

# **The Mall of Cyprus (MC) Plc (formerly ITTL Trade Tourist and Leisure Park Plc)**

## **Report and financial statements 30 June 2016**

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# **The Mall of Cyprus (MC) Plc (formerly ITTL Trade Tourist and Leisure Park Plc)**

## **Board of Directors and other officers**

### **Board of Directors**

Takis Christodoulou (appointed 23 July 2015)  
John George Mavrokordatos (appointed 30 November 2015)  
George Mouskides (appointed 30 November 2015)  
Nicolaas Hendrik Deist (appointed 23 July 2015, resigned 30 November 2015)  
Gideon Johannes Oosthuizen (appointed 23 July 2015, resigned 30 November 2015)  
Marios Panayides (resigned 23 July 2015)  
Costas Severis (resigned 23 July 2015)  
Marios N. Shacolas (resigned 23 July 2015)  
Nicolas Const. Shacolas (resigned 23 July 2015)  
Eleni N. Shacola (resigned 23 July 2015)  
Demetris Demetriou (resigned 23 July 2015)

### **Company Secretary**

**Montrago Services Limited**  
195, Arch. Makariou III Str  
Neocleous House  
3030, Limassol  
Cyprus

### **Registered office**

3 Verginas Str  
The Mall of Cyprus  
Strovolos  
2025, Nicosia  
Cyprus

### **Legal Advisors**

Andreas Neocleous & Co LLC

### **Financial Controller**

Antonia Constantinou

# **The Mall of Cyprus (MC) Plc (formerly ITTL Trade Tourist and Leisure Park Plc)**

## **Declaration of the members of the Board of Directors and of other officers of the company for the financial statements**

According to Article 9, subsections (3) (c) and (7) of the Transparency Requirements (Traded Securities on a Regulated Market) Act of 2007 ('Act'), we the members of the Board of Directors and other officers responsible for the financial statements of The Mall of Cyprus Plc for the period ended 30 June 2016, we confirm that, according to our knowledge:

a) The fifteen month period financial statements presented on pages 10 to 49 were: (i) prepared in accordance with International financial Reporting Standards as adopted by the European Union and in accordance with the provisions of subsection (4) of the Act, and (ii) give a true and fair view of assets and liabilities, financial position and profit of The Mall of Cyprus Plc, and

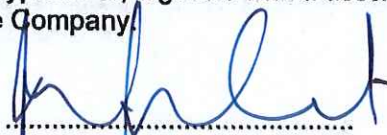
(i) prepared in accordance with International Financial Reporting Standards as adopted by the European Union and in accordance with the provisions of subsection (4) of the Act, and

(ii) give a true and fair view of assets and liabilities, financial position and profit of The Mall of Cyprus Plc, and

b) The Directors Report provides a fair overview of the developments and performance of the business and financial position of The Mall of Cyprus Plc, together with a description of the principal risks and uncertainties faced by the Company.

### **Members of the Board of Directors**

John George Mavrokordatos - Director



George Mouskides - Director



Takis Christodoulou - Director



### **Responsible for Preparation of Financial Statements**

Antonia Constantinou – Financial Controller



Nicosia, 14 October 2016

# **The Mall of Cyprus (MC) Plc (formerly ITTL Trade Tourist and Leisure Park Plc)**

## **Report of the Board of Directors**

1 The Board of Directors presents its report together with the audited financial statements of the Company for the 15 month period ended 30 June 2016.

### **Principal activities and nature of operations of the Company**

2 The principal activity of the Company is the leasing/granting of rights of use of space of its property, the Shacolas Emporium Park which includes a Shopping Mall, an IKEA store and other building developments for retail/commercial purposes.

### **Change of name and financial year end**

3 At the Company's Board of Directors meeting held on 30 November 2015, the Directors proposed to change the name of the Company from ITTL Trade Tourist and Leisure Park Plc to The Mall of Cyprus ( MC) Plc. The above proposal was ratified by the shareholders at an extraordinary General Meeting held on 23 December 2015.

4 At the same meeting the Board of Directors decided to change the financial year end of the Company from 31 December to 30 June of each respective year. In view of the fact that the Company produced audited financial statements for the period from 1 January to 31 March 2015, these financial statements cover the period from 1 April 2015 to 30 June 2016.

### **Group Structure**

5 During the year there were no changes in the Group structure of the Company. The Company does not intend to proceed with any acquisitions or mergers.

### **Review of developments, position and performance of the Company's business**

6 The operating profit of the Company for the fifteen months ended 30 June 2016 was €3,544.852 after allowing for a fair value loss of €9,711.144 (period 1 January 2015 to 31 March 2015: profit of €2,907.705). The finance costs for the period were €2,265.394 (period 1 January 2015 to 31 March 2015: €501.250). The tax credit for the fifteen months ended 30 June 2016 amounted to €350.205 (period 1 January 2015 to 31 March 2015: tax charge €415.047) which includes deferred tax credit of €867.994 (period 1 January 2015 to 31 March 2015: tax deferred charge €253.049).

7 The profit after tax of the Company for the period ended was €1,629.893 (1 January 2015 to 31 March 2015: profit of €1,991.408).

8 The total assets of the Company were €172,224,879 (31 March 2015: €181,910,150) and the net assets were €78,321,678 (31 March 2015: €76,691,785).

9 The financial position, development and performance of the Company as presented in these financial statements is considered satisfactory.

# **The Mall of Cyprus (MC) Plc (formerly ITTL Trade Tourist and Leisure Park Plc)**

## **Report of the Board of Directors (continued)**

### **Principal risks and uncertainties**

10 The principal risks and uncertainties faced by the Company are disclosed in Notes 3 and 4 of the financial statements. The Company is operating in Cyprus and has been impacted by the economic recession which has prevailed on the island in the past three years. Following three years of economic recession, the Cyprus economy has recorded positive growth throughout 2015. As from April 2015, the restrictive measures and capital controls which were in place since March 2013 have been lifted. In recognition of the progress achieved on the fiscal front and the economic recovery, as well as the enactment of the foreclosure and insolvency framework, the international credit rating agencies have upgraded the credit ratings for the Cypriot sovereign, however the rating continues to be "non-investment grade". At the same time there are some major downside risks emanating from the high level of non-performing loans in the banking sector and the limited availability of credit.

11 This operating environment, could affect (1) the ability of the Company to obtain new borrowings or re-finance its existing borrowings at terms and conditions similar to those applied to earlier transactions, (2) the ability of the Company trade and other debtors to repay the amounts due to the Company (3) the ability of the company to generate sufficient turnover from its investment properties and/or offer its services to tenants, and (4) the cash flow forecasts of the Company's management in relation to the impairment assessment for financial and non-financial assets.

### **Use of financial instruments by the Company**

12 The Company's activities expose it to a variety of financial risks: market risk (including fair value interest rate risk and cash flow interest rate risk), credit risk and liquidity risk.

13 The Company's 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 Management and approved by the Board of Directors. Management identifies, evaluates and hedges financial risks in close co operation with the Company's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as interest rate risk, credit risk, and investment of excess liquidity.

### **Cash flow and fair value interest rate risk**

14 The Company's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the Company to cash flow interest rate risk. Borrowings at fixed rates expose the Company to fair value interest rate risk. All borrowings are issued at variable rates.

# **The Mall of Cyprus (MC) Plc (formerly ITTL Trade Tourist and Leisure Park Plc)**

## **Report of the Board of Directors (continued)**

### **Cash flow and fair value interest rate risk (continued)**

15 At 30 June 2016, if interest rates on Euro-denominated borrowings had been 0,5% higher/lower with all other variables held constant, post-tax profit for the 15 month period would have been €364.551 (31 March 2015: €64.641) lower/higher, mainly as a result of higher/lower interest expense on floating rate borrowings.

16 The Company's management monitors the interest rate fluctuations on a continuous basis and acts accordingly.

### **Credit risk**

17 Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions, as well as credit exposures to wholesale and retail customers, including outstanding receivables and committed transactions.

18 For banks and financial institutions, only those that are highly rated by the Board of Directors are accepted. Management assesses the credit quality of the users of space, taking into account its financial position, past experience and other factors.

19 The Company's credit risk arises from trade receivables amounting to €538.656, other receivables amounting to €803.003 and bank balances amounting to €575.328. As of 30 June 2016, trade receivables of €46.984 (31 March 2015: €1.129) were impaired and provided for. The amount of the provision was €186.515 as of 30 June 2016 (31 March 2015: €139.531). The individually impaired receivables relate to tenants, which are in an unexpectedly difficult economic situation. It was assessed that a portion of the receivables is expected to be recovered.

### **Liquidity risk**

20 Management monitors the current liquidity position of the Company based on expected cash flows and expected revenue receipts. On a long-term basis, liquidity risk is defined based on the expected future cash flows at the time of entering into new credit facilities or loans and based on budgeted forecasts. Management believes that it is successful in managing the Company's liquidity risk.

### **Future developments of the Company**

21 The Company plans the expansion of the Mall of Cyprus by about an additional area 7.500 m<sup>2</sup> on the first floor, which will be used for retail, entertainment and cultural purposes in order to meet the demands of its customers/visitors and also increase the variety of offerings at the mall, for which space there is high demand from local and international retailers and users. With the expansion about an additional 200 parking places shall be created. The Company filed an application for a planning permit for the expansion.

# **The Mall of Cyprus (MC) Plc (formerly ITTL Trade Tourist and Leisure Park Plc)**

## **Report of the Board of Directors (continued)**

### **Visitors traffic**

22 The visitors traffic at The Mall of Cyprus for the period to 30 June 2016 amounted to 6.718.928 people.

### **Results**

23 The Company's results for the period are set out on page 10. The Board of Directors, following consideration of the availability of profits for distribution as well as the liquidity position of the Company, does not recommend the payment of a dividend and the profit for the year is retained.

### **Share capital**

24 There were no changes in the share capital of the Company.

### **Board of Directors**

25 The members of the Board of Directors at 30 June 2016 and at the date of this report are shown on page 1. None of them was member of the Board throughout the fifteen month period ended 30 June 2016. Messrs Marios Panayides, Costas Severis, Marios N. Shacolas, Nicolas Const. Shacolas, Eleni N. Shacola and Demetris Demetriou resigned on 23 July 2015. Mr Takis Christodoulou was appointed on 23 July 2015 and Messrs John George Mavrokordatos and George Mouskides appointed on 30 November 2015. Messrs Nicolaas Hendrik Deist and Gideon Johannes Oosthuizen were appointed on 23 July 2015 and resigned on 30 November 2015.

26 In accordance with the Company's Articles of Association Messrs Takis Christodoulou, John George Mavrokordatos and George Mouskides, retire at the next Annual General Meeting and, being eligible, offer themselves for re-election.

### **Events after the balance sheet date**

27 There were no material post balance sheet events, which have a bearing on the understanding of the financial statements.

### **Branches**

28 The Company did not operate through any branches during the period.

# **The Mall of Cyprus (MC) Plc (formerly ITTL Trade Tourist and Leisure Park Plc)**

## **Report of the Board of Directors (continued)**

### **Directors' interests in the Company's share capital**

29 The members of the Board of Directors did not control directly or indirectly any part of the share capital of the Company, at 30 June 2016 and as at the date of this report.

30 Except from the balances and transactions disclosed in Note 26 of the financial statements, there were no other significant contracts with the Company or its subsidiaries or related companies, in which a Director or related parties had a significant interest.

### **Main shareholders**

31 At the date of this report, the following shareholders of the Company held directly or indirectly over 5% of the Company's issued share capital:

	Percentage of shareholding %
<b>Direct shareholder:</b>	
Atterbury Cyprus Limited	99,67
<b>Indirect shareholders:</b>	
Atterbury Onroerend Goed Houdster Europa Cooperatief U.A. (Netherlands) and Steinhoff International Holdings N.V. equally through Atterbury Europe BV (Netherlands)	48,59
Attacq Limited (South Africa) through a subsidiary company	48,59

### **Independent Auditors**

32 The Independent Auditors, PricewaterhouseCoopers Limited, have expressed their willingness to continue in office. A resolution giving authority to the Board of Directors to fix their remuneration will be proposed at the Annual General Meeting.

### **By Order of the Board**

  
**Montrago Services Limited**  
Company Secretary

**MONTRAGO SERVICES LIMITED**

Nicosia,  
14 October 2016





## **Independent auditor's report**

**To the Members of The Mall of Cyprus (MC) Plc (formerly ITTL Trade Tourist and Leisure Park Plc)**

### **Report on the financial statements**

We have audited the accompanying financial statements of The Mall of Cyprus (MC) Plc (formerly ITTL Trade Tourist and Leisure Park Plc) (the "Company"), which are presented on pages 10 to 49 and comprise the balance sheet as at 30 June 2016, and the statements of comprehensive income, changes in equity and cash flows for the period then ended, and a summary of significant accounting policies and other explanatory information.

#### *Board of Directors' responsibility for the financial statements*

The Board of Directors is responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

#### *Auditor's responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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### *Opinion*

In our opinion, the financial statements give a true and fair view of the financial position of The Mall of Cyprus (MC) Plc (formerly ITTL Trade Tourist and Leisure Park Plc) as at 30 June 2016, and of its financial performance and its cash flows for the period then ended in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113.

### **Report on other legal requirements**

Pursuant to the additional requirements of the Auditors and Statutory Audits of Annual and Consolidated Accounts Laws of 2009 to 2016, we report the following:

- We have obtained all the information and explanations we considered necessary for the purposes of our audit.
- In our opinion, proper books of account have been kept by the Company, so far as appears from our examination of these books.
- The Company's financial statements are in agreement with the books of account.
- In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Cyprus Companies Law, Cap. 113, in the manner so required.
- In our opinion, the Report of the Board of Directors has been prepared in accordance with the requirement of the Cyprus Companies Law, Cap.113, and the information given therein is consistent with the financial statements.
- In our opinion and in the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Report of the Board of Directors.

### **Other matter**

This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 34 of the Auditors and Statutory Audits of Annual and Consolidated Accounts Laws of 2009 to 2016 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 whose knowledge this report may come to.



Nicos A. Theodoulou  
Certified Public Accountant and Registered Auditor  
for and on behalf of

PricewaterhouseCoopers Limited  
Certified Public Accountants and Registered Auditors

Nicosia, 14 October 2016

# The Mall of Cyprus (MC) Plc (formerly ITTL Trade Tourist and Leisure Park Plc)

## Statement of comprehensive income for the period ended 30 June 2016

	Note	For the period from 1 April 2015 to 30 June 2016 €	For the period from 1 January 2015 to 31 March 2015 €
Rights for use of space and other income	5	14,562,527	2,775,741
Administrative expenses		(1,831,951)	(184,834)
Other income	6	529,124	316,798
Other losses - net	7	(9,714,848)	-
<b>Operating profit</b>		<b>3,544,852</b>	<b>2,907,705</b>
Finance costs	10	(2,265,394)	(501,250)
Finance income	11	230	-
<b>Profit before income tax</b>		<b>1,279,688</b>	<b>2,406,455</b>
Income tax credit/(expense)	12	350,205	(415,047)
<b>Profit and total comprehensive income for the period</b>		<b><u>1,629,893</u></b>	<b><u>1,991,408</u></b>

Earnings per share attributable to the Company's shareholders (cents per share):

	Note	For the period from 1 April 2015 to 30 June 2016	For the period from 1 January 2015 to 31 March 2015
Basic and fully diluted - cents	13	1,6	2,0

The notes on pages 14 to 49 are an integral part of these financial statements.

# The Mall of Cyprus (MC) Plc (formerly ITTL Trade Tourist and Leisure Park Plc)

## Balance sheet at 30 June 2016

	Note	30 June 2016 €	31 March 2015 €
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	16	240.295	485.587
Investment property	17	<u>170.000.000</u>	<u>179.550.179</u>
		<u>170.240.295</u>	<u>180.035.766</u>
<b>Current assets</b>			
Trade and other receivables	18	1.409.256	1.851.902
Cash and bank balances	19	<u>575.328</u>	<u>22.482</u>
		<u>1.984.584</u>	<u>1.874.384</u>
<b>Total assets</b>		<u>172.224.879</u>	<u>181.910.150</u>
<b>Equity and liabilities</b>			
<b>Capital and reserves</b>			
Share capital	20	50.000.000	50.000.000
Retained earnings		<u>28.321.678</u>	<u>26.691.785</u>
<b>Total equity</b>		<u>78.321.678</u>	<u>76.691.785</u>
<b>Non-current liabilities</b>			
Borrowings	21	66.380.102	70.231.415
Deferred income tax liabilities	22	16.648.268	17.516.262
Trade and other payables	23	<u>2.750.895</u>	<u>3.075.327</u>
		<u>85.779.265</u>	<u>90.823.004</u>
<b>Current liabilities</b>			
Trade and other payables	24	4.354.241	5.214.989
Current income tax liabilities		149.181	662.809
Borrowings	21	<u>3.620.514</u>	<u>8.517.563</u>
		<u>8.123.936</u>	<u>14.395.361</u>
<b>Total liabilities</b>		<u>93.903.201</u>	<u>105.218.365</u>
<b>Total equity and liabilities</b>		<u>172.224.879</u>	<u>181.910.150</u>

On 14 October 2016 the Board of Directors of The Mall of Cyprus (MC) Plc (formerly ITTL Trade Tourist and Leisure Park Plc) authorised these financial statements for issue.

John George Mavrokordatos, Director

George Mouskides, Director

The notes on pages 14 to 49 are an integral part of these financial statements.

# The Mall of Cyprus (MC) Plc (formerly ITTL Trade Tourist and Leisure Park Plc)

## Statement of changes in equity for the period ended 30 June 2016

	Share capital €	Retained earnings <sup>(1)</sup> €	Total €
Balance at 1 January 2015	<u>50.000.000</u>	<u>24.700.377</u>	<u>74.700.377</u>
Comprehensive income			
Profit for the period	<u>-</u>	<u>1.991.408</u>	<u>1.991.408</u>
Balance at 31 March 2015	<u>50.000.000</u>	<u>26.691.785</u>	<u>76.691.785</u>
Balance at 1 April 2015	<u>50.000.000</u>	<u>26.691.785</u>	<u>76.691.785</u>
Comprehensive income			
Profit for the period	<u>-</u>	<u>1.629.893</u>	<u>1.629.893</u>
Balance at 30 June 2016	<u>50.000.000</u>	<u>28.321.678</u>	<u>78.321.678</u>

- (1) Companies which do not distribute 70% of their profits after tax, as defined by the Special Contribution for the Defence of the Republic Law, by the end of the two years after the end of the year of assessment to which the profits refer, will be deemed to have distributed this amount as dividend. Special contribution for defence at 15% will be payable on such deemed dividend to the extent that the shareholders for deemed dividend distribution purposes at the end of the period of two years from the end of the year of assessment to which the profits refer, are Cyprus tax residents. The special contribution for defence rate increased to 17% in respect of profits of year of assessment 2009 and to 20% in respect of profits of years of assessment 2010 and 2011 and is reduced back to 17% in respect of profits of years of assessment 2012 onwards. The amount of this deemed dividend distribution is reduced by any actual dividend paid out of the profits of the relevant year by the end of the period of two years from the end of the year of assessment to which the profits refer. This special contribution for defence is paid by the Company for the account of the shareholders.

The notes on pages 14 to 49 are an integral part of these financial statements.

# The Mall of Cyprus (MC) Plc (formerly ITTL Trade Tourist and Leisure Park Plc)

## Statement of cash flows for the period ended 30 June 2016

		For the period from 1 April 2015 to 30 June 2016 €	For the period from 1 January 2015 to 31 March 2015 €
	Note		
<b>Cash flows from operating activities</b>			
Profit before income tax		1,279,688	2,406,455
Adjustments for:			
Depreciation of property, plant and equipment	16	272,457	58,688
Loss on sale of property, plant and equipment	16	3,704	-
Fair value losses on investment property	17	9,711,144	-
Interest income	11	(230)	-
Interest expense	10	2,265,377	501,250
		<u>13,532,140</u>	<u>2,966,393</u>
Changes in working capital:			
Trade and other receivables		442,646	236,952
Trade and other payables		<u>(1,185,180)</u>	<u>1,039,810</u>
<b>Cash generated from operations</b>		<u>12,789,606</u>	<u>4,243,155</u>
Income tax paid		<u>(1,031,417)</u>	<u>(4,057)</u>
<b>Net cash generated from operating activities</b>		<u>11,758,189</u>	<u>4,239,098</u>
<b>Cash flows from investing activities</b>			
Purchases of property, plant and equipment	16	(30,869)	-
Purchases of investment property	17	(160,965)	(139,647)
Interest received		230	-
<b>Net cash used in investing activities</b>		<u>(191,604)</u>	<u>(139,647)</u>
<b>Cash flows from financing activities</b>			
Proceeds from bank borrowings		69,439,326	-
Repayments of bank borrowings		(59,100,000)	(3,300,000)
Proceeds from loans from related parties	26(vi)	1,503,445	719,050
Repayments of loans from related parties	26(vi)	(16,673,570)	(1,481,997)
Interest paid		<u>(2,265,377)</u>	<u>(501,250)</u>
<b>Net cash used in financing activities</b>		<u>(7,096,176)</u>	<u>(4,564,197)</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<u>4,470,409</u>	<u>(464,746)</u>
<b>Cash and cash equivalents at beginning of period</b>		<u>(3,895,081)</u>	<u>(3,430,335)</u>
<b>Cash and cash equivalents at end of period</b>	19	<u>575,328</u>	<u>(3,895,081)</u>

The notes on pages 14 to 49 are an integral part of these financial statements.

# **The Mall of Cyprus (MC) Plc (formerly ITTL Trade Tourist and Leisure Park Plc)**

## **Notes to the financial statements**

### **1 General information**

#### **Country of incorporation**

The Company is incorporated and domiciled in Cyprus as a private limited liability company in accordance with the provisions of the Cyprus Companies Law, Cap. 113 and listed on the (unregulated) Emerging Companies Market of the Cyprus Stock Exchange. Its registered office is at 3 Verginas Street, The Mall of Cyprus, Strovolos, 2025, Nicosia, Cyprus.

#### **Principal activities**

The principal activity of the Company is the leasing/granting of rights of use of space of its property, the Shacolas Emporium Park which includes a Shopping Mall, an IKEA store and other building developments for retail/commercial purposes.

#### **Change of name and financial year end**

At the Company's Board of Directors meeting held on 30 November 2015, the Directors proposed to change the name of the Company from ITTL Trade Tourist and Leisure Park Plc to The Mall of Cyprus (MC) Plc. The above proposal was ratified by the shareholders at the Extraordinary General Meeting held on 23 December 2015.

At the same meeting the Board of Directors decided to change the financial year end of the Company from 31 December to 30 June of each respective year. In view of the fact that the Company produced audited financial statements for the period from 1 January to 31 March 2015, these financial statements cover the period from 1 April 2015 to 30 June 2016.

Due to the change of financial year end from 31 December to 30 June and due to the fact that the Company has already prepared statutory financial statements for the 3 month period ended 31 March 2015, the Company currently presents financial statements for a fifteen month period from 1 April 2015 to 30 June 2016. The reason for the change is the fact that the new shareholders financial year end is 30 June. The numbers related to the results and cash flows of the comparative period (3 months) as presented in these financial statements are not comparable to the current year's figures (15 months).

# **The Mall of Cyprus (MC) Plc (formerly ITTL Trade Tourist and Leisure Park Plc)**

## **1 General information (continued)**

### **Operating environment of the Company**

Following three years of economic recession, the Cyprus economy has recorded positive growth throughout 2015. As from April 2015, the restrictive measures and capital controls which were in place since March 2013 have been lifted. In recognition of the progress achieved on the fiscal front and the economic recovery, as well as the enactment of the foreclosure and insolvency framework, the international credit rating agencies have upgraded the credit ratings for the Cypriot sovereign, however the rating continues to be "non-investment grade". At the same time there are some major downside risks emanating from the high level of non-performing loans in the banking sector and the limited availability of credit.

This operating environment, could affect (1) the ability of the Company to obtain new borrowings or re-finance its existing borrowings at terms and conditions similar to those applied to earlier transactions, (2) the ability of the Company trade and other debtors to repay the amounts due to the Company (3) the ability of the company to generate sufficient turnover from its investment properties and/or offer its services to tenants, and (4) the cash flow forecasts of the Company's management in relation to the impairment assessment for financial and non-financial assets.

The Company's management has assessed whether any impairment allowances are deemed necessary for the Company's financial assets carried at amortized cost by considering the economic situation and outlook at the end of the reporting period. Impairment of trade receivables is determined using the "incurred loss" model required by International Accounting Standard 39 "Financial Instruments: Recognition and Measurement". This standard requires recognition of impairment losses for receivables that arose from past events and prohibits recognition of impairment losses that could arise from future events, no matter how likely those future events are.

The Company's management is unable to predict all developments which could have an impact on the Cyprus economy and consequently, what effect, if any, they could have on the future financial performance, cash flows and financial position of the Company.

The Company's management believes that it is taking all the necessary measures to maintain the viability of the Company and the development of its business in the current business and economic environment.

## **2 Summary of significant accounting policies**

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

### **Basis of preparation**

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union (EU), and the requirements of the Cyprus Companies Law, Cap. 113.



# **The Mall of Cyprus (MC) Plc (formerly ITTL Trade Tourist and Leisure Park Plc)**

## **2 Summary of significant accounting policies (continued)**

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

As of the date of the authorisation of the financial statements, all International Financial Reporting Standards issued by the International Accounting Standards Board (IASB) that are effective as of 1 April 2015 have been adopted by the EU through the endorsement procedure established by the European Commission, with the exception of certain provisions of IAS 39 "Financial Instruments: Recognition and Measurement" relating to portfolio hedge accounting.

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment property.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates and requires management to exercise its judgment in the process of applying the Company'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 in Note 4.

### **Adoption of new and revised IFRSs**

During the current period the Company adopted all the new and revised International Financial Reporting Standards (IFRS) that are relevant to its operations and are effective for accounting periods beginning 1 April 2015. This adoption did not have a material effect on the accounting policies of the Company.

At the date of approval of these financial statements a number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 1 April 2015, and have not been applied in preparing these financial statements. None of these is expected to have a significant effect on the financial statements of the Company.

### **Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for the sale of services in the ordinary course of the Company's activities, net of value added taxes, returns and discounts.

The Company recognises revenue when the amount of revenue can be reliably measured, when it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the Company's activities as described below. The Company bases its estimate of return on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement. Revenues earned by the Company are recognised on the following bases:

#### **(i) Income from rights for use of space**

The income from rights for use of space is recognised on an accrual basis according to the substance of the relevant adjustments.

# **The Mall of Cyprus (MC) Plc (formerly ITTL Trade Tourist and Leisure Park Plc)**

## **2 Summary of significant accounting policies (continued)**

### **Revenue recognition (continued)**

#### **(ii) Interest income**

Interest income is recognised using the effective interest method.

#### **(iii) Lease income**

Income arising on operating leases is recognised on a straight-line basis over the lease term.

### **Employee benefits**

The Company and the employees contribute to the Government Social Insurance Fund based on employees' salaries. In addition, the Company operates a defined contribution scheme the assets of which are held in a separate trustee-administered fund. The scheme is funded by payments from employees and by the Company. The Company's contributions are expensed as incurred and are included in staff costs. The Company has no further payment obligations once the contributions have been paid. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available.

### **Foreign currency translation**

#### **(i) Functional and presentation currency**

Items included in the financial statements of each of the Company's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements are presented in Euro (€), which is the Company's functional and presentation currency.

#### **(ii) 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 profit or loss.

### **Current and deferred income tax**

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

# **The Mall of Cyprus (MC) Plc (formerly ITTL Trade Tourist and Leisure Park Plc)**

## **2 Summary of significant accounting policies (continued)**

### **Current and deferred income tax (continued)**

The current income tax is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the country in which the Company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. If applicable tax regulation is subject to interpretation, it establishes provision where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on the Company where there is an intention to settle the balances on a net basis.

### **Dividend distribution**

Dividend distribution to the Company's shareholders is recognised as a liability in the financial statements in the period in which the dividends are appropriately authorised and are no longer at the discretion of the Company. More specifically, interim dividends are recognised as a liability in the period in which these are authorised by the Board of Directors and in the case of final dividends, these are recognised in the period in which these are approved by the Company's shareholders.

### **Plant and equipment**

All plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of plant and equipment.

Depreciation on plant and equipment is calculated using the straight-line method to allocate their cost to their residual values, over their estimated useful lives. The annual depreciation rates are as follows:

# The Mall of Cyprus (MC) Plc (formerly ITTL Trade Tourist and Leisure Park Plc)

## 2 Summary of significant accounting policies (continued)

### Plant and equipment (continued)

	%
Plant and machinery	10-20
Motor vehicles	20
Signs	15
Furniture, fixtures and office equipment	15-20
Computers	33 1/3
Improvements of leasehold property	50
Art works	Nil

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

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.

Expenditure for repairs and maintenance of plant and equipment is charged to the profit or loss of the year in which they were incurred. The cost of major renovations and other subsequent expenditure are included in the carrying amount of the asset or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Gains and losses on disposal of plant and equipment are determined by comparing proceeds with carrying amount and are recognised in "other gains/(losses) – net" in profit or loss.

### Investment property

Investment property is held for long-term rental yields and capital appreciation and is not occupied by the Company. Investment property is carried at fair value, representing open market value determined annually by the Company's management, after taking into consideration all relevant available information, including valuations of independent valuers, market conditions and other factors.

# **The Mall of Cyprus (MC) Plc (formerly ITTL Trade Tourist and Leisure Park Plc)**

## **2 Summary of significant accounting policies (continued)**

### **Impairment of non-financial assets**

Intangibles that have an indefinite useful life, including goodwill, are not subject to amortisation and are tested annually for impairment or more frequently if events and changes in circumstances indicate that they might be impaired. Assets that are subject to depreciation or 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 costs to sell 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 have suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

### **Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and for which there is no intention of trading the receivable. They are included in current assets, except for maturities greater than twelve months after the balance sheet date. These are classified as non current assets. The Company's loans and receivables comprise "trade and other receivables" and "cash and cash equivalents" in the balance sheet.

Loans and receivables are initially recognised at fair value plus transaction costs. Loans and receivables are derecognised when the rights to receive cash flows from the loans and receivables have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. Loans and receivables are carried at amortised cost using the effective interest method.

The Company assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. An allowance for loan impairment is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original contractual terms of loans. Significant financial difficulties of the borrower, probability that the borrower will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the receivable is impaired. The amount of the provision is the difference between the carrying amount and the recoverable amount, being the present value of estimated future cash flows, discounted at effective interest rate. The amount of the provision is recognised in profit or loss.

### **Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount is reported in the balance sheet when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

# **The Mall of Cyprus (MC) Plc (formerly ITTL Trade Tourist and Leisure Park Plc)**

## **2 Summary of significant 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 receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or delinquency in payments are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the carrying amount and the recoverable amount, being the present value of estimated future cash flows, discounted at the 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 profit or loss within "selling and marketing costs". 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 "selling and marketing costs" in profit or loss.

### **Share capital**

Ordinary shares are classified as equity.

### **Provisions**

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

# **The Mall of Cyprus (MC) Plc (formerly ITTL Trade Tourist and Leisure Park Plc)**

## **2 Summary of significant accounting policies (continued)**

### **Borrowings**

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings, using the effective interest method, unless they are directly attributable to the acquisition, construction or production of a qualifying asset, in which case they are capitalised as part of the cost of that asset.

The carrying amount of the bank borrowings of the Company is adjusted to reflect revised estimated cash flows. The Company recalculates the carrying amount of the borrowings, by computing the present value of estimated future cash flows at the financial instrument's original effective interest rate. The adjustment is recognised in profit or loss within finance cost.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment (for liquidity services) and amortised over the period of the facility to which it relates.

Borrowing costs are interest and other costs that the Company incurs in connection with the borrowing of funds, including interest on borrowings, amortisation of discounts or premium relating to borrowings, amortisation of ancillary costs incurred in connection with the arrangement of borrowings, finance lease charges and exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset, being an asset that necessarily takes a substantial period of time to get ready for its intended use or sale, are capitalised as part of the cost of that asset, when it is probable that they will result in future economic benefits to the Company and the costs can be measured reliably.

Borrowings are classified as current liabilities, unless the Company has an unconditional right to defer settlement of the liability for at least twelve months after the balance sheet date.

### **Trade payables**

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade and other payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

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

# **The Mall of Cyprus (MC) Plc (formerly ITTL Trade Tourist and Leisure Park Plc)**

## **2 Summary of significant accounting policies (continued)**

### **Cash and cash equivalents**

In the statement of cash flows, cash and cash equivalents include cash in hand, deposits held at call with banks with original maturity of three months or less and bank overdrafts. In the balance sheet bank overdrafts are shown within borrowings in current liabilities.

### **Deferred income**

Deferred income represents payments made by the various tenants for additional construction work and alterations made to the leased premises and which are recognised in the comprehensive income during the lease term.

### **Segmental analysis**

The Company believes that there are no separate operating segments under IFRS8 'Operating Segments' for which there is a discrete financial information for making decisions on allocating resources and evaluating their performance. The Management of the Company (Board of Directors) (upper body for making operational decisions) take decisions for resource allocation and assessing their performance based on internal reports at Company level. These reports are consistent with IFRS which were used for the preparation of the financial statements. There is no additional information on the performance of individual segments.

### **Comparatives**

The corresponding figures presented in these financial statements relating to the statement of comprehensive income, statement of changes in equity and statement of cash flows for the period 1 January 2015 to 31 March 2015 are not entirely comparable to current period's figures.

## **3 Financial risk management**

### **(i) Financial risk factors**

The Company's activities expose it to a variety of financial risks: market risk (including fair value interest rate risk and cash flow interest rate risk), credit risk and liquidity risk.



# **The Mall of Cyprus (MC) Plc (formerly ITTL Trade Tourist and Leisure Park Plc)**

## **3 Financial risk management (continued)**

### **(i) Financial risk factors (continued)**

The Company's 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 Management under policies approved by the Board of Directors. Management identifies, evaluates and hedges financial risks in close co-operation with the Company's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as interest rate risk, credit risk, and investment of excess liquidity.

- **Market risk**

- Cash flow and fair value interest rate risk**

- As the Company has no significant interest-bearing assets, the Company's income and operating cash flows are substantially independent of changes in market interest rates.

- The Company's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the Company to cash flow interest rate risk. Borrowings at fixed rates expose the Company to fair value interest rate risk. All borrowings are issued at variable rates.

- At 30 June 2016, if interest rates on Euro-denominated borrowings had been 0,5% higher/lower with all other variables held constant, post-tax profit for the 15 month period would have been €364.551 (31 March 2015: €64.641) lower/higher, mainly as a result of higher/lower interest expense on floating rate borrowings.

- The Company's management monitors the interest rate fluctuations on a continuous basis and acts accordingly.

- **Credit risk**

- Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions, as well as credit exposures to wholesale and retail customers, including outstanding receivables and committed transactions.

- For banks and financial institutions, only those that are highly rated by the Board of Directors are accepted. Management assesses the credit quality of the users of space, taking into account its financial position, past experience and other factors. See Note 15 for further disclosure on credit risk.

# The Mall of Cyprus (MC) Plc (formerly ITTL Trade Tourist and Leisure Park Plc)

## 3 Financial risk management (continued)

### (i) Financial risk factors (continued)

#### • Liquidity risk

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows, except for the balances of trade and other payables that are presented using their accounting value.

	Less than 1 year €	Between 1 and 2 years €	Between 2 to 5 years €	Over 5 years €
<b>At 31 March 2015</b>				
Borrowings	10,023,674	57,689,778	15,679,680	-
Trade and other payables	<u>4,241,834</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>14,265,508</u>	<u>57,689,778</u>	<u>15,679,680</u>	<u>-</u>
	€	€	€	€
<b>At 30 June 2016</b>				
Borrowings	6,060,000	6,060,000	19,540,000	60,773,371
Trade and other payables	<u>4,114,057</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>10,174,057</u>	<u>6,060,000</u>	<u>19,540,000</u>	<u>60,773,371</u>

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The management maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors rolling forecasts of the Company's liquidity reserve (comprises undrawn borrowing facility (Note 21) and cash and cash equivalents (Note 19) on the basis of expected cash flow. Based on their experience, management considers that the bank overdraft will continue to be renewed normally on an annual basis.

### (ii) Capital risk management

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

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

The Company monitors capital on the bases of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the balance sheet) less cash and cash equivalents. Total capital is calculated using 'equity' as shown in the balance sheet plus net debt.

# The Mall of Cyprus (MC) Plc (formerly ITTL Trade Tourist and Leisure Park Plc)

## 3 Financial risk management (continued)

### (ii) Capital risk management (continued)

During the period ended 30 June 2016, the Company's strategy, which was unchanged from prior period, was to maintain the gearing ratio within 50% to 70%. The gearing ratios at 30 June 2016 and 31 March 2015 were as follows:

	30 June 2016 €	31 March 2015 €
Total borrowings (Note 21)	70.000.616	78.748.978
Less: cash and cash equivalents (Note 19)	<u>(575.328)</u>	<u>(22.482)</u>
Net debt	69.425.288	78.726.496
Total equity	<u>78.321.678</u>	<u>76.691.785</u>
Total capital as defined by management	<u>147.746.966</u>	<u>155.418.281</u>
Gearing ratio	47%	51%

### (iii) Fair value estimation

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available for similar financial instruments.

Refer to Note 17 for disclosure of fair value for Investment Properties carried at fair value.

## 4 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

### Critical accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

# **The Mall of Cyprus (MC) Plc (formerly ITTL Trade Tourist and Leisure Park Plc)**

## **4 Critical accounting estimates and judgements (continued)**

### **Critical accounting estimates and assumptions (continued)**

- **Income taxes**

Significant judgment is required in determining the provision for income taxes. There are transactions and calculations for which the ultimate tax determination is uncertain. The Company recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

- **Fair value of investment property**

The fair value of investment property is determined using valuation techniques which entail a significant degree of judgement and uncertainty. Refer to Note 17 for the relevant disclosure of valuation technique used for the determination of the fair value of the Company's investment properties.

- **Related party transactions**

In the normal course of business the Company enters into transactions with its related parties. Judgement is applied in determining if transactions are priced at market or non-market rates, where there is no active market for such transactions.

# The Mall of Cyprus (MC) Plc (formerly ITTL Trade Tourist and Leisure Park Plc)

## 4 Critical accounting estimates and judgements (continued)

### Critical judgements in applying the Company's accounting policies

- Borrowings restructuring**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts, including costs or fees incurred for the modification, is recognised in profit or loss.

In assessing whether a modification in the terms of a financial liability is substantial, management considers whether the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10% different from the discounted present value of the remaining cash flows of the original financial liability.

During the period, the terms of the Company's bank loan agreement were amended resulting into a change in the bank margin from 1,25% to 0,95%. Management has assessed whether the modification in the terms of the bank loan was substantial and concluded that this was not on the basis of the fact that the discounted present value of the cash flows under the new terms and discounted using the original effective interest rate was less than 10% different from the discounted present value of the remaining cash flows of the original financial liability. As a result, the existing bank loan was not derecognised.

The gain resulting from this modification was recognised in the Company's income statement within Finance costs, as a reduction in interest expense, since management considers that this treatment more appropriately reflects the substance of the arrangement.

## 5 Rights for use of space and other revenue

	For the period from 1 April 2015 to 30 June 2016 €	For the period from 1 January 2015 to 31 March 2015 €
Rights for use of space	13.633.880	2.595.493
Lease income	<u>928.647</u>	<u>180.248</u>
	<u>14.562.527</u>	<u>2.775.741</u>

# The Mall of Cyprus (MC) Plc (formerly ITTL Trade Tourist and Leisure Park Plc)

## 6 Other income

	For the period from 1 April 2015 to 30 June 2016 €	For the period from 1 January 2015 to 31 March 2015 €
Other operating income	<u>529.124</u>	<u>316.798</u>

## 7 Other losses - net

	For the period from 1 April 2015 to 30 June 2016 €	For the period from 1 January 2015 to 31 March 2015 €
Investment property:		
Fair value loss (Note 17)	<u>(9.711.144)</u>	-
Property, plant and equipment:		
Loss on sale (Note 16)	<u>(3.704)</u>	-
<b>Total other losses - net</b>	<u><b>(9.714.848)</b></u>	<u>-</u>

## 8 Expenses by nature

	For the period from 1 April 2015 to 30 June 2016 €	For the period from 1 January 2015 to 31 March 2015 €
Depreciation (Note 16)	272.457	58.688
Repairs and maintenance	9.281	2.867
Insurance	7.107	7.107
Auditors' remuneration	20.000	18.000
Auditors' remuneration-prior year	(3.131)	-
Trade receivables - impairment charge for receivables/(reversal of impairment) (Note 18)	46.984	(46.066)
Advertising and promotion	-	8.636
Transportation expenses	552	-
Other expenses	174	5.121
Professional fees	87.184	56.433
Directors' fees	6.250	5.000
Internal audit fees	-	3.735
Stamps duty	2.968	296
Bank charges	4.514	933
Common expenses	288.837	61.684
Write off of receivables	93.348	-
Management fees (Note 26 (ii))	993.026	-
Donations	<u>2.400</u>	<u>2.400</u>
<b>Total administrative expenses</b>	<u><b>1.831.951</b></u>	<u><b>184.834</b></u>

# The Mall of Cyprus (MC) Plc (formerly ITTL Trade Tourist and Leisure Park Plc)

## 8 Expenses by nature (continued)

The total fees charged by the Company's statutory auditor for the statutory audit of the financial statements of the Company for the fifteen period ended 30 June 2016 amounted to €20.000 (31 March 2015: €18.000). The total fees charged by the Company's statutory auditor for the fifteen period ended 30 June 2016 for tax advisory services amounted to €10.550 (period from 1 January 2015 to 31 March 2015: €900), for other assurance services, €12.000 (period from 1 January 2015 to 31 March 2015: €Nil).

## 9 Staff costs

	For the period from 1 April 2015 to 30 June 2016 €	For the period from 1 January 2015 to 31 March 2015 €
Wages and salaries	347.709	51.212
Social insurance costs	41.198	1.613
Provident fund contributions	2.860	387
Transferred to common expenses	<u>(391.767)</u>	<u>(53.212)</u>
	<u>-</u>	<u>-</u>
Average number of staff employed during the year	<u>14</u>	<u>10</u>

## 10 Finance costs

	For the period from 1 April 2015 to 30 June 2016 €	For the period from 1 January 2015 to 31 March 2015 €
Interest expense:		
Bank borrowings	1.878.515	303.018
Loans from parent entity and minority shareholder (Note 26(vi))	384.412	198.231
Other interest expense	<u>2.450</u>	<u>1</u>
Total interest expense	2.265.377	501.250
Net foreign exchange loss	<u>17</u>	<u>-</u>
	<u>2.265.394</u>	<u>501.250</u>

# The Mall of Cyprus (MC) Plc (formerly ITTL Trade Tourist and Leisure Park Plc)

## 11 Finance income

	For the period from 1 April 2015 to 30 June 2016 €	For the period from 1 January 2015 to 31 March 2015 €
Interest income:		
Bank balances	<u>230</u>	<u>-</u>
	<u>230</u>	<u>-</u>

## 12 Income tax expense

	For the period from 1 April 2015 to 30 June 2016 €	For the period from 1 January 2015 to 31 March 2015 €
<b>Current tax:</b>		
Corporation tax	495.131	145.076
Defence contribution	20.895	4.056
Under provision of prior years' taxes:		
Defence contribution	1.763	-
Capital gains tax	<u>-</u>	<u>12.866</u>
Total current tax	<u>517.789</u>	<u>161.998</u>
<b>Deferred tax (Note 22):</b>		
Origination and reversal of temporary differences	<u>(867.994)</u>	<u>253.049</u>
Total deferred tax	<u>(867.994)</u>	<u>253.049</u>
Income tax (credit)/expense	<u>(350.205)</u>	<u>415.047</u>

The tax on the Company's profit before tax differs from the theoretical amount that would arise using the applicable tax rate as follows:

	For the period from 1 April 2015 to 30 June 2016 €	For the period from 1 January 2015 to 31 March 2015 €
Profit before tax	<u>1.279.688</u>	<u>2.406.455</u>
Tax calculated at the applicable corporation tax rate of 12,5%	159.961	299.199
Tax effect of expenses not deductible for tax purposes	2.906	36.744
Tax effect of allowances and income not subject to tax	(201.487)	(27.171)
Special contribution for defence	22.658	4.056
Difference between capital gains tax rate and income tax rate and effect of inflation	(334.243)	89.353
Write off of prior year taxes	<u>-</u>	<u>12.866</u>
Income tax (credit)/charge	<u>(350.205)</u>	<u>415.047</u>



# The Mall of Cyprus (MC) Plc (formerly ITTL Trade Tourist and Leisure Park Plc)

## 12 Income tax expense (continued)

The Company is subject to income tax on taxable profits at the rate of 10% up to 31 December 2012, and at the rate of 12,5% as from 1 January 2013.

As from tax year 2012 brought forward losses of only five years may be utilised.

From 1 January 2009 onwards, under certain conditions, interest may be exempt from income tax and be subject only to special contribution for defence at the rate of 10%; increased to 15% as from 31 August 2011, and to 30% as from 29 April 2013.

## 13 Earnings per share

The basic and fully diluted earnings per share are calculated by dividing the profit attributable to the Company's shareholders by the weighted average number of issued shares during the year.

	For the period from 1 April 2015 to 30 June 2016 €	For the period from 1 January 2015 to 31 March 2015 €
Profit for the year attributable to shareholders	<u>1.629.893</u>	<u>1.991.408</u>
Weighted average number of issued shares	<u>100.000.000</u>	<u>100.000.000</u>
Basic and diluted earnings per share - cents	<u>1.6</u>	<u>2.0</u>

## 14 Financial instruments by category

	Loans and receivables €
<b>30 June 2016</b>	
<b>Assets as per balance sheet</b>	
Trade and other receivables (excluding prepayments)	1.341.659
Cash and cash equivalents	<u>575.328</u>
<b>Total</b>	<u>1.916.987</u>
	<b>Other financial liabilities €</b>
<b>Liabilities as per balance sheet</b>	
Borrowings	70.000.616
Trade and other payables (excluding statutory liabilities)	<u>7.105.136</u>
<b>Total</b>	<u>77.105.752</u>

# The Mall of Cyprus (MC) Plc (formerly ITTL Trade Tourist and Leisure Park Plc)

## 14 Financial instruments by category (continued)

	Loans and receivables €
<b>31 March 2015</b>	
<b>Assets as per balance sheet</b>	
Trade and other receivables (excluding prepayments)	1.726.682
Cash and cash equivalents	<u>22.482</u>
<b>Total</b>	<u><b>1.749.164</b></u>
	Other financial liabilities €
<b>Liabilities as per balance sheet</b>	
Borrowings	78.748.978
Trade and other payables (excluding statutory liabilities)	<u>8.286.450</u>
<b>Total</b>	<u><b>87.035.428</b></u>

## 15 Credit quality of financial assets

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates:

	30 June 2016 €	31 March 2015 €
<b>Trade receivables</b>		
Counterparties without external credit rating		
Group 1	17.507	715.587
Group 2	-	96.986
Group 3	<u>807.798</u>	<u>397.905</u>
	<u><b>825.305</b></u>	<u><b>1.210.478</b></u>
	30 June 2016 €	31 March 2015 €
<b>Cash at bank and short-term bank deposits (as per Moody's report on 15 April 2015)<sup>(1)</sup></b>		
Caa1	-	4.437
Caa3	<u>575.100</u>	<u>17.695</u>
	<u><b>575.100</b></u>	<u><b>22.132</b></u>

<sup>(1)</sup> The rest of the balance sheet item 'cash and cash equivalents' is cash in hand.

Group 1 – existing customers (more than 6 months) with no defaults in the past.

Group 2 – companies within the group, common control companies and associates with no defaults in the past.

Group 3 – other receivables

None of the financial assets that are fully performing has been renegotiated in the last year.

None of the loans and receivables from related parties is past due or impaired.

# The Mall of Cyprus (MC) Plc (formerly ITTL Trade Tourist and Leisure Park Plc)

## 16 Property, plant and equipment

	Computer Hardware €	Plant and Machinery €	Furniture, fixtures and office equipment €	Signs €	Improvements of leasehold property €	Art works €	Total €
<b>At 1 January 2015</b>							
Cost	51,120	1,169,697	574,886	341,188	58,500	140,490	2,335,881
Accumulated depreciation	(41,561)	(825,535)	(546,257)	(319,753)	(58,500)	-	(1,791,606)
Net book amount	9,559	344,162	28,629	21,435	-	140,490	544,275
<b>Period ended 31 March 2015</b>							
Opening net book amount	9,559	344,162	28,629	21,435	-	140,490	544,275
Depreciation charge (Note 8)	(838)	(48,365)	(5,740)	(3,745)	-	-	(58,688)
Closing net book amount	8,721	295,797	22,889	17,690	-	140,490	485,587
<b>At 31 March 2015</b>							
Cost	51,120	1,169,697	574,886	341,188	58,500	140,490	2,335,881
Accumulated depreciation	(42,399)	(873,900)	(551,997)	(323,498)	(58,500)	-	(1,850,294)
Net book amount	8,721	295,797	22,889	17,690	-	140,490	485,587
<b>Period ended 30 June 2016</b>							
Opening net book amount	8,721	295,797	22,889	17,690	-	140,490	485,587
Additions	959	24,550	5,360	-	-	-	30,869
Disposals-Cost	-	(3,704)	-	-	-	-	(3,704)
Depreciation charge (Note 8)	(4,588)	(236,946)	(16,609)	(14,314)	-	-	(272,457)
Closing net book amount	5,092	79,697	11,640	3,376	-	140,490	240,295
<b>At 30 June 2016</b>							
Cost	52,079	1,188,715	580,246	341,188	58,500	140,490	2,362,218
Accumulated depreciation	(46,987)	(1,110,018)	(568,606)	(337,812)	(58,500)	-	(2,121,923)
Net book amount	5,092	79,697	11,640	3,376	-	140,490	240,295

# The Mall of Cyprus (MC) Plc (formerly ITTL Trade Tourist and Leisure Park Plc)

## 16 Property, plant and equipment (continued)

	For the period from 1 April 2015 to 30 June 2016 €	For the period from 1 January 2015 to 31 March 2015 €
Net book amount	3.704	-
Loss on sale of property, plant and equipment (Note 7)	<u>(3.704)</u>	<u>-</u>
Proceeds from sale of property, plant and equipment	<u>-</u>	<u>-</u>

## 17 Investment property

	30 June 2016 €	31 March 2015 €
At beginning of period	179.550.179	179.410.532
Additions	160.965	139.647
Fair value losses (Note 7)	<u>(9.711.144)</u>	<u>-</u>
At end of period	<u>170.000.000</u>	<u>179.550.179</u>

The investment properties are valued annually on 30 June 2016 (previously 31 December) at fair value comprising open-market value based on valuations, by an independent, professionally qualified valuer. Fair value is based in active market process, adjusted, if necessary, for any differences in the nature, location or condition of the specific asset. If the information is not available, the Company uses alternative valuation methods such as recent prices or less active markets or discounted cash flow projections. These valuations are reviewed annually by independent valuers. Changes in fair value are recorded in profit or loss and are included in "other gains-net".

The Company's investment property is measured at fair value. The Company holds one class of investment property being the Shacolas Emporium Park which includes a Shopping Mall, an IKEA store, Annex 3 and Annex 4.

The following table analyses investment property carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1)
- 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 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The Company has classified its Investment property in Level 3 of the hierarchy.

# The Mall of Cyprus (MC) Plc (formerly ITTL Trade Tourist and Leisure Park Plc)

## 17 Investment property (continued)

	Cyprus Shopping Mall €	30 June 2016 Total €	31 March 2015 Total
Fair Value at 1 April 2015/1 January 2014	179.550.179	179.550.179	179.410.532
Additions	160.965	160.965	139.647
Net loss from fair value adjustments on investment property	(9.711.144)	(9.711.144)	-
Fair value at 30 June 2016/31 March 2015	<u>170.000.000</u>	<u>170.000.000</u>	<u>179.550.179</u>

Bank borrowings are secured on the Company's investment property for €86.000.000 (31 March 2015: €74.000.000)

### Valuation processes

The Company's investment properties were valued at 30 June 2016 by independent professionally qualified valuers Landtourist Valuations LLC, who hold recognised relevant professional qualification and have recent experience in the locations and segments of the investment properties valued. For all investment properties, their current use equates to the highest and best use. The Company's finance department reviews the valuations performed by the independent valuers for financial reporting purposes. Discussions of valuation processes and results are held between the CFO, Management, and the independent valuers at least once every year. At each financial year end the finance department:

- verifies all major inputs to the independent valuation report
- assesses property valuation movements when compared to the prior year valuation report; and
- holds discussions with the independent valuer.

#### Information about fair value measurement using significant unobservable inputs (Level 3) - 30 June 2016

Property	Valuation €	Valuation technique	Discount rate %	Terminal capitalisation rate %	Revenue in year 1 €	Revenue growth %
Cyprus	170.000.000	Income approach - Discounted cash flows	4 - 10	4 - 8	10.746.888	1

#### Information about fair value measurement using significant unobservable inputs (Level 3) - 31 March 2015

Property	Valuation €	Valuation technique	Occupancy rate %	Rental yield %	Licence Fee/Rental Value per square meter per month €
Cyprus	179.550.179	Income approach - Income capitalisation method	99	6,5	13 - 203

# The Mall of Cyprus (MC) Plc (formerly ITTL Trade Tourist and Leisure Park Plc)

## 17 Investment property (continued)

		Sensitivity of management's estimates – 30 June 2016			
		Change in discount rate			
			-0,50%	0,00%	0,50%
Cyprus Shopping Mall	Change in terminal capitalisation rate	-0,50%	170.887.318	170.595.820	170.304.991
		0,00%	170.290.304	170.000.000	169.710.362
		0,50%	169.699.231	169.410.109	169.121.649
		Change in discount rate			
			-0,50%	0,00%	0,50%
Cyprus Shopping Mall	Change in revenue	-10,00%	166.564.664	161.267.492	161.763.720
		0,00%	177.859.916	170.000.000	169.710.362
		10,00%	193.673.869	193.614.655	187.640.626
		Sensitivity of management's estimates – 31 March 2015			
		Change in discount rate			
			-0,50%	0,00%	0,50%
Cyprus Shopping Mall	Change in rent	-10,00%	168.750.000	155.769.231	144.642.857
		0,00%	187.500.000	179.550.179	160.714.286
		10.00%	206.250.000	190.384.615	176.785.714

Revenues are derived from a large number of tenants and no single tenant or group under common control contributes more than 25% of the Company's revenues.

There are inter-relationships between unobservable inputs. Increase/Decrease in the rental income per square meter results in higher/lower fair value. Increase/decrease in rental yield results in lower/higher fair value. For investment property under construction, increases in construction costs that enhance the property's features may result in an increase in future rental values. An increase in the future rental income may be linked with higher costs. If the remaining lease term increases the yield may decrease.

### Valuation techniques underlying management's estimation of fair value

The valuation was determined using discounted cash flow projections based on significant unobservable inputs. These inputs include:

Future rental cash inflows	based on the actual location, type and quality of the properties and supported by the terms of any existing lease, other contracts or external evidence such as current market rents for similar properties;
Discount rates	reflecting current market assessments of the uncertainty in the amount and timing of cash flows;
Estimated vacancy rates	based on current and expected future market conditions after expiry of any current lease
Maintenance costs	including necessary investments to maintain functionality of the property for its expected useful life;
Capitalisation rates	based on actual location; size and quality of the properties and taking into account market data at the valuation date;
Terminal value	taking into account assumptions regarding maintenance costs, vacancy rates and market rents

# The Mall of Cyprus (MC) Plc (formerly ITTL Trade Tourist and Leisure Park Plc)

## 17 Investment property (continued)

During the period there was a change in valuation technique. Up to 31 March 2015 management used the Income Capitalization Method in estimating the fair value of its investment property. During the current period management decided to change the valuation technique and used the Discounted Cash Flows Model. Both methods are consistent with the Income Approach method presented per IFRS 13 "Fair Value Measurement". The new management believes that the Discounted Cash Flows valuation technique is appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. The Discounted Cash Flow method is a valuation method which is widely used for valuing income generating properties and is especially used for assets such as shopping malls. The change in valuation technique described above is a change in accounting estimate in accordance with provision of IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors".

## 18 Trade and other receivables

	30 June 2016 €	31 March 2015 €
Trade receivables	725.171	1.371.322
Less: Provision for impairment of receivables	<u>(186.515)</u>	<u>(139.531)</u>
Trade receivables - net	538.656	1.231.791
Receivables from related parties (Note 26(v))	-	96.986
Other receivables	803.003	397.905
Prepayments	62.802	110.681
Advances	<u>4.795</u>	<u>14.539</u>
	<u>1.409.256</u>	<u>1.851.902</u>

The fair values of trade and other receivables approximate their carrying amounts.

As of 30 June 2016, trade receivables of €17.506 (31 March 2015: €717.587) were fully performing (outstanding 1 - 30 days).

Trade receivables that are less than six months past due are not considered impaired. As of 30 June 2016, trade receivables of €521.150 (31 March 2015: €516.204) 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:

	30 June 2016 €	31 March 2015 €
Up to 3 months	287.078	277.399
3 to 6 months	<u>234.072</u>	<u>238.805</u>
	<u>521.150</u>	<u>516.204</u>

# The Mall of Cyprus (MC) Plc (formerly ITTL Trade Tourist and Leisure Park Plc)

## 18 Trade and other receivables (continued)

Movements on the Company's provision for impairment of trade receivables are as follows:

	30 June 2016 €	31 March 2015 €
At 1 April/January	139.531	204.660
Provision for receivables impairment (Note 8)	46.984	1.129
Reversal of impairment charge	-	(47.195)
Recoveries in the year	-	(19.063)
At end of period/ year	<u>186.515</u>	<u>139.531</u>

The creation and release of provision for impaired receivables have been included in 'administrative expenses' in profit or loss (Note 8). Amounts charged to the allowance account are generally written off, when there is no expectation of recovering additional cash.

The other classes within trade and other receivables do not contain impaired or past due assets.

The maximum exposure to credit risk at the balance sheet date is the carrying value of each class of receivable mentioned above. The Company does not hold any collateral as security.

The carrying amounts of the Company's trade and other receivables are denominated in the following currencies:

	30 June 2016 €	31 March 2015 €
Euro - functional and presentation currency	<u>1.409.256</u>	<u>1.851.902</u>

## 19 Cash and bank balances

	30 June 2016 €	31 March 2015 €
Cash at bank and in hand	<u>575.328</u>	<u>22.482</u>

Cash, cash equivalents and bank overdrafts include the following for the purposes of the statement of cash flows:

	For the period from 1 April 2015 to 30 June 2016 €	For the period from 1 January 2015 to 31 March 2015 €
Cash and bank balances	575.328	22.482
Bank overdrafts (Note 21)	-	(3.917.563)
	<u>575.328</u>	<u>(3.895.081)</u>



# The Mall of Cyprus (MC) Plc (formerly ITTL Trade Tourist and Leisure Park Plc)

## 19 Cash and bank balances (continued)

Cash and cash equivalents are denominated in the following currencies:

	30 June 2016 €	31 March 2015 €
Euro - functional and presentation currency	<u>575.328</u>	<u>22.482</u>

## 20 Share capital

	Number of shares	€
At 31 March 2015 and 30 June 2016	<u>100 000 000</u>	<u>50.000.000</u>

The total authorized number of ordinary shares is 171 000 000 shares (31 March 2015: 171 000 000 shares) with a par value of €0,50 per share. All issued shares are fully paid.

## 21 Borrowings

	30 June 2016 €	31 March 2015 €
<b>Current</b>		
Bank overdrafts (Note 19)	-	3.917.563
Bank borrowings	<b>3.059.224</b>	3.600.000
Borrowings from parent entity and minority shareholder (Note 26(vi))	<b>280.688</b>	1.000.000
Borrowings from related parties (Note 26(vi))	<u><b>280.602</b></u>	-
	<u><b>3.620.514</b></u>	<u>8.517.563</u>
<b>Non-current</b>		
Bank borrowings	<b>66.380.102</b>	55.500.000
Borrowings from parent entity and minority shareholder (Note 26(vi))	-	10.918.630
Borrowings from related party (Note 26(vi))	-	<u>3.812.785</u>
	<u><b>66.380.102</b></u>	<u>70.231.415</u>
<b>Total borrowings</b>	<u><b>70.000.616</b></u>	<u>78.748.978</u>
<b>Maturity of non-current borrowings</b>		
Between 1 and 2 years	<b>3.196.890</b>	56.500.000
Between 2 and 5 years	<b>11.925.804</b>	13.731.415
Over 5 years	<u><b>51.257.408</b></u>	-
	<u><b>66.380.102</b></u>	<u>70.231.415</u>

On 10 July 2015, the Company secured borrowings amounting to €84.000.000. The borrowings consist of two loans of €74.000.000 and €10.000.000 respectively. The total transaction fees amounted to €755.000 which were capitalised and are amortised over the period of the loan. These new borrowing facilities were used to repay all borrowings held at that date.

The loan of €74.000.000 bears interest at the rate of Business Bank Rate plus margin of 1,25% and is repayable by August 2030.

# The Mall of Cyprus (MC) Plc (formerly ITTL Trade Tourist and Leisure Park Plc)

## 21 Borrowings (continued)

The Company's loan agreement was amended on 6 April 2016, whereby the terms of payments were changed. The bank margin was changed from 1,25% to 0,95%. As a result of this change a profit amounting to €1.605.140 has been recognised in finance costs (Note 10).

The loan of €10.000.000 bears interest at the rate of Business Bank Rate plus margin of 1,50% and is repayable by June 2030. This loan has not yet been drawn by the Company and will be payable by the bank once certificate of completed work/work in progress are presented for the extension of the Mall of Cyprus.

The bank loans are secured as follows:

- (i) By mortgage on the Company's land and buildings (Note 17) for €86.000.000 (31 March 2015: €74.000.000).
- (ii) Pledge of 52 300 000 shares held by Atterbury Cyprus Limited in The Mall of Cyprus (MC) Plc.
- (iii) Assignment of €86.000.000 from the rights of use of space in the Shacolas Emporium Park,
- (iv) By corporate guarantees from parent company for the amount of €76.400.000,
- (v) By corporate guarantee from The Mall of Engomi Plc for the amount of €86.000.000,
- (vi) By floating charge of €86.000.000 on the assets of the Mall of Cyprus Plc.
- (vii) Pledge of local quoted securities of €29.418.750.

The weighted average effective interest rates at the balance sheet date were as follows:

	30 June 2016 %	31 March 2015 %
Bank overdrafts	-	6,00
Bank borrowings	3,84	1,61
Borrowings from parent entity (Note 26(vi))	4,69	5,00
Borrowings from related parties (Note 26(vi))	4,69	4,50

The Company's bank borrowings and bank overdrafts are arranged at floating rates. Borrowings at floating rates expose the Company to cash flow interest rate risk.

The exposure of the Company's borrowings to interest rate changes and the contractual repricing dates at the balance sheet dates are as follows:

	30 June 2016 €	31 March 2015 €
6 months or less	70.000.616	63.017.563
1-5 years	-	15.731.415
	<u>70.000.616</u>	<u>78.748.978</u>

# The Mall of Cyprus (MC) Plc (formerly ITTL Trade Tourist and Leisure Park Plc)

## 21 Borrowings (continued)

The Company has the following undrawn borrowing facilities:

	30 June 2016 €	31 March 2015 €
Floating rate:		
Expiring within one year	<u>2.000.000</u>	<u>19.444</u>

The carrying amounts of borrowings approximate their fair value.

The carrying amounts of the Company's borrowings are denominated in the following currencies:

	30 June 2016 €	31 March 2015 €
Euro - functional and presentation currency	<u>70.000.616</u>	<u>78.748.978</u>

## 22 Deferred income tax liabilities

The analysis of deferred income tax assets and deferred income tax liabilities are as follows:

	30 June 2016 €	31 March 2015 €
<b>Deferred income tax liabilities:</b>		
- Deferred tax liabilities to be settled after more than twelve months	<u>16.648.268</u>	<u>17.516.262</u>
Deferred income tax liabilities - net	<u>16.648.268</u>	<u>17.516.262</u>

The gross movement on the deferred income tax account is as follows:

	30 June 2016 €	31 March 2015 €
At beginning of period	17.516.262	17.263.213
Charge included in profit or loss (Note 12)	<u>(867.994)</u>	<u>253.049</u>
At end of period	<u>16.648.268</u>	<u>17.516.262</u>

The movement in deferred tax assets and liabilities during the period, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

### Deferred tax liabilities

	Difference between depreciation and wear and tear allowance €	Fair value gains on investment properties €	Total €
At 1 January 2015	4.038.863	13.224.350	17.263.213
Charged to:			
Profit or loss (Note 12)	<u>163.696</u>	<u>89.353</u>	<u>253.049</u>
At 31 March 2015/1 April 2016	4.202.559	13.313.703	17.516.262
Charged to:			
Profit or loss (Note 12)	<u>680.142</u>	<u>(1.548.136)</u>	<u>(867.994)</u>
At 30 June 2016	<u>4.882.701</u>	<u>11.765.567</u>	<u>16.648.268</u>

# The Mall of Cyprus (MC) Plc (formerly ITTL Trade Tourist and Leisure Park Plc)

## 23 Trade and other payables-non current

	30 June 2016 €	31 March 2015 €
Operating lease advances	1.644.666	1.658.867
Deferred Income	1.086.229	1.386.460
Cash guarantee	<u>20.000</u>	<u>30.000</u>
	<u>2.750.895</u>	<u>3.075.327</u>

The carrying amounts of the Company's trade and other payables are denominated in Euro.

## 24 Trade and other payables-current

	30 June 2016 €	31 March 2015 €
Trade payables	502.011	648.493
Payables to related parties (Note 26(v))	40.404	446.442
Other payables	2.817.228	2.650.233
Accrued expenses	589.372	292.188
Advances due to customers for contract work	165.042	204.478
Deferred income	<u>240.184</u>	<u>973.155</u>
	<u>4.354.241</u>	<u>5.214.989</u>

The fair value of trade and other payables which are due within one year approximates their carrying amount at the balance sheet date.

The carrying amounts of the Company's trade and other payables are denominated in the following currencies:

	30 June 2016 €	31 March 2015 €
Euro - functional and presentation currency	<u>4.354.241</u>	<u>5.214.989</u>

# The Mall of Cyprus (MC) Plc (formerly ITTL Trade Tourist and Leisure Park Plc)

## 25 Commitments

### (i) Capital commitments

There were no capital expenditure contracted for at the balance sheet date but not yet incurred.

### (ii) License fee / Operating lease commitments – where the company is the lessor

#### License Fee

The Company's license fee/ operating lease income is derived from income from rights for use of space.

#### Rental Income

The Company entered into an agreement to lease out part of the land owned by it. The lessee constructed on this land a retail outlet (IKEA). The lease term signed is for a period of 14 years and 10 months. At the end of the lease period the lessee has the right to extend the lease term for another 14 years and 10 months and at the end of the first extension the lessee has the right for a second extension of 14 years and 10 months.

The total amount of the minimum future license fees/ rentals receivable in accordance with the non-cancellable operating lease commitments are as follows:

	30 June 2016 €	31 March 2015 €
No later than 1 year	10.852.491	10.188.150
Later than 1 year and no later than 5 years	28.531.945	29.773.592
Later than 5 years	<u>2.383.424</u>	<u>12.273.734</u>
	<u>41.767.860</u>	<u>52.235.476</u>

# The Mall of Cyprus (MC) Plc (formerly ITTL Trade Tourist and Leisure Park Plc)

## 26 Related party transactions

As at the date of this report the main shareholder of the Company is Atterbury Cyprus Limited which owns 99,67% of the Company's shares.

Atterbury Cyprus Limited is owned by three parties, none of which controls the company. Atterbury Europe BV, incorporated in Netherlands and AIH International Ltd incorporated in Mauritius, each own 48,75% in the company and Fliptype Holdings Ltd incorporated in Cyprus owns 2,50% in the company.

Up to 15 July 2014 the Company was controlled by Woolworth (Cyprus) Properties Plc, incorporated in Cyprus, which owned 99,67% of the Company's shares. At 15 July 2014 Woolworth (Cyprus) Properties Plc sold 45% of the share capital held in the Company, to the related company Ermes Department Stores Plc, retaining control of the Company with a 54,67% shareholding.

On 23 July 2015, Woolworth (Cyprus) Properties Plc and Ermes Department Stores Plc sold the total share capital held in the Company, at that day, totalling 99,67%, to Atterbury Cyprus Limited. The share capital of Atterbury Cyprus Limited is held by three companies, none of which exercise control over the Company.

The ultimate parent entity which prepares the consolidated financial statements of the largest body of undertakings of which the Company forms part as a subsidiary undertaking, is Atterbury Cyprus Limited, incorporated in Cyprus with registered office at Arch.Makariou III, 195, Neocleous House, 3030, Limassol, Cyprus and its consolidated financial statements are expected to be issued soon and will be available at the registered office.

### (i) Sales of goods and services

	For the period from 1 April 2015 to 30 June 2016 €	For the period from 1 January 2015 to 31 March 2015 €
Rights for use of space/rental income:		
CTC. Automotive Limited (Note 1)	97.276	37.500
Ermes Department Stores Plc (Note 1)	1.259.859	577.693
C.W. Artopolis Limited (Note 1)	86.786	42.267
	<u>1.443.921</u>	<u>657.460</u>
Sales of services:		
The Mall of Engomi Plc (Note 1)	5.000	2.500
Cyprus Trading Corporation Plc (Note 1)	1.618	720
	<u>6.618</u>	<u>3.220</u>

Note 1: The related party transactions for the period from 1 April 2015 to 23 July 2015, have taken place with the related parties of Woolworth (Cyprus) Properties Plc, which up to 23 July 2015 owned 54,67% of the Company.

Note 2: The related party transactions from 23 July 2015 have taken place with the related parties of Atterbury Cyprus Limited, which as from 23 July 2015 owns 99,67% of the Company's shares.

# The Mall of Cyprus (MC) Plc (formerly ITTL Trade Tourist and Leisure Park Plc)

## 26 Related party transactions (continued)

### (ii) Purchases of goods and services

	For the period from 1 April 2015 to 30 June 2016 €	For the period from 1 January 2015 to 31 March 2015 €
Purchases of goods:		
Ermes Department Stores Plc (Note 1)	298	298
Argosy Trading Company Ltd (Note 1)	1.385	43
Super Home Centre (DIY) Limited (Note 1)	2.653	891
CTC Automotive Limited (Note 1)	<u>60.809</u>	<u>-</u>
	<u>65.145</u>	<u>1.232</u>
Purchases of services:		
Woolworth (Cyprus) Properties Plc (Note 1)	18.182	9.091
Atterbury Cyprus Limited (Note 2)	266.000	-
Fliptype Holdings Limited (Note 2)	181.756	-
Atterbury Asset Managers (Note 2)	188.908	-
Atterbury Europe (Note 2)	<u>356.362</u>	<u>-</u>
	<u>1.011.208</u>	<u>9.091</u>

Note 1: The related party transactions for the period from 1 April 2015 to 23 July 2015, have taken place with the related parties of Woolworth (Cyprus) Properties Plc, which up to 23 July 2015 owned 54,67% of the Company.

Note 2: The related party transactions from 23 July 2015 have taken place with the related parties of Atterbury Cyprus Limited, which as from 23 July 2015 owns 99,67% of the Company's shares.

### (iii) Key management personnel compensation

The compensation of key management personnel is as follows:

	For the period from 1 April 2015 to 30 June 2016 €	For the period from 1 January 2015 to 31 March 2015 €
Salaries	<u>64.193</u>	<u>9.000</u>

# The Mall of Cyprus (MC) Plc (formerly ITTL Trade Tourist and Leisure Park Plc)

## 26 Related party transactions (continued)

### (iv) Directors' remuneration

The total remuneration of the Directors was as follows:

	For the period from 1 April 2015 to 30 June 2016 €	For the period from 1 January 2015 to 31 March 2015 €
Fees	<u>6.250</u>	<u>5.000</u>

### (v) Period/Year-end balances arising from sales/purchases of goods/services

	For the period from 1 April 2015 to 30 June 2016 €	31 March 2015 €
Receivables from related parties (Note 18):		
C.W. Artopolis Limited	-	91.003
Sundry Other	<u>-</u>	<u>5.983</u>
	<u>-</u>	<u>96.986</u>
Payables to related parties (Note 24):		
Cyprus Trading Corporation Plc	-	42.183
Cyprus Limni Resorts and Golfcourses Plc	-	16.960
Ermes Department Stores Plc	-	383.160
Fliptype Holdings Ltd	8.844	-
Atterbury Europe GmbH	31.560	-
Sundry Other	<u>-</u>	<u>4.139</u>
	<u>40.404</u>	<u>446.442</u>

The above balances bear no interest and are repayable on demand.

The above companies are related due to common ownership.

### (vi) Borrowings from related parties

	For the period from 1 April 2015 to 30 June 2016 €	31 March 2015 €
Borrowings from former parent entity:		
At beginning of period	11.918.630	14.244.362
Borrowings advanced during period	49.051	520.819
Borrowings assigned from related party	-	2.275.312
Borrowings repaid during year	(11.494.096)	(1.481.997)
Borrowings assigned to related party	(651.608)	(3.812.785)
Interest charged (Note 10)	<u>178.023</u>	<u>172.919</u>
At end of period (Note 21)	<u>-</u>	<u>11.918.630</u>



# The Mall of Cyprus (MC) Plc (formerly ITTL Trade Tourist and Leisure Park Plc)

## 26 Related party transactions (continued)

### (vi) Borrowings from related parties (continued)

The above amount payable to former parent company, Woolworth (Cyprus) Properties Plc, was bearing interest at the rate of 5,00% (31 March 2015: 5,00%). An amount of €651.608 was assigned to The Mall of Engomi Plc (previously Woolworth Commercial Centre Plc) on 23 July 2015. The amount payable was fully repaid in the year.

	For the period from 1 April 2015 to 30 June 2016 €	31 March 2015 €
Borrowings from parent entity:		
At beginning of period	-	-
Borrowings advanced during period	1.147.560	-
Borrowings assigned from related party	3.610.130	-
Borrowings repaid during year	(2.770.700)	-
Borrowings assigned to related party	(1.518.444)	-
Transfer from payable account	(300.000)	-
Interest charged (Note10)	112.142	-
At end of period (Note 21)	<u>280.688</u>	<u>-</u>

The amount payable to parent company, Atterbury Cyprus Limited bears interest at the rate of 4,69%. No terms or conditions have been agreed for its repayment and security.

	For the period from 1 April 2015 to 30 June 2016 €	31 March 2015 €
Borrowings from related party:		
At beginning of period	3.812.785	-
Borrowings advanced during period	6.835	-
Borrowings assigned from related party	651.608	-
Borrowings repaid during year	(991.282)	-
Borrowings assigned to related party	(3.293.591)	-
Interest charged (Note10)	94.247	3.812.785
At end of period (Note 21)	<u>280.602</u>	<u>3.812.785</u>

The above amount payable to related company, The Mall of Engomi Plc (formerly Woolworth Commercial Centre Plc) bears interest at the rate of 4,69% and was repayable in March 2020. After the change of ownership of both parties the terms of the loan changed and is currently repayable on demand.

# The Mall of Cyprus (MC) Plc (formerly ITTL Trade Tourist and Leisure Park Plc)

## 26 Related party transactions (continued)

### (vi) Borrowings from related parties (continued)

	For the period from 1 April 2015 to 30 June 2016 €	31 March 2015 €
Borrowings from related party:		
Borrowings from minority shareholder:	-	2.250.000
Interest charged (Note 10)	-	25.312
Borrowings assigned to parent company	-	(2.275.312)
At end of period (Note 21)	-	-

During 2014 the Company received a further loan of €2.250.000 from Ermes Department Stores Plc which is unsecured, bears interest at the rate of 4,5% and would have been repaid at the end of the four year period starting from 31 December 2014. On 31 March 2015, the loan was assigned to Woolworth (Cyprus) Properties Plc, which was the parent company up to 23 July 2015.

### (vii) Guarantees

The following guarantees were provided to the Company by its parent Company and other related entities as security for its borrowings:

a) Atterbury Cyprus Limited guaranteed the loans of the Company for the amount of €76.400.000.

b) The Mall of Engomi (ME) Plc guaranteed the loans of the Company for the amount of €86.000.000.

c) Pledge of 52 300 000 shares held by Atterbury Cyprus Limited in The Mall of Cyprus (MC) Plc.

Also, the Company guarantees the loan of The Mall of Engomi (ME) Plc for the amount of €23.000.000.

## 27 Events after the balance sheet date

There were no material events after the balance sheet date, which have a bearing on the understanding of the financial statements.

Independent auditor's report on pages 8 to 9.