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Half-Yearly Financial Report
The Mall of Cyprus (MC) Plc
ITTL

FS for the period 31 Dec 17

Please find attached
1) the announcement regarding the approval of the audited financial statements of the company for the period ended 31 December 2017; and
2) the audited financial statements of the company for the period ended 31 December 2017.

Attachments:

1. **MoC approval**
2. **MoC FS**

Non Regulated

Publication Date: 24/04/2018

The Mall of Cyprus (MC) Plc

The Board of Directors of the public Company "The Mall of Cyprus Mc Plc" (the "**Company**"), on the 23 April 2018, approved the audited financial statements for the period ended 31 December 2017. The Board further resolved that no dividend shall be declared for the aforementioned period.

Copies of the full and complete text of the financial statements for the period ended 31 December 2017 can be obtained from the registered office of the Company at the Mall of Cyprus 3, Vergina str., Strovolos, Nicosia, Cyprus or by sending an email request at christos.kafouris@neo.law without any charge. The six month report will be mailed to all the shareholders of the Company.

The Mall of Cyprus (MC) Plc

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Montrago Services Limited

Γραμματέας MONTRAGO SERVICES LIMITED

Ημερομηνία: 23 April 2018

The Mall of Cyprus (MC) Plc

Report and financial statements
31 December 2017

Contents

The Mall of Cyprus (MC) Plc

Board of Directors and other officers

Board of Directors

Takis Christodoulou
John George Mavrokordatos
George Mouskides
Martin Olivier (appointed 5 July 2017)

Company Secretary

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

Registered office

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

Legal Advisors

Elias Neocleous & Co LLC

Financial Controller

Antonia Constantinou

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

According to Article 9, subsections (3) (c) and (7) of the Transparency Requirements (Traded Securities on a Regulated Market) Law of 2007 ('Law'), we the members of the Board of Directors and other officers responsible for the financial statements of The Mall of Cyprus (MC) Plc for the 6 month period ended 31 December 2017, we confirm that, according to our knowledge:

a) The annual financial statements presented on pages 13 to 52 were:

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

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

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

Members of the Board of Directors

John George Mavrokordatos - Director ....

George Mouskides - Director ....

Takis Christodoulou - Director ....

Martin Olivier - Director ....

Responsible for the Preparation of these Financial Statements

Antonia Constantinou – Financial Controller ....

Nicosia, 23 April 2018

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Members of the Board of Directors

John George Mavrokordatos - Director ....

George Mouskides - Director ....

Takis Christodoulou - Director ....

Martin Olivier - Director ....

Responsible for the Preparation of these Financial Statements

Antonia Constantinou – Financial Controller ....

Nicosia,23 April 2018

The Mall of Cyprus (MC) Plc

Management Report

1 The Board of Directors presents its report together with the audited financial statements of the Company for the period from 1 July 2017 to 31 December 2017.

Principal activities and nature of operations of the Company

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

Change of financial year end

3 At the Company's Board of Directors meeting held on 6 November 2017, the Board of Directors decided to change the financial year end of the Company from 30 June to 31 December of each respective year.

4 Due to the change of financial year end from 30 June to 31 December, the Company's comparative financial information presented in these financial statements cover the 12 month period from 1 July 2016 to 30 June 2017, whereas the curent period financial information presented cover a 6 month period from 1 July 2017 to 31 December 2017. The reason for the change is the fact that the Company's shareholders' financial year end is 31 December. Therefore, the numbers related to the results and cash flows of the comparative year (12 months) as presented in these financial statements are not comparable to the current period's figures (6 month period).

Group Structure

5 There were no changes in the Group Structure during the period from 1 July 2017 to 31 December 2017..

6 The Company does not intend to proceed with any acquisitions or mergers.

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

7 The operating profit of the Company for the six month period ended 31 December 2017 was €5.546.343 (year ended 30 June 2017: profit of €10.884.825). The finance costs for the six month period were €1.767.012 (year ended 30 June 2017: €3.234.076). The tax charge for the six month period ended 31 December 2017 amounted to €652.438 (year ended 30 June 2017: €870.926) which includes deferred tax charge of €247.000 (year ended 30 June 2017: €358.126).

8 The profit after tax of the Company for the six month period ended 31 December 2017 was €3.136.633 (year ended 30 June 2017: €6.788.714).

9 As at 31 December 2017 the total assets of the Company were €179.777.135 (year ended 30 June 2017: €172.975.840) and the net assets were €73.247.025 (year ended 30 June 2017: €70.110.392).

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

The Mall of Cyprus (MC) Plc

Management Report (continued)

Principal risks and uncertainties

11 The principal risks and uncertainties faced by the Company are disclosed in Notes 1, 3 and 4 of the financial statements.The Cypriot economy has recorded positive growth in 2016 and 2017 after overcoming the economic recession of recent years. The overall economic outlook of the economy remains favorable, however there are still downside risks emanating from the still high levels of non-performing loans, the public Debt to GDP ratio, as well as possible deterioration of the external environment for Cyprus.

12 This operating environment may have 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.

Use of financial instruments by the Company

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

14 The Company's risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance. Risk management is carried out by Management and approved by the Board of Directors. Management identifies, evaluates and hedges financial risks in close co operation with the Company's operating units. The Board provides written principles 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.

Cash flow and fair value interest rate risk

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

16 At 31 December 2017 (six month period), if interest rates on Euro-denominated borrowings had been 0,5% higher/lower with all other variables held constant, post-tax profit for the period ended 31 December 2017 would have been €162.253 (year ended 30 June 2017: €332.218) lower/higher, mainly as a result of higher/lower interest expense on floating rate borrowings.

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

Credit risk

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

The Mall of Cyprus (MC) Plc

Management Report (continued)

Principal risks and uncertainties (continued)

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

20 The Company's credit risk arises from trade receivables amounting to €702.719, other receivables amounting to €576.861 and bank balances amounting to €1.621.925. During the period from 1 July 2017 up to 31 December 2017, trade receivables of €4.335 (year ended 30 June 2017: €135.569) were impaired and provided for and €45.102 were written off as uncollectible. The amount of the provision was €281.317 as of 31 December 2017 (year ended 30 June 2017: €322.084). The individually impaired receivables relate to tenants, which are in an unexpectedly difficult economic situation.

Liquidity risk

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

Future developments of the Company

22 The Company commenced the project for the expansion of The Mall of Cyprus by about an additional area of 5.500 m2 on the first floor, which will be used for retail, entertainment and cultural purposes in order to meet the demands of its customers/visitors and also increase the variety of offerings at the mall. For this additional space there is high demand from local and international retailers and users. With the expansion about an additional 200 parking places shall be created as well. The Company has secured the necessary planning and building permits for the expansion.

Visitors traffic

23 The visitors traffic at The Mall of Cyprus for the six month period 31 December 2017 amounted to 2.621.079 people.

Results

24 The Company's results for the period are set out on page 13. The profit for the year is retained.

Share capital

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

The Mall of Cyprus (MC) Plc

Management Report (continued)

Board of Directors

26 The members of the Board of Directors at 31 December 2017 and at the date of this report are shown on page 1. All of them were members of the Board throughout the year ended 31 December 2017, except Mr Martin Olivier, who was appointed as Director on 5 July 2017.

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

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

Events after the balance sheet date

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

Branches

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

Directors' interests in the Company's share capital

31 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 2017 and as at the date of this report.

32 Except from the balances and transactions disclosed in Note 27 of the financial statements, there were no other significant contracts with the Company or its subsidiaries or related companies, in which a Director or related parties had a significant interest.

The Mall of Cyprus (MC) Plc

Management Report (continued)

Main shareholders

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

	Percentage of shareholding
	%
Direct shareholder:	
Atterbry Cyprus Limited	99,67
Indirect shareholder:	
Atterbury Onroerend Goed Houdster Europe Cooperatief U.A. (Netherlands) through its indirect shareholding in Atterbury Cyprus Limited.	54,56

Independent Auditors

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

By Order of the Board

Montrago Services Limited
Company Secretary

Nicosia,
23 April 2018 MONTRAGO SERVICES LIMITED

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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

Our opinion

In our opinion, the accompanying financial statements of The Mall of Cyprus (MC) Plc (the "Company) give a true and fair view of the financial position of the Company as at 31 December 2017, and of its financial performance and its cash flows for the period from 1 July 2017 to 31 December 2017 in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113.

What we have audited

We have audited the financial statements which are presented in pages 13 to 52 and comprise:

- the statement of financial position as at 31 December 2017;
- statement of comprehensive income for the period from 1 July 2017 to 31 December 2017;
- the statement of changes in equity for the period from 1 July 2017 to 31 December 2017;
- the statement of cash flows for the period from 1 July 2017 to 31 December 2017; and
- the notes to the financial statements, which include a summary of significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is International Financial Reporting Standards 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 are independent of the Company in accordance with the *International Ethics Standards Board for* Accountants' Code of Ethics for Professional Accountants (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.

PricewaterhouseCoopers Ltd, PwC Central, 43 Demostheni Severi Avenue, CY-1080 Nicosia, Cyprus
P O Box 21612, CY-1591 Nicosia, Cyprus
T: +357 - 22 555 000, F: +357 - 22 555 001, www.pwc.com/cy

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Key audit matters

Key audit matters are those matters that, in our professional judgement, 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.

Key Audit Matter	How our audit addressed the Key Audit Matter
Valuation of Investment Property at Fair value	
Refer to Note 2, Summary of Significant Accounting Policies, Note 4, Critical Accounting Estimates and Judgements and Note 18 Investment Property. Management estimated the fair value of the Investment Property to be €169.942.000 as at 31 December 2017. The Investment property is presented on the Balance sheet at the value of €174.734.994 which includes additions for project under construction to date of €4.792.994. The total value of the Investment property represent approximately 97% of the Company's total assets. The investment property valuations are dependent on certain key assumptions that require significant management judgement including terminal capitalisation rates, discount rate and fair market rents. Some of these estimates and judgements are subject to market forces and will change over time. Recent independent external valuations were utilised by management in arriving at its estimates.	Our audit procedures in relation to Management's valuation of Investment Property included an evaluation of the Management's and the Management's independent external valuer's competency, capabilities and objectivity. We have also assessed the mathematical accuracy, methodologies used and the appropriateness of the key assumptions used, by comparing with general economic and market specific expectations and engaging our in-house valuation experts to assess whether the assumptions used were within a reasonable range of acceptable assumptions. Furthermore we evaluated the adequacy of the Company's disclosures in the financial statements regarding the valuation of its investment property.

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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 and of other officers of the company for the financial statement but does not include the financial statements and our auditor's report thereon.

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 the 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 judgement 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.

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, 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 our opinion, and in the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the management report.

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Other Matter

This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 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 A. Theodoulou.

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

PricewaterhouseCoopers Limited
Certified Public Accountants and Registered Auditors

PwC Central, 43 Demostheni Severi Avenue
CY-1080 Nicosia Cyprus

23 April 2018

The Mall of Cyprus (MC) Plc

Statement of comprehensive income for the period ended 31 December 2017

	Note	For the period from 1 July 2017 to 31 December 2017 €	Year ended 30 June 2017 €
Rights for use of space and other income	5	6.060.813	11.747.633
Administrative expenses	8	(637.060)	(1.202.265)
Other income	6	122.590	421.257
Other losses - net	7	-	(81.800)
Operating profit		5.546.343	10.884.825
Finance costs	10	(1.767.012)	(3.234.076)
Finance income	11	9.740	8.891
Profit before income tax		3.789.071	7.659.640
Income tax expense	12	(652.438)	(870.926)
Profit and total comprehensive income for the period/year		3.136.633	6.788.714

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

	Note	For the period from 1 July 2017 to 31 December 2017 €	Year ended 30 June 2017 €
Basic and fully diluted - cents	13	3,14	6,80

The notes on pages 17 to 52 are an integral part of the financial statements.

The Mall of Cyprus (MC) Plc

Statement of financial position at 31 December 2017

	Note	31 December 2017 €	30 June 2017 €
Assets			
Non-current assets			
Property, plant and equipment	17	169,239	176,136
Investment property	18	174,734,994	170,345,648
		174,904,233	170,521,784
Current assets			
Trade and other receivables	19	3,250,977	1,540,771
Cash and bank balances	20	1,621,925	913,285
		4,872,902	2,454,056
Total assets		179,777,135	172,975,840
Equity and liabilities			
Capital and reserves			
Share capital	21	50,000,000	50,000,000
Retained earnings		23,247,025	20,110,392
Total equity		73,247,025	70,110,392
Non-current liabilities			
Borrowings	22	66,964,888	63,149,549
Deferred income tax liabilities	23	17,253,394	17,006,394
Trade and other payables	24	2,359,710	2,492,803
		86,577,992	82,648,746
Current liabilities			
Trade and other payables	25	4,610,941	5,038,132
Current income tax liabilities		175,298	247,610
Borrowings	22	15,165,879	14,930,960
		19,952,118	20,216,702
Total liabilities		106,530,110	102,865,448
Total equity and liabilities		179,777,135	172,975,840

On 23 April 2018 the Board of Directors of The Mall of Cyprus (MC) Plc authorised these financial statements for issue.

John George Mavrokordatos, Director

George Mouskides, Director

The notes on pages 17 to 52 are an integral part of these financial statements.

The Mall of Cyprus (MC) Plc

Statement of changes in equity for the period ended 31 December 2017

	Note	Share capital €	Retained earnings[1] €	Total €
Balance at 1 July 2016		50.000.000	28.321.678	78.321.678
Comprehensive income				
Profit for the period		-	6.788.714	6.788.714
Transactions with owners				
Dividend relating to 2017 and previous years paid in April 2017	14	-	(15.000.000)	(15.000.000)
Balance at 30 June 2017/1 July 2017		50.000.000	20.110.392	70.110.392
Comprehensive income				
Profit for the period		-	3.136.633	3.136.633
Balance at 31 December 2017		50.000.000	23.247.025	73.247.025

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

The notes on pages 17 to 52 are an integral part of these financial statements.

The Mall of Cyprus (MC) Plc

Statement of cash flows
for the period ended 31 December 2017

	Note	For the period from 1 July 2017 to 31 December 2017 €	Year ended 30 June 2017 €
Cash flows from operating activities			
Profit before income tax		3.789.071	7.659.640
Adjustments for:			
Depreciation of property, plant and equipment	17	6.897	64.159
Fair value losses on investment property	18	-	81.800
Interest income	11	(9.740)	(8.891)
Interest expense	10	1.767.186	3.233.551
		5.553.414	11.030.259
Changes in working capital:			
Trade and other receivables		(1.710.206)	(131.515)
Trade and other payables		610.804	425.799
Cash generated from operations		4.454.012	11.324.543
Income tax paid		(477.749)	(414.371)
Net cash generated from operating activities		3.976.263	10.910.172
Cash flows used in investing activities			
Purchases of investment property	18	(4.389.346)	(427.448)
Interest received		9.740	8.891
Net cash used in investing activities		(4.379.606)	(418.557)
Cash flows from financing activities			
Proceeds from bank borrowings	22	2.618.322	-
Repayments of bank borrowings		(1.740.339)	(3.430.462)
Proceeds from loans from related parties	27(v)	3.741.370	450.392
Repayments of loans to related parties	27(v)	(2.215.020)	(4.222.230)
Interest paid		(1.292.350)	(2.902.596)
Dividends paid to Company's shareholders	14	-	(48.762)
Net cash from/(used in) financing activities		1.111.983	(10.153.658)
Net increase in cash and cash equivalents		708.640	337.957
Cash and cash equivalents at beginning of period/year		913.285	575.328
Cash and cash equivalents at end of period/year	20	1.621.925	913.285

Non-cash transactions:

For the year ended 30 June 2017,a dividend of €14.951.238 was distributed to the parent entity, Atterbury Cyprus Ltd, which was not paid but instead credited to a loan account (Note 27(v)).

An amount of €1.180.208 was reclassified from other payables to loan payable following agreement between the two parties.(Note22)

The notes on pages 17 to 52 are an integral part of these financial statements.

The Mall of Cyprus (MC) Plc

Notes to the financial statements

1 General information

Country of incorporation

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

Principal activities

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

Change of financial year end

At the Company's Board of Directors meeting held on 6 November 2017, the Board of Directors decided to change the financial year end of the Company from 30 June to 31 December of each respective year.

Due to the change of financial year end from 30 June to 31 December, the Company's comparative financial information presented in these financial statements cover the 12 month period from 1 July 2016 to 30 June 2017, whereas the current period financial information presented cover a 6 month period from 1 July 2017 to 31 December 2017. The reason for the change is the fact that the Company's shareholders' financial year end is 31 December. Therefore, the numbers related to the results and cash flows of the comparative year (12 months) as presented in these financial statements are not comparable to the current period's figures (6 month period).

Operating environment of the Company

The Cypriot economy has recorded positive growth in 2016 and 2017 after overcoming the economic recession of recent years. The overall economic outlook of the economy remains favorable, 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 may have 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.

1 General information (continued)

Operating environment of the Company (continued)

The Company's management determined impairment provisions for financial assets carried at amortised cost using the "incurred loss" model required by International Accounting Standard 39 "Financial Instruments: Recognition and Measurement". This standard requires recognition of impairment losses for loans and receivables that arose from past events and prohibits recognition of impairment losses that could arise from future events, including future changes in the economic environment, no matter how likely those future events are. Thus final impairment losses from financial assets could differ significantly from the current level of provisions.

2 Summary of significant accounting policies

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

Basis of preparation

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

As of the date of the authorisation of the financial statements, all International Financial Reporting Standards issued by the International Accounting Standards Board (IASB) that are effective as of 1 July 2017 have been adopted by the EU through the endorsement procedure established by the European Commission, with the exception of certain provisions of IAS 39 "Financial Instruments: Recognition and Measurement" relating to portfolio hedge accounting.

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

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates and requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

Adoption of new and revised IFRSs

During the current period the Company adopted all the new and revised International Financial Reporting Standards (IFRS) that are relevant to its operations and are effective for accounting periods beginning 1 July 2017. This adoption did not have a material effect on the accounting policies of the Company with the exception of the following:

2 Summary of significant accounting policies (continued)

Adoption of new and revised IFRSs (continued)

- Disclosure Initiative - Amendments to IAS 7 (issued on 29 January 2016 and effective for annual periods beginning on or after 1 January 2017). As a result of this amendment, the Company has disclosed a reconciliation of movements in liabilities arising from financing activities. Refer to Note 20.

At the date of approval of these financial statements a number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 1 July 2017, and have not been applied in preparing these financial statements. None of these is expected to have a significant effect on the financial statements of the Company, except the following set out below:

- IFRS 9 "Financial Instruments: Classification and Measurement" (issued in July 2014 and effective for annual periods beginning on or after 1 January 2018). Key features of the new standard are:

    i Financial assets are required to be classified into three measurement categories: those to be measured subsequently at amortised cost, those to be measured subsequently at fair value through other comprehensive income (FVOCI) and those to be measured subsequently at fair value through profit or loss (FVPL).

    ii Classification for debt instruments is driven by the entity's business model for managing the financial assets and whether the contractual cash flows represent solely payments of principal and interest (SPPI). If a debt instrument is held to collect, it may be carried at amortised cost if it also meets the SPPI requirement. Debt instruments that meet the SPPI requirement that are held in a portfolio where an entity both holds to collect assets' cash flows and sells assets may be classified as FVOCI. Financial assets that do not contain cash flows that are SPPI must be measured at FVPL (for example, derivatives). Embedded derivatives are no longer separated from financial assets but will be included in assessing the SPPI condition.

    iii Investments in equity instruments are always measured at fair value. However, management can make an irrevocable election to present changes in fair value in other comprehensive income, provided the instrument is not held for trading. If the equity instrument is held for trading, changes in fair value are presented in profit or loss.

    iv Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9. The key change is that an entity will be required to present the effects of changes in own credit risk of financial liabilities designated at fair value through profit or loss in other comprehensive income.

2 Summary of significant accounting policies (continued)

Adoption of new and revised IFRSs (continued)

v IFRS 9 introduces a new model for the recognition of impairment losses – the expected credit losses (ECL) model. There is a 'three stage' approach which is based on the change in credit quality of financial assets since initial recognition. In practice, the new rules mean that entities will have to record an immediate loss equal to the 12-month ECL on initial recognition of financial assets that are not credit impaired (or lifetime ECL for trade receivables). Where there has been a significant increase in credit risk, impairment is measured using lifetime ECL rather than 12-month ECL. The model includes operational simplifications for lease and trade receivables.

vi Hedge accounting requirements were amended to align accounting more closely with risk management. The standard provides entities with an accounting policy choice between applying the hedge accounting requirements of IFRS 9 and continuing to apply IAS 39 to all hedges because the standard currently does not address accounting for macro hedging

The Company is currently assessing the impact of the new standard on its financial statements and as of the date of issue of these financial statements there is no impact of the adoption of this standard.

- IFRS 15, Revenue from Contracts with Customers (issued on 28 May 2014 and effective for the periods beginning on or after 1 January 2018). The new standard introduces the core principle that revenue must be recognised when the goods or services are transferred to the customer, at the transaction price. Any bundled goods or services that are distinct must be separately recognised, and any discounts or rebates on the contract price must generally be allocated to the separate elements. When the consideration varies for any reason, minimum amounts must be recognised if they are not at significant risk of reversal. Costs incurred to secure contracts with customers have to be capitalised and amortised over the period when the benefits of the contract are consumed. The Company is currently assessing the impact of the new standard on its financial statements and as of the date of issue of these financial statements there is no impact of the adoption of this standard.

2 Summary of significant accounting policies (continued)

Adoption of new and revised IFRSs (continued)

- Amendments to IFRS 15, Revenue from Contracts with Customers (issued on 12 April 2016 and effective for annual periods beginning on or after 1 January 2018). The amendments do not change the underlying principles of the Standard but clarify how those principles should be applied. The amendments clarify how to identify a performance obligation (the promise to transfer a good or a service to a customer) in a contract; how to determine whether a company is a principal (the provider of a good or service) or an agent (responsible for arranging for the good or service to be provided); and how to determine whether the revenue from granting a licence should be recognised at a point in time or over time. In addition to the clarifications, the amendments include two additional reliefs to reduce cost and complexity for a company when it first applies the new Standard. The Company is currently assessing the impact of the amendment on its financial statements.

Revenue recognition

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

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

(i) Income from rights for use of space

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

(ii) Interest income

Interest income is recognised using the effective interest method.

(iii) Lease income

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

2 Summary of significant accounting policies (continued)

Employee benefits

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

Foreign currency translation

(i) Functional and presentation currency

Items included in the 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.

(ii) Transactions and balances

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

Current and deferred income tax

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

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

2 Summary of significant accounting policies (continued)

Current and deferred income tax (continued)

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

The deferred tax liability in relation to investment property that is measured at fair value is determined assuming the property will be recovered entirely through sale.

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

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

Dividend distribution

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

Plant and equipment

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

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

2 Summary of significant accounting policies (continued)

Plant and equipment (continued)

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

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

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

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

Investment property

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

2 Summary of significant accounting policies (continued)

Impairment of non-financial assets

Intangibles that have an indefinite useful life, including goodwill, are not subject to amortisation and are tested annually for impairment or more frequently if events and changes in circumstances indicate that they might be impaired. Assets that are subject to depreciation or amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets, other than goodwill, that have suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

Loans and receivables

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

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

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

Offsetting financial instruments

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

2 Summary of significant accounting policies (continued)

Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or delinquency in payments are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the carrying amount and the recoverable amount, being the present value of estimated future cash flows, discounted at the effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in profit or loss within "selling and marketing costs". When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against "selling and marketing costs" in profit or loss.

Share capital

Ordinary shares are classified as equity.

Provisions

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

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

Borrowings

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

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

2 Summary of significant accounting policies (continued)

Borrowings (continued)

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 balance sheet when the obligation specified in the contract is discharged, cancelled or expired. 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.

A substantial modification of the terms of an existing financial liability or a part of it is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Any gain or loss on extinguishment is recognised in profit or loss except to the extent that it arises as a result of transactions with shareholders acting in their capacity as shareholders when it is recognised directly in equity. The terms are considered to be 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. Any costs or fees incurred are recognised as part of the gain or loss on the extinguishment.

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

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

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

2 Summary of significant accounting policies (continued)

Trade payables

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

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

Cash and cash equivalents

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

Deferred income

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

Segmental analysis

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

Comparatives

The corresponding figures presented in these financial statements relating to the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year 1 July 2016 to 30 June 2017 are not entirely comparable to current period's figures due to the change of financial year end from 30 June to 31 December to be in line with the Company's shareholders' financial year end.

3 Financial risk management

(i) Financial risk factors

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

The Company's risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance. Risk management is carried out by Management under policies approved by the Board of Directors. Management identifies, evaluates and hedges financial risks in close co-operation with the Company's operating units. The Board provides written and / or oral principles for overall risk management, as well as written policies and / or oral covering specific areas, such as interest rate risk, credit risk, and investment of excess liquidity.

- **Market risk**

  Cash flow and fair value interest rate risk

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

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

  At 31 December 2017 (6 month period), if interest rates on Euro-denominated borrowings had been 0,5% higher/lower with all other variables held constant, post-tax profit for the period ended 31 December 2017 would have been €162.253 (year ended 30 June 2017: €332.218) lower/higher, mainly as a result of higher/lower interest expense on floating rate borrowings.

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

- **Credit risk**

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

  For banks and financial institutions, only those that are highly rated by the Board of Directors are accepted. Management assesses the credit quality of the users of space, taking into account its financial position, past experience and other factors. See Note 16 for further disclosure on credit risk.

3 Financial risk management (continued)

(i) Financial risk factors (continued)

- **Liquidity risk**

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

	Less than 1 year €	Between 1 and 2 years €	Between 2 to 5 years €	Over 5 years €
At 30 June 2017				
Borrowings	6.060.000	6.460.000	13.080.000	57.350.000
Trade and other payables	4.797.949	-	-	-
	10.857.949	6.460.000	13.080.000	57.350.000

	Less than 1 year €	Between 1 and 2 years €	Between 2 to 5 years €	Over 5 years €
At 31 December 2017				
Borrowings	6.332.345	7.212.644	25.117.447	50.713.732
Trade and other payables	4.370.757	-	-	-
	10.703.102	7.212.644	25.117.447	50.713.732

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

Management monitors rolling forecasts of the Company's liquidity reserve (comprises undrawn borrowing facility (Note 22) and cash and cash equivalents (Note 20) on the basis of expected cash flow. Based on their experience, management considers that the bank overdraft will continue to be renewed normally on an annual basis.

(ii) Capital risk management

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

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

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

The Mall of Cyprus (MC) Plc

3 Financial risk management (continued)

(ii) Capital risk management (continued)

During the period ended 31 December 2017, the Company's strategy, which was unchanged from prior period, was to maintain the gearing ratio within 50% to 70%. The gearing ratios at 31 December 2017 and 30 June 2017 were as follows:

	31 December 2017 €	30 June 2017 €
Total borrowings (Note 22)	82.130.767	78.080.509
Less: cash and cash equivalents (Note 20)	(1.621.925)	(913.285)
Net debt	80.508.842	77.167.224
Total equity	73.247.025	70.110.392
Total capital as defined by management	153.755.867	147.277.616
Gearing ratio	52%	52%

(iii) Fair value estimation

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

Refer to Note 18 for disclosure of fair value for Investment Properties carried at fair value.

4 Critical accounting estimates and judgements

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

(i) 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.

4 Critical accounting estimates and judgements (continued)

(i) Critical accounting estimates and assumptions (continued)

- **Income taxes**

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

- **Fair value of investment property**

  The fair value of investment property is determined using valuation techniques which entail a significant degree of judgement and uncertainty. Refer to Note 18 for the relevant disclosure of valuation technique used for the determination of the fair value of the Company's investment properties.

- **Related party transactions**

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

5 Rights for use of space and other revenue

	For the period from 1 July 2017 to 31 Decemer 2017 €	Year ended 30 June 2017 €
Rights for use of space	5.683.094	11.006.287
Lease income	377.719	741.346
	6.060.813	11.747.633

6 Other income

	For the period from 1 July 2017 to 31 December 2017 €	Year ended 30 June 2017 €
Other operating income	122.580	421.257

7 Other losses - net

	For the period from 1 July 2017 to 31 December 2017 €	Year ended 30 June 2017 €
Investment property:		
Fair value loss (Note 18)	-	(81.800)
Total other losses - net	-	(81.800)

8 Expenses by nature

	For the period from 1 July 2017 to 31 December 2017 €	Year ended 30 June 2017 €
Depreciation (Note 17)	6.897	64.159
Insurance	9.491	-
Auditors' remuneration	23.000	25.000
Auditors' remuneration-prior year	-	8.000
Trade receivables - impairment charge for receivables (Note 19)	4.335	135.569
Staff costs (Note 9)	-	-
Advertising and promotion	-	634
Other expenses	2.924	6.875
Professional fees	106.563	55.675
Directors' fees	1.250	2.500
Immovable property tax	-	108.694
Stamps duty	-	1.429
Bank charges	69.696	3.259
Common expenses	143.631	204.574
Licenses and taxes	10.519	70.112
Write off of receivables	47.573	22.612
Management fees	211.191	491.173
Donations	-	2.000
Total administrative expenses	637.060	1.202.265

8 Expenses by nature (continued)

The total fees charged by the Company's statutory auditor for the statutory audit of the financial statements of the Company for the six month period ended 31 December 2017 amounted to €23.000 (30 June 2017: €25.000). The total fees charged by the Company's statutory auditor for the year ended 31 December 2017 for tax advisory services amounted to €49.250 (30 June 2017: €7.900), for other assurance services €1.208 (30 June 2017: €23.243).

9 Staff costs

	For the period from 1 July 2017 to 31 December 2017 €	Year ended 30 June 2017 €
Wages and Salaries	169.486	304.158
Social insurance costs	17.541	34.308
Provident fund contributions	1.577	2.377
Transferred to common expenses	(188.604)	(340.843)
	-	-
Average number of staff employed during the year	14	14

10 Finance costs

	For the period from 1 July 2017 to 31 December 2017 €	Year ended 30 June 2017 €
Interest expense:		
Bank borrowings	1.482.128	3.064.726
Loans from parent entity and minority shareholder (Note 27(v))	283.369	168.825
Interest on overdue taxation	1.689	-
Total interest expense	1.767.186	3.233.551
Net foreign exchange (gain)/loss	(174)	525
	1.767.012	3.234.076

11 Finance income

	For the period from 1 July 2017 to 31 December 2017 €	Year ended 30 June 2017 €
Interest Income:		
Bank balances	9.740	5.128
Loan to parent entity (Note27(v))	-	3.763
	9.740	8.891

12 Income tax expense

	For the period from 1 July 2017 to 31 December 2017 €	Year ended 30 June 2017 €
Current tax:		
Corporation tax	299.668	492.284
Defence contribution	8.499	16.680
Under provision of prior years' taxes:		
Corporation tax	91.031	-
Defence contribution	6.240	3.836
Total current tax	405.438	512.800
Deferred tax (Note 23):		
Origination and reversal of temporary differences	247.000	358.126
Total deferred tax	247.000	358.126
Income tax expense	652.438	870.926

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

	For the period from 1 July 2017 to 31 December 2017 €	Year ended 30 June 2017 €
Profit before tax	3.789.071	7.659.640
Tax calculated at the applicable corporation tax rate of 12,5%	473.634	957.455
Tax effect of expenses not deductible for tax purposes	39.165	26.557
Tax effect of allowances and income not subject to tax	(1.224)	(700)
Special contribution for defence	14.739	20.517
Difference between capital gains tax rate and income tax rate and effect of inflation	35.093	(132.903)
Prior year taxes	91.031	-
Income tax charge	652.438	870.926

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

12 Income tax expense (continued)

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

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

13 Earnings per share

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

	For the period from 1 July 2017 to 31 December 2017 €	Year ended 30 June 2017 €
Profit for the year attributable to shareholders	3.136.633	6.788.714
Weighted average number of issued shares	100.000.000	100.000.000
Basic and diluted earnings per share - cents	3,14	6,80

14 Dividends

On 7 April 2017, an interim dividend of 15 cents per share was paid in respect of the profit for the year ended 30 June 2017 and previous years. The total dividend paid amounted to €15.000.000.

Dividends paid to individuals who are Cyprus tax residents are subject to a deduction of special contribution for defence at the rate of 17%. Consequently the dividends proposed in respect of the year 2017 will be subject to defence contribution amounting to €2.356 at the time the dividend is declared.

15 Financial instruments by category

	Loans and receivables €
31 December 2017	
Assets as per balance sheet	
Trade and other receivables (excluding prepayments)	1.284.580
Cash and cash equivalents	1.621.925
Total	2.906.505

	Liabilities at amortised cost €
Liabilities as per balance sheet	
Borrowings	82.130.767
Trade and other payables (excluding statutory liabilities)	6.220.121
Total	88.350.888

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15 Financial instruments by category (continued)

	Loans and receivables €
30 June 2017	
Assets as per balance sheet	
Trade and other receivables (excluding prepayments)	1.472.752
Cash and cash equivalents	913.285
Total	2.386.037

	Liabilities at amortised cost €
Liabilities as per balance sheet	
Borrowings	78.080.509
Trade and other payables (excluding statutory liabilities)	6.829.476
Total	84.909.985

16 Credit quality of financial assets

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

	31 December 2017 €	30 June 2017 €
Trade receivables		
Counterparties without external credit rating		
Group 1	**266.359**	35.151
Group 2	**436.360**	676.063
Group 3	**576.861**	761.538
Group4	**5.000**	-
	1.284.580	1.472.752

	31 December 2017 €	30 June 2017 €
Cash at bank and short-term bank deposits (as per Moody's report on 31 December 2017)[(1)]		
Caa1 (30 June 2017: Caa2)	**1.621.799**	912.898

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

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

Group 2 – existing customers (more than 6 months) with some defaults in the past. All defaults were fully recovered.

Group 3- other receivables

Group 4 – companies within the group, parent entity, common control companies and associates with no defaults in the past.

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

17 Property, plant and equipment

	Computer Hardware €	Plant and Machinery €	Furniture, fixtures and office equipment €	Signs €	Improvements of leasehold property €	Art works €	Total €
At 1 July 2016							
Cost	52.079	1.189.715	580.246	341.188	58.500	140.490	2.362.218
Accumulated depreciation	(46.987)	(1.110.018)	(568.606)	(337.812)	(58.500)	-	(2.121.923)
Net book amount	5.092	79.697	11.640	3.376	-	140.490	240.295
Year ended 30 June 2017							
Opening net book amount	5.092	79.697	11.640	3.376	-	140.490	240.295
Depreciation charge (Note 8)	(3.555)	(54.346)	(2.882)	(3.376)	-	-	(64.159)
Closing net book amount	1.537	25.351	8.758	-	-	140.490	176.136
At 30 June 2017 / 1 July 2017							
Cost	52.079	1.189.715	580.246	341.188	58.500	140.490	2.362.218
Accumulated depreciation	(50.542)	(1.164.364)	(571.488)	(341.188)	(58.500)	-	(2.186.082)
Net book amount	1.537	25.351	8.758	-	-	140.490	176.136
Period ended 31 December 2017							
Opening net book amount	1.537	25.351	8.758	-	-	140.490	176.136
Depreciation charge (Note 8)	(1.459)	(3.976)	(1.462)	-	-	-	(6.897)
Closing net book amount	78	21.375	7.296	-	-	140.490	169.239
At 31 December 2017							
Cost	52.079	1.189.715	580.246	341.188	58.500	140.490	2.362.218
Accumulated depreciation	(52.001)	(1.168.340)	(572.950)	(341.188)	(58.500)	-	(2.192.979)
Net book amount	78	21.375	7.296	-	-	140.490	169.239

18 Investment property

	For the period from 1 July 2017 to 31 December 2017 €	Year ended 30 June 2017 €
At beginning of period/year	170.345.648	170.000.000
Additions	4.389.346	427.448
Fair value losses (Note 7)	-	(81.800)
At end of period/year	174.734.994	170.345.648

The investment properties are generally valued annually at fair value comprising open-market value based on valuations, by an independent, professionally qualified valuer. Fair value is based in active market process, adjusted, if necessary, for any differences in the nature, location or condition of the specific asset. If the information is not available, the Company uses alternative valuation methods such as recent prices or less active markets or discounted cash flow projections. These valuations are 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 "other gains-net".

The Company's investment property is generally measured at fair value (but see subnote (1)). The Company holds one class of investment property being the Shacolas Emporium Park which includes a Shopping Mall, an IKEA store, Annex 3 and Annex 4.

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

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1)
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

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

	Cyprus Shopping Mall €	31 December 2017 €	30 June 2017 Total €
Fair value hierarchy	3	3	3
Fair value at 30 June / 1 July	170.345.648	170.345.648	170.000.000
Additions	-	-	23.800
Asset under construction (1)	4.389.346	4.389.346	403.648
Net loss from fair value adjustments on investment property	-	-	(81.800)
Fair value at 30 June	174.734.994	174.734.994	170.345.648

Bank borrowings are secured on the Company's investment property for €86.000.000 (30 June 2017: €86.000.000) (Note 22).

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18 Investment property (continued)

The Company's investment properties were valued by management as at 31 December 2017. As part of the process, the management took into account external valuation prepared as at 30 June 2017 by indepenent professionally qualified valuers Landtourist Valuations LLC, who hold 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. Management has considered the key assumptions and they have concluded that no changes have occured between 30 June and 31 December 2017.

Information about fair value measurement using significant unobservable inputs (Level 3) - 31 December 2017

Property	Valuation	Valuation technique	Discount rate	Terminal capitalisation rate	Revenue in year 1	Revenue growth
	€		%	%	€	%
Cyprus	169.942.000	Income approach - Discounted cash flows	4 - 10	4 - 8	10.984.132	1

Information about fair value measurement using significant unobservable inputs (Level 3) - 30 June 2017

Property	Valuation	Valuation technique	Discount rate	Terminal capitalisation rate	Revenue in year 1	Revenue growth
	€		%	%	€	%
Cyprus	169.942.000	Income approach - Discounted cash flows	4 - 10	4 - 8	10.984.132	1

Sensitivity of management's estimates – 31 December 2017

			Change in discount rate		
			-0,50%	**0,00%**	**0,50%**
		-0,50%	170.835.200	170.541.594	170.248.662
Cyprus Shopping Mall	**Change in cap rate**	**0,00%**	170.234.405	169.942.000	169.650.266
		0,50%	169.639.588	169.348.373	169.057.825

			Change in discount rate		
			-0,05%	**0,00%**	**0,50%**
		-10,00%	167.010.303	161.599.333	162.100.890
Cyprus Shopping Mall	**Change in revenue**	**0,00%**	178.610.328	169.942.000	170.229.153
		10,00%	194.717.960	194.658.009	196.466.001

Sensitivity of management's estimates – 30 June 2017

			Change in discount rate		
			-0,50%	**0,00%**	**0,50%**
		-0,50%	170.835.200	170.541.594	170.248.662
Cyprus Shopping Mall	**Change in cap rate**	**0,00%**	170.234.405	169.942.000	169.650.266
		0,50%	169.639.588	169.348.373	169.057.825

			Change in discount rate		
			-0,50%	**0,00%**	**0,50%**
		-10,00%	167.010.303	161.599.333	162.100.890
Cyprus Shopping Mall	**Change in revenue**	**0,00%**	178.610.328	169.942.000	170.229.153
		10,00%	194.717.960	194.658.009	196.466.001

18 Investment property (continued)

A change in the vacancy rate by 5%, ie the occupied spaces will be at 95%, will lead to a decrease of the fair value from the base scenario by €7.335.228, ie leading to a fair value of €162.606.772 at 31 December 2017 and 30 June 2017.

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

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

Valuation techniques underlying management's estimation of fair value

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

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

For Cyprus land and buildings with a total carrying amount of €169.942.000, 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.

(1) Investment Property includes an amount of €4.792.994 (30 June 2017: €403.648) which relates to costs incurred for the expansion of the Mall of Cyprus. This constitutes asset under construction which is carried at cost.

The Company commenced the project for the expansion of the Mall of Cyprus by about an additional area of 5.500 m2 on the first floor, which will be used for retail, entertainment and cultural purposes. With the expansion, about an additional 200 parking places shall be created as well. The Company has secured the necessary planning and building permits for the expansion.

19 Trade and other receivables

	31 December 2017 €	30 June 2017 €
Trade receivables	984.036	1.033.298
Less: Provision for impairment of receivables	(281.317)	(322.084)
Trade receivables - net	702.719	711.214
Receivables from related parties (Note 27(iv))	5.000	-
Other Receivables	576.861	761.538
Prepayments	114.641	63.224
Advances for construction work	1.851.756	4.795
	3.250.977	1.540.771

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

As of 31 December 2017, trade receivables of €266.359 (30 June 2017: €35.151) were fully performing (outstanding 1 - 30 days).

Trade receivables that are less than six months past due are not considered impaired. As of 31 December 2017, trade receivables of €436.360 (30 June 2017: €676.063) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The ageing analysis of these trade receivables is as follows:

	31 December 2017 €	30 June 2017 €
Up to 3 months	159.983	314.396
3 to 6 months	276.377	361.667
	436.360	676.063

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

	31 December 2017 €	30 June2017 €
At 1 June / 1 April	322.084	186.515
Provision for receivables impairment (Note 8)	4.335	135.569
Receivables written off during the year as uncollectible	(45.102)	-
At end of year / period	281.317	322.084

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

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

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

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19 Trade and other receivables (continued)

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

	31 December 2017 €	30 June 2017 €
Euro - functional and presentation currency	3.250.977	1.540.771

20 Cash and bank balances

	31 December 2017 €	30 June 2017 €
Cash at bank and in hand	1.621.925	913.285

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

	31 December 2017 €	30 June 2017 €
Cash and bank balances	1.621.925	913.285

Reconciliation of liabilities arising from financing activities:

	Bank Borrowings €	Loans from related parties €	Total liabilities from financing activities €
Opening Balance 1 July 2017	66 343 582	11.736.927	11.736.927
Cash flows:			
Proceeds from borrowings	2 618 322	4.921.578	4.921.578
Repayment of principal	(1 740 339)	(2.215.020)	(2.215.020)
Repayment of interest	(1 289 661)	-	-
Interest expense	1 481 128	283.369	283.369
Non-cash changes:			
Capitalisation of borrowing costs	-	40.236	40.236
Payments on behalf	-	(83.304)	(83.304)
Capitalisation of arrangement fees for new loan	(40 012)	-	-
Commitment fees	67 596	-	-
Deferred Interest	6 365	-	-
Closing Balance 31 December 2017	67 446 981	14.683.786	82.130.767

21 Share capital

	Number of shares	Share capital €
At 1 July 2016/30 June 2017 and 31 December 2017	100 000 000	50.000.000

21 Share capital (continued)

The total authorized number of ordinary shares is 171.000.000 shares (30 June 2017: 171.000.000 shares) with a par value of €0,50 per share. All issued shares are fully paid.

22 Borrowings

	31 December 2017 €	30 June 2017 €
Current		
Bank borrowings	3.424.330	3.194.033
Borrowings from parent entity (Note 27(v))	10.627.246	11.736.927
Borrowings from related party (Note 27(v))	1.114.303	-
	15.165.879	14.930.960
Non-current		
Bank borrowings	64.022.652	63.149.549
Borrowings from ultimate shareholder (Note 27(v))	2.942.236	-
	66.964.888	63.149.549
Total borrowings	82.130.767	78.080.509
Maturity of non-current borrowings		
Between 1 and 2 years	4.483.397	3.744.444
Between 2 and 5 years	17.721.186	12.535.821
Over 5 years	44.760.305	46.869.284
	66.964.888	63.149.549

The Company have three loan facilities with banking institutions. The first one with a current balance of €64.901.076 bears interest at the Business Bank rate plus a margin of 0,95% and are repayable by August 2030. The second facility represents a loan of €10.000.000 which has been secured in the past and which was increased to €18.000.000 in February 2017 for the purposes of the mall expansion. On 21 September 2017, the loan was re-approved and the loan advances begun along with the start of the mall expansion. The funds will be obtained in tranches once the construction certificates are issued by the contractor. Up to 31 December 2017, the Company had drawn €2.618.322. The loan bears interest at the Business Bank rate plus margin of 1,20% and is repayable by 30 May 2032.

On 31 August 2017, the Company secured borrowings from related party (Atterbury Europe B.V). The loan is unsecured, bears interest at the rate of 4,5% and is repayable in 4 years from the date of the first advance (31 August 2017). The interest charged in the year amounted to €40.236 which was capitalized as part of investment property as at 31 December 2017. The loan was obtained for the purposes of the mall expansion. The loan facility amount is €7.000.000 and funds will be obtained in tranches once the Construction Certificates are issued by the Contractor on sight. Up to 31 December 2017, the Company had drawn €2.902.000.

22 Borrowings (continued)

The bank loans are secured as follows:

(i) By 1st mortgage on the Company's land and buildings (Note 18) for €74.000.000 (30 June 2017: €74.000.000).

(ii) By 2nd mortgage on the Company's land and buildings (Note 18) for €12.000.000 (30 June 2017: €12.000.000).

(iii) Pledge of 52 300 000 shares held by Atterbury Cyprus Limited in The Mall of Cyprus (MC) Plc (Note 27 (vi)).

(iv) By the assignment of €86.000.000 from the rights of use of space in the Shacolas Emporium Park.

(v) By corporate guarantees from parent company for the amount of €98.000.000 (30 June 2017: €76.400.000) (Note 27 (vi)).

(vi) By corporate guarantee from The Mall of Engomi (ME) Plc for the amount of €86.000.000 (Note 27 (vi)).

(vii) By floating charge of €86.000.000 on the assets of The Mall of Cyprus (MC) Plc.

(viii) By lien on credit balances amounting to €510.184.

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

	For the period from 1 July 2017 to 31 December 2017 %	Year ended 30 June 2017 %
Bank borrowings	4,56	4,61
Borrowings from parent entity (Note 27(v))	4,47	4,61
Borrowings from related parties (Note 27(v))	4,47	4,69
Borrowings from ultimate shareholder (Note 27(v))	4,50	-

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

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

	For the period from 1 July 2017 to 31 December 2017 €	Year ended 30 June 2017 €
6 months or less	82.130.767	78.080.509

22 Borrowings (continued)

The Company has the following undrawn borrowing facilities:

	31 December 2017 €	30 June 2017 €
Floating rate:		
Expiring within one year	17.381.678	20.000.000

The carrying amounts of borrowings approximate their fair value.

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

	31 December 2017 €	30 June 2017 €
Euro - functional and presentation currency	82.130.767	78.080.509

23 Deferred income tax liabilities

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

	For the period from 1 July 2017 to 31 December 2017 €	Year ended 30 June 2017 €
At beginning of period/year	17.006.394	16.648.268
Charged to profit or loss (Note 12)	247.000	358.126
At end of period/year	17.253.394	17.006.394

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

Deferred tax liabilities

	Difference between depreciation and wear and tear allowance €	Fair value gains on investment properties €	Total €
At 1 July 2016	4.882.701	11.765.567	16.648.268
Charged/(Credited) to:			
Profit or loss (Note 12)	491.244	(133.118)	358.126
At 30 June 2016/1 July 2017	5.373.945	11.632.449	17.006.394
Charged to:			
Profit or loss (Note 12)	211.908	35.092	247.000
At 31 December 2017	5.585.853	11.667.541	17.253.394

24 Trade and other payables-non current

	31 December 2017 €	30 June 2017 €
Operating lease advances	1.605.866	1.618.866
Deferred Income	747.344	867.437
Cash guarantee	6.500	6.500
	2.359.710	2.492.803

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

25 Trade and other payables-current

	31 December 2017 €	30 June 2017 €
Trade payables	425.052	439.699
Payables to related parties (Note 27(iv))	-	1.180.208
Other payables	2.599.769	2.807.539
Accrued expenses	1.068.963	199.744
Retentions	276.973	170.759
Deferred Income	240.184	240.183
	4.610.941	5.038.132

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

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

	31 December 2017 €	30 June 2017 €
Euro - functional and presentation currency	4.610.941	5.038.132

26 Commitments

(i) Capital commitments

Capital expenditure in respect of the expansion of the Mall of Cyprus, contracted for at the balance sheet date but not yet incurred is as follows:

	31 December 2017 €	30 June 2017 €
Investment property	20.361.487	24.750.833

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

License Fee

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

Rental Income

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

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

	31 December 2017 €	30 June 2017 €
No later than 1 year	10.096.506	10.751.542
Later than 1 year and no later than 5 years	27.390.296	32.472.042
Later than 5 years	3.040.414	3.678.159
	40.527.216	46.901.743

License fee / Operating lease commitments, do not take into consideration license fees/rentals which will occur as a result of the expansion.

27 Related party transactions

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

Atterbury Cyprus Limited is controlled by Atterbury Europe BV, incorporated in Netherlands, which owns 97,5% of the Company's shares.

The ultimate controlling party of the company as at 31 December 2017 is Brightbridge Investments Ltd (Cyprus) through its indirect 78% shareholding in Atterbury Cyprus Limited (the parent company). As of today, the ultimate controlling party is Atterbury Onroerend Goed Houdster Europe Cooperatief U.A. (Netherlands) through its indirect 54,72% 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 Onroerend Goed Houdster Europa Cooperatief U.A. , incorporated in Netherlands and 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.

(i) Purchases of services

	For the period from 1 July 2017 to 31 December 2017	Year ended 30 June 2017
	€	€
Purchases of services	**640.156**	923.070

(ii) Key management personnel compensation

The compensation of key management personnel is as follows:

	For the period from 1 July 2017 to 31 December 2017	Year ended 30 June 2017
	€	€
Salaries	**53.175**	97.300

27 Related party transactions (continued)

(iii) Directors' remuneration

The total remuneration of the Directors was as follows:

	For the period from 1 July 2017 to 31 December 2017 €	Year ended 30 June 2017 €
Fees	1.250	2.500

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

	31 December 2017 €	30 June 2017 €
Receivables from related parties (Note 19):		
Fatti Ltd	5.000	-
Payables to related parties (Note 25):		
The Mall of Engomi (ME) Plc	-	1.180.208

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

The above companies are related due to common ownership.

(v) Borrowings from related parties

	For the period from 1 July 2017 to 31 December 2017 €	Year ended 30 June 2017 €
Borrowings from parent entity:		
At beginning of period/year	**11.736.927**	280.688
Borrowings advanced during period/year	**349.658**	93.192
Borrowings repaid during year (Note 10)	**(1.715.020)**	(3.784.761)
Dividends payable to related party capitalised	-	14.951.238
Transfer from/(to) current account	-	43.553
Interest charged (Note10)	**255.681**	156.780
Interest income (Note 11)	-	(3.763)
At end of period/year (Note 22)	**10.627.246**	11.736.927

The amount payable to parent company, Atterbury Cyprus Limited bears interest at the rate of 4,39% (30 June 2017: 4,54%). No terms or conditions have been agreed for its repayment and security.

27 Related party transactions (continued)

(v) Borrowings from related parties (continued)

	For the period from 1 July 2017 to 31 December 2017 €	Year ended 30 June 2017 €
Borrowings from related party:		
At beginning of period/year	-	280.602
Borrowings advanced during period/year	1.669.919	357.200
Borrowings repaid during year (Note 10)	(583.304)	(649.847)
Interest charged (Note10)	27.688	12.045
At end of period/year (Note 22)	1.114.303	-

The above amount is payable to related companies, The Mall of Engomi (ME) Plc which bears interest at the rate of 4,39% (30 June 2017: 4,54%). No terms or conditions have been agreed for its repayment and security.

	For the period from 1 July 2017 to 31 December 2017 €	Year ended 30 June 2017 €
Borrowings from shareholders:		
Borrowings advanced during period/year	2.902.000	-
Interest charged	40.236	-
At end of period/year (Note 22)	2.942.236	-

On 31 August 2017, the Company secured borrowings from related party (Atterbury Europe B.V). The loan is unsecured, bears interest at the rate of 4,5% and is repayable in 4 years from the date of the first advance (31 August 2017). The interest charged in the year amounted to €40.236 which was capitalized as part of investment property as at 31 December 2017. The loan was obtained for the purposes of the mall expansion. The loan facility amount is €7.000.000 and funds will be obtained in tranches once the Construction Certificates are issued by the Contractor on sight. Up to 31 December 2017, the Company had drawn €2.902.000.

(vi) 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 €98.000.000 (Note 22).

b) The Mall of Engomi (ME) Plc guaranteed the loans of the Company for the amount of €86.000.000 (Note 22).

c) Pledge of 52 300 000 shares held by Atterbury Cyprus Limited in The Mall of Cyprus (MC) Plc (Note 22).

27 Related party transactions (continued)

(vii) Contigencies

The Company guarantees the loan of The Mall of Engomi (ME) Plc for the amount of €23.000.000. No liabilities are expected to arise.

28 Events after the balance sheet date

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

Independent Auditor's Report on pages 8 to 12.