THE MALL OF CYPRUS (MC) PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS
For the year ended 31 December 2019

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CONTENTS

BOARD OF DIRECTORS AND OTHER OFFICERS

Board of Directors:	Martin Olivier George Mouskides Takis Christodoulou John George Mavrokordatos
Company Secretary:	Montrago Services Limited
Independent Auditors:	Deloitte Limited Certified Public Accountants and Registered Auditors 24 Spyrou Kyprianou Avenue 1075 Nicosia Cyprus
Legal Advisers:	Tassos Papadopoulos & Associates LLC Panayiotis Demetriou & Associates LLC Elias Neocleous & Co LLC Ioannides Demetriou LLC Nicos M. Elia LLC
Registered office:	3 Verginas Street The Mall of Cyprus Strovolos 2025, Nicosia Cyprus
Bankers:	Bank of Cyprus Public Company Ltd Eurobank Cyprus Ltd
Registration number:	HE3941

MANAGEMENT REPORT

The Board of Directors of The Mall of Cyprus (MC) Plc (the "Company") presents to the members its Management Report and audited financial statements of the Company for the year ended 31 December 2019.

Principal activities and nature of operations of the Company
The principal activity of the Company, which is unchanged from last year, 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.

Review of current position, and performance of the Company's business
The Company's revenue for the year ended 31 December 2019 was €16.075.236 compared to €14.589.963 (as restated) for the year ended 31 December 2018. The operating profit of the Company for the year was €12.378.419 (year ended 31 December 2018: €16.709.197).

The profit after tax of the Company for the year ended 31 December 2019 amounted to €7.380.377 (2018: €12.679.097).

On 31 December 2019 the total assets of the Company were €224.687.378 (2018: €200.479.030) and the net assets of the Company were €93.306.499 (2018: €85.926.122). The financial position, development and performance of the Company as presented in these financial statements are considered satisfactory.

As at 31 December 2019, the Company has achieved full completion of the works regarding the project for the expansion of the Mall of Cyprus by about an additional area of circa 5.500m2 on the first and ground floors, the use of which is 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. With the expansion, about an additional 300 parking places were created as well.

Principal risks and uncertainties
The principal risks and uncertainties faced by the Company are disclosed in notes 6 and 7 of the financial statements.

Future developments of the Company
The Board of Directors does not expect any significant changes or developments in the operations, financial position and performance of the Company in the foreseeable future.

Existence of branches
The Company does not maintain any branches.

Use of financial instruments by the Company
The Company is primarily exposed to market risk, interest rate risk, credit risk, liquidity risk and capital risk (notes 6 and 7).

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 cooperation with the Company's operating units. The Board provides written principles and / or oral for overall risk management, as well as written and / or oral policies covering specific areas, such as interest rate risk, credit risk, and investment of excess liquidity.

Market risk
Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices and that such changes will affect The Company's income or the value of its holdings of financial instruments.

Interest rate risk
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 as at 31 December 2019 are at variable rates.

As at 31 December 2019, the Company's liabilities which bore variable interest rates amounted to €106.279.231. The Company's management monitors the interest rate fluctuations on a continuous basis and acts accordingly. The Company does not apply hedge accounting for cash flow interest rate risk.

Credit risk
Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions, contractual cash flows of debt instruments carried at amortised cost, as well as credit exposures to tenants, including outstanding receivables and committed transactions.

Credit risk is managed on a group basis. For banks and financial institutions, only those that are highly rated by the Board of Directors are accepted as counterparties. If lessees / users are independently rated, these ratings are used. Otherwise, if there is no independent rating, management assesses the credit quality of the lessees / users, taking Into account its financial position, past experience and other factors. Individual credit limits and credit terms are set based on the credit quality of the lessee / user in accordance with limits set by the Board. The utilisation of credit limits is regularly monitored. No credit limits were exceeded during the reporting period, and management does not expect any losses from non-performance by these counterparties. Sales to lessees / users are settled in cash or using major credit cards.

As at 31 December 2019 the Company's credit risk arises from trade and other receivables amounting to €1.946.628 and bank balances amounting to €14.707.049 (excluding petty cash). Since 1 January 2018 the Company adopted IFRS 9 "Financial Instruments" and its credit risk management policies have been amended accordingly to take into consideration the expected credit loss model introduced by IFRS 9. For further details refer to Note 6 section Credit risk.

Liquidity risk
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.

Capital risk management
The Company's objectives in managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders 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 or issue new shares.

The Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings minus cash and cash equivalents. Total capital is calculated as ''equity'' as shown in the statement of financial position plus net debt. As at 31 December 2019 the Company's net debt amounted to €91.571.984 (2018: €87.918.371) and total equity of €93.306.499 (2018: €85.926.122) leading to a gearing ratio of 49,53% (2018: 50,57%).

Results
The Company's results for the year are set out on page 11.

Dividends
The Board of Directors does not recommend the payment of a dividend and the net profit for the year is retained.

Share capital
There were no changes in the share capital of the Company during the year under review.

Operating Environment of the Company
The Cyprus economy has recorded positive growth in 2018 and 2019 after overcoming the economic recession of recent years. Until the beginning of March of 2020 the overall economic outlook of the economy remained favourable, despite the downside risks emanating from the still high levels of non-performing loans, the public debt ratio as well as possible deterioration of the external environment for Cyprus. This operating environment has a significant impact on the Company's operations and financial position. Management is taking necessary measures to ensure sustainability of the Company's operations. However, the future effects of the current economic situation are difficult to predict and management's current expectations and estimates could differ from actual results, particularly due to the recent outbreak and rapid development of the corona virus disease (COVID-19). Further details are presented in Note 32 "Events after the reporting period".

Despite the fact that there are inherent limitations in attempting to predict all developments which could have an impact on the Cyprus economy and consequently, the knock-on effect (if any) those would have on the future financial performance, cash flows and financial position of the Company, especially due to the elevated uncertainty levels as of the date of signing of these financial statements, the Company's overall evaluation has determined that (i) there is no material uncertainty with respect to the preparation of these financial statements on the going concern basis (refer to note 7), and (ii) on the basis of the most recent events and business developments, management's action plan in place is sufficient for the identification of information to enable a timely response to future challenges to the Company's business viability.

Board of Directors
The members of the Company's Board of Directors as at 31 December 2019 and at the date of this report are presented on page 1. All of them were members of the Board of Directors throughout the year ended 31 December 2019.

In accordance with the Company's Articles of Association all Directors presently members of the Board continue in office.

There were no significant changes in the assignment of responsibilities and remuneration of the Board of Directors.

Directors' interests in the Company's share capital
The members of the Board of Directors did not control directly or indirectly any part of the share capital of the Company, at 31 December 2019 and as at the date of this report.

Except from the balance and transactions disclosed in Note 28 of the financial statements, there were no other significant contracts with the Company or related companies, in which a Director or related parties has a significant interest.

Events after the reporting period
In early 2020, COVID-19 began to spread in the world and several countries, including Cyprus have imposed measures to restrict its spread. The Company is closely monitoring the developments in Cyprus and the world and how these might affect the business environment and operations of the Company. Please refer to note 32 "Events after the reporting period" of the financial statements for further details.

MANAGEMENT REPORT

Main shareholders and related party transactions
The following shareholders of the Company held directly or indirectly over 5% of the Company's issued share capital:

	31 December 2019 Percentage of shareholding %	24 April 2020 Percentage of shareholding %
Direct shareholder:		
Atterbury Cyprus Limited	99,67	99,67
Indirect shareholders (through their indirect holdings in Atterbury Limited):		
RMH Property Holdco 2 (Pty) Ltd (South Africa)	36,44	36,44
Business Venture Investments No 1360 (Pty) Ltd (South Africa)	24,29	24,29
Atterbury Onroerend Goed Houdster Europa Cooperatief U.A. (Netherlands)	36,44	36,44

Independent Auditors
The independent auditors, Deloitte Limited, who were appointed during the year in replacement of PricewaterhouseCoopers Limited, have expressed their willingness to continue in office and a resolution authorising the Board of Directors to fix their remuneration will be submitted at the forthcoming Annual General Meeting.

By order of the Board of Directors,

Montrago Services Limited
Secretary

Nicosia, 29 April 2020

MONTRAGO SERVICES LIMITED

DECLARATION OF THE MEMBERS OF THE BOARD OF DIRECTORS AND THE COMPANY OFFICIALS RESPONSIBLE FOR THE PREPARATION OF THE FINANCIAL STATEMENTS

In accordance with Article 9 sections (3c) and (7) of the Transparency Requirements (Traded Securities in Regulated Markets) Law 2007 (N 190 (I)/2007) ("the Law") we, the members of the Board of Directors and the Company official responsible for the financial statements of The Mall of Cyprus (MC) Plc (the "Company") for the year ended 31 December 2019, on the basis of our knowledge, declare that:

(a) The annual financial statements of the Company which are presented on pages 11 to 58:

(i) have been prepared in accordance with the applicable International Financial Reporting Standards as adopted by the European Union and the provisions of Article 9, section (4) of the law, and

(ii) provide a true and fair view of the particulars of assets and liabilities, the financial position and profit or loss of the Company and the entities included in the financial statements as a whole and

b) The management report provides a fair view of the developments and the performance as well as the financial position of the Company as a whole, together with α description of the main risks and uncertainties which they face.

Members of the Board of Directors:

Martin Olivier - Director ....

George Mouskides - Director ....

Takis Christodoulou - Director ....

John George Mavrokordatos - Director ....

Responsible for drafting the financial statements

Antonia Constantinou (Financial Controller) ....

Nicosia, 29 April 2020

Deloitte.

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Independent Auditor's Report

To the Members of The Mall of Cyprus (MC) Plc

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of The Mall of Cyprus (MC) Plc (the "Company"), which are presented in pages 11 to 58 and comprise the statement of financial position as at 31 December 2019, and the statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2019, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We remained independent of the Company throughout the period of our appointment in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Cyprus, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

We draw attention to note 4 of the financial statements, which indicates that the Company has restated comparative financial information for the correction of an error in respect of accounting for revenue arising from service charges and expenses recharged to tenants, in line with the requirements of IFRS 15, "Revenue from Contracts with Customers". This change was applied retrospectively, in line with the requirements of IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" which resulted in the restatement of comparative information in the statement of comprehensive income for the year ended 31 December 2018.

We draw attention to note 32 of the financial statements, which describes the uncertainty related to the possible financial effect on the Company following the recent and rapid development of the Coronavirus disease (COVID-19).

Our audit opinion is not modified in respect of either of these matters.

Key audit matters incorporating the most significant risks of material misstatements, including assessed risk of material misstatements due to fraud

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Deloitte.

Independent Auditor's Report (continued)

To the Members of The Mall of Cyprus (MC) Plc

Why the matter was determined to be a key audit matter	How the matter was addressed in the audit
Valuation of Investment Property	
The investment property is reported on the statement of financial position at a revalued amount of €206.370.000 which represents approximately 92% of the Company's total assets. We have considered the valuation of investment property to be a key audit matter as it requires applying significant judgement and subjectivity in determining appropriate unobservable inputs and estimates in assessing the fair values such as terminal capitalisation rates, discount rate, fair market rents and yields. Refer to Note 4 "Significant accounting policies", Note 7 "Critical accounting estimates, judgements and assumptions" and Note 17 "Investment property" of the accompanying financial statements for further details.	We have performed, amongst others the following audit procedures, in order to address the risks of material misstatement associated with this key audit matter: • Obtained an understanding of the internal controls surrounding the valuation process for investment property and assessed their design and implementation. • Assessed the competence, capabilities, experience, professional qualifications and objectivity of the independent appraisal firm. In addition, we discussed the scope of their work with management and reviewed the related terms of engagement to determine that there were no matters that affected their objectivity or imposed scope limitations. • With the support of our internal valuation specialists, (i) assessed whether the valuation methodology applied is appropriate and in line with international valuation standards as well as industry norms, (ii) challenged the appropriateness of the key parameters and assumptions used by the independent appraiser to estimate the fair values. • Tested the accuracy and completeness of the data provided by the management to the independent appraisal firm. • Checked the mathematical accuracy of the computations made in the valuation workings. • With the support of our internal valuation specialists, we compared the 31st December 2019 investment property values with those of the previous revaluation as of 31st December 2018, and investigated any unexplained deviations identified and challenged where necessary the underlying data and assumptions. • Assessed completeness and accuracy of all related disclosures in the financial statements based on the relevant international financial reporting standards, including significant assumptions and methods used in the valuations and sensitivity analysis on the changes of the unobservable inputs. The above procedures were completed in a satisfactory manner.

Reporting on other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the Management Report and the declaration of the Members of the Board of Directors, but does not include the financial statements and our auditor's report thereon.

Deloitte.

Independent Auditor's Report (continued)

To the Members of The Mall of Cyprus (MC) Plc

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

Responsibilities of the Board of Directors and those charged with governance 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.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Deloitte.

Independent Auditor's Report (continued)

To the Members of The Mall of Cyprus (MC) Plc

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal Requirements

Pursuant to the additional requirements of the Auditors Law of 2017, we report the following:

- In our opinion, based on the work undertaken in the course of our audit, the Management Report has been prepared in accordance with the requirements of the Cyprus Companies Law, Cap 113, and the information given is consistent with the financial statements.
- In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the Management Report. We have nothing to report in this respect.

Other Matters

This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 69 of the Auditors Law of 2017 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.

The engagement partner on the audit resulting in this independent auditor's report is Nicos Papakyriacou.

Comparative figures

The financial statements of the Company for the year ended 31 December 2018 were audited by another auditor who expressed an unmodified opinion on those financial statements on 24 April 2019.

Nicos Papakyriacou
Certified Public Accountant and Registered Auditor
for and on behalf of
Deloitte Limited
Certified Public Accountants and Registered Auditors

Nicosia, 29 April 2020

STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2019

	Note	**2019** €	2018 (restated) €
Rights for use of space and other revenue	8	**16.075.236**	14.589.963
Other operating income	9	**462.095**	293.673
Fair value gains on investment property	10	**901.133**	6.216.902
Administration and other operating expenses	11	**(5.060.045)**	(4.391.341)
Operating profit		**12.378.419**	16.709.197
Net finance costs	13	**(4.054.484)**	(2.187.485)
Profit before tax		**8.323.935**	14.521.712
Income tax expense	14	**(943.558)**	(1.842.615)
Profit for the year		**7.380.377**	12.679.097
Other comprehensive income		**-**	-
Total comprehensive income for the year		**7.380.377**	12.679.097
Earnings per share attributable to equity holders of the parent (cent)	15	**7,38**	12,68

STATEMENT OF FINANCIAL POSITION
31 December 2019

	Note	2019 €	2018 €
ASSETS			
Non-current assets			
Property and equipment	16	**432.363**	160.840
Investment property	17	**206.370.000**	195.850.000
Prepayments and other assets	20	**640.600**	467.675
		207.442.963	196.478.515
Current assets			
Trade and other receivables	19	**1.946.628**	1.530.306
Other financial assets at amortised cost	18	**-**	77.602
Prepayments and other assets	20	**449.550**	925.299
Refundable taxes	27	**140.990**	-
Cash at bank and in hand	21	**14.707.247**	1.467.308
		17.244.415	4.000.515
TOTAL ASSETS		**224.687.378**	200.479.030
EQUITY AND LIABILITIES			
Equity			
Share capital	22	**50.000.000**	50.000.000
Retained earnings		**43.306.499**	35.926.122
Total equity		**93.306.499**	85.926.122
Non-current liabilities			
Borrowings	23	**97.598.920**	78.960.281
Trade and other payables	26	**2.337.268**	2.343.273
Deferred tax liabilities	24	**18.705.794**	18.402.330
		118.641.982	99.705.884
Current liabilities			
Trade and other payables	26	**2.558.586**	2.879.011
Borrowings	23	**8.680.311**	10.425.398
Current tax liabilities	27	**-**	42.615
Provisions for other liabilities and charges	25	**1.500.000**	1.500.000
		12.738.897	14.847.024
Total liabilities		**131.380.879**	114.552.908
TOTAL EQUITY AND LIABILITIES		**224.687.378**	200.479.030

On 29 April 2020 the Board of Directors of The Mall of Cyprus (MC) Plc authorised these financial statements for issue.

....	....
John George Mavrokordatos	George Mouskides
Director	Director

The notes on pages 15 to 58 form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2019

	Share capital €	Retained earnings €	Total €
Balance at 1 January 2018	**50.000.000**	**23.247.025**	**73.247.025**
Comprehensive income			
Net profit for the year	-	12.679.097	12.679.097
Balance at 31 December 2018/ 1 January 2019	**50.000.000**	**35.926.122**	**85.926.122**
Comprehensive income			
Net profit for the year	-	7.380.377	7.380.377
Balance at 31 December 2019	**50.000.000**	**43.306.499**	**93.306.499**

Companies which do not distribute 70% of their profits after tax, as defined by the relevant tax law, within two years after the end of the relevant tax year, will be deemed to have distributed as dividends 70% of these profits. Special contribution for defence at 17% will be payable on such deemed dividends to the extent that the ultimate shareholders are both Cyprus tax resident and Cyprus domiciled. The amount of deemed distribution is reduced by any actual dividends paid out of the profits of the relevant year at any time. This special contribution for defence is payable by the Company for the account of the shareholders.

STATEMENT OF CASH FLOWS

For the year ended 31 December 2019

	Note	**2019**	2018
		€	€
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		**8.323.935**	14.521.712
Adjustments for:			
Depreciation of property and equipment	16	**58.756**	8.399
Fair value gains on investment property	17	**(901.133)**	(6.216.902)
Interest income	9	**(168.587)**	(30.486)
Interest expense and modification losses/gains on financial liabilities, net	13	**4.054.484**	2.187.485
		11.367.455	10.470.208
Changes in working capital:			
Increase in trade and other receivables		**(416.322)**	(498.542)
Decrease in prepayments and other assets		**302.824**	1.342.784
Decrease/(increase) in financial assets at amortised cost		**77.602**	(594.147)
Decrease in trade and other payables		**(326.430)**	(380.771)
Cash generated from operations		**11.005.129**	10.339.532
Tax paid		**(823.699)**	(826.362)
Net cash generated from operating activities		**10.181.430**	9.513.170
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for purchase of property and equipment	16	**(330.279)**	-
Payment for construction and purchase of investment property (excluding capitalised interest paid)	17	**(9.096.358)**	(14.332.079)
Interest received		**168.587**	30.486
Net cash used in investing activities		**(9.258.050)**	(14.301.593)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayments of bank borrowings	23	**(5.036.014)**	(4.176.965)
Repayment of loans from related companies	23	**(6.800.000)**	(9.338.288)
Proceeds from bank borrowings	23	**25.828.451**	18.485.581
Proceeds from loans from related companies	23	**1.843.351**	1.559.464
Interest paid (including capitalised interest paid)	23	**(2.994.668)**	(3.000.893)
Net cash generated from financing activities		**12.841.120**	3.528.899
Net increase/(decrease) in cash and cash equivalents		**13.764.500**	(1.259.524)
Cash and cash equivalents at beginning of the year	21	**362.401**	1.621.925
Cash and cash equivalents at end of the year	21	**14.126.901**	362.401

Significant non cash transactions are detailed in the notes to the financial statements.

1. Incorporation and principal activities

Country of incorporation and status

The Mall of Cyprus (MC) Plc (the "Company") was incorporated in Cyprus on 27 November 1971 as a private limited liability company under the provisions of the Cyprus Companies Law, Cap. 113. Since 6 August 2010 the Company is 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, which is unchanged from last year, 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.

Operating Environment of the Company

The Cyprus economy has recorded positive growth in 2018 and 2019 after overcoming the economic recession of recent years. The overall economic outlook of the economy remains favourable, however there are still downside risks emanating from the still high levels of non performing loans, the public debt ratio as well as possible deterioration of the external environment for Cyprus. This operating environment has a significant impact on the Company's operations and financial position. Management is taking necessary measures to ensure sustainability of the Company's operations. However , the future effects of the current economic situation are difficult to predict and management's current expectations and estimates could differ from actual results, particularly due to the recent outbreak and rapid development of the corona virus disease (COVID-19). Further details are presented in Note 32 "Events after the reporting period".

Despite the fact that there are inherent limitations in attempting to predict all developments which could have an impact on the Cyprus economy and consequently, the knock-on effect (if any) those would have on the future financial performance, cash flows and financial position of the Company, especially due to the elevated uncertainty levels as of the date of signing of these financial statements, the Company’s overall evaluation has determined that (i) there is no material uncertainty with respect to the preparation of these financial statements on the going concern basis (refer to note 7), and (ii) on the basis of the most recent events and business developments, management’s action plan in place is sufficient for the identification of information to enable a timely response to future challenges to the Company’s business viability.

2. Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU) and the requirements of the Cyprus Companies Law, Cap.113. The financial statements have been prepared under the historical cost convention as modified by the revaluation of investment property to its fair value.

Management has adopted the going concern basis for the preparation of these financial statements, taking into account the entity’s financial performance, position and assessed future prospects (refer to note 7).

3. Adoption of new or revised standards and interpretations

IFRS 16 "Leases"

As from 1 January 2019, the Company adopted all the IFRSs and International Accounting Standards (IAS), which are relevant to its operations. The adoption of these Standards did not have a material effect on the financial statements.

IFRS 16 "Leases" (issued on 13 January 2016 and effective for annual periods beginning on or after 1 January 2019) sets out the principles for the recognition, measurement, presentation and disclosure of leases. While IFRS 16 brings significant changes to lessee accounting, it substantially carries forward the lessor accounting requirements (i.e. lessors continue to classify leases as finance or operating leases).

3. Adoption of new or revised standards and interpretations (continued)

IFRS 16 "Leases" (continued)

(a) Impact of the new definition of a lease

The Company has made use of the practical expedient available on transition to IFRS 16 not to reassess whether a contract is or contains a lease. Accordingly, the definition of a lease in accordance with IAS 17 and IFRIC 4 will continue to be applied to those leases entered or changed before 1 January 2019.

The change in definition of a lease mainly relates to the concept of control. IFRS 16 determines whether a contract contains a lease on the basis of whether the customer has the right to control the use of an identified asset for a period of time in exchange for consideration. This is in contrast to the focus on 'risks and rewards' in IAS 17 and IFRIC 4.

The Company applies the definition of a lease and related guidance set out in IFRS 16 to all lease contracts entered into or changed on or after 1 January 2019 (whether it is a lessor or a lessee in the lease contract). In preparation for the first-time application of IFRS 16, the Company has carried out an implementation project. The project has shown that the new definition in IFRS 16 will not significantly change the scope of contracts that meet the definition of a lease for the Company.

(b) Impact on Lessor Accounting

IFRS 16 does not change substantially how a lessor accounts for leases. Under IFRS 16, a lessor continues to classify leases as either finance leases or operating leases and account for those two types of leases differently.

Under IFRS 16, an intermediate lessor accounts for the head lease and the sublease as two separate contracts. The intermediate lessor is required to classify the sublease as a finance or operating lease by reference to the right-of-use asset arising from the head lease (and not by reference to the underlying asset as was the case under IAS 17).

IFRS 16 has also changed and expanded the disclosures required, in particular regarding how a lessor manages the risks arising from its residual interest in leased assets.

As a result of adopting IFRS 16, the Company has enhanced the presentation adopted in respect of its revenue items (note 8). Specifically, the Company presents minimum lease fee income and lease income from land separately from additional licence fee income (variable consideration based on lessors' level of annual turnover in comparison to minimum licence fees, as required by IFRS 16).

The Company has assessed that all leases it has entered into are operating leases.

As the Company is not a lessee, relevant aspects of the new standard regarding lessee accounting have not had an impact.

4. Significant accounting policies

The principal accounting policies adopted 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.

Administration and operating expenses

Expenses incurred are recognised on an accrual basis.

Management includes in the standard license/lease agreements specific terms which enables the mall to recharge or recover property expenses from the tenants. The expenses are incurred for the sole benefit of the tenant and to optimize the production of income in the mall. The rechargeble property expenses include items such as (i) common area maintenance costs (ii) property mangement costs (iii) security & cleaning and (iv) general utility expenses. These expenses are presented as a separate expense line item under the ''Administration and other operating expenses'' financial statement caption. All other expenses items are presented in the notes to the financial statements, grouped and classified by their nature.

4. Significant accounting policies (continued)

Segmental reporting

The Company believes that there are no separate operating segments under IFRS8 'Operating Segments' for which there is 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.

Revenue

Recognition and measurement

Revenue includes (i) lease income from rights for use of space, (ii) lease income on land assets, and (iii) service charges, utilities and other recoveries from tenants.

- **Lease income from rights for use of space**

  The income from rights for use of space under operating leases, is recognised on a straight-line basis over the term of the relevant lease, taking into account the impact of any rent-free periods and incentives (refer to below paragraph). Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset.

  Incentives granted to tenants (such as relocation incentives that are typically provided to aid tenants in bringing newly occupied tenancy space in operational condition for their intended business use and that are considered lessee assets) in relation to the investment property of the Company, are initially capitalised in the statement of financial position under ''other assets'', and accordingly charged on a systematic basis to profit or loss, in arriving at revenue for the financial period.

  Additional licence fee income constituting variable consideration based on lessee's level of annual turnover in comparison to minimum licence fees, is recognised once conditions for such recognition have been met.

- **Lease income on land assets**

  Income arising from operating leases on investment properties comprising land is recognised on a straight line basis over the term of the relevant lease, taking into account the impact of any rent-free periods and incentives.

- **Revenue from service charges, utilities and other recoveries**

  Revenue from service charges and utilities; is considered a non-lease component of the standard license/lease contracts. This form of revenue is recognised in the accounting period in which control of the services are passed to the tenant; which is when the service is rendered. In certain cases; revenue is recognised on the actual services provided up to the end of the reporting period, as a proportion of the total services to be provided. Management includes in the standard license/lease agreements specific terms which enables the mall to recharge or recover property expenses from the tenants. The expenses are incurred for the sole benefit of the tenant and to optimize the production of income in the mall. The rechargeble property expenses include items such as (i) common area maintenance costs (ii) property mangement costs (iii) security & cleaning and (iv) general utility expenses.

  Revenue is recognised gross, on the premise that under the above arrangements, the Company acts as Principal in providing such services to tenants.

4. Significant accounting policies (continued)

Revenue recognition (continued)

Benefits obtained from tenant contributions

Furthermore, in the normal course of business, the Company may enter into specific arrangements with tenants, for the latter to cover portions of capital improvements that result in the enhancement of the Company's investment property and for which tenants have no recourse against the Company. Such tenant contributions are initially recognised in the statement of financial position as deferred income and are subsequently credited to profit or loss on a systematic basis in ''other lease related income'', in arriving at ''other operating income, net'' (note 9).

Dividend income

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established.

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.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Foreign currency translation

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

(2) Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting date.

4. Significant accounting policies (continued)

Tax (continued)

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the statement of financial position liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to other comprehensive income or equity, in which case the deferred tax is also dealt with in other comprehensive income or equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Company's financial statements in the year 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.

Property and equipment

Property and equipment are stated at historical cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated on the straight-line method so as to write off the cost of each asset to its residual value over its estimated useful life. The annual depreciation rates used are as follows:

	%
Plant and machinery	10-20
Signs	15
Furniture, fixtures and office equipment	15-20
Computers	33
Improvements on leasehold property	50
Art works	Nil

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

For art works, management has adopted a nil rate of depreciation since by their nature, residual value is not reduced.

4. Significant accounting policies (continued)

Investment property

Investment property is held for long-term rental yields and/or for capital appreciation and is not occupied by the Company. Investment property is treated as a non-current asset and is stated at fair value.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the continued use of the asset. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

Eligible borrowing costs are capitalised on investment property that is regarded as a qualifying asset under IAS23.

Leases (rights of use of space)

The Company enters into lease agreements as a lessor with respect to its investment properties. Leases for which the Company is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. The Company. When the Company is an intermediate lessor, it accounts for the head lease and the sub-lease as two separate contracts. The sub-lease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease. Rental income/licence fee income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Company 's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Company 's net investment outstanding in respect of the leases. Amounts due from lessees under operating leases, are classified under "trade receivables''. When a contract includes both lease and non-lease components, the Company applies IFRS 15 to allocate the consideration under the contract to each component. The non-lease components are then accounted for in accordance with the relevant standard.

The Company's entire investment property is primarily considered as leased out under operating lease arrangements. Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight line basis over the period of the lease.

Financial assets - Classification

From 1 January 2018, the Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI or through profit or loss), and
- those to be measured at amortised cost.

The classification and subsequent measurement of debt financial assets depends on: (i) the Company's business model for managing the related assets portfolio and (ii) the cash flow characteristics of the asset. On initial recognition, the Company may irrevocably designate a debt financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

All other financial assets are classified as measured at FVTPL.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI.

Financial assets - Recognition and derecognition

All purchases and sales of financial assets that require delivery within the time frame established by regulation or market convention ("regular way" purchases and sales) are recorded at trade date, which is the date when the Company commits to deliver a financial instrument. All other purchases and sales are recognised when the entity becomes a party to the contractual provisions of the instrument.

4. Significant accounting policies (continued)

Financial assets - Recognition and derecognition (continued)

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

Financial assets - Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss. Fair value at initial recognition is best evidenced by the transaction price. A gain or loss on initial recognition is only recorded if there is a difference between fair value and transaction price which can be evidenced by other observable current market transactions in the same instrument or by a valuation technique whose inputs include only data from observable markets.

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in 'other income'. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of comprehensive income. Financial assets measured at amortised cost (AC) comprise: cash and cash equivalents, bank deposits with original maturity over 3 months, trade receivables and other financial assets at amortised cost.

FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in "other income". Foreign exchange gains and losses are presented in "other gains/(losses)" and impairment expenses are presented as separate line item in the statement of comprehensive income.

FVTPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL is recognised in profit or loss and presented net within "other gains/(losses)" in the period in which it arises.

Financial assets - impairment - credit loss allowance for ECL

From 1 January 2018, the Company assesses on a forward-looking basis the ECL for debt instruments (including loans) measured at AC and FVOCI and with the exposure arising from loan commitments and financial guarantee contracts. The Company measures ECL and recognises credit loss allowance at each reporting date. The measurement of ECL reflects: (i) an unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes, (ii) time value of money and (iii) all reasonable and supportable information that is available without undue cost and effort at the end of each reporting period about past events, current conditions and forecasts of future conditions.

The carrying amount of the financial assets is reduced through the use of an allowance account, and the amount of the loss is recognised in the statement of comprehensive income within "net impairment losses on financial and contract assets".

Debt instruments measured at AC are presented in the statement of financial position net of the allowance for ECL.

4. Significant accounting policies (continued)

Financial assets - impairment - credit loss allowance for ECL (continued)

For debt instruments at FVOCI, an allowance for ECL is recognised in profit or loss and it affects fair value gains or losses recognised in OCI rather than the carrying amount of those instruments.

Expected losses are recognised and measured according to one of two approaches: general approach or simplified approach.

For trade receivables (which comprise primarily of operating lease receivables and receivables from recharges of common expenses to tenants) including trade receivables with a significant financing component the Company applies the simplified approach permitted by IFRS 9, which uses lifetime expected losses to be recognised from initial recognition of the financial assets

For all other financial assets such as cash and cash equivalents, loans receivable etc., that are subject to impairment under IFRS 9, the Company applies general approach - three stage model for impairment. The Company applies a three stage model for impairment, based on changes in credit quality since initial recognition. A financial instrument that is not credit-impaired on initial recognition is classified in Stage 1.

Financial assets in Stage 1 have their ECL measured at an amount equal to the portion of lifetime ECL that results from default events possible within the next 12 months or until contractual maturity, if shorter ("12 Months ECL"). If the Company identifies a significant increase in credit risk ("SICR") since initial recognition, the asset is transferred to Stage 2 and its ECL is measured based on ECL on a lifetime basis, that is, up until contractual maturity but considering expected prepayments, if any ("Lifetime ECL"). Refer to note 6, Credit risk section, for a description of how the Company determines when a SICR has occurred. If the Company determines that a financial asset is credit-impaired, the asset is transferred to Stage 3 and its ECL is measured as a Lifetime ECL. The Company's definition of credit impaired assets and definition of default is explained in note 6, Credit risk section.

Financial assets -Reclassification

Financial instruments are reclassified only when the business model for managing those assets changes. The reclassification has a prospective effect and takes place from the start of the first reporting period following the change.

Financial assets - write-off

Financial assets are written-off, in whole or in part, when the Company exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of recovery. The write-off represents a derecognition event. The Company may write-off financial assets that are still subject to enforcement activity when the Company seeks to recover amounts that are contractually due, however, there is no reasonable expectation of recovery.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value and bank overdrafts. In the statement of financial position, bank overdrafts are included in borrowings in current liabilities. Cash and cash equivalents are carried at AC because: (i) they are held for collection of contractual cash flows and those cash flows represent SPPI, and (ii) they are not designated at FVTPL.

4. Significant accounting policies (continued)

Financial assets at amortised cost (loans and other receivables)

These amounts generally arise from transactions outside the usual operating activities of the Company. These are held with the objective to collect their contractual cash flows and their cash flows represent solely payments of principal and interest. Accordingly, these are measured at amortised cost using the effective interest method, less provision for impairment. Financial assets at amortised cost are classified as current assets if they are 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 assets.

Interest income

Interest income from financial assets at FVTPL is included in the other gains/(losses) - net on these assets. Interest income on financial assets at amortised cost and financial assets at FVOCI calculated using the effective interest method is recognised in the income statement as "Other income". Interest is calculated by applying effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit impaired. For credit - impaired financial assets - Stage 3 the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance), for Stage 1 and Stage 2 - gross amount of financial assets.

Financial liabilities - measurement categories

Financial liabilities are initially recognised at fair value and classified as subsequently measured at amortised cost, except for (i) financial liabilities at FVTPL: this classification is applied to derivatives, financial liabilities held for trading (e.g. short positions in securities), contingent consideration recognised by an acquirer in a business combination and other financial liabilities designated as such at initial recognition and (ii) financial guarantee contracts and loan commitments.

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. 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 statement of financial position date.

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.

Borrowings are removed from the statement of financial position when the obligation specified in the contract is extinguished (i.e. when the obligation specified in the contract is discharged, cancelled or expires). The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

An exchange between the Company and its original lenders of debt instruments with substantially different terms, as well as substantial modifications of the terms and conditions of existing financial liabilities, are accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The terms are substantially different if 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. In addition, other qualitative factors, such as the currency that the instrument is denominated in, changes in the type of interest rate, new conversion features attached to the instrument and change in loan covenants are also considered.

4. Significant accounting policies (continued)

Borrowings (continued)

If an exchange of debt instruments or modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognised as part of the gain or loss on the extinguishment. If the exchange or modification is not accounted for as an extinguishment, any costs or fees incurred adjust the carrying amount of the liability and are amortised over the remaining term of the modified liability.

Modifications of liabilities that do not result in extinguishment are accounted for as a change in estimate using a cumulative catch up method, with any gain or loss recognised in profit or loss, unless the economic substance of the difference in carrying values is attributed to a capital transaction with owners and is recognised directly to equity.

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.

Trade and other payables

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

Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously. This is not generally the case with master netting agreements, and the related assets and liabilities are presented gross in the statement of financial position.

Trade receivables (receivables from tenants under operating lease arrangements)

Trade receivables are amounts due from tenants for services provided in the ordinary course of business. Specifically, trade receivables are primarily comprised of:

- Receivables from tenants for licence fees/rentals under operating lease agreements, and

- Receivables from tenants with respect to service charges for common area and associated expenses recharged by the Company.

If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less loss allowance.

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, in which case they are recognised at fair value. The Company holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

Trade receivables are also subject to the impairment requirements of IFRS 9.The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. See note 6, Credit risk section.

4. Significant accounting policies (continued)

Trade receivables (receivables from tenants under operating lease arrangements) (continued)

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Company, and a failure to make contractual payments for a period of greater than 120 days past due.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

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.

Non-current liabilities

Non-current liabilities represent amounts that are due more than twelve months from the reporting date.

Deferred income

In the normal course of the business, the Company may enter into specific arrangements with tenants, for the latter to cover portions of capital improvements that result in the enhancement of the Company's investment property and for which tenants have no recourse against the Company. Such payments made by the Company on behalf of tenants for additional construction work and alterations made to the Company's investment property under leasing arrangements, are initially recorded in deferred income. Such alterations and construction works are mutually agreed between the Company and the tenants. The Company, to recognise the benefit resulting from the fact that tenants unconditionally contribute to enhancements of the investment property, which effectively remain under the control and ownership of the Company, amortises such deferred income from the point in time the works are completed, over the remaining duration of the associated tenancy contracts, on a straight line basis. Amounts amortised are recognised in "' other lease related income" in arriving at ''other operating income, net''.

4. Significant accounting policies (continued)

Restatement of comparatives

a. Presentation adjustments

In the current year, the Company has adjusted the presentation of certain comparative figures to conform to changes in presentation in the current year. Specifically, the Company has adopted a revised presentation, to enhance the information content in the financial statements, as follows:

• “Provisions for liabilities and charges" are presented out separately as a note line item (refer to note 25) on the statement of financial position (2018: the item had been included within “other creditors”).

• “prepayments”, previously reported separately in the statement of financial position, are classified together with “other assets” and analysed in a separate note to the financial statements (refer to note 20).

• A more detailed categorisation of individual revenue streams has been included in the relevant note, providing additional information on the source of income by nature (refer to note 8).

The above retrospective reclassifications do not have a material effect on the information in the statement of financial position, statement of changes in equity and statement of cashflows at the beginning of the preceding period.

b. Correction of prior period errors

The Company has reconsidered the accounting practice previously adopted with respect to netting off income generated from service charges, utilities and other allocations to tenants, against corresponding expenses incurred. In accordance to IFRS 15, ‘’Revenue from Contracts with Customers’’:

• income which falls under the scope of IFRS 15, Revenue from Contracts with Customers, and where the Company acts as a Principal, may not be netted off against related expenses

• income generated from service charges, utilities and other allocations is a non-lease component of tenancy contracts with customers, as such IFRS 15 applies

IFRS 15 provides revised guidance in relation to principal-agent relationships. Net presentation of income and expenses is appropriate and required when an entity is classified as an agent under IFRS 15. On the contrary, gross presentation is appropriate and required when an entity is classified as a principal. IFRS 15 distinguishes between the two by analysing the nature of the promise between the customer and the supplier (in the Company’s case, the mall and its tenants). An entity is classified as an agent, when the nature of the promise is to arrange for goods and services to be provided by another party and the agent gets remunerated in the form of commission or other fees. An entity is classified as a principal, when the nature of its promise is to provide the specified goods or services itself or has the direct obligation to arrange for the specified goods or services to be provided; essentially controlling the flow of services to tenants.

Having considered the above; and noting that in the vast majority of instances the Company exercises control over the flow of property management services provided to tenants (as stipulated in the standard license/lease agreements) - it has been concluded that there was an error in the application of IFRS 15 in the prior year and that the error is considered to be material. Given the requirements of the relevant IAS (in particular IAS 1 and IAS 8), a prior year adjustment was rendered necessary to restate the comparative financial information in the 2019 financial statements of the Company.

The restatement resulted in presenting the gross revenue from services charges, utilities and other property management costs to tenants; as well as presenting the services charges, utilities and other property management costs incurred by the mall under the administration and other operating expenses financial statement caption for the 2018 financial year. The restatement has no effect on the Company’s previously reported operating profit, profit before tax and comprehensive income as reported in the 2018 Statement of Comprehensive Income, nor to the Company’s previously reported net equity position at 1 January 2018 and 31 December 2018 as reported in the Statement of Financial Position. Further more the prior year restatement has no effect on the reported Statement of Cashflows reported for the year ended 31 Decemeber 2018.

4. Significant accounting policies (continued)

The Impact of the restatement on the statement of comprehensive income for the year ended 31 December 2018, is presented below:

	As previously reported €	Effect of restatement €	As restated €
Rights for use of space and other revenue (note 8)	11.458.369	3.131.594	**14.589.963**
Administration and other operating expenses (note 11)	1.259.747	3.131.594	**4.391.341**

5. New accounting pronouncements

Standards issued but not yet effective

Up to the date of approval of the financial statements, certain new standards, interpretations and amendments to existing standards have been published that are not yet effective for the current reporting period and which the Company has not early adopted, as follows:

New standards

- *IFRS 17 "Insurance Contracts" (effective for annual periods beginning on or after 1 January 2021) (not yet adopted by the EU).*
  In May 2017, the IASB issued IFRS 17 Insurance Contracts, a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, IFRS 17 will replace IFRS 4 Insurance Contracts that was issued in 2005. IFRS 17 applies to all types of insurance contracts (i.e. life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply.

Amendments

- *Amendments to IAS 1 and IAS 8: Definition of Material (issued on 31 October 2018) (effective for annual periods beginning on or after 1 January 2020) (adopted by the EU).*
  The amendments clarify the definition of material and how it should be applied by including in the definition guidance that until now has featured elsewhere in IFRS. In addition, the explanations accompanying the definition have been improved. Finally, the amendments ensure that the definition of material is consistent across all IFRS Standards. Information is material if omitting, misstating or obscuring it could reasonably be expected to influence the decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.

- *Amendments to IAS 1 regarding classification of Liabilities as Current or Non-Current (Effective for annual reporting periods beginning on or after 1 January 2022) (not yet adopted by the EU):*
  The amendments in Classification of Liabilities as Current or Non-Current (Amendments to IAS 1) affect only the presentation of liabilities in the statement of financial position — not the amount or timing of recognition of any asset, liability income or expenses, or the information that entities disclose about those items. They:
  • clarify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period and align the wording in all affected paragraphs to refer to the "right" to defer settlement by at least twelve months and make explicit that only rights in place "at the end of the reporting period" should affect the classification of a liability;
  • clarify that classification is unaffected by expectations about whether an entity will exercise its right to defer
  settlement of a liability;
  • and make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

5. New accounting pronouncements (continued)

- *Amendments to References to the Conceptual Framework in IFRS Standards (effective for annual periods beginning on or after 1 January 2020) (adopted by the EU)*
  In March 2018 the IASB issued a comprehensive set of concepts for financial reporting, the revised "Conceptual Framework for Financial Reporting" (Conceptual Framework), replacing the previous version issued in 2010. The main changes to the framework's principles have implications for how and when assets and liabilities are recognised and derecognised in the financial statements, while some of the concepts in the revised Framework are entirely new (such as the "practical ability" approach to liabilities". To assist companies with the transition, the IASB issued a separate accompanying document "Amendments to References to the Conceptual Framework in IFRS Standards". This document updates some references to previous versions of the Conceptual Framework in IFRS Standards, their accompanying documents and IFRS Practice Statements.

- *Amendment to IFRS 3 Business Combinations (issued on 22 October 2018) (effective for annual periods beginning on or after 1 January 2020) (adopted by the EU)*
  The amendments revise definition of a business. A business must have inputs and a substantive process that together significantly contribute to the ability to create outputs. The new guidance provides a framework to evaluate when an input and a substantive process are present, including for early stage companies that have not generated outputs. An organised workforce should be present as a condition for classification as a business if are no outputs. The definition of the term 'outputs' is narrowed to focus on goods and services provided to customers, generating investment income and other income, and it excludes returns in the form of lower costs and other economic benefits. It is also no longer necessary to assess whether market participants are capable of replacing missing elements or integrating the acquired activities and assets. An entity can apply a 'concentration test'. The assets acquired would not represent a business if substantially all of the fair value of gross assets acquired is concentrated in a single asset (or a group of similar assets).

- *IFRS 10 (Amendments) and IAS 28 (Amendments) "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture(effective date postponed indefinitely) (not yet adopted by the EU).*
  The amendments address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28, in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognised when a transaction involves a business (as defined in IFRS 3). A partial gain or loss is recognised when a transaction involves assets that do not constitute a business. In December 2015, the IASB postponed the effective date of this amendment indefinitely pending the outcome of its research project on the equity method of accounting.

The above are expected to have no significant impact on the Company's financial statements when they become effective. Management will consider the impact of adoption on a continuous basis.

6. Financial risk management

Financial risk factors
The Company is exposed to market risk, interest rate risk, credit risk, liquidity risk, litigation risk and litigation risk arising from the financial instruments it holds. The risk management policies employed by the Company to manage these risks are discussed below:

6.1 Market risk
Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices and that such changes will affect the Company's income or the value of its holdings of financial instruments. The Company was not exposed to such price risk during the reporting period as it did not own any relevant financial instruments.

6.2 Interest rate risk
Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. Borrowings issued at variable rates expose the Company to cash flow interest rate risk. Borrowings issued at fixed rates expose the Company to fair value interest rate risk. The Company's Management monitors the interest rate fluctuations on a continuous basis and acts accordingly.

6. Financial risk management (continued)

At the reporting date the interest rate profile of interest- bearing financial instruments was:

	2019	2018
	€	€
Variable rate instruments		
Financial assets - cash at bank	**14.707.049**	1.467.270
Financial liabilities - loans payable	**(106.279.231)**	(89.385.679)
	(91.572.182)	(87.918.409)

Sensitivity analysis

An increase of 100 basis points in interest rates at 31 December 2019 would have decreased profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. For a decrease of 100 basis points there would be an equal and opposite impact on profit or loss:

	Profit or loss	
	2019	2018
	€	€
Variable rate instruments	**915.722**	879.184
	915.722	879.184

6.3 Credit risk
Credit risk arises from cash and cash equivalents, contractual cash flows of debt instruments carried at amortised cost and deposits with banks and financial institutions, as well as credit exposures to tenants, including outstanding receivables.

(i) Risk management

Credit risk is managed on a group basis.

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

(ii) Impairment of financial assets

The Company has the following types of financial assets that are subject to the expected credit loss model:
- trade receivables from the grant of use of space/land rentals
- other receivables
- cash and cash equivalents

Trade receivables

The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

6. Financial risk management (continued)

6.3 Credit risk (continued)

(ii) Impairment of financial assets (continued)

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The Company defines default as a situation when the debtor is more than 90 days past due on its contractual payments. The Company concluded that an adjustment of historical default rates was appropriate for the year ended 31 December 2019, following recalibration amendments due to additional / enhanced data sets in place compared to the prior year's, and such factor has been taken into account in arriving at the loss allowance recognized in the statement of comprehensive income for the year. The impact on expected credit losses as a result of the nature and composition of trade receivables, as well as the gross carrying amount of receivables, was not significant.

On that basis, the loss allowance as at 31 December 2019 was determined at a proximate date ("the testing date") to the year end, taking into account the debtors' balance at the given testing date. This represented a reasonable approximation of due amounts at any given point in time during the financial year.

The expected loss rates are based on the payment profiles of sales over a period of 24 months before 31 December 2019 or 1 January 2018 respectively and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Company concluded that an adjustment of historical default rates was appropriate for the year ended 31 December 2019 and as such a corresponding loss allowance was recognised in the statement of comprehensive income for the year.

On that basis, the loss allowance as at 31 December 2019 was determined as follows for trade receivables:

31 December 2019	Current €	Between 1 - 30 days past due €	Between 31 - 60 days past due €	Between 61 - 90 days past due €	More than 90 days past due €	**Total** **€**
Expected loss rate	0,6%	1,2%	2,5%	7,9%	16,2%	
Gross carrying amount at testing date – trade receivables	1.600.767	945.722	514.319	132.416	195.558	**3.388.782**
Loss allowance for the year	9.648	11.600	12.931	10.413	31.625	**76.217**

The closing loss allowances (under collective assessment) for trade receivables - which are considered Stage 1 assets under IFRS 9 - as at 31 December 2019 reconcile to the opening loss allowances as follows:

	Trade receivables €
Opening loss allowance as at 1 January 2019	488.638
Increase in loss allowance recognised in the statement of comprehensive income	76.217
Balance at 31 December 2019	564.855

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Company, and a failure to make contractual payments for a period of greater than 120 days past due.

Impairment losses on trade receivables are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

6. Financial risk management (continued)

6.3 Credit risk (continued)

(ii) Impairment of financial assets (continued)

Of the trade receivables balance at the end of the year, €1.030.535 is due from the Company's anchor tenants. These anchor tenants account for approximately 46% of the Company's annual revenue for the year ended 31 December 2019. Anchor tenants are considered those with significant duration periods on space leasing arrangements, occupying significant portions of the Company's investment property. Up until the date of signing of these financial statements, the Company's receivables with respect to anchor tenants has been settled.

Apart from the above, the Company does not have significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics.

Other financial assets at amortised cost

Loans to related parties, receivables from related parties, other receivables and debt instruments at amortised cost and FVOCI - general expected credit loss model applied

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward-looking information. Especially the following indicators are incorporated:

- internal credit rating
- external credit rating (as far as available)
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations
- actual or expected significant changes in the operating results of the borrower/counterparty
- significant increases in credit risk on other financial instruments of the same borrower/counterparty
- significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements
- significant changes in the expected performance and behaviour of the borrower/counterparty, including changes in the payment status of counterparty in the Company and changes in the operating results of the borrower.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making a contractual payment.

A default on a financial asset is when the counterparty fails to make contractual payments within 120 days of when they fall due.

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Company. The Company categorises a loan or receivable for write off when a debtor fails to make contractual payments greater than 120 days past due. Where loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

The Company uses three categories for loans, other receivables, debt securities at FVOCI which reflect their credit risk and how the loss provision is determined for each of those categories. These internal credit risk ratings are aligned to external credit rating companies, such as Standard and Poor, Moody's and Fitch.

6. Financial risk management (continued)

6.3 Credit risk (continued)

(ii) Impairment of financial assets (continued)

A summary of the assumptions underpinning the Company's expected credit loss model is as follows:

Category	Company definition of category	Basis for recognition of expected credit loss provision	Basis for calculation of interest revenue
Performing	Counterparties have a low risk of default and a strong capacity to meet contractual cash flows	Stage 1: 12 month expected losses. Where the expected lifetime of an asset is less than 12 months, expected losses are measured at its expected lifetime.	Gross carrying amount
Underperforming	Counterparties for which there is a significant increase in credit risk; as significant increase in credit risk is presumed if interest and/or principal repayments are 30 days past due (see above in more detail)	Stage 2: Lifetime expected losses	Gross carrying amount
Non-performing	Interest and/or principal repayments are 90 days past due	Stage 3: Lifetime expected losses	Amortised cost carrying amount (net of credit allowance)
Write-off	Interest and/or principal repayments are 180 days past due and there is no reasonable expectation of recovery.	Asset is written off	None

Over the term of the loans, receivables and other receivables, and debt securities the Company accounts for its credit risk by appropriately providing for expected credit losses on a timely basis. In calculating the expected credit loss rates, the Company considers historical loss rates for each category of counterparties, and adjusts for forward looking macroeconomic data.

No significant changes to estimation techniques or assumptions were made during the reporting period.

Cash and cash equivalents

Cash and cash equivalents are subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial. In particular, the ECL on current accounts is considered to be approximate to nil, unless the bank with which deposits are held, is subject to capital controls. The ECL on deposit accounts is calculated by considering published PDs for the rating as per Moody’s and an LGD of 40-60% as published by European Central Bank.

As of 31 December 2019, the Company has the majority of its cash deposited with a single financial institution with a external credit rating of caa1. Company deposits are short term, and allocated to Stage 1 exposures.

6. Financial risk management (continued)

6.3 Credit risk (continued)

(iii) Credit related commitments

The primary purpose of these instruments is to ensure that funds are available to a borrower as required. Guarantees which represent irrevocable assurances that the Company will make payments in the event that a counterparty cannot meet its obligations to third parties, carry the same credit risk as loans receivable. Commitments to extend credit represent unused portions of authorisations to extend credit in the form of loans or guarantees. With respect to credit risk on commitments to extend credit, the Company is potentially exposed to loss in an amount equal to the total unused commitments, if the unused amounts were to be drawn down. The Company monitors the term to maturity of credit related commitments, because longer-term commitments generally have a greater degree of credit risk than shorter-term commitments.

At the reporting date, the Company acts as a guarantor to the bank loan of fellow subsidiary The Mall of Engomi (ME) Plc for the amount of €23.000.000. It is not expected that any loss will result from such guarantees provided by the Company, since the property of the borrower is also pledged as security. As such, in the potential event of default, Management considers that a call in priority of the mortgage and against other assets possessed by the fellow subsidiary, is most likely to satisfy any claims prior to any right to call on guarantees given by the Company. There have been no indications as of the reporting date that the borrower is likely to fail meeting up its loan instalments and the Company considers that there is no cause for recognition of any expected credit loss.

6.4 Liquidity risk

Liquidity risk is the risk that arises when the maturity of assets and liabilities does not match. An unmatched position potentially enhances profitability, but can also increase the risk of losses. The Company has procedures with the object of minimising such losses such as maintaining sufficient cash and other highly liquid current assets and by having available an adequate amount of committed credit facilities.

The following tables detail the Company's remaining contractual maturity for its financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The table includes both interest and principal cash flows.

31 December 2019	Carrying amounts	Contractual cash flows	3 months or less	3-12 months	1-2 years	2-5 years	More than 5 years
	€	€	€	€	€	€	€
Bank loans	103.049.149	132.121.456	2.358.132	7.074.398	9.432.531	37.730.124	75.526.271
Bank overdrafts	580.346	580.346	580.346	-	-	-	-
Trade and other payables (excluding deferred income)	3.271.714	3.271.714	3.271.714	-	-	-	-
Payables to related parties	149.486	149.486	149.486	-	-	-	-
Loan from parent company	2.649.736	2.649.736	2.649.736	-	-	-	-
	109.700.431	**138.772.738**	**9.009.414**	**7.074.398**	**9.432.531**	**37.730.124**	**75.526.271**

6. Financial risk management (continued)

6.4 Liquidity risk (continued)

31 December 2018	Carrying amounts	Contractual cash flows	3 months or less	3-12 months	1-2 years	2-5 years	More than 5 years
	€	€	€	€	€	€	€
Bank loans	81.017.006	103.116.762	2.002.108	6.006.322	8.475.468	29.342.971	57.289.893
Bank overdrafts	1.104.907	1.104.907	1.104.907	-	-	-	-
Trade and other payables	2.931.625	2.931.625	2.931.625	-	-	-	-
Payables to related parties	11.603	11.603	11.603	-	-	-	-
Loans from related companies	1.862.329	1.862.329	1.862.329	-	-	-	-
Loan from ultimate shareholder	3.074.640	3.458.312	-	-	-	3.458.312	-
Loan from parent company	2.326.797	2.326.797	2.326.797	-	-	-	-
	92.328.907	114.812.335	10.239.369	6.006.322	8.475.468	32.801.283	57.289.893

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. Management maintains flexibility in funding by maintaining availability under committed credit lines. The Company during 2019 has restructured its bank borrowing facilities, effectively extending the dates of final repayment (refer to note 23).

Management monitors rolling forecasts of the Company's cash and cash equivalents (Note 21) 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.

With respect to financial guarantees, as referred to note 6.3, the Company acts as guarantor for a fellow subsidiary to the amount of €23 million, which is the maximum contractual amount of any obligation.

As stated in Note 32, the Company has been waived from its financial obligation to repay principal and interest instalments on its bank loans from April 2020 to December 2020; as a result of this the term (duration) of the loans has been extended for nine months from the contractual expiration/maturity.

6.5 Litigation risk

Litigation risk is the risk of financial loss, interruption of the Company's operations or any other undesirable situation that arises from the possibility of non-execution or violation of legal contracts and consequentially of lawsuits. The risk is restricted through the contracts used by the Company to execute its operations.

Fair value estimation

The carrying amount 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.

7. Critical accounting estimates, judgments and assumptions

The preparation of financial statements requires the use of accounting estimates which by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the company's accounting policies.

Estimates and judgments 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.

7. Critical accounting estimates, judgments and assumptions (continued)

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.

- **Going concern basis**

  The Company's total assets and net assets at 31 December 2019 were €224.687.378 and €93.306.499 respectively, with a positive net working capital position of €4.505.518. Management has carried out an overall assessment of the Company's projected future performance, its ability to repay debts as they fall due as well as future prospects in the general economic environment it operates in. As discussed in note 32 "Events after the reporting date", the impact of COVID-19 has created new uncertainties which Management is considering closely as there is an indirect exposure to potentially adverse consequences on the Company's business. However, based on the known and most recent information, Management considers the going concern basis as appropriate, having assessed the future prospects of the business, taking into account factors such as the impact of operational disruption, financing needs and short term cash flow obligations, relationships with tenants and potential support from the Group. Note 32 refers to the specific actions and assessment that management has undertaken in determining the validity of the going concern presumption.

- **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 during the ordinary course of business. 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 income tax and deferred tax provisions in the period in which such determination is made. To the date of signing of these financial statements, the Company believes that any tax uncertainties do not expose it to material additional obligations other than those recognised in the statement of financial position.

Critical judgements in applying the Company's accounting policies

- **Fair value of investment property**

  The fair value of investment property is determined by using valuation techniques. The Company uses its judgment to select specific methods and make assumptions that are mainly based on market conditions existing at each reporting date. In addition to market conditions, Management assesses current economic developments and uncertainties that might influence the valuation of investment properties. Rent-free periods, expected vacancy rates, the discount rates and assumed trends in rents are some important factors in such assessment.

  Independent external valuation experts are involved in the valuation process. The valuations are based on a discounted cash flow (DCF) analysis of each property. The DCF analyses are adjusted to existing lease agreements, in order to cover the full period of existing lease agreements. The DCF analyses are based on calculations of the future rental revenue in accordance with the terms in existing lease agreements and estimations of the rental values when the agreements expire. The investment property portfolio is typically appraised on an annual basis.

7. Critical accounting estimates, judgments and assumptions (continued)

- **Classification of lease arrangements**

  A lessor shall classify each of its leases as either an operating lease or a finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset. Whether a lease is a finance lease or an operating lease depends on the substance of the transaction rather than the form of the contract. In that respect, management evaluates the indicators of arrangements entered into, such as potential of ownership transfer at end of lease term, options to extend and at what rentals compared to market, lease durations compared to asset useful lives, and comparison of the present value of lease payments compared to asset values, and makes the appropriate classification of the lease arrangement.

- **Revenue from contracts with tenants (non-lease components)**

  Revenue from service charges and utilities; is considered a non-lease component of the standard license/lease contracts. This form of revenue is recognised in the accounting period in which control of the services are passed to the tenant; which is when the service is rendered. In certain cases; revenue is recognised on the actual services provided up to the end of the reporting period, as a proportion of the total services to be provided. Management includes in the standard license/lease agreements specific terms which enables the mall to recharge or recover property expenses from the tenants. Management exercises judgment in determining the costs incurred by the mall that are eligible for recharging to the tenants. In addition determining the grounds (as stipulated in the standard license/lease contracts) on which it may recharge such costs to tenants.

  Furthermore, judgment is exercised by the Company in determination of its capacity as Principal in providing such services to tenants, which triggers recognition of income and expenses on a gross rather than a net basis.

- **Impairment of financial assets**

  The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Details of the key assumptions and inputs used are disclosed in note 6, Credit risk section.

- **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.

8. Rights for use of space and other revenue

	2019	2018 (restated)	2018 (as previously reported)
	€	€	€
Rights for use of space - Minimum licence fees	**11.565.777**	9.953.811	9.953.811
Rights for use of space - Additional licence fees	**277.732**	532.606	532.606
Lease income from advertising space	**265.838**	363.801	363.801
Lease related expenses from relocation incentives granted	**(350.468)**	(62.500)	(62.500)
Lease income from land lease	**641.158**	670.651	670.651
Total lease income	**12.400.037**	11.458.369	11.458.369
Revenue from service charge, utilities and other recoveries	**3.675.199**	3.131.594	-
Total revenue from contracts with tenants	**16.075.236**	14.589.963	11.458.369

8. Rights for use of space and other revenue (continued)

(continued)

Income from the "Rights of use of space" relates to license/lease agreements that were in effect during 2019. Income that is derived based on the financial performance of tenants is separately presented under "Additional licence fees" and is determined as a percentage of the tenants' revenue; as stipulated in their license/lease agreements.

Relocation incentives refer to incentives the Company has granted to tenants, as a result of the recent expansion project in the Mall of Cyprus. The incentives are released/amortised to profit or loss over the lease terms of the applicable tenants, arriving at reported revenue (essentially treated as "discounts"). Refer to Note 20 of the financial statements, for further details. Income from the leasing of land relates solely to the rental income earned by the Company from IKEA for the year.

9. Other operating income, net

	2019	2018
	€	€
Interest income	**168.587**	30.486
Other lease related income	**253.019**	240.184
Promotional and other income	**40.489**	23.003
	462.095	293.673

Other lease related income refers to the amortised portion of capital expenditure incurred by the Company on behalf of, and billed to certain tenants, in transforming/enhancing the space occupied in the Mall of Cyprus with individualised features and improvements. The capital improvement is released/amortised to profit or loss over the lease terms of the applicable tenants, arriving at reported income (refer to Note 26). Refer to Note 4, regarding the accounting policy on ''Benefits obtained from tenant contributions''.

Interest income is derived from:

	2019	2018
	€	€
Short term bank deposits	**168.587**	30.486
	168.587	30.486

10. Fair value gains on investment property

	2019	2018
	€	€
Fair value gains on investment property - Note 17	**901.133**	6.216.902
	901.133	6.216.902

11. Administration and other operating expenses

	2019 €	2018 (restated) €	2018 (as previously reported) €
Common expenses	**439.872**	376.327	376.327
Licenses and taxes	**69.352**	29.781	29.781
Insurance	**2.475**	2.286	2.286
Auditor's remuneration	**26.500**	26.500	26.500
Directors' fees	**2.500**	2.500	2.500
Other professional fees	**167.538**	100.042	100.042
Impairment charge on trade and other receivables (note 6.3)	**76.217**	219.150	219.150
Management fees (note 28.2)	**525.223**	483.761	483.761
Write off of receivables	**-**	3.394	3.394
Other expenses	**11.230**	2.653	2.653
Bank charges	**5.183**	4.954	4.954
Property management, maintenance and utility costs	**3.675.199**	3.131.594	-
Depreciation	**58.756**	8.399	8.399
	5.060.045	4.391.341	1.259.747

The total fees charged by the Company's statutory auditor for the statutory audit of the financial statements of the Company for the period ended 31 December 2019 amounted to €26.500 (31 December 2018: €26.500). The total fees charged by the Company's statutory auditor for the year ended 31 December 2019 for tax advisory services and for other assurance services was €1.300 (31 December 2018: €23.800 and €5.144 respectively).

12. Staff costs

	2019 €	2018 €
Salaries	**373.941**	311.980
Social insurance and other contributions	**44.484**	64.045
Provident fund contributions	**3.228**	21.909
	421.653	397.934
Average number of employees	**14**	15

The above amounts are included in the ''Property management, maintenance and utility costs'' expense (refer to Note 11).

13. Finance costs

	2019 €	2018 €
Interest expense and adjustments on modification of financial liabilities		
Bank borrowings	**3.124.691**	3.094.587
Fair value loss/(gain) on bank borrowings (note 23)	**623.404**	(1.143.300)
Bank overdraft interest	**29.427**	4.205
Interest on loan from related company (note 23)	**276.962**	226.401
Interest on overdue taxes	**-**	5.592
	4.054.484	2.187.485

Refer to note 23 for interest capitalised on qualifying assets.

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14. Income tax

	2019	2018
	€	€
Corporation tax - current year	**575.092**	608.992
Corporation tax - prior years	**-**	57.374
Defence contribution - current year	**65.002**	15.090
Defence contribution - prior years	**-**	12.223
Deferred tax - charge (Note 24)	**303.464**	1.148.936
Charge for the year	**943.558**	1.842.615

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

	2019	2018
	€	€
Profit before tax	**8.323.935**	14.521.712
Tax calculated at the applicable tax rates	**1.040.492**	1.815.214
Tax effect of expenses not deductible for tax purposes	**96.476**	53.276
Tax effect of allowances and income not subject to tax	**(561.876)**	(1.259.498)
Defence contribution	**65.002**	27.313
Deferred tax	**303.464**	1.148.936
Prior year corporation tax	**-**	57.374
Tax charge	**943.558**	1.842.615

The corporation tax rate is 12,5%.

Under certain conditions interest income may be subject to defence contribution at the rate of 30%. In such cases this interest will be exempt from corporation tax. In certain cases, dividends received from abroad may be subject to defence contribution at the rate of 17%.

15. Earnings per share attributable to equity holders of the parent

	2019	2018
Profit attributable to shareholders (€)	**7.380.377**	12.679.097
Weighted average number of ordinary shares in issue during the year	**100.000.000**	100.000.000
Earnings per share attributable to equity holders of the parent (cent) - basic and diluted	**7,38**	12,68

16. Property and equipment

	Artworks	Leasehold property improvements	Plant and machinery	Signs	Furniture, fixtures and office equipment	Computer hardware	Total
	€	€	€	€	€	€	€
Cost							
Balance at 1 January 2018	140.490	58.500	1.189.715	341.188	580.246	52.079	2.362.218
Balance at 31 December 2018/ 1 January 2019	**140.490**	**58.500**	**1.189.715**	**341.188**	**580.246**	**52.079**	**2.362.218**
Additions	-	-	97.020	73.270	62.236	97.753	330.279
Balance at 31 December 2019	**140.490**	**58.500**	**1.286.735**	**414.458**	**642.482**	**149.832**	**2.692.497**
Depreciation							
Balance at 1 January 2018	-	58.500	1.168.340	341.188	572.950	52.001	2.192.979
Charge for the year	-	-	6.704	-	1.617	78	8.399
Balance at 31 December 2018/ 1 January 2019	**-**	**58.500**	**1.175.044**	**341.188**	**574.567**	**52.079**	**2.201.378**
Charge for the year	-	-	17.323	6.482	8.981	25.970	58.756
Balance at 31 December 2019	**-**	**58.500**	**1.192.367**	**347.670**	**583.548**	**78.049**	**2.260.134**
Net book amount							
Balance at 31 December 2019	**140.490**	**-**	**94.368**	**66.788**	**58.934**	**71.783**	**432.363**
Balance at 31 December 2018	**140.490**	**-**	**14.671**	**-**	**5.679**	**-**	**160.840**

17. Investment property

	2019	2018
	€	€
Balance at 1 January	**195.850.000**	174.734.994
Additions	**9.096.358**	14.464.483
Capitalisation of interest expenses	**522.509**	433.621
Fair value adjustment - Note 10	**901.133**	6.216.902
Balance at 31 December	**206.370.000**	195.850.000

The investment properties are valued annually at fair value, comprising open market value based on valuations by an independent, professionally qualified valuer. Fair value is based on an 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 prepared annually by independent valuers and reviewed and adopted by management. Changes in fair value are recorded in profit or loss and are included in "fair value gains/(losses) on investment property".

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.

In accordance with the Company’s practices, direct operating expenses (including repairs and maintenance) arising from investment property that generated rental and other income during the period, are recharged to tenants and do not accrue in profit or loss (note 11). Capitalised borrowing costs are identifiable to specific borrowing facilities of the Company.

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For the year ended 31 December 2019

17. Investment property (continued)

Valuation processes of the Company

The Company's investment properties were most recently valued by management as at 31 December 2019. As part of the process, the management took into account the external valuation prepared as at 31 December 2019 by independent professionally qualified valuers Landtourist Valuations LLC, who posess a 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.

Management has considered key assumptions and they have concluded on a fair value gain of the investment property value of €901.133 (2018: €6.216.902).

Bank borrowings are secured on the Company's investment property for €86.000.000 (31 December 2018: €86.000.000) (Note 23).

Fair value hierarchy

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 fair value measurement for all of the investment properties has been categorised as a Level 3 fair value measurement, based on the inputs to the valuation technique used at each of 31 December 2019 and 31 December 2018.

	Cyprus Shopping Mall	Year 2019	Year 2018
	€	€	€
Fair Value hierarchy	**3**	3	3
Opening fair value	**195.850.000**	195.850.000	174.734.994
Asset under construction	**-**	-	14.898.104
Completion of asset under construction, including capitalised interest	**9.618.867**	9.618.867	-
Gains from fair value adjustments on investment property	**901.133**	901.133	6.216.902
	206.370.000	206.370.000	195.850.000

17. Investment property (continued)

Valuation technique and significant unobservable inputs

The following table shows the valuation technique used in measuring the fair value of investment property, as well as the significant unobservable inputs used.

Year end 31 December 2019:

Property	Valuation €	Valuation technique	Discount rate %	Terminal capitalisation rate %	Revenue in year 1 €	Revenue growth %
Cyprus	206.370.000	Income approach - Discounted cash flows with estimated costs to complete	4,00 - 9,50	4,00 - 7,75	13.472.195	1,3

Year end 31 December 2018:

Property	Valuation €	Valuation technique	Discount rate %	Terminal capitalisation rate %	Revenue in year 1 €	Revenue growth %
Cyprus	195.850.000	Income approach - Discounted cash flows with estimated costs to complete	4,00 - 9,75	4,00 - 7,75	12.552.949	1,0 - 1,4

17. Investment property (continued)

Sensitivity of management's estimates 31 December 2019

		Change in discount rate		
Description	Change in cap rate	-0,50%	0,00%	0,50%
Cyprus Shopping Mall	-0,50%	223.804.822	219.228.437	214.772.448
	0,00%	210.645.033	206.370.000	202.209.317
	0,50%	199.477.263	195.459.896	191.547.576
	Change in revenue			
Cyprus Shopping Mall	-10,00%	189.138.688	185.301.053	181.564.066
	0,00%	210.645.033	206.370.000	202.209.317
	10,00%	232.151.378	227.441.209	222.854.569

Sensitivity of management's estimates 31 December 2018

		Change in discount rate		
Description	Change in cap rate	-0,50%	0,00%	0,50%
Cyprus Shopping Mall	-0,50%	208.454.055	207.289.878	207.740.199
	0,00%	207.694.288	195.850.000	206.883.368
	0,50%	206.942.080	205.786.651	206.234.068
	Change in revenue			
Cyprus Shopping Mall	-10,00%	187.908.808	171.851.210	183.007.899
	0,00%	202.100.406	195.850.000	181.630.344
	10,00%	209.958.260	219.895.176	215.448.732

A change in the vacancy rate by 5%, i.e. the occupied spaces will decreasing to 95% of the available area for tenancy, would lead to a decrease of the fair value from the base scenario by €9.421.257 (2018: €8.584.498), i.e. bringing fair value to €196.948.743 at 31 December 2019 (2018: €187.265.502).

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

17. Investment property (continued)

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

Sensitivity analysis has been presented for discount rates, capitalisation rates and vacancy rates, which rank as the most significant on an impact basis.

Land and buildings with a total carrying amount of €206.370.000, the valuation was determined using discounted cash flow projections. Properties valued using the discounted cash flows model take into account future rental values,vacant spaces and maintenance costs discounted to the present value using an estimated discount rate. These values are adjusted for differences in the market conditions such as demand and finance affecting market sales. The most significant input into this valuation approach is license fees and discount rates. The external valuer applies as a cross check to the DCF method, the Income Capitalisation approach, through which the maximum potential income of the properties is estimated and capitalised with the appropriate rate of return. Both the primary and the secondary methods yield similar outcomes.

As at 31 December 2019, the Company has achieved full completion of the works regarding the project for the expansion of the Mall of Cyprus by about an additional area of circa 5.500m2 on the first and ground floor, the use of which is 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. With the expansion, about an additional 300 parking places were created as well.

18. Other financial assets at amortised cost

	2019	2018
	€	€
Accrued income	**-**	77.602
Balance at 31 December	**-**	77.602
Less non-current portion	**-**	-
Current portion	**-**	77.602

19. Trade and other receivables

	2019	2018
	€	€
Trade receivables	**2.093.809**	1.689.899
Other receivables	**372.276**	329.045
Less: provision for impairment of receivables	**(564.855)**	(488.638)
Trade and other receivables - net	**1.901.230**	1.530.306
Receivables from related companies (Note 28.3)	**45.398**	-
	1.946.628	1.530.306

The Company has recognised a loss of €76.217 (2018: €219.150) for the impairment of its trade receivables during the year ended 31 December 2019. The loss has been included in "administration and other operating expenses" in profit or loss.

The Company does not hold any collateral over any trading balances.

19. Trade and other receivables (continued)

Movement in provision for impairment of receivables:

	2019	2018
	€	€
Balance at 1 January	**488.638**	269.488
Impairment losses recognised on receivables	**76.217**	219.150
Balance at 31 December	**564.855**	488.638

The exposure of the Company to credit risk and impairment losses in relation to trade and other receivables is reported in note 6 of the financial statements.

20. Prepayments and other assets

	2019	2018
	€	€
Prepayments	**420.533**	1.205.474
Other assets	**669.617**	187.500
Balance at 31 December	**1.090.150**	1.392.974
Less non-current portion	**(640.600)**	(467.675)
Current portion	**449.550**	925.299

Prepayments at 31 December 2019 include a balance of €342.675 (2018: €456.900) that relates to the capitalisation of specific expenditure during the year 2018, which is being recharged to the Company's tenants at the rate of 20% (i.e. over 5 years from the date of occurrence) on a straight line basis (such amounts are transferred from "prepayments" to "trade and other receivables" upon billing). As at 31 December 2018, prepayments include a payment made to a contractor amounting to €441.296 in relation to the expansion works. Following completion of the expansion in 2019, the entire balance was capitalised as part of investment property.

"Other assets" relate to expenses incurred by the Company towards relocation incentives to existing tenants due to the recent expansion in the Mall of Cyprus. Relocation incentives were provided mainly to aid tenants throughout the re-installation and refitting works in transforming newly occupied space for the tenants' specific business operations and needs. Management is of the opinion, that these relocation incenties do not increase the investment property's fair value, since (i) these contributions have mainly resulted in tenant leasehold improvements and (ii) these incentives were not essential for vacating any of the tenants in order to fulfil the expansion work plan.

Incentives incurred and included in other assets, are amortised to profit and loss over the duration or term of each corresponding individual license/lease agreement. During the current year an amount of €832.585 (2018: €250.000) was incurred and recognised in other assets, with €350.468 (2018: €62.500) charged in the statement of comprehensive income in arriving at reported revenue (refer to Note 8).

21. Cash at bank and in hand

	2019	2018
	€	€
Cash at bank and in hand	**6.734**	912
Short term deposits with banks	**14.700.513**	1.466.396
	14.707.247	1.467.308

The Management considers the deposits to fully meet the definitions of "cash equivalents", based on the agreed terms of the banks.

21. Cash at bank and in hand (continued)

For the purposes of the statement of cash flows, the cash and cash equivalents include the following:

	2019	2018
	€	€
Cash and bank balances	**14.707.247**	1.467.308
Bank overdrafts (Note 23)	**(580.346)**	(1.104.907)
	14.126.901	362.401

Reconciliation of liabilities arising from financing activities (refer to note 23 "Borrowings" analysis):

	Bank loans (excluding overdrafts)	Loans from related parties	Total
	€	€	€
Balance at 1 January 2019	81.017.006	7.263.766	88.280.772
Cash flows:			
Proceeds from borrowings	25.828.451	1.843.351	27.671.802
Repayment of principal	(5.036.014)	(6.800.000)	(11.836.014)
Repayment of interest	(2.965.240)	-	(2.965.240)
Interest expense	3.124.691	276.961	3.401.652
Non-cash changes:			
Fair value losses	623.404	-	623.404
Capitalisation of borrowing costs	456.851	65.658	522.509
Commitment and commission fees	269.168	-	269.168
Commitment and commission fees - settled	(269.168)	-	(269.168)
Balance at 31 December 2019	**103.049.149**	**2.649.736**	**105.698.885**

	Bank loans (excluding overdrafts)	Loans from related parties	Total
	€	€	€
Balance at 1 January 2018	67.446.981	14.683.786	87.067.736
Cash flows:			
Proceeds from borrowings	18.485.582	1.559.464	15.108.077
Repayment of principal	(4.176.965)	(9.338.288)	(13.515.253)
Repayment of interest	(3.244.458)	-	(3.244.458)
Interest expense	3.094.587	226.401	3.320.988
Non-cash changes:			
Fair value gains	(1.143.301)	-	(1.143.301)
Capitalisation of borrowing costs	301.218	132.403	433.621
Commitment and commission fees	253.362	-	253.362
Balance at 31 December 2018	81.017.006	7.263.766	88.280.772

The exposure of the Company to credit risk and impairment losses in relation to cash and cash equivalents is reported in note 6 of the financial statements.

22. Share capital

	2019 Number of shares	**2019 €**	2018 Number of shares	2018 €
Authorised				
Ordinary shares of €0,50 each	**171.000.000**	**85.500.000**	171.000.000	85.500.000
Issued and fully paid				
Balance at 1 January	**100.000.000**	**50.000.000**	100.000.000	50.000.000
Balance at 31 December	**100.000.000**	**50.000.000**	100.000.000	50.000.000

23. Borrowings

	2019	2018
	€	€
Balance at 1 January	**89.385.679**	82.130.767
Proceeds from borrowings	**27.671.802**	20.045.045
Repayments	**(15.624.411)**	(16.763.916)
Interest expense	**3.431.080**	3.325.194
Non-cash charges:		
Loss/(gain) on modification of borrowings	**623.404**	(1.143.301)
Capitalisation of eligible borrowing costs on investment property	**522.509**	433.621
Commitment and commission fees	**269.168**	253.362
Balance at 31 December	**106.279.231**	89.385.679

	2019	2018
	€	€
Current borrowings		
Bank overdrafts (Note 21)	**580.346**	1.104.907
Bank loans	**5.450.229**	5.131.365
Loans from related companies (Note 28.5)	**-**	1.862.329
Loan from parent company (Note 28.5)	**2.649.736**	2.326.797
	8.680.311	10.425.398
Non-current borrowings		
Bank loans	**97.598.920**	75.885.641
Loans from shareholders (Note 28.6)	**-**	3.074.640
	97.598.920	78.960.281
Total	**106.279.231**	89.385.679

a. Bank loans in effect at 31 December 2019 and up to 22 July 2019

As at 31 December 2018 the Company had three loan facilities (details of which are given below) with banking institutions with a ceiling of €100.750.000. Following a restructuring process in July 2019, all existing loans had been settled in full during September 2019, with the balances at the time being consolidated under a new loan agreement with modified terms and conditions.

The first facility with a 31 December 2018 balance of €60.348.327, bore interest at the business bank rate plus a margin of 0,95%, then amended on 13 February 2018 to 3 months Euribor plus 3,65%, becoming repayable on 30 May 2030.

As a result of the above modification of the facility, a gain amounting to €1.143.301 had been recognised and reported under "finance costs" during the year ended 31 December 2018.

The second facility, being a loan up to €10.000.000, had increased to €18.000.000 in February 2017 for the purposes of funding mall expansion plans. The loan bore interest at the business bank rate plus margin 1,20%, amended on 13 February 2018 to 3 months Euribor plus 3,90%. This facility was repayable on 30 May 2032.

On 15 March 2018, the Company secured another loan facility amounting to €8.750.000, bearing interest at the rate of 3 months Euribor plus 3,75%, and repayable on 12 March 2032. Following the Company's new facility arrangements with credit institutions in July 2019, this loan was settled in full.

b. Related party borrowings

On 31 August 2017, the Company secured borrowings from related party Atterbury Europe B.V. (intermediate parent). The loan was unsecured, bore interest of 4,5% and was repayable four years from the date of the initial advance (31 August 2017). Interest charged in the current year amounted to €65.658 (2018: €132.404) which was capitalised in investment property. The loan was obtained for the purposes of the mall expansion. The loan facility amount is €7.000.000 and funds would have being obtained in tranches once the construction certificates were issued by the contractor on sight. Up to July 2019, following the restructuring explained further below, the Company had drawn €2.902.000 which was settled in full during the current year.

23. Borrowings (continued)

The loan due to fellow subsidiary The Mall of Engomı (ME) Plc, which as at 31 December 2018 amounted to €1.862.329 was fully repaid during the year with an additional total amount of €1.861.589 being drawn prior to its full settlement in July 2019. Total interest expense recognised during the year ended 31 December 2019 amounted to €60.784.

c. Restructuring of banking facilities

On 22 July 2019, the Company together with its parent and its fellow subsidiary, entered into a new loan agreement with Bank of Cyprus Public Company Limited. The agreement comprises four distinct facilities as shown in the table below:

Facility	Commitment	Interest rate	Maturity
Facility A	€20.000.000	3m Euribor + 4,00%	15/06/2026
Facility B	€90.000.000	3m Euribor + 3,71%	15/05/2032
Facility C	€18.900.000	3m Euribor + 3,65%	30/05/2030
Ancillary Facility	€3.000.000	3m Euribor + 4,20%	N/A

The ancillary facility represents the aggregated amount of overdrafts of the Company and its fellow subsidiary, amounted to €2.000.000 and €1.000.000 respectively.

Based on the revised agreement, the Company agreed to apply all amounts borrowed under Facility A in or towards the settlement of amounts, including settlement of loans which have fallen due or which are to fall due to any other entity within the Group or payment of dividends which have fallen due or which are to fall due to the Parent. Also, the Company agreed to apply all amounts borrowed under Facility B in or towards refinancing and settling amounts due and payable under its existing facility agreements (i.e. the loans pre-restructuring) in full and in a sum equal to the Facility B Commitment. The Company's fellow subsidiary agreed to apply all amounts borrowed under Facility C in or towards refinancing and settling amounts due and payable under its existing facility agreements in full and in a sum equal to the Facility C Commitment.

The bank has imposed the following covenants, in respect of the Group (defined as the Company, its parent and fellow subsidiary) on the agreement:

- Debt Service Cover Ratio: no less than or equal to 1.1 times
- Debt to Equity Ratio: shall not exceed 1.4 times
- Loan to Value Ratio: shall not exceed 60%

All three loans as of prior year end 2018, with maturity dates 30 May 2030, 30 May 2032 and 12 March 2032, were fully repaid on 24 September 2019 through proceeds of Facility B. The settlement was treated as a modification to the existing at the time of settlement, instead of recognition of new loans. As a result of the modification, a loss amounting to €623.404 has been recognised in "finance costs" for the year ended 31 December 2019. In arriving at the modification loss, the Company considered the requirements of IFRS 9, and deduced that since the terms and conditions of the restructuring did not breach the 10% threshold difference between the present value of loan instalments under the renewed terms, versus the carrying amount of the facilities before restructuring, there was no cause for derecognition.

On 10 October 2019, Bank of Cyprus Public Company Limited, made a syndication deal with Eurobank Cyprus Ltd, as permitted by the agreement for an amount of €27.000.000. The loan with Eurobank Cyprus Ltd bears the same interest as of Bank of Cyprus (i.e. 3 month Euribor rate plus 3,71% margin). As a result, The Mall of Cyprus (MC) Plc owes part of the loan to Eurobank Cyprus Ltd.

23. Borrowings (continued)

As stated in Note 32, the Company has been waived from its financial obligation to repay principal and interest instalments on its bank loans from April 2020 to December 2020; as a result of this the term (duration) of the loans has been extended for nine months from the contractual expiration/maturity of the loans. The banks have also indicated certain relaxations in the enforceability of loan covenants during the mentioned period.

As part of the above restructuring deal, on 1 July 2019, Atterbury Cyprus Limited, repaid both loans due to Atterbury Europe B.V. and The Mall of Engomi (ME) Plc on behalf of the Company (refer to note 23(b)). The resulting loan due to Atterbury Cyprus Limited bears interest of 3 month Euribor plus 4,38%. No terms or conditions have been agreed for its repayment and security, therefore the loan is considered to be current.

Maturity of non-current borrowings:

	2019	2018
	€	€
Between one to two years	**5.656.510**	5.653.415
Between two and five years	**24.849.533**	22.559.199
After five years	**67.092.877**	50.747.667
	97.598.920	78.960.281

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

	2019	2018
Bank loans	**3,86%**	4,17%
Loans from related companies	**-**	4,38%
Loans from shareholders	**-**	4,50%
Loan from parent company	**4,38%**	4,38%

The carrying amount of borrowings approximate their fair value.

24. Deferred tax

Deferred tax is calculated in full on all temporary differences under the liability method using the applicable tax rates (Note 14). The applicable corporation tax rate in the case of tax losses is 12,5% (there are no tax losses available for offset at 31 December 2019 and 2018 respectively).

Deferred tax liability

	2019	2018
	€	€
Balance at 1 January	**18.402.330**	17.253.394
Movement in profit or loss due to:		
Fair value gains on investment property	**(21.186)**	833.024
Difference between depreciation and wear & tear allowances	**324.650**	315.912
Balance at 31 December	**18.705.794**	18.402.330

Deferred taxation liability arises as follows:

	2019	2018
	€	€
Fair value gains on investment property	**12.479.379**	12.500.565
Difference between depreciation and wear & tear allowances	**6.226.415**	5.901.765
	18.705.794	18.402.330

24. Deferred tax (continued)

The Company recognises deferred tax attributed to the following:

• Differences between wear & tear allowances and depreciation: The Company recognises deferred tax liabilities at each reporting period end between the assessed disposal value of eligible assets used in the business (property and equipment and buildings under investment property) and their tax written down values, taking into account the result of balancing additions that would arise for income tax purposes. The applicable rate is 12.5%.

• Differences on revaluation of investment property: Land and Buildings classified as investment property, upon disposal would be taxed under the capital gains regime, at the rate of 20%.

25. Provisions for other liabilities and charges

	Legal claims
	€
Balance at 1 January 2018	1.500.000
Balance at 31 December 2018/ 1 January 2019	**1.500.000**
Balance at 31 December 2019	**1.500.000**

Provisions for other liabilities represents Management’s best estimate of obligations that might arise from claims, including legal action made against it, by the primary constructor of the Mall of Cyprus. The Company currently participates in arbitration proceedings with the claimant, with the goal of an amicable resolution and settlement of the dispute. Such proceedings are at an advanced stage and ongoing at the date of signing of the financial statements. Management has established a provision for €1,5 million to cover any obligations arising on possible future settlement. The former owner of the Company contractually indemnified Atterbury Cyprus Limited at the time of becoming a shareholder of any losses that might crystalise in connection with the ongoing deliberations.

26. Trade and other payables

	2019	2018
	€	€
Trade payables	**611.237**	332.264
Retentions for construction work on investment property	**690.483**	893.428
Cash guarantee	**73.532**	46.500
VAT and other payables	**758.221**	650.923
Accruals	**64.833**	750.609
Deposits by tenants	**1.970.410**	1.706.113
Deferred income	**577.652**	830.844
Payables to related companies (Note 28.4)	**149.486**	11.603
	4.895.854	5.222.284
Less non-current payables	**(2.337.268)**	(2.343.273)
Current portion	**2.558.586**	2.879.011

"Deposits by tenants" relate to security deposits made by tenants upon the inception of their license/lease agreements. These security deposits will be refunded by the Company to the tenants upon the termination of their lease terms, if all set requirements are met. The Company accounts for these security deposits as a financial liability at amortised cost. Where some license/lease agreements do not stipulate any interest accruing to the tenants' security deposits, the Company applies a market related effective interest rate to account for the finance income and expense element, if evaluated as significant.

"Deferred income” relates to capital expenditure incurred by the Company on behalf of certain tenants, in transforming/enhancing the space occupied in the Mall of Cyprus with individualised features and improvements, and which have resulted in enhancements in the fair value of the investment property. For the Company to recognise any deferred income, enhancements should be contractually provisioned to remain within the Company’s ownership. Hence the tenant not occupying any claims for any contributions made. Amounts recognised in profit or loss under "other operating income", are based on the duration of each individual corresponding license/lease contract (Note 9).

Retentions for construction works on investment property concern amounts payable to the primary suppliers of construction services for the recent expansion project of the Mall of Cyprus, which are temporarily withheld on the basis of a predetermined period after conclusion of the works.

The fair values of trade and other payables (excluding accruals and deferred income) due within one year approximate to their carrying amounts as presented above.

27. (Refundable) taxes/current tax liabilities

	2019	2018
	€	€
Corporation tax	**(140.990)**	42.615
	(140.990)	42.615

28. Main shareholders and related party transactions

In accordance with IAS 24 “Related Party Disclosures”, parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operational decisions. In considering each possible related party relationship, attention is directed to the substance of the relationship, not merely the legal form. Related parties may enter into transactions which unrelated parties might not, and transactions between related parties may not be effected on the same terms, conditions and amounts as transactions between unrelated parties.

The Company is controlled by Atterbury Cyprus Limited, incorporated in Cyprus, which owns 99,67% of the Company's shares at the reporting date and at the date of approval of these financial statements.

Atterbury Cyprus Limited is controlled by Atterbury Europe B.V., incorporated in The Netherlands, which owns 97,50% of the Company's shares.

28. Main shareholders and related party transactions (continued)

The main shareholders of the Company as at 31 December 2019 are (i) Brightbridge Real Estate Limited (Cyprus) through its indirect 36,56% shareholding in Atterbury Cyprus Limited (the parent company), (ii) RMB Holdings Limited (South Africa) through its indirect 36,56% shareholding in Atterbury Cyprus Limited and (iii) Business Venture Investments No 1360 (Pty) Ltd (South Africa) through its indirect 24,38% shareholding in Atterbury Cyprus Limited.

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 Europe Holding B.V., incorporated in Netherlands. Its consolidated financial statements are available at the following address: 9 Schuttersveld 2316XG Leiden, The Netherlands.

Atterbury Cyprus Limited, incorporated in Cyprus with registered office at Arch. Makariou III, 195, Neocleous House, 3030 Limassol, Cyprus, is the parent entity which prepares the consolidated financial statement of the smallest body of undertakings of which the Company forms part as a subsidiary undertaking.

The following transactions were carried out with related parties (refer also to notes 21 and 23 for further information on borrowings with related parties):

28.1 Directors' remuneration

The remuneration of Directors was as follows:

	2019	2018
	€	€
Directors' fees	**2.500**	2.500
	2.500	2.500

28.2 Purchases of services / finance charges

Name and relationship	Nature of transactions	**2019** €	2018 €
Fliptype Holdings Limited - direct shareholder	Management fee charges	**276.226**	303.004
Atterbury Cyprus Limited - direct shareholder	Corporate service charges	**73.198**	302.896
Atterbury Europe Services B.V.	Management and commission fee charges	**1.084.425**	1.109.002
Brightbridge Real Estate Limited - indirect shareholder	Management fee charges	**58.500**	78.000
The Mall of Engomi (ME) Plc - fellow subsidiary	Interest on loan	**60.784**	49.009
Atterbury Europe B.V. - indirect shareholder	Interest on loan	**65.658**	132.404
Atterbury Cyprus Limited - direct shareholder	Interest on loan	**216.177**	177.392
		1.834.968	2.151.707

Management fees, commissions, and corporate service charges are recognised in ''Administration and other operating expenses''. An agreed portion of these fees is rechargeable to tenants as an agreed property management fee and classified under ''service charges, common use expenses and property management fees''.

28. Main shareholders and related party transactions (continued)

28.3 Receivables from related parties (Note 19)

Name	2019 €	2018 €
The Mall of Engomi (ME) Plc	**45.398**	-
	45.398	-

The current account balance with the fellow subsidiary does not bear any interest and has no specified repayment terms.

28.4 Payables to related parties (Note 26)

Name	2019 €	2018 €
Brightbridge Real Estate Limited	**-**	11.603
Atterbury Cyprus Limited	**21.776**	-
Atterbury Europe Services B.V.	**127.710**	-
	149.486	11.603

The current account balances with related parties do not bear any interest and have no specified repayment terms.

28.5 Loans from related undertakings (Note 23)

Name	2019 €	2018 €
Atterbury Cyprus Limited	**2.649.734**	2.326.797
The Mall of Engomi (ME) Plc	**-**	1.862.329
	2.649.734	4.189.126

The loan from immediate parent Atterbury Cyprus Limited was provided with interest of 3-month Euribor plus 4,38%, and there was no specified repayment date.

28.6 Borrowings from ultimate shareholder (Note 23)

	2019 €	2018 €
Atterbury Europe B.V.	**-**	3.074.640
	-	3.074.640

The loan from ultimate shareholder was provided with an interest rate of 4,50%, and had no specified repayment date.

28.7 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 €108.500.000.

b)The Mall of Engomi (ME) Plc guaranteed the loans of the Company for the amount of €96.500.000.

c)Atterbury Cyprus Limited guaranteed the loans of the Company for the amount of €10.500.000.

29. Contingent liabilities

The Company acts as a guarantor to the bank loan of fellow subsidiary The Mall of Engomi (ME) Plc for the amount of €23.000.000. It is not expected that any loss will result from such guarantees provided by the Company, since the property of the borrower is also pledged as security.

30. Commitments

Capital commitments

Capital expenditure contracted for at the reporting date but not yet incurred is as follows:

	2019	2018
	€	€
Investment property	-	11.700.000
	-	11.700.000

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 on land assets

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 Company leases out its investment property. The future minimum lease payments under non-cancellable leases are as follows:

	2019	2018
	€	€
Within one year	**11.537.559**	13.267.404
Between one and five years	**27.688.515**	37.748.887
After five years	**3.000.498**	10.535.754
	42.226.572	61.552.045

A detailed maturity analysis of operating lease payments for year 2019, is provided below:

	As at 31/12/2019
	€
Year 1	11.537.559
Year 2	11.648.518
Year 3	7.460.644
Year 4	5.184.350
Year 5	3.395.003
Year 6 onwards	3.000.498
Total	**42.226.572**

Operating leases, in which the Group is the lessor, relate to investment property owned by the Group with varying duration lease terms. Where applicable, operating lease contracts contain market review clauses in the event that the lessee is given an option to renew. Lessees do not have an option to purchase the property at the expiry of the lease period.

30. Commitments (continued)

The Company is exposed to changes in the residual value of investment property at the end of current lease agreements. The residual value risk born by the Company is mitigated by active management of its property with the objective of optimising and improving tenant mix in order to:

- achieve the longest weighted average lease term possible;

- minimise vacancy rates across all properties; and

- minimise the turnover of tenants of high credit rating and business prospects.

The Company also grants lease incentives to encourage key tenants to remain in the Mall for longer lease terms. In the case of anchor tenants, this also attracts other tenants to the property thereby contributing to overall occupancy levels. Lease agreements generally include a clause requiring the tenant to reinstate the leased space to its original state when the lease expires the tenant decides not to renew the lease agreement. This contributes to the maintenance of the property and allows for the space to be re-let on a timely basis, once a tenant has departed.

In addition, the Company has a regular capitalised expenditure plan thoroughly considered by the Asset Management function of the Atterbury Group, to keep properties in line with market standards and trends.

31. Accounting policies up to 31 December 2018

Accounting policies applicable to the comparative period ended 31 December 2018 that were amended by IFRS 16, are as follows:

Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

<u>The Company as lessor</u>

Amounts due from lessees under finance leases are recorded as receivables at the amount of the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Company's net investment outstanding in respect of the leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Credit loss allowance is recognised using a simplified approach at lifetime ECL. The ECL is determined in the same way as for financial assets measured at AC and recognised through an allowance account to write down the receivables' net carrying amount to the present value of expected cash flows discounted at the interest rates implicit in the finance leases. The estimated future cash flows reflect the cash flows that may result from obtaining and selling the assets subject to the lease.

32. Events after the reporting period

Intragroup debt settlements

On 7 January 2020, the Company made a repayment of €3.000.000 to the loan payable to Atterbury Cyprus Limited.

32. Events after the reporting period (continued)

Outbreak of the Coronavirus (Covid-19)

(i) General considerations

With the recent and rapid development of the COVID-19 outbreak the world economy entered a period of unprecedented health care crisis that has already started causing considerable global disruption in business activities and everyday life. Many countries have adopted extraordinary and economically costly containment measures requiring in some cases companies to limit or even suspend normal business operations and governments to implement restrictions on travelling as well as strict quarantine measures.

Certain industries such as tourism, hospitality and entertainment are expected to be disrupted significantly by these measures whereas others like manufacturing and financial services are expected to incur indirect losses. Considering the above unfortunate circumstances, the pace at which the outbreak expands and because of the high level of uncertainties due to the unpredictable outcome of this outbreak, the financial effect of the current crisis on the global economy and the overall business activities going forward is not possible to be estimated with reasonable certainty at this stage.

(ii) Country-wide measures

In Cyprus, following the extraordinary meeting of the Council of Ministers of the Republic that took place on 15 March 2020 and considering the fluid situation as it unfolds daily given the growing spread of the COVID-19 and based on the World Health Organization's data on the situation, the Council of Ministers announced that it considers that Cyprus is entering a state of emergency. To this end, certain measures have been taken with a view to safeguarding public health and ensuring the economic survival of working people, businesses, economically vulnerable groups and the economy at large. More specifically, new entry regulations have been announced with regard to protecting the population from a further spread of the disease tightening the entry of individuals in Cyprus. Additionally, a considerable number of private businesses of different types was forced to remain closed from Monday, 16th of March 2020 and for a period of four weeks. In addition, on 23 March 2020, by announcement of the President of the Republic, it was clarified that all retailers (with very limited exceptions) should be suspending their operations until further notice.

(iii) Impact on the Company and its operations

The public policy measures put in place to contain the spread of the COVID 19 have resulted in significant operational disruption for the Company. During this time, the Company considers that the health, safety and wellbeing of all the Company’s stakeholders remains the Company’s highest priority. This approach will ensure the preservation and longevity of the assets and the business.

The Company considers of critical importance that long-standing relationships with stakeholders, being tenants, patrons, suppliers, service providers and financiers are maintained in all respects.

In terms of implementing practical measures to curb the spread of the virus, the Company’s initial operational response included among other, the following:

i. Hand sanitizers placed through the Malls (toilets, entrance ways, food court and offices);

ii. Increased cleaning regime, paying particular attention to customer touch points (taps, toilet handles, soap dispenser, locks, handles, lift plates, escalator handrails, benches and management offices);

iii. Increased marketing and communication encouraging cleanliness and responsibility of our patrons through social media channels;

iv. Reduction of electricity consumption; and

v. Increased fresh air flow through the malls building to reduce the risks of the virus.

In compliance with the latest measures announced by the Government of Cyprus, the closure of the Mall of Engomi and the Mall of Cyprus started on 16 March 2020 and continues to date. The continued operation of supermarkets and certain restaurants fulfilling home delivery orders continued as permitted.

32. Events after the reporting period (continued)

During the time of closure there will be a significant decrease in revenue given the restriction on the stores that are allowed to trade. The impact on the medium to longer term once the measures put in place by Government has been lifted is unknown at this stage.

(iv) Impact on liquidity/profitability and financial position

Management has considered the unique circumstances and the risk exposures of the Company and has concluded that the main impact on the Company's profitability/liquidity and financial position may arise from the following:

Interruption of operations

Management acknowledges the possibility that during the lockdown and even after restrictions are relaxed or lifted, tenants will likely suffer financial losses/reduced performance. This is an issue that will be appropriately managed. The effect on the tenants and the financial support that may be given to tenants can only be determined once the lockdown has ended and businesses are allowed to trade again.

Reassessment of forecasts and budgets

In order to assess the actual and potential impact on the Company's financial position, financial performance and cash flows, management has undertaken the process of reassessing its cash flow and profitability forecasts by incorporating downside scenarios to assess and reaffirm the entity's ability to continue in the normal course of business for a period of 12 months from the date of signing of these financial statements. The reassessment process will be evaluated on a continuous basis, as the changes to the pandemic evolve.

In its comprehensive analysis, the Company has factored among other, the following:

a. There has been an agreement between the Company and the Bank of Cyprus Public Company Ltd (which binds Eurobank Cyprus Ltd under the relevant loan syndication arrangements) and as a result no interest or principal loan instalments will be due for a period of nine months from April 2020. This significantly eases the short term monthly cash outflow obligations of the Company. The principal loan arrangements of the Company have been extended for such period of nine months further to their contractual maturity.

b. As a result of negotiations with the banks, measurement and monitoring of loan covenants for the above period is not considered suspended, but neither is it considered a source of imminent risk to the Company's operations. The Company is currently in full compliance with such covenants and expects to remain in such a position. The Company also expects that there should not be any issue concerning the Company's cross guarantee position in favour of fellow subsidiaries, as the latter's position and performance is expected to be sufficient to avoid any unfavourable developments that may burden the entity. Based on the Company's assessment, the main covenants are the debt service and loan to value required ratios, as mentioned in Note 23. In respect of the debt service ratio, the Company's income is expected to be adversely affected, at the same time however, debt to be serviced will be nil, for the duration of the nine month period of suspension of principal and interest instalments. Regarding loan-to-value requirements: at this stage the Company does not expect significant impairment or any other major losses of value on assets. As such, with the total amount of borrowings of the Group, collectively being the combined carrying amount of the bank loans of the Company, its parent and fellow subsidiary The Mall of Engomi (ME) PLC standing at circa €120 million and a loan-to-value covenant requirement of 60%, for any breach to occur, the combined asset value of the Group would have to decline to below €200 million (i.e. a decline in the region of 20% or more). As such, there is significant headroom before being at risk of any breach.

c. Short term credit facilities (bank overdrafts) are reviewed annually, and at this stage the Company expects to retain its facilities in line with the arrangements with the Bank.

d. The Company has significant unused short term cash deposits which are intended for various purposes including funding related entities, however such buffer if need be may be applied to meet short term cash flow obligations and maintain the operational ability of the Company in the short to medium term. At the date of signing of the financial statements, these deposits stand in excess of €10 million.

e. Alternative scenarios incorporate different assumptions about the date of recommencement of trading by tenants affected by the lockdown, as well as the impact of potential relaxation of claims over tenants during and post the lockdown period. Having mentioned that, the Company believes that it has full protection in law over the aforementioned claims.

32. Events after the reporting period (continued)

f. Potential delays in recovering debts are taken into account, to account for cash flow difficulties that may be faced by tenants, including the impact of increased expected credit losses.

g. Group financial support may be available by delaying/deferring settlements of amounts due to other Atterbury group companies, for easing cash flow pressures.

From the overall analysis performed, Management has therefore concluded that there is no material uncertainty regarding the applicability of the going concern presumption for these financial statements. Management will continue to monitor the situation closely and assess additional measures as a fall back plan in case the period of disruption of operations becomes prolonged compared to what has been factored in its comprehensive analysis.

There were no other material events after the reporting period, which have a bearing on the understanding of the financial statements.

Independent auditor's report on pages 7 to 10