

#### **9. Events occurring after reporting date**

Since the end of the year the Directors are not aware of any other matter or circumstance not otherwise dealt with in the Directors' report that has significantly or may significantly affect the operations of the Group, the results of its operations, or state of the Group's affairs in future financial years.

#### **10. Contingent liabilities**

The Company had no contingent liabilities at 30 June 2023 (2022: €nil).

#### **11. Financial risk management**

The comments in note 26 of the Group financial statements in relation to financial risk management are also relevant to the financial risk management of the Company.