THE MALL OF ENGOMI (ME) PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS

For the year ended 31 December 2021

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For the year ended 31 December 2021

CONTENTS

BOARD OF DIRECTORS AND OTHER OFFICERS

Board of Directors:	Martin Olivier George Mouskides Takis Christodoulou John George Mavrokordatos
Company Secretary:	Montrago Services Limited
Independent Auditors:	Deloitte Limited Certified Public Accountants and Registered Auditors 24 Spyrou Kyprianou Avenue 1075 Nicosia Cyprus
Legal Advisers:	Elias Neocleous & Co LLC
Registered office:	3 Verginas Street The Mall of Cyprus Strovolos 2025, Nicosia Cyprus
Bankers:	Bank of Cyprus Public Company Ltd Eurobank Cyprus Ltd
Registration number:	HE75033

MANAGEMENT REPORT

The Board of Directors of The Mall of Engomi (ME) Plc (the ''Company'') presents to the members its Management Report and audited financial statements of the Company for the year ended 31 December 2021.

Principal activities and nature of operations of the Company
The principal activity of the Company, which is unchanged from last year, is the leasing/granting of rights of use of space of its property, the shopping Mall "The Mall of Engomi", for retail/commercial purposes.

Review of current position, and performance of the Company's business
The Company's revenue for the year ended 31 December 2021 was €2.616.412 compared to €2.509.752 for the year ended 31 December 2020. The operating profit of the Company for the year was €1.918.307 (year ended 31 December 2020: loss of €8.652.186).

The profit after tax of the Company for the year ended 31 December 2021 amounted to €959.728 (2020: loss after tax €6.535.684).

On 31 December 2021 the total assets of the Company were €49.003.097 (2020: €41.033.524) and its net assets were €17.654.559 (2020: €16.694.831). The financial position, development and performance of the Company as presented in these financial statements are considered satisfactory.

During 2020, the Company initiated a comprehensive redevelopment plan, aiming at the Mall of Engomi to be upgraded so as to meet changing market needs and challenges. The said process has been substantially completed within the current year. The redevelopment plan aimed at:

- offering a wider range of products and services to the target market of the Company
- providing a fresh updated look and shopping experience to an already long-established commercial centre
- positively reacting to competition that has entered the catchment area of the Mall, and,
- successfully responding to the fact that an anchor fashion tenant of the Mall terminated their lease with the Company, from April 2020.

The total cost of the redevelopment budget was €13 million.

Despite the difficult situation that the Company’s specific sector was faced with due to COVID-19, Management has carried out the implementation of the re-development plan, which should maximise the future performance potential of the Company’s operations, and will lead to a most effective utilisation of its asset base.

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

Future developments of the Company
The Board of Directors does not expect any significant changes in the operations, financial position and performance of the Company in the foreseeable future. The redevelopment plan mentioned above, is currently at its very final stages (i.e. leasing up the remaining vacant spaces).

Existence of branches
The Company does not maintain any branches.

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

The Company's risk management programme 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.

Interest rate risk
The Company's interest rate risk mainly arises from long term bank borrowings, short term loans payable to group companies as well as from loans receivable due from related entities. Borrowings issued to, and loans granted by the Company at variable rates expose it to cash flow interest rate risk. Borrowings at fixed rates expose the Company to fair value interest rate risk. All borrowings as at 31 December 2021 are at variable rates.

As at 31 December 2021, the Company's liabilities which bore variable interest rates amounted to €29.383.431. The Company's management monitors the interest rate fluctuations on a continuous basis and acts accordingly. The Company does not apply hedge accounting for cash flow interest rate risk.

Credit risk
Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions, contractual cash flows of debt instruments carried at amortised cost, as well as credit exposures to tenants, including outstanding receivables and committed transactions. Credit risk also arises from intragroup guarantee arrangements that the Company participates in.

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

As at 31 December 2021 the Company's credit risk arises from trade receivables amounting to €91.020 (net, after cumulative expected credit losses of €40.341), loans receivable from related parties amounting to €3.793.665 and bank balances amounting to €2.019.502 (excluding petty cash).

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

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

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

The Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings minus cash and cash equivalents. Total capital is calculated as "equity" as shown in the statement of financial position plus net debt. As at 31 December 2021 the Company's net debt amounted to €27.363.803 (2020: €21.276.171) and total equity of €17.654.559 (2020: €16.694.831) leading to a gearing ratio of 60,78% (2020: 56,03%).

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

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

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

Operating Environment of the Company and going concern considerations
With the recent and rapid development of the Coronavirus disease (COVID-19) pandemic the world economy entered a period of unprecedented health care crisis that has caused considerable global disruption in business activities and everyday life. Containment measures initiated in year 2020 continue but to a different extent. Since the initiation of the pandemic, industries such as tourism, hospitality and entertainment have been directly disrupted to a significant extent. Other industries, such as manufacturing and financial services, have also been indirectly affected.

With a view to safeguarding public health and ensuring the economic survival of working people, businesses, vulnerable groups and the economy at large, several rules and regulations have been applied, including targeted lockdown measures, taking into consideration the epidemic status in the country.

The objective of these public policy measures was to contain the spread of COVID-19 outbreak and have resulted in significant operational disruption for the Company especially in 2020, and to a lesser extent in 2021.

The impacts of COVID-19 are reflected in the recognition and measurement of the assets and liabilities in the financial statements as at 31 December 2021. The Company's management has incorporated in its impact assessment the above events, taking into account, among other, the following:

(1) whether any impairment allowances are deemed necessary for the Company's financial assets, lease receivables and financial guarantee contracts, by considering the economic situation and outlook at the end of the reporting period.

(2) the inputs and metrics applied in measuring the fair value of the Company's most significant asset, i.e. its investment property.

Management considers that the unique circumstances that had a material impact on the business operations and the risk exposures of the Company are at a stage of normalisation. During 2021, revenue and profitability have recovered and the assessed fair value of investment property has increased. Concessions to tenants to aid their ability to operate under challenging circumstances have continued during the year, as well as modifications in credit granting and monitoring policies with the aim of maintaining adequate rate and extent of recovery of receivables. Financial covenants in place with financial institutions are considered as and when required, and the assessment of trading, investing and financing cash flows of the business, on a forward-looking basis, applying evolving assumptions and incorporating several scenarios in assessing actual and potential financing needs, is continuous.

The financial effect of the current crisis on the global economy and overall business activities cannot be estimated with reasonable certainty though. High levels of uncertainty currently prevail due to the recent events (from February 2022) of the Russia Ukraine conflict, which is considered material for the future of the Cyprus economy as a whole. As such, reliable predictions of the final outcomes are not possible, and Management's current expectations and estimates could differ from actual results.

Board of Directors
The members of the Company's Board of Directors as at 31 December 2021 and at the date of this report are presented on page 1. All of them were members of the Board of Directors throughout the year ended 31 December 2021.

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

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

Directors' interests in the Company's share capital
The members of the Board of Directors did not control directly or indirectly any part of the share capital of the Company, at 31 December 2021 and as at the date of this report.

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

Events after the reporting period
Any significant events after the reporting date on the Company are described in note 29 of the financial statements.

MANAGEMENT REPORT

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

	28 April 2022 Percentage of shareholding %	31 December 2021 Percentage of shareholding %
Direct shareholder:		
Atterbury Cyprus Limited	99,50	99,50
Indirect shareholders (through their indirect holdings in Atterbury Cyprus Limited):		
RMH Property Holdco 2 (Pty) Ltd (South Africa)	36,38	36,38
Business Venture Investments No 1360 (Pty) Ltd (South Africa)	24,25	24,25
Brightbridge Real Estate Limited	36,38	36,38

By order of the Board of Directors,

Montrago Services Limited
Secretary

Nicosia, 28 April 2022

THE MALL OF ENGOMI (ME) PLC

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

In accordance with Article 9 sections (3c) and (7) of the Transparency Requirements (Traded Securities in Regulated Markets) Law 2007 (N 190 (I)/2007) ("the Law") we, the members of the Board of Directors and the Company official responsible for the financial statements of The Mall of Engomi (ME) Plc (the "Company") for the year ended 31 December 2021, on the basis of our knowledge, declare that:

(a) The annual financial statements of the Company which are presented on pages 11 to 59:

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

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

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

Members of the Board of Directors:

Martin Olivier - Director ....

George Mouskides - Director ....

Takis Christodoulou - Director ....

John George Mavrokordatos - Director ....

Responsible for drafting the financial statements

Antonia Constantinou (Financial Controller) ....

Nicosia, 28 April 2022

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Independent Auditor's Report

To the Members of The Mall of Engomi (ME) Plc

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of The Mall of Engomi (ME) Plc (the "Company"), which are presented in pages 11 to 59 and comprise the statement of financial position as at 31 December 2021, and the statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2021, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113.

Basis for Opinion

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

Emphasis of Matter

We draw attention to note 1 of the financial statements which describes the environment within which the Company operates as well as to the factors that may have an impact on the Company's future activities, financial position and performance.

Our audit opinion is not modified in respect of this matter.

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

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

Deloitte.

Independent Auditor's Report (continued)

To the Members of The Mall of Engomi (ME) Plc

Why the matter was determined to be key audit matter

Valuation of investment property

The investment property is reported on the statement of financial position at a revalued amount of €42.860.000 which represents approximately 87% of the Company's total assets.

We have considered the valuation of investment property to be a key audit matter, as it requires applying significant judgement and subjectivity, in determining appropriate unobservable inputs and estimates for assessing the fair values such as terminal capitalisation rates, discount rate, fair market rents and yields. The outbreak of COVID-19, which was declared as a "World Pandemic" by the World Health Organization on 11 March 2020, has affected the degree of certainty associated with conducting the valuation assessments. The valuation report by the independent appraisal firm has been prepared on the basis of fair value appraisal uncertainty, as stated in the guidelines of the Royal Institution of Chartered Surveyors (RICS).

Refer to Note 4 "Significant accounting policies", Note 7 "Critical accounting estimates, judgements and assumptions" and Note 16 "Investment property" of the accompanying financial statements for further details.

How the matter was addressed in our audit

We have performed, amongst others the following audit procedures, in order to address the risks of material misstatement associated with this key audit matter:

- Obtained an understanding of the internal controls surrounding the valuation process for investment property and assessed their design and implementation.

- Assessed the competence, capabilities, experience, professional qualifications and objectivity of the independent appraisal firm. In addition, we discussed the scope of their work with management and reviewed the related terms of engagement to determine that there were no matters that affected their objectivity or imposed scope limitations.

- With the support of our internal valuation specialists, (i) assessed whether the valuation methodology applied is appropriate and in line with international valuation standards as well as industry norms, (ii) challenged the appropriateness of the key parameters and assumptions used by the independent appraiser to estimate the fair values.

- Tested the accuracy and completeness of the data provided by the management to the independent appraisal firm.

- Checked the mathematical accuracy of the computations made in the valuation workings.

- With the support of our internal valuation specialists, we compared the 31st December 2021 investment property values with those of the previous revaluation as of 31st December 2020, and investigated any unexplained deviations identified and challenged where necessary the underlying data and assumptions.

- Assessed completeness and accuracy of all related disclosures in the financial statements based on the relevant international financial reporting standards, including significant assumptions and methods used in the valuations and sensitivity analysis on the changes of the unobservable inputs.

The above procedures were completed in a satisfactory manner.

Deloitte.

Independent Auditor's Report (continued)

To the Members of The Mall of Engomi (ME) Plc

Reporting on other information

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

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

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

Responsibilities of the Board of Directors and those charged with governance for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

Deloitte.

Independent Auditor's Report (continued)

To the Members of The Mall of Engomi (ME) Plc

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

- 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, actions taken to eliminate threats or safeguards applied.

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 and Regulatory Requirements

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

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

Other 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 Papakyriacou.

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

Nicosia, 28 April 2022

STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2021

	Note	2021 €	2020 €
Rights for use of space and other revenue	8	**2.616.412**	2.509.752
Other operating income	9	**49.056**	27.999
Fair value gains/(losses) on investment property	10	**679.869**	(10.386.288)
Administration and other operating expenses	11	**(1.427.030)**	(803.649)
Operating profit/(loss)		**1.918.307**	(8.652.186)
Finance income	12	**155.975**	156.948
Finance costs	12	**(862.679)**	(673.222)
Other gains	22	**-**	27.174
Profit/(loss) before tax		**1.211.603**	(9.141.286)
Tax	13	**(251.875)**	2.605.602
Profit/(loss) for the year		**959.728**	(6.535.684)
Other comprehensive income		**-**	-
Total comprehensive income/(loss) for the year		**959.728**	(6.535.684)
Earnings/(loss) per share attributable to equity holders (cent)	**14**	**9,60**	(65,36)

THE MALL OF ENGOMI (ME) PLC

STATEMENT OF FINANCIAL POSITION
31 December 2021

	Note	2021 €	2020 (restated) €
ASSETS			
Non-current assets			
Property and equipment	15	32.272	323
Investment property	16	42.860.000	33.970.000
		42.892.272	33.970.323
Current assets			
Trade and other receivables	18	295.443	1.485.057
Loans receivable	17	3.793.665	3.887.690
Refundable taxes	25	2.089	-
Cash at bank and in hand	20	2.019.628	1.690.454
		6.110.825	7.063.201
TOTAL ASSETS		49.003.097	41.033.524
EQUITY AND LIABILITIES			
Equity			
Share capital	21	1.000.000	1.000.000
Capital reserve		212.687	212.687
Retained earnings		16.441.872	15.482.144
Total equity		17.654.559	16.694.831
Non-current liabilities			
Borrowings	22	28.337.485	16.360.249
Trade and other payables	24	675.026	545.346
Deferred tax liabilities	23	264.808	15.053
		29.277.319	16.920.648
Current liabilities			
Provisions for other liabilities and charges	24	135.716	149.255
Trade and other payables	24	889.557	657.981
Borrowings	22	1.045.946	6.606.376
Current tax liabilities	25	-	4.433
		2.071.219	7.418.045
Total liabilities		31.348.538	24.338.693
TOTAL EQUITY AND LIABILITIES		49.003.097	41.033.524

On 28 April 2022 the Board of Directors of The Mall of Engomi (ME) Plc authorised these financial statements for issue.

....
John George Mavrokordatos
Director

....
George Mouskides
Director

The notes on pages 15 to 59 form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2021

	Share capital €	Capital reserve €	Retained earnings €	Total €
Balance at 1 January 2020	**1.000.000**	**212.687**	**22.017.828**	**23.230.515**
Comprehensive income				
Net loss for the year	-	-	(6.535.684)	(6.535.684)
Balance at 31 December 2020/ 1 January 2021	**1.000.000**	**212.687**	**15.482.144**	**16.694.831**
Comprehensive income				
Net profit for the year	-	-	959.728	959.728
Balance at 31 December 2021	**1.000.000**	**212.687**	**16.441.872**	**17.654.559**

Companies, which do not distribute 70% of their profits after tax, as defined by the Special Contribution for the Defence of the Republic Law, within two years after the end of the relevant tax year, will be deemed to have distributed this amount as dividend on the 31 of December of the second year. The amount of the deemed dividend distribution is reduced by any actual dividend already distributed by 31 December of the second year for the year the profits relate. The Company pays special defence contribution on behalf of the shareholders over the amount of the deemed dividend distribution at a rate of 17% (applicable since 2014) when the entitled shareholders are natural persons tax residents of Cyprus and have their domicile in Cyprus. In addition, from 2019 (deemed dividend distribution of year 2017 profits), the Company pays on behalf of the shareholders General Healthcare System (GHS) contribution at a rate of 2,65% (2020: 1,70% - 2,65%), when the entitled shareholders are natural persons tax residents of Cyprus, regardless of their domicile.

STATEMENT OF CASH FLOWS
For the year ended 31 December 2021

	Note	2021 €	2020 €
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit/(loss) before tax		**1.211.603**	(9.141.286)
Adjustments for:			
Depreciation of property and equipment	15	**1.962**	1.121
Fair value (gains)/losses on investment property	16	**(679.869)**	10.386.288
Movement in provision on financial guarantee contracts	24	**(13.539)**	149.255
Interest income	12	**(155.975)**	(156.948)
Interest expense	12	**862.679**	673.222
		1.226.861	1.911.652
Changes in working capital:			
Decrease/(increase) in trade and other receivables		**1.207.647**	(1.203.001)
Increase in trade and other payables		**361.256**	82.932
Cash generated from operations		**2.795.764**	791.583
Tax paid		**(8.642)**	(46.519)
Net cash generated from operating activities		**2.787.122**	745.064
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for purchase of property and equipment	15	**(33.911)**	-
Payment for construction of investment property (excluding capitalised interest paid)	16	**(7.846.307)**	(4.322.678)
Net cash used in investing activities		**(7.880.218)**	(4.322.678)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayments of bank borrowings	22	**(1.270.082)**	(339.667)
Payment of loan arrangement fees	22	**(93.227)**	(196.599)
Repayment of loans from related companies	22	**(8.346.927)**	-
Proceeds from bank borrowings	22	**13.066.465**	-
Proceeds from loans from related companies	22	**3.023.705**	5.295.947
Interest paid (including capitalised interest paid)	22	**(957.664)**	(149.334)
Net cash generated from financing activities		**5.422.270**	4.610.347
Net increase in cash and cash equivalents		**329.174**	1.032.733
Cash and cash equivalents at beginning of the year	20	**1.690.454**	657.721
Cash and cash equivalents at end of the year	**20**	**2.019.628**	1.690.454

Significant non -cash transactions are disclosed in the notes to the financial statements

1. Incorporation and principal activities

Country of incorporation

The Mall of Engomi (ME) Plc (the ''Company'') was incorporated in Cyprus on 8 November 1995 as a private limited liability company under the provisions of the Cyprus Companies Law, Cap. 113. On 10 July 2015, and since then, the Company is listed on the (unregulated) Emerging Companies Market of the Cyprus Stock Exchange. Its registered office is at 3 Verginas Street, The Mall of Cyprus, Strovolos, 2025, Nicosia, Cyprus.

Principal activities

The principal activity of the Company, which is unchanged from last year, is the leasing/granting of rights of use of space of its property, the shopping Mall "The Mall of Engomi", for retail/commercial purposes.

During 2020, the Company initiated a comprehensive redevelopment plan, aiming at the Mall of Engomi to be upgraded so as to meet changing market needs and challenges. The said process has been fully completed within the current year. The redevelopment plan aimed at:

- offering a wider range of products and services to the target market of the Company
- providing a fresh updated look and shopping experience to an already long-established commercial centre
- positively reacting to competition that has entered the catchment area of the Mall, and,
- successfully responding to the fact that an anchor fashion tenant of the Mall terminated their lease with the Company, from April 2020.

The total cost of the redevelopment budget was €13 million.

Despite the difficult situation that the Company's specific sector was faced with due to COVID-19, Management has carried out the implementation of the redevelopment plan, which should maximise the future performance potential of the Company's operations, and will lead to a most effective utilisation of its asset base.

Operating Environment of the Company and assessment of Going Concern status

Economic indicators

With the recent and rapid development of the Coronavirus disease (COVID-19) pandemic the world economy entered a period of unprecedented health care crisis that has caused considerable global disruption in business activities and everyday life. The Cypriot economy, while showing steady growth between 2015-2019 experienced recessionary pressures during 2020, as the emergence of the pandemic led to the implementation of extraordinary measures for its containment, such as high public spending, leading to a heightened fiscal deficit for the State. During 2021, despite targeted lockdown measures, there was partial recovery recorded, due to the continuing efforts of the State and businesses to restore normality in operations. However, the efforts to restore normality are hindered by the initiation and continuance of the Russia-Ukraine conflict. This crisis, since February 2022, has so far had an adverse impact on global commodity and energy prices, with an expected rise in global inflation. As a result of the present situation, the world economy and global financial markets entered a period of high uncertainty and financial turmoil, with the results of this crisis still remaining unknown. Locally, the Cyprus economy is expected to be impacted should the present conditions be prolonged. That, would potentially impair consumer spending and confidence levels, which the financial condition of the Company is a function of.

COVID-19

Containment measures regarding the pandemic, that have been initiated since year 2020, continue. During 2021, there have been, among other actions, targeted lockdowns which have affected the Company's operations, but to a lesser extent than before.

The impacts of COVID-19 are reflected in the recognition and measurement of the assets and liabilities in the financial statements as at 31 December 2021. The Company's management has incorporated in its overall impact assessment the above events, but in particular, taking into account, among other, the following:

(1) whether any impairment allowances are deemed necessary for the Company's financial assets, lease receivables and financial guarantee contracts, by considering the economic situation and outlook at the end of the reporting period.

(2) the inputs and metrics applied in measuring the fair value of the Company's most significant asset, i.e., its investment property.

Management considers that the unique circumstances that had a material impact on the business operations and the risk exposures of the Company are at a stage of normalisation. During 2021, revenue and profitability have recovered and the assessed fair value of investment property has increased. Concessions to tenants to aid their ability to operate under challenging circumstances have continued during the year, as well as modifications in credit granting and monitoring policies with the aim of maintaining adequate rate and extent of recovery of receivables. Financial covenants in place with financial institutions are considered as and when required. The assessment of trading, investing and financing cash flows of the business, on a forward-looking basis, applying evolving assumptions and incorporating several scenarios in assessing actual and potential financing needs, is continuous.

Going concern

Management is of the opinion that the Company's going concern status and outlook is not compromised. Principal factors in support of this conclusion include, but are not limited to:

• the successful deliberations with financial institutions in obtaining (during 2020), a period of debt repayment postponement and in addition, an extension of final debt settlement.

• the implementation of an all-round plan of managing relationships with tenants (involving a concession scheme and special credit granting arrangements)

• containment of operational costs

The potential scenarios which could lead to the Company not being a going concern, along with Management's evaluation, are considered to be:

- Not having sufficient cash to meet liabilities as they fall due or meet financing obligations

With respect to this , the Company maintains a positive cash and net working capital position and based on its cashflow forecasts extended to year 2023, such are expected to remain. In the event however of any temporary shortfall, Group financial support may be available by delaying/deferring settlements of amounts due to other Atterbury group companies, for easing cash flow pressures.

- A non-remedied breach of the financial covenants within the Company's bank facilities

These covenants are applicable to the Company, its fellow subsidiary the Mall of Engomi (ME) Plc and the parent entity Atterbury Cyprus Limited, and are as follows:

• Debt Service Cover Ratio: no less than or equal to 1.1 times

• Debt to Equity Ratio: shall not exceed 1.4 times

• Loan to Value Ratio: shall not exceed 60%

The Company is currently in full compliance with such covenants and expects to remain so. The Company also expects that there should not be any issue concerning the Company's cross guarantee position in favour of its fellow subsidiary, as the latter's position and performance is expected to be sufficient to avoid any unfavourable developments that may burden the entity. Based on the Company's assessment, the main covenants are the debt service cover ratio and the loan to value ratio requirements. Based on the forecasts by Management, there is significant headroom before being at risk of any such breach.

- Interruption of operations and worsening of the financial position of customers

Management acknowledges the possibility that tenants, who have already suffered financial losses and reduced performance, may in future continue to face such risks. This is an issue that is being appropriately managed with continuous monitoring of the tenants' ongoing situation, and by considering options such as special repayment terms and temporary concessions. Such actions have taken effect during 2021, in continuation of the efforts initiated during 2020.

In order to assess the actual and potential impact on the Company's financial position, financial performance and cash flows, management has undertaken a continuous process of reassessing its cash flow and profitability forecasts by incorporating downside scenarios and the risks mentioned above (including breach of covenants) and assessed that the Company will be in a position to continue its normal course of business and to meet its obligations as they become due, for a period of at least twelve months from the date of signing these financial statements. The reassessment process will be evaluated as changes to the overall operating and economic environment evolve.

2. Basis of preparation

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

Management has adopted the going concern basis for the preparation of these financial statements, taking into account the entity's financial performance, position and assessed future prospects (refer to note 1).

3. Adoption of new or revised standards and interpretations

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 on 1 January 2021. This adoption did not have a material effect on the accounting policies of the Company.

- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 regarding "Interest Rate Benchmark Reform – Phase 2"

  In August 2020, the International Accounting Standards Board (Board) published Interest Rate Benchmark Reform – Phase 2 Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 relate to the modification of financial assets, financial liabilities, lease liabilities, specific hedge accounting requirements, and disclosure requirements applying IFRS 7 to accompany the amendments regarding modifications and hedge accounting.

  The Company is exposed to interest rate benchmark reform arising from its variable IBOR-related transactions.

  During 2021, the Company has performed an exercise to identify its exposure to IBORs in preparing for the transition to alternative rates. The exercise has identified that the Company is solely exposed to EURIBOR as follows: (i) Bank balances - current accounts €254.988 (2020: €1.448.492), (ii) Bank deposits €1.764.514 (2020: €241.888) (iii) Loans receivable €3.793.665 (2020: €3.887.690), (iv) Bank borrowings €29.383.431 (2020: €17.643.371) and (v) Borrowings from related parties € Nil (2020: €5.323.254).

  In management's view, EURIBOR will not be affected by IBOR reform because EURIBOR follows the EU Benchmarks Regulation. As such there is no requirement to amend contracts referencing EURIBOR, and new contracts referencing EURIBOR may continue to be entered into. The Company will consider whether any fallback provisions may need to be included in existing contracts, in the event EURIBOR is replaced in the future.

- Amendments to IFRS 4 Insurance Contracts–deferral of application of IFRS 9

  Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4) defers the fixed expiry date of the amendment to annual periods beginning on or after 1 January 2023.

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

- Amendment to IFRS 16 Leases: Covid-19-Related Rent Concessions beyond 30 June 2021 (Effective for annual periods beginning on or after 1 April 2021)

  In May 2020, the IASB issued Covid-19-Related Rent Concessions (Amendment to IFRS 16). The pronouncement amended IFRS 16 Leases to provide lessees with an exemption from assessing whether a COVID-19-related rent concession is a lease modification. On issuance, the practical expedient was limited to rent concessions for which any reduction in lease payments affects only payments originally due on or before 30 June 2021.
  Since lessors continue to grant COVID-19-related rent concessions to lessees and since the effects of the COVID-19 pandemic are ongoing and significant, the IASB decided to extend the time period over which the practical expedient is available for use.

  The amendment is effective for annual reporting periods beginning on or after 1 April 2021. The Company has early adopted this amendment in the current reporting period.

  The Changes in Covid-19-Related Rent Concessions beyond 30 June 2021 (Amendment to IFRS 16) amend IFRS 16 to:
  • permit a lessee to apply the practical expedient regarding COVID-19-related rent concessions to rent concessions for which any reduction in lease payments affects only payments originally due on or before 30 June 2022 (rather than only payments originally due on or before 30 June 2021);
  • require a lessee applying the amendment to do so for annual reporting periods beginning on or after 1 April 2021;
  • require a lessee applying the amendment to do so retrospectively, recognising the cumulative effect of initially applying the amendment as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of the annual reporting period in which the lessee first applies the amendment; and
  • specify that, in the reporting period in which a lessee first applies the amendment, a lessee is not required to disclose the information required by paragraph 28(f) of IAS 8.

  The Company opted to be exempted from assessing whether the COVID -19 related rent concession is a lease modification and accounts for such changes in lease payments as variable lease payments in accordance with IFRS 16.

4. Significant accounting policies

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

Administration and operating expenses

Expenses incurred are recognised on an accrual basis.

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

4. Significant accounting policies (continued)

Segmental reporting

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

Revenue

Recognition and measurement

Revenue includes (i) lease income from rights for use of space and (ii) service charges, utility costs recharged and other recoveries from tenants.

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

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

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

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

  In addition, due to the recent development of the COVID-19 outbreak, the Company may provide conditional discounts to its tenants. The discounts are granted to aid the tenants with the disruption of their normal operations, following a number of measures in force such as full lock down periods. The discounts qualify as rent concessions/lease modifications under IFRS16. Such discounts are initially recognised in the statement of financial position as other asset and are subsequently debited to profit or loss on a systematic basis in arriving at revenue for the financial period.

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

4. Significant accounting policies (continued)

Revenue recognition (continued)

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

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

  Revenue is recognised gross, on the premise that under the above arrangements, the Company acts as Principal in providing such services to tenants, since the services concerning property-related expenses as mentioned above, are purchased by the Company (i.e. they are under the Company’s control) and are subsequently transferred to tenants.

Finance income

Interest income is recognised on a time-proportion basis using the effective method.

Borrowing costs

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

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

Foreign currency translation

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

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

Tax

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

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

4. Significant accounting policies (continued)

Tax (continued)

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

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

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

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

Dividend distribution

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

Property and equipment

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

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

	%
Signs	15
Plant and Machinery	20
Computer Hardware	33

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

Deferred income from government grants

Government grants on non-current assets acquisitions are recorded as deferred income and recognised as income on a systematic and rational basis over the useful life of the asset. Grants are recognised when there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grants will be received. Government grants that relate to expenses are recognised in profit or loss as revenue.

4. Significant accounting policies (continued)

Investment properties

Investment property comprises completed property and property under development or re-development that is held, or to be held, to earn rentals or for capital appreciation or both. Investment property comprises commercial property (including associated land) held primarily to earn licence fees and rental income and for capital appreciation. In the case of buildings, these are substantially rented/licenced to tenants and not intended to be sold in the ordinary course of business. Investment property is measured initially at cost, including transaction costs. Transaction costs include transfer taxes, professional fees and any other costs required to bring the property to the condition necessary for it to be capable of operating. Eligible borrowing costs are capitalised on investment property that is regarded as a qualifying asset under IAS23.

After initial recognition, investment property is stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment property are included in profit or loss in the period in which they arise, including the corresponding tax effect. For the purposes of these financial statements and in order to avoid double counting, the carrying amount of any accrued income, relocation incentives and unamortised rent concessions is set off against the carrying amount of investment property, just prior to the revaluation of the latter to its fair value.

Investment property is derecognised either when it has been disposed of (i.e., at the date the recipient obtains control of the investment property in accordance with the requirements for determining when a performance obligation is satisfied in IFRS 15) or when it is permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition. In determining the amount of consideration to be included in the gain or loss arising from the derecognition of investment property, the Company considers the effects of variable consideration, the existence of a significant financing component, noncash consideration, and consideration payable to the buyer (if any) in accordance with the requirements for determining the transaction price in IFRS 15.

Financial assets

Financial assets - Classification

The Company classifies its financial assets in the following measurement categories:

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

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

All other financial assets are classified as measured at FV.

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

Financial assets - Recognition and derecognition

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

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

4. Significant accounting policies (continued)

Financial assets (continued)

Financial assets - Measurement

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

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Financial assets - impairment - credit loss allowance for ECL

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

The carrying amount of the financial assets is reduced through the use of an allowance account, and the amount of the loss is recognised in the statement of comprehensive income within "net impairment losses on financial and contract assets. Subsequent recoveries of amounts for which loss allowance was previously recognised are credited against the same line item.

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

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

The impairment methodology applied by the Company for calculating expected credit losses depends on the type of financial asset assessed for impairment. Specifically:

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

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

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

4. Significant accounting policies (continued)

Financial assets (continued)

Financial assets -Reclassification

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

Financial assets - write-off

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

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. Cash and cash equivalents are carried at amortised cost because: (i) they are held for collection of contractual cash flows and those cash flows represent SPPI, and (ii) they are not designated at FV.

Financial assets at amortised cost (loans and other receivables)

These amounts generally arise from transactions outside the usual operating activities of the Company. They are held with the objective to collect their contractual cash flows and their cash flows represent solely payments of principal and interest. Accordingly, these are measured at amortised cost using the effective interest method, less provision for impairment. Financial assets at amortised cost are classified as current assets if they are due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current assets.

Trade receivables (receivables from tenants under operating lease arrangements)

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

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

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

If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets. Trade receivables are recognised at their original invoiced value except where the time value of money is material, in which case rent receivables are recognised at fair value and subsequently measured at amortised cost.

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

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

4. Significant accounting policies (continued)

Financial assets (continued)

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

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

Financial guarantee contracts

Financial guarantee contracts are contracts that require the Company to make specified payments to reimburse the holder of the guarantee for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of debt instrument. Such financial guarantees are given to banks, financial institutions and others on behalf of customers to secure loans, overdrafts and other banking facilities.

Financial guarantees are recognised as a financial liability at the time the guarantee is issued.

Financial guarantees are initially recognised at their fair value, which is normally evidenced by the amount of fees received. In the absence of fees received, the fair value of financial guarantees is determined based on the present value of the difference in cash flows between the contractual payments required under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

Financial guarantees are subsequently measured at the higher of (i) the amount determined in accordance with the expected credit loss model under IFRS 9 ''Financial Instruments'', and (ii) the amount initially recognised less, where appropriate, the cumulative amount of income recognised in accordance with the principles of IFRS 15 ''Revenue from Contracts with customers''.

Credit related commitments

The Company issues commitments to provide loans. Such commitments are initially recognised at their fair value, which is normally evidenced by the amount of fees received. This amount is amortised on a straight-line basis over the life of the commitment, except for commitments to originate loans if it is probable that the Company will enter into a specific lending arrangement and does not expect to sell the resulting loan shortly after origination; such loan commitment fees are deferred and included in the carrying value of the loan on initial recognition. At the end of each reporting period, the commitments are measured at (i) the remaining unamortised balance of the amount at initial recognition, plus (ii) the amount of the loss allowance determined based on the expected credit loss model, unless the commitment is to provide a loan at a below market interest rate, in which case the measurement is at the higher of these two amounts. The carrying amount of the loan commitments represents a liability. For contracts that include both a loan and an undrawn commitment and where the Company cannot separately distinguish the ECL on the undrawn loan component from the loan component, the ECL on the undrawn commitment is recognised together with the loss allowance for the loan. To the extent that the combined ECLs exceed the gross carrying amount of the loan, they are recognised as a liability.

Financial liabilities - measurement categories

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

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

4. Significant accounting policies (continued)

Financial assets (continued)

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings, using the effective interest method, unless they are directly attributable to the acquisition, construction or production of a qualifying asset, in which case they are capitalised as part of the cost of that asset. Borrowings are classified as current liabilities, unless the Company has an unconditional right to defer settlement of the liability for at least twelve months after the statement of financial position date.

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

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

Trade and other payables

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

Financial liabilities - Modifications

An exchange between the Company and its original lenders of debt instruments with substantially different terms, as well as substantial modifications of the terms and conditions of existing financial liabilities, are accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10% different from the discounted present value of the remaining cash flows of the original financial liability. (In addition, other qualitative factors, such as the currency that the instrument is denominated in, changes in the type of interest rate, new conversion features attached to the instrument and change in loan covenants are also considered.)

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

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

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

4. Significant accounting policies (continued)

Financial assets (continued)

Financial liabilities - Modifications (continued)

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.

Offsetting financial instruments

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

Prepayments

Prepayments are carried at cost less provision for impairment. A prepayment is classified as non-current when the goods or services relating to the prepayment are expected to be obtained after one year, or when the prepayment relates to an asset which will itself be classified as non-current upon initial recognition. Prepayments to acquire assets are transferred to the carrying amount of the asset once the Company has obtained control of the asset and it is probable that future economic benefits associated with the asset will flow to the Company. Other prepayments are written off to profit or loss when the goods or services relating to the prepayments are received. If there is an indication that the assets, goods or services relating to a prepayment will not be received, the carrying value of the prepayment is written down accordingly and a corresponding impairment loss is recognised in profit or loss.

Share capital

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

Provisions

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

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

Non-current liabilities

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

4. Significant accounting policies (continued)

Deferred income

In the normal course of the business, the Company may enter into specific arrangements with tenants, for the latter to cover portions of capital improvements that result in the enhancement of the Company's investment property and for which tenants have no recourse against the Company. Such payments made by the Company on behalf of tenants for additional construction work and alterations made to the Company's investment property under leasing arrangements, are initially recorded in deferred income. Such alterations and construction works are mutually agreed between the Company and the tenants. The Company, to recognise the benefit resulting from the fact that tenants unconditionally contribute to enhancements of the investment property, which effectively remain under the control and ownership of the Company, amortises such deferred income from the point in time the works are completed, over the remaining duration of the associated tenancy contracts, on a straight line basis. Amounts amortised are recognised in "' other lease related income" in arriving at reported "Revenue" (note 8).

Amendments in presentation, within comparative financial information

The Company has adjusted the presentation of certain comparative figures to conform to changes in presentation adopted in the 2021 financial year. The adjusted presentation was deemed necessary, to harmonise the Company's accounting policies with Group-wide accounting practices. The previously adopted presentation practices as applied in the financial statements for the year ended 31 December 2020 were aligned with IFRS, however Management believes that a revised accounting policy would achieve a more suitable and useful presentation for achieving consistency with internal reporting requirements of its main shareholders.

Specifically, the Company had previously reported investment property under IAS40, after an adjustment made for financial reporting purposes for the impact of any unamortised rent concessions that were also reported separately in the statement of financial position as a distinct asset, so as to avoid any double counting in the valuation of property. For the year 2021 and in relation to the associated comparative financial information, such unamortised rent concessions together with newly recognized accrued income are subsumed within the carrying value of investment property just prior to the latter's remeasurement to its fair value (rather than reported separately in the Company's assets/liabilities). This change in practice achieves the inclusion of all property value elements within the carrying amount of investment property, eliminating the need to perform a financial reporting adjustment to the open market value as determined by the appraisal of the external valuer.

The impact of the restatement on the statement of financial position for the year ended 31 December 2020, is presented below:

Extract from statement of financial position:	**As previously reported**	**Effect of restatement**	**As restated**
	€	**€**	**€**
Non-current assets			
Investment property (note 16)	33.820.000	150.000	**33.970.000**
Other assets (note 19)	120.000	(120.000)	**-**
Current assets			
Other assets (note 19)	30.000	(30.000)	**-**
Net impact on statement of financial position		-	

Impact on:	**As previously reported**	**Effect of restatement**	**As restated**
	€	**€**	**€**
Current assets per statement of financial position	7.093.201	(30.000)	**7.063.201**
Non-current assets per statement of financial position	33.940.323	30.000	**33.970.323**
Current liabilities per statement of financial position	(7.418.045)	-	**(7.418.045)**
Non-current liabilities per statement of financial position	(16.920.648)	-	**(16.920.648)**

4. Significant accounting policies (continued)

The above retrospective restatements do not have any impact on the statement of comprehensive income, statement of cashflows and statement of changes in equity and do not impact the Company's net assets and net equity as of 31 December 2020. The statement of financial postion as of 1 January 2020 remains unaffected, hence a third balance sheet has not been presented.

5. New accounting pronouncements

Standards issued but not yet effective

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

(i) Issued by the IASB and adopted by the European Union

- *New standard: IFRS 17 Insurance Contracts (Effective for annual reporting periods beginning on or after 1 January 2023)*

  The new standard replaces IFRS 4 and establishes the principles for the recognition, measurement, presentation and disclosures for insurance contracts. The objective of the standard is to ensure that an entity provides relevant information that faithfully represents those contracts. The information gives a basis for users of financial statements to assess the effect that the insurance contracts have on the entity's financial position, financial performance and cash flows.

  An entity shall apply the standard retrospectively unless impracticable, in which case entities have the option of using either the modified retrospective approach or the fair value approach. Early application is permitted if both IFRS 15 Revenue from Contracts with Customers and IFRS 9 Financial Instruments have also been applied.

Amendments

- *Amendments to IFRS 3 Business Combination, reference to the Conceptual Framework (Effective for annual reporting periods beginning on or after 1 January 2022)*

  The changes in Reference to the Conceptual Framework (Amendments to IFRS 3):

  - update IFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework;

  - add to IFRS 3 a requirement that, for transactions and other events within the scope of IAS 37 or IFRIC 21, an acquirer applies IAS 37 or IFRIC 21 (instead of the Conceptual Framework) to identify the liabilities it has assumed in a business combination; and

  - add to IFRS 3 an explicit statement that an acquirer does not recognise contingent assets acquired in a business combination.

  The amendments are effective for business combinations for which the date of acquisition is on or after the beginning of the first annual period beginning on or after 1 January 2022. Early application is permitted if an entity also applies all other updated references (published together with the updated Conceptual Framework) at the same time or earlier.

5. New accounting pronouncements (continued)

(i) Issued by the IASB and adopted by the European Union (continued)

- *Amendments to IAS 16 regarding proceeds before intended use (Effective for annual reporting periods beginning on or after 1 January 2022)*

  The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds for selling items produced while bringing that asset to the location and condition necessary for it to be capable of operation in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the cost of producing those items, in profit or loss.

  The amendments apply retrospectively only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments. Early application is permitted.

- *Amendments to IAS 37 regarding Onerous Contracts (Effective for annual periods begging on or after 1 January 2022)*

  Amendments in Onerous Contracts — Cost of Fulfilling a Contract (Amendments to IAS 37) specify that the “cost of fulfilling” a contract comprises the “costs that relate directly to the contract”. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (e.g. direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (e.g. the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

  Entities apply the amendments to contracts for which the entity has not yet fulfilled all its obligations at the beginning of the annual reporting period in which the entity first applies the amendments. Comparatives are not restated. Early application is permitted.

- *Amendments to IFRS 17 Insurance Contracts (Effective for annual reporting periods begging on or after 1 January 2023)*

  In May 2020, the International Accounting Standards Board issued several significant “Amendments to IFRS 17” to address concerns and implementation challenges that were identified after IFRS 17 “Insurance Contracts” was published in 2017. One of these refers to an additional scope exclusion for credit card contracts and similar contracts that provide insurance coverage as well as an optional scope exclusion for loan contracts that transfer significant insurance risk.

  The amendments are to be applied retrospectively. Earlier application is permitted.

5. New accounting pronouncements (continued)

(i) Issued by the IASB and adopted by the European Union (continued)

- *Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies (Effective for annual reporting periods beginning on or after 1 January 2023)*

  Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) amends IAS 1 in the following ways:

  • An entity is now required to disclose its material accounting policy information instead of its significant accounting policies;

  • several paragraphs are added to explain how an entity can identify material accounting policy information and to give examples of when accounting policy information is likely to be material;

  • the amendments clarify that accounting policy information may be material because of its nature, even if the related amounts are immaterial;

  • the amendments clarify that accounting policy information is material if users of an entity's financial statements would need it to understand other material information in the financial statements; and

  • the amendments clarify that if an entity discloses immaterial accounting policy information, such information shall not obscure material accounting policy information.

  Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

  In addition, IFRS Practice Statement 2 has been amended by adding guidance and examples to explain and demonstrate the application of the 'four-step materiality process' to accounting policy information in order to support the amendments to IAS 1.

  The amendments are applied prospectively. Earlier application is permitted.

- *Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates (Effective for annual reporting periods beginning on or after 1 January 2023)*

  The changes to IAS 8 focus entirely on accounting estimates and clarify the following:

  • The definition of a change in accounting estimates is replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty".

  • Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty.

  • The Board clarifies that a change in accounting estimate that results from new information or new developments is not the correction of an error. In addition, the effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors.

  • A change in an accounting estimate may affect only the current period's profit or loss, or the profit or loss of both the current period and future periods. The effect of the change relating to the current period is recognised as income or expense in the current period. The effect, if any, on future periods is recognised as income or expense in those future periods.

  The amendments are applied prospectively. Earlier application is permitted.

5. New accounting pronouncements (continued)

(ii) Issued by the IASB but not yet adopted by the European Union

Amendments

- *Amendments to IAS 1 regarding classification of Liabilities as Current or Non-Current (Effective for annual reporting periods beginning on or after 1 January 2023)*

  The amendments in Classification of Liabilities as Current or Non-Current (Amendments to IAS 1) affect only the presentation of liabilities in the statement of financial position — not the amount or timing of recognition of any asset, liability income or expenses, or the information that entities disclose about those items. They:

  • clarify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period and align the wording in all affected paragraphs to refer to the "right" to defer settlement by at least twelve months and make explicit that only rights in place "at the end of the reporting period" should affect the classification of a liability;

  • clarify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability; and

  • make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

  The amendments are to be applied retrospectively. Earlier application is permitted.

- *Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Effective for annual periods beginning on or after 1 January 2023)*

  In May 2021, the International Accounting Standards Board (Board) has published “Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)” that clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The main change is an exemption from the initial recognition exemption provided in IAS 12.15(b) and IAS 12.24. Accordingly, the initial recognition exemption does not apply to transactions in which equal amounts of deductible and taxable temporary differences arise on initial recognition.

  An entity applies the amendments to transactions that occur on or after the beginning of the earliest comparative period presented. It also, at the beginning of the earliest comparative period presented, recognises deferred tax for all temporary differences related to leases and decommissioning obligations and recognises the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at that date.

- *Amendments to IFRS 17 Insurance contracts: Initial Application of IFRS 17 and IFRS 9 – Comparative Information (Effective for annual periods beginning on or after 1 January 2023)*

  Narrow-scope amendment to the transition requirements of IFRS 17 for entities that first apply IFRS 17 and IFRS 9 at the same time. The amendment relates to financial assets for which comparative information is presented on initial application of IFRS 17 and IFRS 9, but where this information has not been restated for IFRS 9. Under the amendment, an entity is permitted to present comparative information about a financial asset as if the classification and measurement requirements of IFRS 9 had been applied to that financial asset before. The option is available on an instrument-by-instrument basis. In applying the classification overlay to a financial asset, an entity is not required to apply the impairment requirements of IFRS 9. There are no changes to the transition requirements in IFRS 9.

  An entity that elects to apply the amendment applies it when it first applies IFRS 17.

5. New accounting pronouncements (continued)

(ii) Issued by the IASB but not yet adopted by the European Union (continued)

- *Amendment to IFRS 10 Consolidated financial statements and IAS 28 Investments in associates and joint ventures. (Effective date postponed until further notice from IASB)*
  The IASB has issued limited scope amendments to IFRS 10 Consolidated financial statements and IAS 28 Investments in associates and joint ventures.

  The amendments clarify the accounting treatment for sales or contribution of assets between an investor and its associates or joint ventures. They confirm that the accounting treatment depends on whether the non-monetary assets sold or contributed to an associate or joint venture constitute a 'business' (as defined in IFRS 3 Business Combinations).

  Where the non-monetary assets constitute a business, the investor will recognise the full gain or loss on the sale or contribution of assets. If the assets do not meet the definition of a business, the gain or loss is recognised by the investor only to the extent of the other investor's interests in the associate or joint venture. The amendments apply prospectively.

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

6. Financial risk management

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

6.1 Interest rate risk
Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. Other than cash at bank which attract interest at normal commercial rates, the Company has no other significant interest-bearing financial assets. Borrowings issued at variable rates expose the Company to cash flow interest rate risk. Borrowings issued at fixed rates expose the Company to fair value interest rate risk. The Company does not have any fixed rate borrowings and all its bank borrowings are variable rate. The Company's Management monitors the interest rate fluctuations on a continuous basis and acts accordingly.

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

	2021	2020
	€	€
Variable rate instruments		
Financial assets - cash at bank and loans receivable	**5.813.167**	5.578.144
Financial liabilities - loans payable	**(29.383.431)**	(22.966.625)
	(23.570.264)	(17.388.481)

Sensitivity analysis

An increase of 100 basis points in interest rates at 31 December 2020 would have decreased profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. For a decrease of 100 basis points there would be an equal and opposite impact on profit or loss.

	Profit or loss	
	2021	2020
	€	€
Variable rate instruments	**235.703**	173.885
	235.703	173.885

6. Financial risk management (continued)

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

(i) Risk management

Credit risk is managed on a group basis, unless circumstances require specific monitoring of the risk profile of tenants, on an individual basis. For banks and financial institutions, the Company has established policies whereby the majority of bank balances are held with independently rated parties

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

(ii) Impairment of financial assets

The Company has the following types of financial assets that are subject to the expected credit loss model:
- trade receivables from the grant of use of space
- other receivables (classified in financial assets at amortised cost)
- cash and cash equivalents

The Company's exposure to credit risk for each class of asset subject to the expected credit loss model is set out below (the Company is also exposed to financial guarantee contracts with related entities):

Trade receivables from the grant of use of space

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

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The Company defines default as a situation when the debtor is more than 90 days past due on its contractual payments.

The Company, for collective assessment purposes, applied the following approach for year 2021:

• The expected loss rates were determined based on the payment profiles of sales over a period of 24 months before 31 December 2021 or 1 January 2020 respectively and the corresponding historical credit losses experienced within this period.

• The result of the exercise was assessed and compared to the cumulative expected credit loss at the end of the previous reporting period.

Given the fact that the historical loss rates applicable to 31 December 2021, led to a cumulative ECL reserve amount lower than the corresponding balance as of 31 December 2020, Management proceeded with a post-model adjustment to maintain the 2020 ECL reserve without any reversal in current year profit or loss. This is justifiable, on the basis of the uncertainties over future developments that might have an impact on recoverability of receivables. Management considers this approach as one that provides a comparable result to adjusting historical loss rates for (negative) forward- looking expectations.

The Company always measures the loss allowance for trade receivables at an amount equal to lifetime ECL.

6. Financial risk management (continued)

6.2 Credit risk (continued)

(ii) Impairment of financial assets (continued)

Trade receivables from the grant of use of space (continued)

On that basis, the loss allowance as at 31 December 2021 was determined as follows for trade receivables:

31 December 2021	Current €	Between 1 - 30 days past due €	Between 31 - 60 days past due €	Between 61 - 90 days past due €	More than 90 days past due €	**Total €**
Expected loss rate	1,7%	3,6%	8,1%	17,5%	24,3%	
Gross carrying amount at testing date – trade receivables	73.313	19.492	18.104	354	38.656	**149.919**
Loss allowance before post-model adjustment	1.210	705	1.460	62	9.409	**12.846**

31 December 2020	Current €	1 - 30 days past due €	31 - 90 days past due €	91 - 180 days past due €	More than 180 days past due €	**Total €**
Expected loss rate	0,9%	2,0%	5,4%	9,6%	14,7%	
Gross carrying amount at testing date – trade receivables	153.733	-	874	7.387	22.329	**184.323**
Loss allowance	1.324	-	47	707	3.275	**5.353**

The closing loss allowances (under collective assessment) for trade receivables - which are considered Stage 1 assets under IFRS 9 - as at 31 December 2021 reconcile to the opening loss allowances as follows:

	Trade receivables 2021 €	2020 €
Balance at 1 January	40.341	40.341
Movement based on collective assessment exercise	**(27.495)**	(34.988)
Post-model adjustment	**27.495**	34.988
Balance at 31 December	**40.341**	40.341

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

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

The cumulative loss allowance as at year end under the matrix approach would be €12.846, however, Management has maintained the loss allowance of €40.341 at the same levels as of 31 December 2020, on the grounds of prudence, due to COVID-19.

6. Financial risk management (continued)

6.2 Credit risk (continued)

(ii) Impairment of financial assets (continued)

Other financial assets at amortised cost(loans and other receivables from related parties, debt instruments at amortised cost and at FVTOCI-general expected credit loss model applied)

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward-looking information. Especially the following indicators are incorporated:
- internal credit rating
- external credit rating (as far as available)
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations
- actual or expected significant changes in the operating results of the borrower/counterparty
- significant increases in credit risk on other financial instruments of the same borrower/counterparty
- significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements
- significant changes in the expected performance and behaviour of the borrower/counterparty, including changes in the payment status of counterparty in the Company and changes in the operating results of the borrower.

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

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

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

6. Financial risk management (continued)

6.2 Credit risk (continued)

(ii) Impairment of financial assets (continued)

Interest bearing loans are provided to related parties. The Company does not require the related parties to pledge collateral as security against the loans.

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

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

Loans to related parties

Company internal credit rating	**Gross carrying amount**	(Loss allowance)	Carrying amount (net of impairment provision)
	€	€	€
Performing	**3.793.665**	-	3.793.665
Total loans to related parties	**3.793.665**	-	3.793.665

Loans to related parties represent receivables due from the parent entity, Atterbury Cyprus Limited. Management has considered the following factors in assessing the need for any impairment on the loan, granted in year 2020:

• Atterbury Cyprus Limited is in net equity position with no external debt obligations.
• There was no breach of any terms of the loan arrangements and no renegotiation/modification of such terms.
• The loans are considered of low credit risk since the counterparty has a strong capacity to meet contractual cash flow obligations due to the value of its financial investments.
• There was no significant increase in credit risk since initial recognition of these loans.

On the basis of the assessment made, management has concluded that there is no need for recognition of any expected credit losses, which was determined as immaterial.

The loan is considered a Stage 1 exposure under IFRS 9.

Other receivables

Other receivables are subject to the impairment requirements of IFRS 9, any impairment loss was insignificant in 2021.

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

Cash and cash equivalents

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

6. Financial risk management (continued)

6.2 Credit risk (continued)

(ii) Impairment of financial assets (continued)

Cash and cash equivalents (continued)

As of 31 December 2021, the Company has the majority of its cash deposited with a single financial institution with an external credit rating of Caa1 (Moody's). Company deposits are short term and allocated to Stage 1 exposures.

(iii) Financial guarantee contracts

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

At the reporting date, the Company acts as a joint guarantor (together with the parent entity, Atterbury Cyprus Limited) to the bank loan of fellow subsidiary The Mall of Cyprus (MC) Plc for the amount of €134.400.000. It is not expected that any loss will result from such guarantees provided by the Company, since the property of the borrower is also pledged as security. There have been no indications as of the reporting date that the borrower is likely to fail meeting up its loan instalments. Under IFRS9 a provision, has been recognised in respect of the financial guarantee provided, being the estimated 12 month ECL, which takes into account the probability of default of the beneficiary entity, the loss given default and the exposure at default. Refer to note 24.

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

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

31 December 2021	Carrying amounts	Contractual cash flows	3 months or less	3-12 months	1-2 years	2-5 years	More than 5 years
	€	€	€	€	€	€	€
Bank loans	29.383.431	37.852.536	469.212	1.611.000	2.148.000	5.496.000	28.128.324
Trade and other payables	530.321	530.321	530.321	-	-	-	-
Payables to related parties	266.725	231.025	231.025	-	-	-	-
Financial guarantees - contractual amounts	134.400.000	134.400.000	134.400.000	-	-	-	-
	164.580.477	**173.013.882**	**135.630.558**	**1.611.000**	**2.148.000**	**5.496.000**	**28.128.324**

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6. Financial risk management (continued)

6.3 Liquidity risk (continued)

31 December 2020	Carrying amounts	Contractual cash flows	3 months or less	3-12 months	1-2 years	2-5 years	More than 5 years
	€	€	€	€	€	€	€
Bank loans	17.643.371	21.723.667	479.949	1.439.847	1.919.796	5.759.388	12.124.687
Trade and other payables	423.429	423.429	423.429	-	-	-	-
Payables to related parties	53.393	53.393	53.393	-	-	-	-
Financial guarantees - contractual amounts	134.400.000	134.400.000	134.400.000	-	-	-	-
Loan from related companies	5.323.254	5.504.213	-	5.504.213	-	-	-
	157.843.447	162.104.702	135.356.771	6.944.060	1.919.796	5.759.388	12.124.687

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 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.

With respect to financial guarantees, as referred to note 6.2, the Company acts as joint guarantor for a fellow subsidiary to the amount of €134,4 million, which is the maximum contractual amount of any obligation.

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

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

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. Total capital is calculated as "equity" as shown in the statement of financial position plus net debt.

The Company's capital is analysed as follows:

	2021	2020
	€	€
Total borrowings (Note 22)	**29.383.431**	22.966.625
Less: Cash and cash equivalents (Note 20)	**(2.019.628)**	(1.690.454)
Net debt	**27.363.803**	21.276.171
Total equity	**17.654.559**	16.694.831
Total capital	**45.018.362**	37.971.002
Gearing ratio	**60,78%**	56,03%

6. Financial risk management (continued)

Fair value estimation

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values.

Refer to Note 16 for disclosure of fair value for Investment Properties carried at fair value.

7. Critical accounting estimates, judgments and assumptions

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

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

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 judgments, 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.

Critical judgements in applying the Company's accounting policies

- **Fair value of investment property (accounting estimate)**

  The fair value of investment property is determined by using valuation techniques, with input from independent real estate valuation experts, and the principles applied comply with IFRS 13, ‘’Fair Value Measurement’’. The Company uses its judgment to select specific methods and make assumptions that are mainly based on market conditions existing at each reporting date. In addition to market conditions, Management assesses current economic developments and uncertainties that might influence the valuation of investment properties. Rent-free periods, expected vacancy rates, the discount rates and assumed trends in rents are some important factors in such assessment.

  The valuations are based on a discounted cash flow (DCF) analysis of each property. The DCF analyses are adjusted to existing lease agreements, in order to cover the full period of existing lease agreements. The DCF analyses are based on calculations of the future rental revenue in accordance with the terms in existing lease agreements and estimations of the rental values when the agreements expire. The investment property portfolio is typically appraised on an annual basis. However, in novel conditions, as caused by COVID-19 during year 2020, the investment property was appraised mid-year for better monitoring of value fluctuations of this primary asset of the Company.

  Management exercises judgment in evaluating the unprecedented set of circumstances caused by COVID-19, which impacted the scope of the independent valuer’s work. The latter’s valuation was reported as being subject to ‘material valuation uncertainty’ as set out in VPS 3 and VPGA 10 of the RICS Valuation – Global Standards. This does not equate to lesser or no- reliability of the valuation which Management uses for the determination of fair value for financial reporting purposes, but rather provides further insight as to the market context under which the valuation was prepared. In recognition of the potential for market conditions to move rapidly in response to changes in the control or future spread of COVID-19, Management therefore will be revisiting the valuation of the property at the necessary frequency, as needed. Refer to note 16 for details of assumptions used and sensitivity analysis performed on key inputs to the valuation exercise.

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

- **Classification of lease arrangements (judgment)**

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

- **Impairment of financial assets**

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

8. Rights for use of space and other revenue

Disaggregation of revenue	**2021**	2020
	€	€
Rights for use of space - Minimum license fees	**1.868.396**	2.133.976
Rights for use of space - Additional license fees	**25.245**	-
Lease related expenses from discounts granted	**(60.231)**	(101.160)
Lease related income from tenant contributions	**4.818**	116.763
Total lease income	**1.838.228**	2.149.579
Revenue from service charge, utilities and other recoveries	**778.184**	360.173
Total revenue from contracts with tenants	**2.616.412**	2.509.752

Income from the "Rights of use of space" relates to license/lease agreements that were in effect during 2021. Any income that is derived based on the financial performance of tenants is separately presented under "Additional licence fees" and is determined as a percentage of the tenants' revenue; as stipulated in their license/lease agreements (there were no additional licence fees earned during 2021 and 2020).

‘’Lease related income from tenant contributions’’ refers to the amortised portion of capital expenditure incurred by the Company on behalf of, and billed to certain tenants, in transforming/enhancing the space occupied in the Mall of Engomi with individualised features and improvements. The capital improvement amount is released/amortised to profit or loss over the lease terms of those tenants, in arriving at reported revenue (refer to note 24).

"Lease related expenses from discounts granted" relates to conditional discounts provided by the Company during the 2021 financial year to its tenants. The discounts were granted due to the recent development of the COVID-19 outbreak. Discounts were given to aid the tenants with the disruption of their normal operations, following a number of measures in force such as full lock down periods during the year. The discounts qualify as rent concessions/lease modifications under IFRS16. Discounts granted are amortised to profit or loss over the remaining duration or term of each corresponding individual license/lease agreement.

9. Other operating income

	2021	2020
	€	€
Other lease related income	**49.056**	27.999
	49.056	27.999

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10. Fair value gains/(losses) on investment property

	2021	2020
	€	€
Fair value gains/(losses) on investment property - Note 16	**679.869**	(10.386.288)
	679.869	(10.386.288)

11. Administration and other operating expenses

	2021	2020
	€	€
Common expenses	**359.003**	97.114
Sundry expenses	**857**	605
Promotional and marketing expenses	**96.458**	-
Auditor's remuneration - current year	**14.000**	13.000
Auditor's remuneration - prior years	**-**	1.800
Legal fees	**6.236**	14.850
Cyprus stock exchange expenses	**8.984**	8.988
Directors' fees	**2.500**	2.500
Other professional fees	**64.663**	77.268
Management fees (note 26.3)	**72.340**	74.723
Financial guarantee provisions (note 24)	**(13.539)**	149.255
Bad debts written off	**-**	583
Bank charges	**33.148**	1.669
Other finance expenses	**2.234**	-
Property management, maintenance and utility costs *	**778.184**	360.173
Depreciation	**1.962**	1.121
	1.427.030	803.649

* Property management, maintenance and utility costs are analysed as follows:

	2021	2020
	€	€
Building and infrastructure-related expenses	**20.000**	25.125
Electricity and other utility expenses	**111.730**	44.583
Refuse and cleaning expenses	**102.687**	43.801
Payroll and property management fees	**153.120**	106.967
Repairs and maintenance expenses	**60.553**	24.254
Security expenses	**146.183**	66.780
Marketing expense	**133.631**	9.021
Insurance expenses	**46.227**	38.173
Other sundry expenses	**4.053**	1.469
	778.184	360.173

The total fees charged by the Company’s statutory auditor for the statutory audit of the financial statements of the Company for the period ended 31 December 2021 amounted to €14.000 (the fees for the year ended 31 December 2020 amounted to €13.000). The total fees charged by the Company’s statutory auditor for the year ended 31 December 2021 for tax advisory services and for other assurance services was €2.200 (31 December 2020: €1.800).

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2021

12. Finance income/costs

	2021	2020
	€	€
Finance income		
Loan interest income	**155.975**	156.948
	155.975	156.948
Interest expense		
Bank borrowings (note 22)	**(862.679)**	(673.222)
	(862.679)	(673.222)
Net finance costs	**(706.704)**	(516.274)

13. Income tax

	2021	2020
	€	€
Corporation tax - current year	**-**	15.856
Corporation tax - prior years	**668**	-
Defence contribution - current year	**1.452**	1.201
Deferred tax - charge/(credit) (Note 23)	**249.755**	(2.622.659)
Charge/(credit) for the year	**251.875**	(2.605.602)

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

	2021	2020
	€	€
Profit/(loss) before tax	**1.211.603**	(9.141.286)
Tax calculated at the applicable tax rates	**151.450**	(1.142.661)
Tax effect of expenses not deductible for tax purposes	**1.787**	1.318.698
Tax effect of allowances and income not subject to tax	**(222.824)**	(109.193)
50% reduction in licence fee income - claimed as tax credit	**-**	(50.988)
Tax effect of tax loss for the year	**69.587**	-
Defence contribution current year	**1.452**	1.201
Deferred tax	**249.755**	(2.622.659)
Prior year tax	**668**	-
Tax charge	**251.875**	(2.605.602)

The corporation tax rate is 12,5%.

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

Due to tax losses sustained in the year, no tax liability arises on the Company.

14. Earnings/(loss) per share attributable to equity holders

	2021	2020
Earnings/(loss) attributable to equity holders (€)	**959.728**	(6.535.684)
Weighted average number of ordinary shares in issue during the year	**10.000.000**	10.000.000
Earnings/(loss) per share attributable to equity holders (cent) - basic and diluted	**9,60**	(65,36)

15. Property and equipment

	Signs €	Plant and machinery €	Computer hardware €	Total €
Cost				
Balance at 1 January 2020	88.371	76.821	1.045	166.237
Balance at 31 December 2020/ 1 January 2021	**88.371**	**76.821**	**1.045**	**166.237**
Additions	15.408	18.503	-	33.911
Balance at 31 December 2021	**103.779**	**95.324**	**1.045**	**200.148**
Depreciation				
Balance at 1 January 2020	88.371	75.377	1.045	164.793
Charge for the year	-	1.121	-	1.121
Balance at 31 December 2020/ 1 January 2021	**88.371**	**76.498**	**1.045**	**165.914**
Charge for the year	385	1.577	-	1.962
Balance at 31 December 2021	**88.756**	**78.075**	**1.045**	**167.876**
Net book amount				
Balance at 31 December 2021	**15.023**	**17.249**	**-**	**32.272**
Balance at 31 December 2020	**-**	**323**	**-**	**323**

16. Investment property

	2021 €	2020 (restated) €	2020 (as previously reported) €
Balance at 1 January	**33.970.000**	39.800.000	39.800.000
Redevelopment costs and other additions	**7.846.307**	4.322.678	4.322.678
Additions: lease incentives, concessions and def. income adjustment	**231.967**	150.000	-
Capitalisation of interest expenses	**131.857**	83.610	83.610
Fair value adjustment based on external valuer's assessment (note 10)	**679.869**	(10.386.288)	(10.236.288)
Open market value per external valuation at 31 December, as adjusted for any remaining costs to complete	**42.860.000**	33.970.000	33.970.000
Adjustment for financial reporting purposes for lease incentives (note 10)	**-**	-	(150.000)
Balance at 31 December	**42.860.000**	33.970.000	33.820.000

16. Investment property (continued)

The investment properties are valued annually at fair value comprising open market value based on valuations by an independent, professionally qualified valuer. Fair value is based 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 typically prepared annually by independent valuers and reviewed and adopted by management. Changes in fair value are recorded in profit or loss and are included in "fair value gains/(losses) on investment property". In arriving at open market value, Management takes into account any significant impact of lease incentives (such as relocation incentives, conditional discounts to tenants qualifying as rent concessions and any deferred income associated with future benefits accruing to the Company in relation to tenant contributions to the value of investment property) in order to avoid double-counting in the Company's assets and liabilities. The adjustment as of 31 December 2021 for the aforementioned incentives, was derived from unamortised discounts granted to tenants classified under ''other assets'' (note 19) as well as from deferred income, classified under ''trade and other payables'' (note 24). The Company's investment property is measured at fair value. The Company holds one class of investment property being the Mall of Engomi. Refer to note 4, ''Amendments in presentation within comparative financial information'', which details the changes in presentation adopted by Management in relation to the presentation of investment property.

Valuation processes of the Company

The Company's investment properties were most recently valued by management as at 31 December 2021. The investment property portfolio is typically appraised on an annual basis.

Management exercises judgment in evaluating the unprecedented set of circumstances caused by COVID-19, which impacted the scope of the independent valuer's work. The latter's valuation was reported as being subject to 'material valuation uncertainty' as set out in VPS 3 and VPGA 10 of the RICS Valuation – Global Standards. This does not equate to limited or no reliability of the valuation which Management uses for the determination of fair value for financial reporting purposes, but rather provides further insight as to the market context under which the valuation was prepared. In recognition of the potential for market conditions to move rapidly in response to changes in the control or future spread of COVID-19, Management therefore will be revisiting the valuation of the property, as needed and required.

As part of the process for year end financial reporting purposes, Management took into account the external valuation prepared as at 31 December 2021 by independent professionally qualified valuers Landtourist Valuations LLC, who possess a recognised relevant professional qualification and have recent experience in the locations and segments of the Investment properties valued. For all investment properties, their current use equates to the highest and best use. The Company's finance department reviews the valuation performed by the independent valuers for financial reporting purposes. Discussions of valuation processes and results are held between the CFO, Management, and the independent valuers at least once every year. At each financial year end the finance department:

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

Management has considered key assumptions and they have concluded on a fair value gain of the investment property value of €679.869, including the impact of certain works necessary to bring the asset to full operating capacity (2020: €10.386.288 loss). Management implemented an adjustment to the value reported by the appraiser (€43.100.000) of €240.000, to account for the fact that the property, on an "as is" basis, should bear a reduced value, due to necessary costs to full completion.

Bank borrowings are secured on the Company's investment property for €31.211.817 (31 December 2020: €31.211.817) (note 22)

16. Investment property (continued)

Fair value hierarchy

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

Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).

Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).

Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The fair value measurement for all of the investment properties has been categorized as a Level 3 fair value based on the inputs to the valuation technique used at each of 31 December 2021 and 31 December 2020.

	2021	2020 (restated)	2020 (as previously reported)
Fair value hierarchy	**3**	3	€
	€	€	€
Opening fair value	**33.970.000**	39.800.000	39.800.000
Gains/(losses) from fair value adjustments on investment property - including the impact of adjustment for lease incentives	**679.869**	(10.386.288)	(10.386.288)
Additions, including capitalised interest	**7.978.164**	4.406.288	4.406.288
Additions: lease incentives, concessions and def. income adjustment	**231.967**	150.000	-
	42.860.000	33.970.000	33.820.000

Valuation technique and significant unobservable inputs

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

31 December 2021:

Property	Valuation €	Valuation technique	Discount rate %	Terminal capitalisation rate %	Revenue in year 1 €	Revenue growth %
Cyprus	42.860.000	Income approach - Discounted cash flows	10,25	8,25	3.485.453	3

16. Investment property (continued)

31 December 2020 (restated):

Property	Valuation €	Valuation technique	Discount rate %	Terminal capitalisation rate %	Revenue in year 1 €	Revenue growth %
Cyprus	33.970.000	Income approach - Discounted cash flows	10,00	8,25	2.925.344	1,3

Sensitivity of Management's estimates 31 December 2021

Description	Change in cap rate	Change in discount rate -0,50% €	0,00% €	0,50% €
Cyprus Shopping Mall	-0,50%	45.590.000	44.710.000	43.850.000
	0,00%	43.700.000	42.860.000	42.050.000
	0,50%	42.020.000	41.230.000	40.450.000
	Change in revenue	-	-	-
	-10,00%	39.070.000	38.330.000	37.600.000
	0,00%	43.700.000	42.860.000	42.050.000
	10,00%	48.320.000	47.400.000	46.490.000

Sensitivity of Management's estimates 31 December 2020 (restated):

Description	Change in cap rate	Change in discount rate -0,50% €	0,00% €	0,50% €
Cyprus Shopping Mall	-0,50%	36.587.978	35.766.487	34.966.649
	0,00%	34.748.902	33.970.000	33.209.297
	0,50%	33.120.006	32.376.619	31.652.784
	Change in revenue	-	-	-
	-10,00%	30.305.351	29.612.449	28.937.860
	0,00%	34.748.902	33.970.000	33.209.297
	10,00%	39.192.454	38.325.210	37.480.733

16. Investment property (continued)

A change in the vacancy rate by 5%, i.e. should the occupied spaces decrease to 95% of the available area for tenancy, would lead to a decrease of the fair value from the base scenario by €2.230.000 (2020: €2.124.845), i.e. bringing fair value to €40.630.000 at 31 December 2021 (2020: €31.845.155).

Revenues are derived from a relatively small number of tenants. Two individual tenants contributed more than 75% of the Company's revenues for year 2021. This pattern will be modified from year 2022 onwards, as the Mall's redevelopment will lead to a more diversified tenant mix.

There are no significant inter relationships between unobservable inputs (i.e. changes in specific inputs does not imply that direct changes to other inputs would occur). 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. 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;
Cash outflows of capital nature, in connection with the redevelopment	Reflecting the estimated costs to complete the property redevelopment exercise;
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;

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

For land and buildings with a total carrying amount of €42.860.000 (after the impact of remaining costs to complete), the valuation was determined using discounted cash flow projections, as subsequently adjusted for financial reporting purposes. Properties valued using the discounted cash flows model take into account future rental values, vacant spaces and maintenance costs discounted to the present value using an estimated discount rate. These values are adjusted for differences in the market conditions such as demand and finance affecting market sales. The most significant input into this valuation approach is license fees and discount rates. The external valuer applies as a cross check to the DCF method, the Income Capitalisation approach, through which the maximum potential income of the properties is estimated and capitalised with the appropriate rate of return. Both the primary and the secondary methods yield similar outcomes.

Specifically, for the valuation of year 2021, the independent valuer has closely considered the expected increase in occupancy from 2022 following the completion of the redevelopment plan in 2021.

17. Loans receivable

Loan receivable from Atterbury Cyprus Limited:

	2021	2020
	€	€
Balance at 1 January	**3.887.690**	3.807.035
Repayments	**(250.000)**	-
Set-off of balance	**-**	(76.293)
Interest charged (notes 12, 26.2)	**155.975**	156.948
Balance at 31 December	**3.793.665**	3.887.690

In July 2019, the Company extended a loan to its parent Atterbury Cyprus Limited as part of the settlement of the loan receivable from fellow subsidiary The Mall of Cyprus (MC) Plc. The loan is unsecured, denominated in Euro, initially bore interest of 3 month Euribor plus 4,38% and has no fixed repayment terms. During 2020, the applicable interest rate changed to 3 month Euribor plus 4,08%. Total interest income recognised during the year ended 31 December 2021 amounted to €155.975 (2020: €156.948).

	2021	2020
	€	€
Loans to parent (Note 26.4)	**3.793.665**	3.887.690
	3.793.665	3.887.690

The exposure of the Company to credit risk in relation to loans receivable is reported in note 6 of the financial statements.

The fair values of receivables approximate to their carrying amounts as presented above.

The effective interest rates on receivables were as follows:

	2021	2020
Loans to parent	**4,08%**	4,08%

18. Trade and other receivables

	2021	2020
	€	€
Trade receivables	**131.361**	203.577
Less: expected credit loss on trade receivables	**(40.341)**	(40.341)
Trade receivables - net	**91.020**	163.236
Deposits and prepayments	**167.807**	-
Advances to subcontractors	**-**	1.321.821
Unbilled service charges to tenants	**36.616**	-
	295.443	1.485.057

Deposits and prepayments mainly relate to reconnection refundable deposits made to the local electricity authority in relation to the completion of the redevelopment works for the Mall expansion.

Advances to subcontractors related to advances given during previous years in relation to the redevelopment works for the Mall expansion. The redevelopment was completed during 2021 (note 16). The advances outstanding at 31 December 2020, were refundable amounts that have been transferred to ''investment property redevelopment costs and other additions'' upon being work certified during the current year.

Unbilled service charges to tenants relate to common expenses not yet recharged to the tenants as at the year end. The amount was billed to tenants in 2022.

18. Trade and other receivables (continued)

The Company has not recognised a loss for the impairment of its trade receivables during the year ended 31 December 2021 (2020: € Nil).

Movement in provision for impairment of receivables:

	2021	2020
	€	€
Balance at 1 January	**40.341**	40.341
Balance at 31 December	**40.341**	40.341

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

19. Other assets

	2021	2020 (restated)	2020 (as previously reported)
	€	€	€
Unamortised discounts granted to tenants (amount prior to transfer to ''investment property'')	**404.901**	150.000	150.000
Less: reclassification of discounts to tenants to investment property (note 16)	**(404.901)**	(150.000)	-
Balance at 31 December	**-**	-	150.000
Less non-current portion	**-**	-	(120.000)
Current portion	**-**	-	30.000

Unamortised discounts granted to tenants relate to a one-off special discount against future rentals given to certain tenants. These are to be amortised to profit and loss over the duration or term of each corresponding individual licence/lease agreement. Amortisation commenced in 2021.

Discounts to tenants at each reporting date, are reclassified for fair value estimation purposes, to investment property, prior to the remeasurement of the latter to its fair value.

20. Cash at bank and in hand

Cash balances are analysed as follows:

	2021	2020
	€	€
Cash at bank and in hand	**2.019.628**	1.690.454
	2.019.628	1.690.454

20. Cash at bank and in hand (continued)

Cash and cash equivalents by type:

	2021	2020
	€	€
Current account	**254.988**	1.448.492
Sight account	**1.584.081**	56.088
Guarantee deposit	**180.433**	185.800
Cash in hand	**126**	74
	2.019.628	1.690.454

Bank of Cyprus is the sole credit institution with which cash is held by the Company.

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

21. Share capital

	2021 Number of shares	2021 €	2020 Number of shares	2020 €
Authorised				
Ordinary shares of €0,10 each	**10.000.000**	**1.000.000**	10.000.000	1.000.000
Issued and fully paid				
Balance at 1 January	**10.000.000**	**1.000.000**	10.000.000	1.000.000
Balance at 31 December	**10.000.000**	**1.000.000**	10.000.000	1.000.000

22. Borrowings

	2021	2020
	€	€
Balance at 1 January	**22.966.625**	17.626.630
Proceeds from borrowings	**16.090.170**	5.295.947
Repayment of principal	**(9.617.009)**	(339.667)
Repayment of interest	**(957.664)**	(149.334)
Interest expense	**862.679**	673.222
Gain on modification of borrowings	**-**	(27.174)
Capitalisation of eligible borrowing costs on investment property	**131.857**	83.610
Commitment and commission fees	**(93.227)**	(196.609)
Balance at 31 December	**29.383.431**	22.966.625

	2021	2020
	€	€
Current borrowings		
Bank loans	**1.045.946**	1.283.122
Loans from related companies (Note 26.6)	**-**	5.323.254
	1.045.946	6.606.376
Non-current borrowings		
Bank loans	**28.337.485**	16.360.249
Total	**29.383.431**	22.966.625

22. Borrowings (continued)
On 22 July 2019 and subsequently revised and extended on 27 July 2020, the Company together with its parent and its fellow subsidiary, entered into a revised loan agreement with Bank of Cyprus Public Company Limited. The agreement comprises four distinct facilities as shown in the table below:

Facility	Commitment	Interest rate per initial agreement	Interest rate per amendment agreement	Maturity
Facility A	€20.000.000	3m Euribor + 4,00%	3m Euribor + 3,40%	15/06/2027
Facility B	€90.000.000	3m Euribor + 3,71%	3m Euribor + 3,40%	16/10/2033
Facility C	€18.900.000	3m Euribor + 3,65%	3m Euribor + 3,40%	15/05/2031
Ancillary Facility	€3.000.000	3m Euribor + 4,20%	3m Euribor + 4,20%	N/A

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

On 10 October 2019, the Bank of Cyprus Public Company Limited syndicated a portion of Facility C (a principal amount of €5 million) to Eurobank Cyprus Ltd, as permitted by the agreement, on the same terms and conditions as set out in the facility agreement.

During 2021, further to an agreement entered into in September 2020, the Company obtained a new bank loan of €13.000.000, for the redevelopment project of the Mall. The maturity date of the loan is the 15th of August 2034 and the loan bears interest of 3 month Euribor plus 3,40%. Part of the outstanding balance of this loan was applied to the repayment of another loan payable to a related party, which had been given for bridging purposes.

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

• Debt Service Cover Ratio: no less than or equal to 1.1 times

• Debt to Equity Ratio: shall not exceed 1.4 times

• Loan to Value Ratio: shall not exceed 60%

The bank loans (Facilities A, B and C) are secured as follows:

a) Atterbury Cyprus Limited guaranteed the loans of the Company up to an amount of €23.000.000.

b) The Mall of Cyprus Plc guaranteed the loans of the Company up to an amount of €23.000.000.

c) By floating charge of €23.000.000 on the assets of the Mall of Engomi (ME) Plc

d) By the assignment of €23.000.000 from the rights of use of space in the Shacolas Emporium Park.

Securities are limited to the outstanding book balance of bank borrowings as at 31 December 2021 of €29.966.041 (2020: €18.198.215)

The new bank facility obtained in 2021, is secured as follows:

a) Atterbury Cyprus Limited guaranteed the loans of the Company up to an amount of €15.600.000.

b) The Mall of Cyprus (MC) Plc guaranteed the loans of the Company up to an amount of €15.600.000.

22. Borrowings (continued)
Maturity of non-current borrowings:

	2021	2020
	€	€
Between one to two years	**1.132.478**	1.327.434
Between two and five years	**3.644.887**	4.263.747
After five years	**23.560.120**	10.769.068
	28.337.485	16.360.249

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

	2021	2020
	%	%
Bank loans	**3,40%**	3,40%
Loans from related companies	**-**	3,40%

The carrying amount of borrowings approximates their fair value.

23. Deferred tax

Deferred tax is calculated in full on all temporary differences under the liability method using the applicable tax rates (Note 13). The applicable corporation tax rate in the case of tax losses is 12,5% (there are no tax losses available for offset at 31 December 2021 and 2020 respectively).

Deferred tax liability

	2021	2020
	€	€
Balance at 1 January	**15.053**	2.637.712
Movement in profit or loss due to:		
Fair value losses on investment property	**-**	(1.448.784)
Difference between depreciation and wear & tear allowances	**249.755**	(1.173.875)
Balance at 31 December	**264.808**	15.053

Deferred taxation liability arises as follows:

	2021	2020
	€	€
Difference between depreciation and wear & tear allowances	**264.808**	15.053
	264.808	15.053

23. Deferred tax (continued)

23. Deferred tax (continued)

The Company recognises deferred tax attributed to the following:

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

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

24. Trade and other payables and provisions for other liabilities and charges

	2021	2020
	€	€
Trade payables	**494.621**	423.429
Payables to parent (Note 26.5)	**-**	21.776
Value added tax	**62.749**	53.392
Provision on financial guarantee contracts	**135.716**	149.255
Accruals	**7.772**	127.767
Deposits by tenants	**675.026**	545.346
Deferred income (amount prior to transfer to ‘’investment property’’)	**22.934**	-
Less: deferred income transferred to ‘’investment property’’	**(22.934)**	-
Prepaid amounts by tenants	**57.690**	-
Payables to fellow subsidiaries (Note 26.5)	**231.025**	31.617
Payables to indirect shareholder (Note 26.5)	**35.700**	-
	1.700.299	1.352.582
Less non-current payables	**(675.026)**	(545.346)
Current portion	**1.025.273**	807.236

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

"Deferred income” relates to capital expenditure incurred by the Company on behalf of certain tenants, in transforming/enhancing the space occupied in the Mall of Cyprus with individualised features and improvements, and which have resulted in enhancements in the fair value of the investment property. For the Company to recognise any deferred income, enhancements should be contractually provisioned to remain within the Company’s ownership. Hence the tenant not occupying any claims for any contributions made. Amounts recognised in profit or loss under "Revenue", are based on the duration of each individual corresponding license/lease contract (Note 8). Deferred income at each reporting date, is reclassified for fair value estimation purposes, to investment property, prior to the remeasurement of the latter to its fair value.

24. Trade and other payables and provisions for other liabilities and charges (continued)

The provision on financial guarantee contracts, relates to the Company's estimated provisions in respect of the financial guarantees provided for bank loans of its fellow subsidiary, The Mall of Cyprus. The above estimate is the 12-month ECL, considering the probability of default of the guaranteed party, the exposure at default and the loss given default. The Company acts as joint guarantor for bank loans of its fellow subsidiary, with the amount of the guarantees at €134.400.000. Guarantees are limited to the outstanding book amount of the loan balances of The Mall of Cyprus (MC) plc of €90.021.751 (2020: €98.053.490).

The fair values of trade and other payables and provisions for other liabilities and charges due within one year approximate to their carrying amounts as presented above.

25. (Refundable) taxes/current tax liabilities

	2021	2020
	€	€
Corporation tax	**(2.089)**	4.433
	(2.089)	4.433

26. Main shareholders and related party transactions

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

The Company is controlled by Atterbury Cyprus Limited, incorporated in Cyprus, which owns 99,5% of the Company's shares at the reporting date and at the date of approval of these financial statements.

Atterbury Cyprus Limited is controlled by Atterbury Europe B.V., incorporated in Netherlands, which owns 97,50% of the former.

The main shareholders of the Company as at 31 December 2021 are (i) Brightbridge Real Estate Limited (Cyprus) through its indirect 36,38% shareholding in Atterbury Cyprus Limited (the parent company), (ii) RMB Holdings Limited (South Africa) through its indirect 36,38% shareholding in Atterbury Cyprus Limited and (iii) Business Venture Investments No 1360 (Pty) Ltd (South Africa) through its indirect 24,25% shareholding in Atterbury Cyprus Limited.

The following transactions were carried out with related parties (refer also to note 17 and 22 for further information on borrowings with related parties):

26.1 Directors' remuneration

The remuneration of Directors was as follows:

	2021	2020
	€	€
Directors' fees (note 11)	**2.500**	2.500
	2.500	2.500

26. Main shareholders and related party transactions (continued)

26.2 Provision of services

	Nature of transactions	2021 €	2020 €
Atterbury Cyprus Limited - direct shareholder (Note 12)	Financing and interest	**155.975**	156.948
		155.975	156.948

26.3 Purchases of services

	Nature of transactions	2021 €	2020 €
Fliptype Holdings Limited - direct shareholder	Management fee charges	**34.896**	28.845
Atterbury Cyprus Limited - direct shareholder	Corporate service charges	**73.198**	73.198
Atterbury Europe Services B.V.	Management fee charges	**259.776**	286.857
Brightbridge Real Estate Limited	Management fee charges	**90.000**	60.000
		457.870	448.900

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

26.4 Loans to related parties (Note 17)

	2021 €	2020 €
Atterbury Cyprus Limited	**3.793.665**	3.887.690
	3.793.665	3.887.690

The loan receivable from Atterbury Cyprus Limited is repayable on demand and bore interest equal to 3 month Euribor plus margin of 3,65% and a 20% mark-up i.e. 4,38% up to 31 December 2019. During 2020, the applicable interest rate changed to 3 month Euribor plus margin of 4,08%.

26.5 Payables to related parties (Note 24)

Name	2021 €	2020 €
Brightbridge Investments Limited	**35.700**	-
Atterbury Cyprus Limited	**-**	21.776
The Mall of Cyprus (MC) Plc	**231.025**	31.617
	266.725	53.393

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

26. Main shareholders and related party transactions (continued)

26.6 Loans from related parties (Note 22)

	2021	2020
	€	€
Atterbury Europe B.V.	**-**	5.323.254
	-	5.323.254

The loan from related entity Atterbury Europe B.V. was provided with interest of 3 month Euribor plus 3,40%, and was repayable on or before 30 June 2021. The loan facility available to the Company was up to €13 million. During the year the whole loan balance has been repaid out of new bank funding obtained (note 22).

26.7 Guarantees

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

a) Guarantee from Atterbury Cyprus Limited to secure bank borrowings for the amounts of €23.200.000 and €15.600.000

b) Guarantee from the Mall of Cyprus (MC) Plc to secure bank borrowings for the amounts of €23.200.000 and €15.600.000

27. Contingent liabilities

The Company guarantees the bank loan of The Mall of Cyprus (MC) Plc for the amount of €134.400.000. It is not expected that any loss will result from the guarantees provided by the Company, since the property of the borrower is also pledged as security.

28. Commitments

License fee/Operating lease commitments - where the Company is the lessor

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

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

	2021	2020
	€	€
Within one year	**3.787.950**	1.512.720
Between one and five years	**8.611.424**	2.773.320
After five years	**12.640**	-
	12.412.014	4.286.040

28. Commitments (continued)

A detailed maturity analysis of operating lease payments for year 2021, is provided below:

	As at 31/12/2021	As at 31/12/2020
	€	€
Year 1	**3.787.950**	1.512.720
Year 2	**3.787.950**	1.512.720
Year 3	**3.201.561**	1.260.600
Year 4	**1.292.157**	-
Year 5	**329.756**	-
Year 6 onwards	**12.640**	-
Total	**12.412.014**	4.286.040

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

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

- achieve the longest weighted average lease term possible;

- minimise vacancy rates across all properties; and

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

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

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

29. Events after the reporting period

Depending on the duration and levels of COVID-19 the Company may be impacted on an operational level which could result in a decline in financial results and fair value losses on its assets.

On 24 February 2022, Russia launched a military operation in Ukraine. Many governments are taking increasingly stringent measures against Russia and Belarus. These measures have already slowed down the economies both in Cyprus but globally as well with the potential of having wider impacts on the respective economies as the measures persist for a greater period of time. The conflict may have serious consequences on the Cyprus economy and also worldwide, which are difficult to precisely estimate. The main concern at the moment is the rise of inflation, the uncertainty mainly about tourism and financial services and the increase in the price of fuel, which will affect household incomes and business operating costs.

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

Independent auditor's report on pages 7 to 10