

**REPORT OF THE DIRECTORS AND
UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020
FOR
Cromwell CEREIT Holdings Limited**

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for the Year Ended 30 June 2020**

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Cromwell CEREIT Holdings Limited

COMPANY INFORMATION
for the Year Ended 30 June 2020

DIRECTORS:

T W Sewell
Cromwell Director Limited
NI Batters

SECRETARY:

Cromwell Corporate Secretarial Limited

REGISTERED OFFICE:

1st Floor
Unit 16 Manor Court Business Park
Scarborough
YO11 3TU

REGISTERED NUMBER:

11293084 (England and Wales)

Cromwell CEREIT Holdings Limited (Registered number: 11293084)

**REPORT OF THE DIRECTORS
for the Year Ended 30 June 2020**

The directors present their report with the financial statements of the company for the year ended 30 June 2020.

PRINCIPAL ACTIVITIES

The principal activities of the company in the year under review were those of a holding company.

REVIEW OF BUSINESS

The company's profit for the period is €2,948 (2019: €135,514) and is dealt with as shown in the income statement. The company is in a net assets position of €138,562 (2019: €135,614). The results for the year are as expected.

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

DIRECTORS

The directors shown below have held office during the whole of the period from 1 July 2019 to the date of this report.

T W Sewell
Cromwell Director Limited

Other changes in directors holding office are as follows:

NI Batters - appointed 12 May 2020

GOING CONCERN

The financial statements have been prepared on the going concern basis. In forming their view as to going concern, the directors have prepared long term cash flow projections for the group based on its trading. The directors have also considered alternative scenarios based on key sensitivities, including Co-vid 19. The projections indicate, taking into account the relatively predictable nature of the group costs, that the group will be able to operate within its existing cash resources. The directors believe that preparing the financial statements on the going concern basis is appropriate due to the continued financial support of Cromwell Corporation Limited, the ultimate controlling entity. The directors have received confirmation that Cromwell Corporation Limited intends to support the company for at least one year after these financial statements are signed.

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

PRINCIPAL RISKS AND UNCERTAINTIES

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

KEY PERFORMANCE INDICATORS

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

FINANCIAL RISK MANAGEMENT

The company's financial risk management is set out in detail in note 14 to the financial statements.

Cromwell CEREIT Holdings Limited (Registered number: 11293084)

**REPORT OF THE DIRECTORS
for the Year Ended 30 June 2020**

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

ON BEHALF OF THE BOARD:



.....
T W Sewell - Director

Date: 16 December 2020

Cromwell CEREIT Holdings Limited (Registered number: 11293084)

**STATEMENT OF PROFIT OR LOSS
for the Year Ended 30 June 2020**

		Year Ended 30.6.20 €	Period 5.4.18 to 30.6.19 €
	Notes		
CONTINUING OPERATIONS			
Revenue		21,000	33,250
Income from surrender of rights		-	182,855
Impairment of investment		(313,025)	(424,029)
Profit on disposal of investment		295,074	-
Distribution income		-	343,439
Administrative expenses		<u>(101)</u>	<u>(1)</u>
OPERATING PROFIT		<u>2,948</u>	<u>135,514</u>
PROFIT BEFORE INCOME TAX	4	2,948	135,514
Income tax	5	<u>-</u>	<u>-</u>
PROFIT FOR THE YEAR		<u><u>2,948</u></u>	<u><u>135,514</u></u>

The notes form part of these financial statements

Cromwell CEREIT Holdings Limited (Registered number: 11293084)

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
for the Year Ended 30 June 2020

	Year Ended 30.6.20 €	Period 5.4.18 to 30.6.19 €
PROFIT FOR THE YEAR	2,948	135,514
OTHER COMPREHENSIVE INCOME	<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>2,948</u>	<u>135,514</u>

The notes form part of these financial statements

Cromwell CEREIT Holdings Limited (Registered number: 11293084)

STATEMENT OF FINANCIAL POSITION
30 June 2020

	Notes	30.6.20 €	30.6.19 €
ASSETS			
NON-CURRENT ASSETS			
Investments	6	<u>1,180,166</u>	<u>5,082,842</u>
CURRENT ASSETS			
Trade and other receivables	7	13,750	365,589
Cash and cash equivalents	8	<u>405,156</u>	<u>-</u>
		<u>418,906</u>	<u>365,589</u>
TOTAL ASSETS		<u><u>1,599,072</u></u>	<u><u>5,448,431</u></u>
EQUITY			
SHAREHOLDERS' EQUITY			
Called up share capital	9	100	100
Retained earnings	10	<u>138,462</u>	<u>135,514</u>
TOTAL EQUITY		<u>138,562</u>	<u>135,614</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	11	<u>1,460,510</u>	<u>5,312,817</u>
TOTAL LIABILITIES		<u>1,460,510</u>	<u>5,312,817</u>
TOTAL EQUITY AND LIABILITIES		<u><u>1,599,072</u></u>	<u><u>5,448,431</u></u>

The company is entitled to exemption from audit under Section 479A of the Companies Act 2006 relating to subsidiary companies for the year ended 30 June 2020.

The members have not required the company to obtain an audit of its financial statements for the year ended 30 June 2020 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The financial statements on pages 4 to 16 were approved by the Board of Directors and authorised for issue on 16 December 2020 and were signed on its behalf by:



.....
T W Sewell - Director

The notes form part of these financial statements

Cromwell CEREIT Holdings Limited (Registered number: 11293084)

**STATEMENT OF CHANGES IN EQUITY
for the Year Ended 30 June 2020**

	Called up share capital €	Retained earnings €	Total equity €
Changes in equity			
Issue of share capital	100	-	100
Total comprehensive income	<u>-</u>	<u>135,514</u>	<u>135,514</u>
Balance at 30 June 2019	<u>100</u>	<u>135,514</u>	<u>135,614</u>
 Changes in equity			
Total comprehensive income	<u>-</u>	<u>2,948</u>	<u>2,948</u>
Balance at 30 June 2020	<u>100</u>	<u>138,462</u>	<u>138,562</u>

The notes form part of these financial statements

Cromwell CEREIT Holdings Limited (Registered number: 11293084)

STATEMENT OF CASH FLOWS
for the Year Ended 30 June 2020

		Year Ended 30.6.20 €	Period 5.4.18 to 30.6.19 €
Cash flows from operating activities	Notes		
Cash generated from operations	1	<u>(3,497,520)</u>	<u>5,082,742</u>
Net cash from operating activities		<u>(3,497,520)</u>	<u>5,082,742</u>
Cash flows from investing activities			
Purchase of fixed asset investments		(4,185,509)	(5,082,842)
Sale of fixed asset investments		<u>8,088,185</u>	<u>-</u>
Net cash from investing activities		<u>3,902,676</u>	<u>(5,082,842)</u>
Cash flows from financing activities			
Share issue		<u>-</u>	<u>100</u>
Net cash from financing activities		<u>-</u>	<u>100</u>
Increase in cash and cash equivalents		<u>405,156</u>	<u>-</u>
Cash and cash equivalents at beginning of year	2	<u>-</u>	<u>-</u>
Cash and cash equivalents at end of year	2	<u><u>405,156</u></u>	<u><u>-</u></u>

The notes form part of these financial statements

NOTES TO THE STATEMENT OF CASH FLOWS
for the Year Ended 30 June 2020

1. RECONCILIATION OF PROFIT BEFORE INCOME TAX TO CASH GENERATED FROM OPERATIONS

	Year Ended 30.6.20 €	Period 5.4.18 to 30.6.19 €
Profit before income tax	2,948	135,514
Decrease/(increase) in trade and other receivables	351,839	(365,589)
(Decrease)/increase in trade and other payables	<u>(3,852,307)</u>	<u>5,312,817</u>
Cash generated from operations	<u>(3,497,520)</u>	<u>5,082,742</u>

2. CASH AND CASH EQUIVALENTS

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

Year ended 30 June 2020

	30.6.20 €	1.7.19 €
Cash and cash equivalents	<u>405,156</u>	<u>-</u>

Period ended 30 June 2019

	30.6.19 €	5.4.18 €
Cash and cash equivalents	<u>-</u>	<u>-</u>

**NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 30 June 2020**

1. STATUTORY INFORMATION

Cromwell CEREIT Holdings Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

Basis of preparation

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

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

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

Changes in accounting policies

The following new standards, amendments to standards and interpretations are mandatory for the first time for the financial year beginning 1 July 2019, and have been adopted by the Company:

- Amendments to IFRS 2 'Share-based payment' on clarifying how to account for certain types of share-based payment transactions (effective 1 January 2019)
- 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 23, 'Uncertainty over income tax treatments' (effective 1 January 2019)

The impact of these standards is not material.

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

Future accounting developments

A number of amendments and improvements to accounting standards have been issued by the International Accounting Standards Board (IASB) with an effective date after 1 July 2020. They do not impact these financial statements.

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

Financial instruments

The company performs impairment testing when there has been an indication of potential impairment. The calculation of investment value requires the use of estimates and assumptions consistent with the most recent budgets and plans that have been formally approved by management.

**NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 30 June 2020**

2. ACCOUNTING POLICIES - continued

Taxation

Current Tax

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

Deferred Tax

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

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

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

Deferred tax is calculated at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the reporting 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.

Going concern

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

The directors believe that preparing the financial statements on the going concern basis is appropriate due to the continued financial support of Cromwell Corporation Limited, the ultimate controlling entity. The directors have received confirmation that Cromwell Corporation Limited intends to support the company for at least one year after these financial statements are signed.

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

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 30 June 2020

2. ACCOUNTING POLICIES - continued

Trade receivables

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

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

Trade payables

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

Cash and cash equivalents

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

Ordinary shares

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

Investments

Investments are accounted for as financial assets at fair value through profit and loss.

Critical judgements in applying accounting policies and key sources of estimation uncertainty

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

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

Review of impairment charges on receivables

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

Impairment of investments

The company performs impairment testing when there has been an indication of potential impairment. The calculation of investment value requires the use of estimates and assumptions consistent with the most recent budgets and plans that have been formally approved by management.

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 30 June 2020

3. EMPLOYEES AND DIRECTORS

There were no staff costs for the year ended 30 June 2020 nor for the period ended 30 June 2019.

	Year Ended 30.6.20 €	Period 5.4.18 to 30.6.19 €
Directors' remuneration	-	-

4. PROFIT BEFORE INCOME TAX

The profit before income tax is stated after charging/(crediting):

	Year Ended 30.6.20 €	Period 5.4.18 to 30.6.19 €
Foreign exchange differences	(83)	-

5. INCOME TAX

Analysis of tax expense

No liability to UK corporation tax arose for the year ended 30 June 2020 nor for the period ended 30 June 2019.

Factors affecting the tax expense

The tax assessed for the year is lower (2019: lower) than the standard rate of corporation tax in the UK. The difference is explained below:

	30.6.20 €	30.6.19 €
Profit before income tax	2,948	135,514
Profit before income tax multiplied by the standard rate of corporation tax in the UK of 19% (2019 - 19%)	560	25,748
Effects of:		
Non-deductible impairment of investment	59,475	80,566
Non-taxable dividend income	-	(65,253)
Non-taxable capital gains	(56,064)	(34,742)
Group relief claimed for no consideration	(3,971)	(6,318)
Income tax charge for the year	-	-

Cromwell CEREIT Holdings Limited (Registered number: 11293084)

**NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 30 June 2020**

6. INVESTMENTS

	Other investments €
COST	
At 1 July 2019	5,082,842
Additions	4,185,509
Disposals	<u>(8,088,185)</u>
At 30 June 2020	<u>1,180,166</u>
NET BOOK VALUE	
At 30 June 2020	<u>1,180,166</u>
At 30 June 2019	<u>5,082,842</u>

The investment above is 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.

7. TRADE AND OTHER RECEIVABLES

	30.6.20 €	30.6.19 €
Current:		
Trade receivables	8,400	-
Amounts owed by group undertakings	100	100
Other receivables	-	343,439
Prepayments and accrued income	<u>5,250</u>	<u>22,050</u>
	<u>13,750</u>	<u>365,589</u>

8. CASH AND CASH EQUIVALENTS

	30.6.20 €	30.6.19 €
Cash in hand	<u>405,156</u>	<u>-</u>

9. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:			30.6.20	30.6.19
Number:	Class:	Nominal value:	€	€
100	Ordinary	1	<u>100</u>	<u>100</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 30 June 2020

10. RESERVES

	Retained earnings €
At 1 July 2019	135,514
Profit for the year	<u>2,948</u>
At 30 June 2020	<u>138,462</u>

11. TRADE AND OTHER PAYABLES

	30.6.20 €	30.6.19 €
Current:		
Trade payables	1	1
Amounts owed to group undertakings	<u>1,460,509</u>	<u>5,312,816</u>
	<u>1,460,510</u>	<u>5,312,817</u>

12. ULTIMATE PARENT COMPANY

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

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

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

13. RELATED PARTY DISCLOSURES

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

Group companies	30.6.20 €	30.6.19 €
Cromwell Europe Limited	(1,460,509)	(1,301,067)
Cromwell Holdings Europe Limited	100	100
Cromwell Netherlands BV	-	(1,441,939)
Cromwell REIM Luxembourg S.à r.l.	-	(16,600)
Cromwell Poland No. 2 Sp. z.o.o	-	(49,895)
Cromwell France SAS	-	(908,859)
Cromwell Germany GmbH	-	(315,385)
Cromwell Property Group Italy S.R.L.	-	(1,198,718)
Cromwell Finland O/Y	-	(80,354)
	<u>(1,460,409)</u>	<u>(5,312,716)</u>

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

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 30 June 2020

14. FINANCIAL RISK MANAGEMENT

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

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

Credit risk

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

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

Liquidity risk

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

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.

Capital risk management

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

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