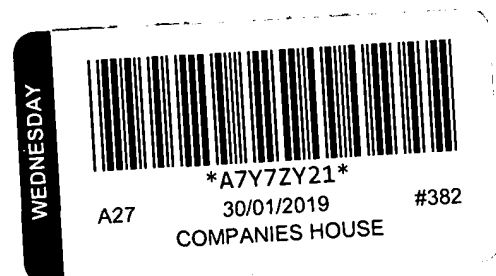


**Cromwell Poland Retail LLP**  
**Members' report and financial statements**

**For the year ended 30 June 2018**

Registration Number: OC382076



**Cromwell Poland Retail LLP**

Registration number: OC382076

**MEMBERS' REPORT AND FINANCIAL STATEMENTS**For the year ended 30 June 2018

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**Cromwell Poland Retail LLP**

Registration number: OC382076

**MEMBERS AND PROFESSIONAL SERVICE PROVIDERS**

---

**CONTROLLING MEMBER**

Cromwell European Holdings Limited

**REGISTERED OFFICE**

1<sup>st</sup> Floor  
Unit 16  
Manor Court Business Park  
Scarborough  
YO11 3TU

**INDEPENDENT AUDITORS**

PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Central Square  
29 Wellington Street  
Leeds  
LS1 4DL

**BANKERS**

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

## **Cromwell Poland Retail LLP**

Registration number: OC382076

### **MEMBERS' REPORT**

For the year ended 30 June 2018

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The Members present their annual report on the affairs of Cromwell Poland Retail LLP ('the LLP') together with the audited financial statements for the year ended 30 June 2018.

#### **MEMBERS**

Cromwell European Holdings Limited (Controlling member)  
Cromwell Corporation Limited

#### **PRINCIPAL RISKS AND UNCERTAINTIES**

The directors of Cromwell European Holdings Limited manage the group's risks at a group level, rather than at an individual business unit level. For this reason the LLP's members believe that a discussion of the LLP's risks would not be appropriate for an understanding of the development, performance or position of the business of the LLP. The principal risks and uncertainties of the Cromwell European Holdings Limited group, which include those of the LLP, are discussed in the Report of the Directors and Financial Statements of Cromwell European Holdings Limited which do not form part of this report.

#### **KEY PERFORMANCE INDICATORS**

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

#### **POLICY REGARDING MEMBERS' DRAWINGS AND CAPITAL**

The level and timing of drawings is decided by the LLP's Management Board after taking into account the LLP's cash requirements for operating and investment activities. The level of members' capital is determined by the members in accordance with the LLP agreement.

#### **STATEMENT OF MEMBERS' RESPONSIBILITIES**

The members are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law, as applied to qualifying partnerships by the Partnerships (Accounts) Regulations 2008 (the "Regulations"), requires the members to prepare financial statements for each financial year. Under that law the members have prepared the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law, as applied to qualifying partnerships, the members 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 qualifying partnership and of the profit or loss of the qualifying partnership for that period. In preparing the financial statements, the members are required to:

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

## **Cromwell Poland Retail LLP**

Registration number: OC382076

### **MEMBERS' REPORT**

For the year ended 30 June 2018

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#### **STATEMENT OF MEMBERS' RESPONSIBILITIES (CONTINUED)**

The members are responsible for keeping adequate accounting records that are sufficient to show and explain the qualifying partnership's transactions and disclose with reasonable accuracy at any time the financial position of the qualifying partnership and enable them to ensure that the financial statements comply with the Companies Act 2006 as applied to qualifying partnerships by the Regulations.

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

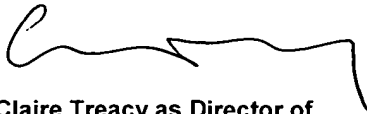
#### **INDEPENDENT AUDITORS**

So far as each Member is aware, there is no relevant audit information of which the LLP's auditors, PricewaterhouseCoopers LLP are unaware and each Member has taken all the steps that they ought to have taken as a Member in order to make themselves aware of any relevant audit information and to establish that the Group's auditors are aware of that information.

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

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

Approved by the Members  
and signed on behalf of the LLP



**Claire Treacy as Director of  
Cromwell European Holdings Limited  
Member**

23/01 2019

## **Cromwell Poland Retail LLP**

Registration number: OC382076

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CROMWELL POLAND RETAIL LLP**

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## **Report on the audit of the financial statements**

### **Opinion**

In our opinion, Cromwell Poland Retail LLP's financial statements:

- give a true and fair view of the state of the limited liability partnership's affairs as at 30 June 2018 and of its profit and cash flows for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008.

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

### **Basis for opinion**

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

### *Independence*

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

### **Conclusions relating to going concern**

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

- the members' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the members have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the limited liability partnership's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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

### **Reporting on other information**

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The members are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

## **Cromwell Poland Retail LLP**

Registration number: OC382076

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CROMWELL POLAND RETAIL LLP**

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#### **Responsibilities for the financial statements and the audit**

##### *Responsibilities of the members for the financial statements*

As explained more fully in the Statement of Members' Responsibilities set out on pages 3 and 4, the members are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The members are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the members are responsible for assessing the limited liability partnership'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 members either intend to liquidate the limited liability partnership or to cease operations, or have no realistic alternative but to do so.

##### *Auditors' responsibilities for the audit of the financial statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

##### *Use of this report*

This report, including the opinion, has been prepared for and only for the members of the partnership as a body in accordance with the Companies Act 2006 as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

#### **Other required reporting**

##### **Companies Act 2006 exception reporting**

Under the Companies Act 2006 as applicable to limited liability partnerships we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the limited liability partnership, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

##### **Entitlement to exemptions**

Under the Companies Act 2006 as applicable to limited liability partnerships we are required to report to you if, in our opinion, the members were not entitled to prepare financial statements in accordance with the small limited liability partnerships regime. We have no exceptions to report arising from this responsibility.



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

23 January 2019

**Cromwell Poland Retail LLP**  
Registration number: OC382076  
**INCOME STATEMENT**  
For the year ended 30 June 2018

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	Note	2018 €'000	2017 €'000
Administrative expenses		-	(7)
Fair value adjustment on investments		32	-
Income from investments		48	62
<b>Operating profit</b>		<b>80</b>	<b>55</b>
<b>Profit before income tax</b>	<b>3</b>	<b>80</b>	<b>55</b>
Income tax		-	-
<b>Profit for the year</b>		<b>80</b>	<b>55</b>



**Cromwell Poland Retail LLP**

Registration number: OC382076

**STATEMENT OF COMPREHENSIVE INCOME**For the year ended 30 June 2018

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	2018 €'000	2017 €'000
Profit for the year	80	55
Other comprehensive income for the year:	-	-
Total comprehensive income for the year	<u>80</u>	<u>55</u>
Total comprehensive income for the year attributable to:		
Owners of Cromwell Poland Retail LLP	<u>80</u>	<u>55</u>

**Cromwell Poland Retail LLP**

Registration number: OC382076

**STATEMENT OF CHANGES IN EQUITY**

For the year ended 30 June 2018

	Available for sale reserve €'000	Retained profit €'000	Total equity €'000
<b>Balance as 1 July 2016</b>	12	680	692
Profit for the year	-	55	55
Other comprehensive income	-	-	-
<b>Total comprehensive income for the year</b>	-	55	55
<b>Balance at 30 June 2017</b>	12	735	747
Profit for the year	-	80	80
Other comprehensive income	-	-	-
<b>Total comprehensive income for the year</b>	-	80	80
<b>Balance at 30 June 2018</b>	12	815	827

**Cromwell Poland Retail LLP**  
Registration number: OC382076  
**STATEMENT OF FINANCIAL POSITION**  
As at 30 June 2018

	Note	2018 €'000	2017 €'000
<b>Current assets</b>			
Trade and other receivables	4	5,075	5,066
Total current assets		5,075	5,066
<b>Non-current assets</b>			
Financial assets	6	1,480	1,310
Total non-current assets		1,480	1,310
<b>Total assets</b>		6,555	6,376
<b>Current liabilities</b>			
Trade and other payables	10	(99)	-
Total current liabilities		(99)	-
<b>Non current liabilities</b>			
Members' capital	7	(5,629)	(5,629)
Total non current liabilities		(5,629)	(5,629)
<b>Total liabilities</b>		(5,728)	(5,629)
<b>Net assets</b>		827	747
<b>Equity</b>			
Available for sale reserve	9	12	12
Retained profit	8	815	735
<b>Total Equity</b>		827	747
<b>Total members' interests</b>			
Members' capital	7	5,629	5,629
Available for sale reserve	9	12	12
Retained profit	8	815	735
<b>Total members' interests</b>		6,456	6,376

The financial statements on pages 7 to 22 were approved by the Members on 23/01/2019.

Signed on behalf of the Members

  
**Claire Treacy as Director of  
Cromwell European Holdings Limited  
Member**

**Cromwell Poland Retail LLP**

Registration number: OC382076

**STATEMENT OF CASH FLOWS**

For the year ended 30 June 2018

	Note	2018 €'000	2017 €'000
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	48	62
<b>Net cash inflow from operating activities</b>		<u>48</u>	<u>62</u>
<b>Cash flows from investing activities</b>			
Loans to group companies		(9)	-
Loan from Group company		99	(62)
Purchase of financial assets		<u>(138)</u>	<u>-</u>
<b>Net cash outflow from investing activities</b>		<u>(48)</u>	<u>(62)</u>
<b>Net increase in cash and cash equivalents</b>		-	-
Cash and cash equivalents at the beginning of the financial year		<u>-</u>	<u>-</u>
<b>Cash and cash equivalents at the end of the financial year</b>		<u>-</u>	<u>-</u>

**Cromwell Poland Retail LLP**

Registration number: OC382076

**NOTES TO THE STATEMENT OF CASH FLOWS**For the year ended 30 June 2018

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**1. Reconciliation of profit before income tax to cash generated from operations**

	<b>2018</b> <b>€'000</b>	<b>2017</b> <b>€'000</b>
<b>Profit before income tax</b>	<b>80</b>	<b>55</b>
Revaluation of investments	<u>(32)</u>	<u>7</u>
<b>Cash generated from operations</b>	<u><b>48</b></u>	<u><b>62</b></u>

## **Cromwell Poland Retail LLP**

Registration number: OC382076

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

For the year ended 30 June 2018

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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**

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

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the LLP'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 18.

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

##### **Preparation of consolidated financial statements**

The LLP is exempt under section 400 of the Companies Act 2006 from preparing consolidated financial statements on the grounds that the results of the LLP and its subsidiaries are incorporated in the consolidated financial statements of Cromwell European Holdings Limited, which is the parent company of the smallest group for which consolidated financial statements are drawn up of which the company is a member.

##### **General information**

The financial statements are presented in Euros (the LLP's functional currency) and all values are rounded to the nearest thousand Euros (€'000) except where otherwise indicated.

The LLP is a limited liability partnership registered in the UK and formed under the Limited Liability Partnerships Act 2000. The address of its registered office is 1st Floor, Unit 16 Manor Court Business Park, Scarborough, North Yorkshire YO11 3TU.

##### **New and amended standards adopted by the LLP**

##### **New and amended standards not currently relevant to the company**

There are no new standards and amendments to standards that are mandatory for the financial period beginning 1 July 2017.

##### **New and amended standards not currently relevant to the company**

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

- Amendment to IAS7, Statement of cash flows on disclosure initiative (effective for annual periods beginning on or after 1 January 2017)
- Amendments to IAS 12, 'Income taxes' on Recognition of deferred tax assets for unrealised losses (effective for annual periods beginning on or after 1 January 2017)
- Annual improvements 2014-16 - IFRS 12, 'Disclosure of interests in other entities' regarding clarification of the scope of the standard (effective for annual periods beginning on or after 1 January 2017)

## **Cromwell Poland Retail LLP**

Registration number: OC382076

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

For the year ended 30 June 2018

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#### **1. Accounting policies (continued)**

##### **1.1 Basis of preparation (continued)**

###### **New and amended standards not effective for current financial year**

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

- Amendments to IFRS 2 'Share-based payment' on clarifying how to account for certain types of share-based payment transactions (effective 1 January 2018)
- IFRS 9 'Financial instruments' (effective 1 January 2018)
- IFRS 15 'Revenue from contracts with customers' (effective 1 January 2018)
- Amendments to IFRS 15, 'Revenue from contracts with customers' (effective 1 January 2018)
- Amendments to IAS 40, 'Investment property' relating to transfers of investment property (effective 1 January 2018)
- Annual Improvements 2014-16, (effective 1 January 2018)
- Annual Improvements 2015-17, (effective 1 January 2019)
- Amendments to IAS 28, 'Investments in associates' on long term interests in associates and joint ventures (effective 1 January 2019)
- IFRS 16 'Leases' (effective 1 January 2019)
- IFRIC 22 'Foreign currency transactions and advance consideration' (effective 1 January 2018)
- IFRIC 23, 'Uncertainty over income tax treatments' (effective 1 January 2019)

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

###### **Going concern**

After making enquiries, the members have a reasonable expectation that the LLP has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the report and financial statements.

##### **1.2 Summary of other significant accounting policies**

###### **(a) Foreign currency translation**

###### **Functional and presentation currency**

Transactions in foreign currencies are initially recorded in the functional currency by applying the spot exchange rate ruling at the date of the transaction.

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Euros, which is the LLP's functional and presentation currency.

## **Cromwell Poland Retail LLP**

Registration number: OC382076

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

For the year ended 30 June 2018.

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#### **1. Accounting policies (continued)**

##### **1.2 Summary of other significant accounting policies (continued)**

###### **(a) Foreign currency translation (continued)**

###### **Transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

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.

###### **(b) Financial assets and liabilities**

###### **Classification**

The LLP classifies its financial assets in the following categories: loans and receivables and available-for-sale. 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) *Available-for-sale financial assets***

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or management intends to dispose of it within 12 months of the end of the reporting period.

###### **Recognition and measurement**

Regular purchases and sales of financial assets are recognised on the trade-date – the date on which the LLP 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 LLP has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets are held at fair value.

###### **(c) Impairment of financial assets**

The LLP 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.



## **Cromwell Poland Retail LLP**

Registration number: OC382076

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

For the year ended 30 June 2018

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#### **1. Accounting policies (continued)**

##### **1.2 Summary of other significant accounting policies (continued)**

###### **(d) Investments in launched funds**

The LLP's minority interests in launched property funds are accounted for as available for sale financial assets. Minority interests are not more than 10%.

Available for sale financial assets are those non-derivative financial assets that are designated as such or are not classified as any other type of financial asset. After initial recognition available for sale financial assets are measured at fair value, where it can be reliably measured, with gains or losses being recognised as a separate component of equity (available for sale reserve) until the investment is derecognised or until the investment is determined to be impaired at which time the cumulative gain or loss previously reported in equity is included in the income statement.

When a decline in the fair value of an available-for-sale financial asset has been recognised directly in equity and there is objective evidence that the asset is impaired, the cumulative loss that had been recognised directly in equity shall be removed from equity and recognised in profit or loss even though the financial asset has not been derecognised.

###### **(e) 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 LLP 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.

###### **(f) Cash and cash equivalents**

For the purpose of the LLP statement of cash flows, cash and cash equivalents consists of cash at bank, net of outstanding bank overdrafts.

###### **(g) Trade and other payables**

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

###### **(h) Financial instruments and derivatives**

The LLP 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:

- a) Financial assets/liabilities held for short term gain, including derivatives other than hedging instruments, are measured at fair value and movements in fair value are credited/ charged to the income statement in the period.
- b) Loans and receivables/payables and non-derivative financial assets/ liabilities with fixed or determinable payments that are not quoted in an active market are measured at amortised cost. These are included in current assets/liabilities except for instruments that mature after more than 12 months which are included in non-current assets/liabilities.

## **Cromwell Poland Retail LLP**

Registration number: OC382076

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

For the year ended 30 June 2018

---

#### **1. Accounting policies (continued)**

##### **1.2 Summary of other significant accounting policies (continued)**

###### **(h) Financial instruments and derivatives (continued)**

c) Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or management intends to dispose of it within 12 months of the end of the reporting period. Impairments of available for sale financial assets are charged to the income statement in the year. Reversals of impairments of debt instruments are credited to the income statement whereas reversals of impairments of equity instruments are credited to other comprehensive income within the revaluation reserve.

Non-monetary assets that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. When a gain or loss on a non-monetary item is recognised in the income statement, any exchange component of that gain or loss should also be recognised in the income statement. When a gain or loss on a non-monetary item is recognised directly in other comprehensive income, any exchange component of that gain or loss should also be recognised in other comprehensive income.

###### **(i) 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.

###### **(j) Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, do not qualify as trading assets and have not been designated as either fair value through profit or loss or available for sale. Such assets are carried at amortised cost using the effective interest method. Gains and losses are recognised in income when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

A loan or receivable is derecognised upon receipt of cash or where the right to receive cash flows from the asset has expired. The Group must assess at each statement of financial position date whether there is any objective evidence that an impairment loss has been incurred. If there is objective evidence the loss must be recognised in the Group income statement. The amount of the loss is determined by looking at the carrying value and comparing it with the present value of the future cash flows discounted at the effective interest rate.

###### **(k) Income recognition**

Income 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. Income is measured at the fair value of the consideration received excluding VAT. The following criteria must also be met before revenue is recognised:

###### **(i) Finance income**

Finance income includes bank interest receivable. Finance income is recognised on an accruals basis.

###### **(ii) Dividend income**

Dividend income (profit shares from investments in launched funds) is recognised when the LLP's right to receive payment is established. This is recognised within revenue within the income statement.

###### **(l) Income taxes**

Under the terms of the LLP Deed, except as otherwise determined by the Designated Members, no provision or retention shall be made by the LLP in respect of a member's individual tax liability (if any) in respect of its share of the profits. The LLP is not taxed as a corporate entity.

## **Cromwell Poland Retail LLP**

Registration number: OC382076

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

For the year ended 30 June 2018

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#### **1. Accounting policies (continued)**

##### **1.2 Summary of other significant accounting policies (continued)**

###### **(m) Fair value estimation**

Fair value estimation under IFRS 13 requires the LLP 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 value of assets of financial assets is determined by using valuation techniques. See note 7 for further details of the judgements and assumptions made.

###### **(n) Members' capital**

The level and timing of drawings is decided by the LLP's Management Board after taking into account the LLP's cash requirements for operating and investment activities. The level of Members' capital is determined by the members in accordance with the LLP agreement.

###### **(o) Reserves**

###### *Available for sale reserve*

The balance classified as available for sale reserve represents the difference between the fair value of available for sale assets and their historic cost.

##### **1.3 Critical Judgements in applying accounting policies and key sources of estimation uncertainty**

Many of the amounts included in the financial statements involve the use of judgement and/or estimation. These judgements and estimates are based on management's best knowledge of the relevant facts and circumstances, having regard to previous experience, but actual results may differ from the amounts included in the financial statements.

Management has considered the key sources of estimation uncertainty in arriving at the financial statements as follows:

###### *Estimation of fair value of other investments*

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

#### **2. Employees**

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

#### **3. Profit before income tax**

Auditors' remuneration, relating to audit fees, for the current year has been absorbed in full by Cromwell Management Services Limited, a fellow group company. These fees were €3,486 for the current year (2017: €5,700).

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

For the year ended 30 June 2018

**4. Trade and other receivables**

	2018 €'000	2017 €'000
Amounts due from group companies	5,075	5,066
	<b>5,075</b>	<b>5,066</b>

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivables as disclosed in above. All amounts due from group undertakings are interest free, carry no security and are repayable on demand

**5. Investments****Shares in Group undertakings**

	2018 €	2017 €
Cost	1	1
Accumulated impairment	-	-
Net book amount	<b>1</b>	<b>1</b>

The subsidiaries are shown below:

Subsidiaries	Country of Incorporation	Holding	Principal activities	Type of share
Cromwell Poland Retail UK Limited (*)	England	100%	Holding company	Ordinary
Cromwell Poland Sp. z.o.o.	Poland	100%	Fund management	Ordinary
Cromwell CPR Promote Sarl	Luxembourg	100%	Dormant company	Ordinary
Cromwell REIM Luxembourg Sarl	Luxembourg	100%	Fund management	Ordinary

Only companies denoted (\*) are directly held by Cromwell Poland Retail LLP.

In the opinion of the Members, the aggregate value of the LLP's investments is not less than the amount at which they are stated in the financial statements.

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

Subsidiaries	Registered office
Cromwell Poland Retail UK Limited	1st Floor, Unit 16 Manor Court Business Park, Scarborough, North Yorkshire YO11 3TU
Cromwell Poland Sp. z.o.o.	59 Zlota St., 00-120 Warsaw, Poland
Cromwell CPR Promote Sarl	1 rue Hildegard Von Bingen, L-1282, Luxembourg
Cromwell REIM Luxembourg Sarl	1 rue Hildegard Von Bingen, L-1282, Luxembourg

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

For the year ended 30 June 2018

**6. Financial assets**

	2018 €'000	2017 €'000
<b>Non-current</b>		
Unlisted securities		
Equity securities – co-investment in property fund	<u>1,480</u>	<u>1,310</u>

The LLP holds a co-investment in Next Real Estate Polish Retail Sarl, a property fund. The entity increased its investment during the period by €138,000. The original cost of the investment held at the year end was €1,443,000 (2017: €1,305,000). The investment was revalued through the profit and loss account during the year by €32,000 (2017: impairment of €7,000).

At the year end the LLP calculates the fair value of this co-investment based on the equity proportion held, and the total net asset fair value of the fund. The fund has an annual audit and where its 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 fund is the valuation of its investment property portfolio. This is valued independently and professionally every year end, and where the year end of the fund is not 30 June, the members 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 Company's co-investment in a fund, the members 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 at 30 June 2018 was level 3.

**7. Members' capital**

	2018 €'000	2017 €'000
Balance at start of year	<u>5,629</u>	<u>5,629</u>
Balance at end of year	<u>5,629</u>	<u>5,629</u>

**8. Total Members' interests**

	Members' capital €'000	Available for sale reserve €'000	Retained profit €'000	Total Members' interests €'000
<b>At 1 July 2016</b>	5,629	12	680	6,321
Movement in the year	-	-	55	55
<b>Balance at 30 June 2017</b>	<u>5,629</u>	<u>12</u>	<u>735</u>	<u>6,376</u>
Movement in the year	-	-	80	80
<b>Balance at 30 June 2018</b>	<u>5,629</u>	<u>12</u>	<u>815</u>	<u>6,456</u>

**9. Reserves**

	2018 €'000	2017 €'000
<b>Available for sale reserve</b>		
Balance at start of year	12	12
Revaluation movement during the year	-	-
Balance at end of year	<u>12</u>	<u>12</u>

The balance classified as revaluation reserve represents the difference between the fair value of available for sale assets and their historic cost.

## Cromwell Poland Retail LLP

Registration number: OC382076

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2018

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#### 10. Trade and other payables

	2018 €'000	2017 €'000
Amounts owed to group undertakings	99	-
	<u>99</u>	<u>-</u>

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

#### 11. Related party transactions

##### (a) Transactions with related parties

The following transactions occurred with related parties:

##### Amounts owed (to)/by group undertakings

Amounts owed (to)/by group undertakings at the reporting date are as follows:

	2018 €'000	2017 €'000
Cromwell Poland Retail UK Limited	5,075	5,060
Cromwell Europe Limited	(99)	6
Balance at end of year	<u>4,976</u>	<u>5,066</u>

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

##### (b) Controlling entity

The immediate parent entity is Cromwell European Holdings Limited, a UK company. The ultimate parent entity is Cromwell Corporation Limited, an Australian entity.

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

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

#### 12. Events occurring after reporting date

Since the end of the year the Members are not aware of any matter or circumstance not otherwise dealt with in the Members' Report that has significantly or may significantly affect the operations of the LLP, the results of its operations, or state of the LLP's affairs in future financial periods.

#### 13. Contingent liabilities

The LLP had no contingent liabilities at 30 June 2018 or 30 June 2017.

## **Cromwell Poland Retail LLP**

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### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

For the year ended 30 June 2018

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#### **14. Financial risk management**

The LLP'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 LLP's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the LLP's financial performance. The LLP uses derivative financial instruments to hedge certain risk exposures.

Risk management is carried out by a central treasury function on a Group-wide basis for Cromwell European Holdings Limited group under policies approved by the Board of Directors of Cromwell European Holdings Limited. 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.

##### **Credit risk**

Credit risk is managed on a Group basis. Credit risk arises from cash and cash equivalents, derivative financial instruments 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.

##### **Liquidity risk**

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

The Group's main sources of liquidity are its property and fund management businesses. Cash generation by this business is dependent upon the reliability of rental income.

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

##### **Foreign exchange risk**

The LLP is exposed to foreign exchange risk arising from currency fluctuations on certain balances owed (to)/by group companies which are not denominated in Euros. The LLP does not specifically hedge this exposure.

##### **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 Members and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital and to ensure financial covenants contained in the bank facility agreements are met throughout the year.

In order to maintain or adjust the capital structure, the Members may introduce or withdraw capital.