Annual Report 2016

WOOLWORTH (CYPRUS) PROPERTIES PLC

Woolworth Group

ANNUAL REPORT 2016

Woolworth Group

Contents

Board of Directors

Chairman
Demetris Demetriou (b,d)

Managing Director
Marios Panayides (a,d)

Executive Directors (in alphabetical order)
George Louca (a,d)
Eleni N. Shacola (a,d)
Marios N. Shacolas (a,d)
Chrysoula N. Shacola (a,d)

Directors (in alphabetical order)
Pambos Ioannides (b,d)
Nicolas Const. Shacolas (b,c)
Stephos Stephanides (b,c)
Nicolas Wilson (b,d)

Secretary
George P. Mitsides

Financial Controller
Maria Aristidou

Legal Advisors
Ioannides Demetriou
Tassos Papadopoulos & Associates

Registered Office
Shacolas Building
Old Nicosia - Limassol Road
Athalassa, Nicosia

a = executive b = non-executive
c = independent d = non-independent

FINANCIAL STATEMENTS

According to article 9, sections (3) (c) and (7) of the Transparency Conditions (Marketable values for negotiation in an Adjustable Market) Law of 2007 ("Law"), we the members of the Board of Directors and other Company officials responsible for the drafting of the financials statements of Woolworth (Cyprus) Properties Plc for the year ended 31 December 2016, based on our knowledge we confirm that:

(a) The Annual Consolidated and Separate Financial statements that are presented in pages 24 to 81:

(i) Are prepared according to International Financial Reporting Standards, as adopted by the European Union and according to section (4) of the Law, and

(ii) Give a true and fair view of the assets and liabilities, financial position and profit/loss of Woolworth (Cyprus) Properties Plc and the companies that are included in the Consolidated Financial Statements as a total, and

(b) the Management Report gives a fair overview of the developments and the performance as well as the financial position of Woolworth (Cyprus) Properties Plc and the companies that are included in the consolidated financial statements as a total, with a description of the principal risks and uncertainties that are encountering.

Members of the Board of Directors	Signature
Demetris Demetriou - Non-executive Director	
Marios Panayides - Executive Director	
Eleni N. Shacola - Executive Director	
Marios N. Shacolas - Executive Director	
Chrysoula N. Shacola - Executive Director	
George Louca - Executive Director	
Nicolas Wilson - Non-executive Director	
Pambos Ioannides - Non-executive Director	
Nicolas Const. Shacolas - Non-executive Director	
Stephos Stephanides - Non-executive Director	

Responsible for the drafting of the financial statements

Maria Aristidou - Financial controller

Nicosia, 25 April 2017

The Board of Directors of Woolworth (Cyprus) Properties Plc (the "Company") and its subsidiary companies, collectively referred to as the "Group", presents to its members its Annual Report together with the audited consolidated financial statements and the Company's audited separate financial statements for the year ended 31 December 2016.

ACTIVITIES

The main activity of the Company and the Group is the ownership, exploitation, management and trading of real estate property.

The consolidated results of the Group for the year 2016 include the subsidiary companies of Woolworth (Cyprus) Properties Plc that are property owners, that is, Zako Ltd, Zaco Estate Ltd, Apex Ltd, FWW Super Department Stores Ltd, Niola Estates Limited, parent company of Estelte Limited and Realtra Limited, parent company of Calandra Limited. The majority of this property is licensed/rented to Ermes Department Stores Plc, which carries its retail operations in these properties.

Also up to 23 July 2015, the comparative figures of the consolidated financial statements, include the results of ITTL Trade Tourist and Leisure Park Plc and Woolworth Commercial Center Plc, which were subsidiary companies of Woolworth (Cyprus) Properties Plc up to that date. On 23 July 2015, the Group proceeded with the disposal of all the shares owned in the above subsidiary companies, to Atterbury Cyprus Limited. ITTL Trade Tourist and Leisure Park Plc is the owner of land in which the Shacolas Emporium Park was developed, which includes the large Commercial Centre "The Mall of Cyprus", an IKEA multistore and other operations and Woolworth Commercial Center Plc is the owner of the Commercial Center "The Mall of Engomi".

Woolworth (Cyprus) Properties Plc also holds indirectly through Chrysochou Merchants Limited and Arsinoe Investments Limited, 11,7% and 35% respectively of the share capital of the company Cyprus Limni Resorts and GolfCourses Plc which owns a large plot of land in Polis Chrysochous.

The Group results also include the associated company Akinita Lakkos Mikelli Limited.

CHANGES IN THE GROUP

There were no changes in the structure of the Group during the year except from the undertaking of the management of the observatory in the Shacolas Tower from the subsidiary company Ledra Observatory Limited. On 19 April 2017, the subsidiary company of the Group, Zaco Estates Limited, proceeded with the disposal of the investment property which comprised of a four-storey Neoclassical building in Ledras street.

FINANCIAL RESULTS

The Group's and the Company's results for the year 2016 were the following:

	The Group		The Company	
	2016	2015	**2016**	2015
	€	€	**€**	€
Profit/(loss) before tax from continuing operations	**7.727.502**	(28.139.499)	**1.619.479**	(26.123.527)
Corporation tax and defence contribution	**(550.028)**	(61.512)	**(506.741)**	(7.358)
Deferred tax	**(2.097.993)**	1.136.977	**(913.944)**	914.500
Profit/(loss) after tax from continuing operations	**5.079.481**	(27.064.034)	**198.794**	(25.216.385)
(Loss)/profit after tax from discontinued operations	**(195.042)**	775.358	**(195.042)**	23.970.950
Net profit/(loss) and total earnings for the year	**4.884.439**	**(26.288.676)**	**3.752**	(1.245.435)
Non-controlling interest	**-**	**(1.944.964)**	**-**	-
Profit/loss) attributable to the shareholders	**4.884.439**	(28.233.640)	**3.752**	(1.245.435)
Basic earnings/(losses) per share (cents)				
Continuing operations	**4,4**	(23,7)	**0,2**	(22,0)
Discontinued operations	**(0,2)**	(1,0)	**(0,2)**	20,9
Total	**4,2**	(24,7)	**0,0**	(1,1)
Fully diluted earnings/(losses) per share (cents)				
Continuing operations	**3,0**	(16,0)	**0,1**	(14,9)
Discontinued operations	**(0,1)**	(0,7)	**(0,1)**	14,2
Total	**2,9**	(16,7)	**0,0**	(0,7)

Regarding the continuing operations of the Group and the Company, the rights of use of space and other income of the Group decreased by 9,7% compared to the results of the previous year due to temporary reductions and due to the fact that for a long period during the year the Shacolas Tower was closed for renovation in order to be delivered to H&M. The profit from operations of the Group, disregarding the accounting increases/decreases in the value of investment properties, decreased by 8,5% and amounted to €3.924.990 compared to €4.287.331 in 2015.

The results of the year were affected mainly from unrealised losses from the change in the value of the investment and other properties, based on valuations by independent valuers. More specifically, the unrealised profits amounted to €7.332.830 in 2016 compared to unrealised losses of €26.889.576 during last year. The increases are due to independent valuations, which are affected to a great extent from the increases in values of specific investments and in general in the optimism that prevails in the real estate industry in Cyprus.

The net finance costs were decreased to €3.521.785 in 2016, compared to €6.034.112 during last year. This is mainly due to the reduction of borrowings following the disposal of the Commercial Centers on 23 July 2015 and also due to the restructuring of loans with most of the financial institutions with which the Group cooperates and the significant decrease of the interest rates.

The profit after tax from continuing operations of the Group for the year 2016 amounted to €5.079.481 compared to the loss of €27.064.034 in 2015. The profit after tax from continuing operations of the Company for the year 2016 amounted to €198.794 compared to the loss of €25.216.385 in 2015. An amount of €2.097.993 and €913.944 which are included in the taxation of the Group and the Company respectively, relates to deferred tax.

The results for 2015 include also, as discontinued operations, the operations up to 23 July of the subsidiary companies ITTL Trade Tourist and Leisure Park Plc and Woolworth Commercial Center Plc and the profit which arised from the disposal of all the shares owned by the Group and the Company in the subsidiary companies ITTL Trade Tourist and Leisure Park Plc and Woolworth Commercial Center Plc (Note12).

The loss after tax from discontinued operations of the Group for the year 2016 amounted to €195.042 compared to the profit of €775.358 in 2015. The loss after tax from discontinued operations of the Company for the year 2016 amounted to €195.042, compared to the profit of €23.970.950 in 2015.

The net profit of the Group from continuing and discontinued operations amounted to €4.884.439 (2015: loss €26.288.676). The net profit of the Company from continuing and discontinued operations amounted to €3.752 (2014: loss €1.245.435).

As at 31 December 2016, the Group's and the Company's total assets amounted to €290.585.690 and €256.777.387 respectively and its net assets amounted to €140.831.975 and €109.328.819 respectively. The financial position, developments and performance of the Group and the Company as presented in these financial statements are considered satisfactory.

It must be emphasized that for the Group and the Company, the fluctuations of the fair value of the properties represent accounting provisions and do not affect the cash flow of the Group and the Company.

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks and uncertainties faced by the Company and the Group are disclosed in Notes 1,3 and 4 of the financial statements. The Company and the Group operate in Cyprus and therefore, they have been affected by the economic crisis that has prevailed in the recent years on the island. Following a long and relatively deep economic recession, the Cyprus economy began to record positive growth in 2015 which accelerated during 2016. The restrictive measures and capital controls which were in place since March 2013 were lifted in April 2015 and on the back of the strength of the economy's performance and the strong implementation of required measures and reforms, Cyprus exited its economic adjustment programme in March 2016. In recognition of the progress achieved on the fiscal front and the economic recovery, as well as the enactment of the foreclosure and insolvency framework, the international credit rating agencies have proceeded with a number of upgrades of the credit ratings for the Cypriot sovereign, and although the rating continues to be "non-investment grade", the Cyprus government has regained access to the capital markets. The outlook for the Cyprus economy over the medium term remains positive, however, there are downside risks to the growth projections emanating from the high levels of non performing exposures, uncertainties in the property markets, as well as potential deterioration in the external environment for Cyprus, weaker than expected growth in the euro area as a result of worsening global economic conditions; slower growth in the UK with a weakening of the pound as a result of uncertainty regarding the result of the Brexit referendum; and political uncertainty in Europe in view of Brexit and the refugee crisis.

This operating environment may have a significant impact on the Company's and the Group's operations and financial position. Management is taking necessary measures to ensure sustainability of the Company's and the Group's operations. However, the future effects of the current economic situation are difficult to predict and management's current expectations and estimates could differ from actual results.

USE OF FINANCIAL INSTRUMENTS BY THE GROUP AND THE COMPANY

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

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

CASH FLOW AND FAIR VALUE INTEREST RATE RISK

While the Company and the Group have significant interest-bearing assets, the income and the cash flow from operations of the Company and the Group depend on the changes in the market interest rates. Most of the interest-bearing assets bear fixed interest rates and expose the Group and the Company to fair value interest rate risk. Most of the interest-bearing assets are coming from related companies. The interest rates are set by the Management of the Group and they are revised on a regular basis in accordance with the market conditions.

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

At 31 December 2016, the Company's and the Group's liabilities which bore variable interest rates amounted to €77.252.545.

The Company's and the Group's management monitors the interest rate fluctuations on a continuous basis and acts accordingly. The Company and the Group 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, as well as credit exposures to customers, including outstanding receivables and committed transactions.

For banks and financial institutions, only those which are positively evaluated, under the circumstances, by the Board of Directors are accepted, taking into account the condition of the financial sector of Cyprus as described in Note 1 of the financial statements. Management assesses the credit quality of the customer, 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 customer in accordance with limits set by the Board of Directors. The utilization of credit limits is regularly monitored. See Note 15 for further disclosure on credit risk.

The Company's and the Group's credit risk arises from trade receivables amounting to €4.293.503 and €1.399.802 respectively, non-current receivables amounting to €73.977.022 and €54.115.105 respectively and bank balances amounting to €5.067.739 and €5.099.924 respectively.

LIQUIDITY RISK

Management monitors the current liquidity position 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 leases and based on budgeted forecasts. Management of the Company and the Group believes that it is successful in managing the Company's and the Group's liquidity risk.

DIVIDEND

The Board of Directors recommended the payment of a dividend, 16,57 cent per share in relation to the profit for the year ended 31 December 2014 and amounting to €19.000.000. The dividend was approved by the shareholders in an Extraordinary General Meeting on 30 December 2016. The payment of dividend was done in the form of issue of new shares in the Company at their nominal value of 34 cent per share. This decision was approved by the shareholders in the Extraordinary General Meeting and therefore those shares were listed in the stock exchange and were given to the shareholders based on their existing participation percentage, on 2 February 2017.

FUTURE DEVELOPMENTS AND PROFITABILITY

It is expected that during 2017 the economic recovery of Cyprus will continue even with low growth rate, a fact which creates positive prospects. However, the challenges remain especially in the banking sector and the real estate industry and a prudent and careful management is needed.

It is expected that the total earnings of the Group in the year 2017 will be improved due to increase of the rights of use/rent of investment properties of the Group compared to the previous year, after the partial recovery of the Cyprus economy and the improvements shown in the retail industry.

The goals of the Group's management remain to be the development of the properties of the Group and the maximization of their values. Alongside the further strengthening of the Group's capital structure in order to be in the position to face essentially any challenges or/and opportunities occur. To that and, additional steps are taken for the disposal of some of the investment properties.

Furthermore, during 2016 the Group proceeded with the restructuring of its borrowings with almost all the commercial banks with which it cooperates, ensuring the extension of the loan repayments and the decrease of interest rates.

During 2015, the Group proceeded in the leasing of Shacolas Tower at Ledra street to the famous chain of shops H&M. H&M started the leasing and its operations during September 2016. It is expected that important benefits will arise from this agreement both from the expected improvement in the rental income, as from 2017 and going forward. In addition due to this cooperation, a fair value increase on this investment property has already been recognised by the independent valuers.

Cyprus Limni Resorts & Golfcourses Plc, during December 2013, has secured the planning permits for the two golfcourses for the development of Limni Bay Resort in the area of Polis Chrysochous. In addition, during 2015 has submitted an application for amending the planning permits in order to secure permits for the development of a five- star hotel with high capacity requirements of up to 160 rooms. In August 2016, the Environmental Committee has already issued new opinion for the project and currently the Company expects the issuance of the amended Planning Permits. Alongside, the company has proceeded with the submission of the applications and plans for the separation/division permits of the Master Plan as well as the planning and building permits that are needed for the components of the project, in accordance with the Policy of the golfcourses, in order to be in a position to proceed with the construction.

It is noted that the total area of the Cyprus Limni Resorts & Golfcourses Plc consists of 3.300 single decares of unified land with 750 meters seafront which will be used for the development of the resort plus 280 decares of land at Kinousa village. The Limni Bay Resort will include, amongst others, two golf courses, a five-star hotel, a significant number of residential units and other associated developments. The Company continues to take actions to attract investors and banks to finance the project.

Furthermore, a very important development for the associate company Akinita Lakkos Mikelli Ltd, is the agreement for the separation of the large private property, which is situated in a privileged position at the entrance of Nicosia in plots, and the allocation of these plots between the co-owners. With this separation, the Company has the opportunity to proceed with the development or to sell the plots allocated to it, a fact which essentially makes the properties more marketable and gives emplaced prospectives of future earnings and increase of its value.

EXISTENCE OF COMPANY AND GROUP BRANCHES

The Company and the Group do not maintain any branches either in Cyprus or abroad.

SHARE CAPITAL

In an Extraordinary General Meeting of the Company's shareholders held on 30 December 2016, it was decided that the authorized share capital of the Company to be increased from €42.500.000 dividend into 125.000.000 shares with nominal value of €0,34 each to €57.800.000 dividend into 170.000.000 shares with nominal value of €0,34 each with the creation of additional 45.000.000 ordinary shares with nominal value of €0,34 each.

It was also decided to approve the proposal of the Board of Directors for the payment of the dividend amounting to €19.000.000 out of the profits for the year ended 31 December 2014 with the condition that the net payable dividend would be used for the full payment of new ordinary shares which will be issued to the entitled shareholders of the Company at the nominal value of €0,34 each. The issue of the new shares was calculated based on the net payable dividend. Therefore, the Company proceeded with the issue of 54 187 004 ordinary shares at the nominal value of €0,34 each. The new shares were accepted and started trading at the Cyprus Stock Exchange on 7 February 2017. The total amount of the issued share capital of the Company after the above issue, amounts to 168 810 859 shares with nominal value of €0,34 each.

BOOK VALUE OF THE SHARES

The book value of the Group's share, with a nominal value of 34 Euro Cents, on 31 December 2016 according to the adjusted weighted average number of shares was €0,83. The book value of the Group's share excluding the provision for deferred tax, which constitutes a contingent liability, amounts to €0,91.

TREASURY SHARES

During 2016 the Company did not have any transactions relating to treasury shares.

SOCIAL CONTRIBUTION

The Shacolas Group of companies continued during the school year 2015 – 2016 their contribution to the society by providing on a daily basis, breakfast meals to the indigent children of primary schools and some high schools, in full cooperation with the Ministry of Education. Upon the completion of the school year in June 2016, the total contribution has exceeded the amount of €1.500.000. Alongside, in cooperation with Municipalities, Communities and organized bodies we offer important financial support to large families and other compatriots in need.

BOARD OF DIRECTORS

The members of the Board of Directors at the date of this report are shown on page 1. All of them were members of the Board of Directors throughout the year 2016.

Mr Nicos Shacolas will continue to attend the Board of Directors meetings in his capacity of Honorary Lifetime Chairman without voting rights.

According to the company's Memorandum, Messrs Marios Panayides, Eleni N. Shacola, Chrysoulla N. Shacola and George Louca, retire and, being eligible offer themselves for re- election.

There were no other significant changes in the assignment of responsibilities or in the remuneration of the Members of the Board of Directors.

DIRECTORS' INTERESTS IN THE COMPANY'S SHARE CAPITAL

The direct and indirect interest of the members of the Board of Directors in the share capital of the Company on 31 December 2016 and at the date of this report, were as follows:

	25 April 2017	31 December 2016
	%	%
Eleni N. Shacola	**14,9**	14,9
Marios N. Shacolas	**14,9**	14,9
Demetris Demetriou	-	-
Marios Panayides	-	-
Chrysoula N. Shacola	**14,9**	14,9
George Louca	-	-
Nıcolas Wilson	-	-
Pambos Ioannides	-	-
Nicolas Const. Shacolas	-	-
Stephos Stephanides	-	-

Except for the balances and transactions disclosed in Note 31, there were no other significant contracts with the Company or its subsidiaries or associates, in which a Director or related parties had a material interest.

MAIN SHAREHOLDERS

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

	Percentage holding %
Marios N. Shacolas (through Cyprus Trading Corporation Plc)	14,9
Chrysoula N. Shacola (through Cyprus Trading Corporation Plc)	14,9
Eleni N. Shacola (through Cyprus Trading Corporation Plc)	14,9
Marina N. Shacola (through Cyprus Trading Corporation Plc)	14,9

EVENTS AFTER THE BALANCE SHEET DATE

There were no material post balance sheet events which have a bearing on the understanding of the financial statements of the Group and the Company, except of the matters disclosed in Note 33 of the financial statements.

INDEPENDENT AUDITORS

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

By Order of the Board

George P . Mitsides
Secretary

Nicosia, 25 April 2017

PART A

The Board of Directors recognising the importance of the Corporate Governance Code for the proper and prudent management of the Company and the continuous protection of the interests of all the Shareholders, has adopted as from 2004, the Code on Corporate Governance and applies its Principles.

The code is applied also in the parent, public company, Cyprus Trading Corporation Plc, and also in the related public company, Ermes Department Stores Plc.

PART B

By decision of the Cyprus Stock Exchange, the Company's securities are transferred from the Parallel Market to the Alternative Market, with implementation date on the 20th of April 2015. The Board of Directors confirms the compliance with all the provisions of the Code on Corporate Governance.

BOARD OF DIRECTORS AND DIRECTORS' REMUNERATION

Duties and Responsibilities of the Board of Directors

The Company is managed by the Board of Directors which consists of 10 members, 5 of whom are non-executive and of whom 2 are Independent.

The position of the Chairman of the Board of Directors is held by Mr Demetris Demetriou. The Managing Director of the Company is Mr. Marios Panayides, who deals with the management of the Company as far as the day to day operations and activities of the Company are concerned.

The Company's Board of Directors after obtaining timely, complete and reliable information, meets at regular intervals to consider and take decisions, which are accurately recorded in minutes. During 2016, 6 meetings were held. The Board of Directors has set out a formal agenda of issues on which decisions must be taken only by the Board. Some of the issues can be referred to special committees of the Board of Directors, without this meaning that the members of the Board are exempted from their collective responsibility. No category of members of the Board of Directors is differentiated as to its responsibility towards any other category.

The Company's Secretary is responsible to provide timely, complete and reliable information to all the members of the Board of Directors and the Chairman of the Board of Directors has the responsibility to ensure that all members of the Board are properly informed on the issues discussed in meetings.

All the Directors may have consultations with the Chairman, the Managing Director, the Secretary as well as with the External and Internal Auditors of the Company. Every newly appointed Director receives adequate briefing upon appointment, as well as during his service, whenever considered necessary. All the Directors exercise, independently and impartially their judgement during the execution of their duties and, whenever deemed necessary, obtain independent professional advice, at the Company's cost.

The members of the Board of Directors at the date of this report are shown on page 1. All of them were members of the Board of Directors throughout the year 2016.

On 16 February 2008, the Board of Directors unanimously declared Mr Nicos K. Shacolas as the Honorary Lifetime Chairman of the Company.

According to the Company's Articles of Association, at each Annual General Meeting, 1/3 of the longest serving members of the Board, as well as those appointed after the previous Annual General Meeting. During the next Annual General Meeting, Messrs Marios Panayides, Eleni N. Shacola, Chrysoula N. Shacola and George Louca, retire and, being eligible offer themselves for re-election.

As required by the Code, short biographical details are given below for all the Directors who retire and offer themselves for election.

Marios Panayides - A graduate of Bristol University, England, with a BSc. in Economics and Accounting and Chartered Accountant (ACA). He worked at Ernst & Young in London and as an executive in several major investment brokerage firms in Greece and Cyprus. He is the Deputy General Manager of N. K. Shacolas (Holdings) Limited, Managing Director of Woolworth (Cyprus) Properties Plc and Cyprus Limni Resorts and Golfcourses Plc, and Director of Cyprus Trading Corporation Plc, Ermes Department Stores Plc, and other companies.

Eleni N. Shacola - Studied in England (B.A. General Degree) at the University of London. She is the Deputy Executive Director of Ermes Department Stores Plc, Executive Director to the companies N. K. Shacolas (Holdings) Limited, Cyprus Trading Corporation Plc and Cyprus Limni Resorts and Golfcourses Plc, and other companies.

Chrysoula N. Shacola - Has a degree in Social Sciences and Administration of the University of London. Since 1981, she is part of the executive management of the Shacolas Group and Executive Director of N. K. Shacolas (Holdings) Limited, Cyprus Trading Corporation Plc since its incorporation, Ermes Department Stores Plc, Cyprus Limni Resorts & GolfCourses Plc, and other companies.

George Louca - Studied Mechanical Engineering at Purdue University,USA, and is a Chartered Accountant FCA. He worked at Deloitte in the audit department, he was Financial Controller of Infotel Ltd (Germanos), Head of Finance and Information Technology of CTC-ARI Airports Ltd, which operates the retail stores in the airports of Cyprus, Financial Controller of the Group of Cyprus Trading Corporation Plc and from 2014 is Head of Finance and Information Technology of the Shacolas Group of Companies. He is Executive Chairman of CTC Automotive Ltd, Director of Cyprus Trading Corporation Plc, of Ermes Department Stores Plc and other companies.

Independence of Directors

The structure of the Board of Directors and the assignment of the Directors to categories, are presented in table 1 below:

Table 1: The Company's Board of Directors

Executive Directors	Non-Executive Directors
Marios Panayides	Demetris Demetriou
Eleni N. Shacola	Pambos Ioannides
Marios N. Shacolas	Nicolas Const. Shacolas - Independent (Note 1, 2)
Chrysoula N. Shacola	Nicolas Wilson
George Louca	Stephos D. Stephanides - Independent (Note 1, 3)

Note: (1) According to the provision A.2.3 of the Code, the independent non-executive directors of a company listed in the Alternative Market should be at least two persons.

(2) Mr Nicolas Const. Shacolas was a member of the Board of Directors of Cyprus Limni Resorts and Golfcourses Plc as independent non-executive director up to 4 August 2015.

(3) As from 4 August 2015, Mr Stephos D. Stephanides is a member of the Board of Directors of the companies, Cyprus Trading Corporation Plc and Cyprus Limni Resorts and Golfcourses Plc as Independent non-executive director.

The classification above is consistent with the independence criteria included in the Code of Corporate Governance.

Committees of the Board of Directors

The Board of Directors of the Company, adopting the Principles of the Code, proceeded with the formation of the following Committees and the approval of their Operating Regulations, which are consistent with the Code and are available for inspection by anyone who may be interested to obtain more information on the subject matter, at the Company's Registered Office. These Committees also apply for all the subsidiaries of Woolworth (Cyprus) Properties Plc.

a. Nominations Committee

The main purpose of the Nominations Committee is the operation of a defined and transparent procedure when it comes to recommendations for the appointment of new members of the Board of Directors and to express its views to the Board of Directors on such recommendations. The members of the Nomination Committee, the majority of whom are Non-Executive Directors, are the following:

Demetris Demetriou, Chairman	- Non-Executive,
Marios N. Shacolas	- Executive,
Stephos D. Stephanides	- Non-Executive, Independent

The Nomination Committee meets at least once a year and reports to the Board of Directors. Furthermore, at least once a year it presents in summary its activities during the previous Financial Year as well as any recommendations it may have.

b. Remunerations Committee

The Remunerations Committee constitutes of the following Non-Executive Directors, the majority of whom are independent:

Demetris Demetriou, Chairman	- Non-Executive,
Nicolas Const. Shacolas	- Non-Executive, Independent
Stephos D. Stephanides	- Non-Executive, Independent

The Remunerations Committee meets at least once a year and its responsibility is the submission of suggestions to the Board of Directors over the context and amount of the remuneration of the Executive Directors, as well as the terms of the relevant employment contracts. The remuneration of the Non-Executive Directors is determined by the Annual General Meeting.

The Remunerations Committee has the right of access to professional advice inside and outside of the Company. When these services will be used, with the purpose of getting information in relation to the market standards for remuneration systems, the Committee ensures that the consultant who will cooperate with, does not provide advice in the Human Resource Department or other Executive or Managing Director of the Company.

c. Audit Committee

The Audit Committee's role and responsibility relate to matters regarding the services of the External and Internal Auditors, including their independence affirmation, matters on accounting treatment, matters on review of significant transactions in which there might be a conflict of interest, as well as the preparation of the Report of the Board of Directors on Corporate Governance, with the assistance of the Compliance Officer responsible for the Code. The Audit Committee reports to the Board of Directors.

The Internal Control Systems are inspected on a continuous basis by the Group's Internal Audit Department, which reports to the Audit Committee, and reviews their effectiveness.

The Audit Committee of the Company consists of the following members who meet the requirements of the Code, the majority of whom are Independent Non-Executive Directors:

Demetris Demetriou, Chairman	- Non-Executive,
Nicolas Const. Shacolas	- Non-Executive, Independent
Stephos D. Stephanides	- Non-Executive, Independent

The Audit Committee meets at least 4 times a year. It examines, amongst other things, the financial statements and the company's internal financial systems, the reports of the Internal Audit Department and the effectiveness of the Company's internal controls and risk management systems of the Company.

It suggests the appointment or termination of the services of the Internal and External Auditors and it observes their relationship with the Company, including the balance between the audit and other non-audit services they may provide.

The total fees charged by the Company's statutory auditor for the statutory audit of the annual financial statements of the Group and the Company for the year ended 31 December 2016 amounted to €84.010 and €63.600 respectively (2015: Group €84.750 and Company €66.780). The total fees charged by the Company's statutory auditor for the year ended 31 December 2016 for other assurance services were as follows:

Group €98.900 (2015: €56.650), Company €98.900 (2015: €56.650) for tax advisory services, Group €30.084 (2015: €35.355), Company €11.885 (2015: €23.900) for other assurance services and Group €Nil (2015: €9.400) and Company €Nil (2015: €9.400) for other non-assurance services.

The Committee assess the independence of the external auditors, as well as the Internal Audit Department.

The objectivity and independence of the external auditors is ensured through the monitoring of the relationship with the Group, by the Audit Committee, including the balance between the audit and similar non-audit services. The external auditors provided written assurance of their objectivity and independence to the Group. The external auditors do not provide any internal audit services to the Group. The Committee examines the purchase of any non-audit services from the External Auditors in order to determine whether the criteria of their independence are affected. The Audit Committee discussed the Regulation of the European Union in relation to the Public Interest Entities and the implication on the rotation of the external auditors. According to the transitional provisions of the new regulatory framework the term of office of the present external auditors of the Company expires in 2023.

The Committee examines and approves the Auditor's Report to the Board of Directors.

The Audit Committee may request independent professional advice on matters within the scope of its duties and whenever deemed necessary, may invite at its meetings, specialists on the subject matters under discussion.

d. Capital Expenditure Committee

In addition to the above three Committees, for purposes of strengthening the Internal Control Systems, the Capital Expenditure Committee has been set up, which consists, mainly, of Board of Directors' members. Its responsibility is the examination of recommendations made by the Management for capital expenditure and their submission in the plenary of the Board of Directors for taking the final decision. The members of the Committee are the following:

Marios N. Shacolas	- Executive Director, Chairman
Chrysoula N. Shacola	- Executive Director
Eleni N. Shacola	- Executive Director
George Louca	- Executive Director
Demetris Demetriou	- non Executive Director
Christakis Charalambous	

Directors' Remuneration

The remuneration of the Executive Directors is determined by the Board of Directors after the recommendations of the Remunerations Committee. The Remunerations Committee acts within the framework of the Remuneration Policy, which was approved at the Annual General Meeting of the Shareholders and complies with the provisions of Paragraph B.2 of the Code on Corporate Governance.

None of the Executive Directors is involved in the determination of his/her remuneration. The existing employment contracts of the Executive Directors are of indefinite duration, the notice period does not exceed one year and the provisions of reimbursement in case of early termination of contracts is based on the provisions of the Employment Termination Law.

The remuneration of the Directors, under their capacity as members of the Committees of the Board of Directors, is determined by the Board of Directors and is proportional to the time spent on managing the Company. The remuneration of the Directors, under their capacity as members of the Board of Directors, is approved by the Shareholders at a General Meeting.

The remuneration of the Non-Executive Directors is not associated with profitability, nor does it take the form of participation in a pension or insurance scheme of the Company. The remuneration of the Directors for the year 2016 is mentioned below and is separated between the Executive and Non-Executive Directors.

The remuneration of the Executive Director Mr. Marios Panayides, for the year 2016, including the employer's contributions and other benefits was €243.123 (2015: €214.685). The remaining four Executive Directors do not receive any additional reward, apart from their remuneration as members of the Board of Directors and other committees, which are analysed for 2016 as follows: Marios N. Shacolas €4.370, Eleni N. Shacola €4.200, Chrysoula N. Shacola €4.000 and George Louca €4.200. The remuneration of Mrs Eleni N. Shacola, Chrysoula N. Shacola and George Louca has been paid to the employer as compensation for the time they spend being Executive Directors of Woolworth (Cyprus) Properties Plc. The total remuneration of the Executive Directors of the Group for the year 2016 amounted to €259.893 (2015: €234.685).

During the year ended 31 December 2016 the Company did not pay any additional remuneration to Non-Executive Directors, except for their annual remuneration as members of the Board of Directors and other committees, which was approved at last year's Annual General Meeting of the Company. This is analysed as follows: Messrs Demetris Demetriou €6.240, Pambos Ioannides €4.000, Nicolas Const. Shacolas €4.280, Nicolas Wilson €2.050 and Stephos Stephanides €3.130. The remuneration of Mr. Demetris Demetriou and Nicolas Wilson has been paid to his employer as compensation for the time spent being a Non-Executive Chairman of Woolworth (Cyprus) Properties Plc. The total remuneration of the Non-Executive Directors of the Company amounted to €19.700 (2015: €25.350).

The Directors' remuneration is also presented in Note 31 of the Consolidated and separate Financial Statements of the Group and the Company.

RESPONSIBILITY AND CONTROL

Internal Control System

The Board of Directors has received assurance that the Company maintains an adequate Internal Control System in order to safeguard to the greatest possible extent the Shareholders' investment and the assets of the Company.

The Board of Directors of the Company has reviewed the procedures and methods of validation of the correctness, completeness and accuracy of the information provided to the investors and confirms that they are effective.

The Board of Directors confirms that through the Internal Audit Department of the Shacolas Group of Companies, which acts independently and objectively and reports to the Audit Committee of the Company, inspects the Internal Control Systems of the Company and confirms that their effectiveness is satisfactory. The review of the Internal Control Systems and Risk Management Systems by the Internal Audit Department covers, on a sample basis, the financial, operating, and software systems, including the applied control systems and security systems.

The objective of the Internal Audit Department of the Group is the provision of independent and objective Internal Control services and advisory services designed to add value and improve the operation of the Company.

The Internal Audit Department helps the Group to achieve its goals through the application of systematic and disciplined methodology in the evaluation and improvement of the Risk Management Systems, Internal Control Systems, and in the application of the Code on Corporate Governance. The Internal Audit Department, is liable to the Board of Directors and to the Audit Committee of the Company regarding the execution of its duties. In the context of its independence, its staff reports both administratively and operationally directly to the Audit Committee. The manager of the Internal Audit Department is Mr Rovertos Yiousellis, Chartered Accountant (FCCA, MBA Finance).

The Board of Directors of the Company confirms that nothing has come to its attention concerning any breach of the Cyprus Stock Exchange Laws and Regulations, except of those that are known to the relevant stock exchange officials (where applicable).

The main characteristics of the internal control system and risk management which are applied by the Company in relation to the procedure of the financial statements preparation, are the following:

- Revision of accounting principles and policies wherever this is required
- Existence of documented procedures for the issuance of financial statements
- Existence of safeguards and development of audit mechanism for the safety and reliability of the financial information.
- Adequacy of knowledge, qualifications of involved executives by competence and area of responsibility.
- Continuing development and updating of involved executives with accounting and audit matters.
- Development and presentation of a risk management process.
- Review of the internal control system and risk management system by the Board of Directors after suggestion of the Audit Committee.

The Company has developed the appropriate structure, procedure and audit mechanisms in order to evaluate and manage risks which may arise in relation to the preparation of the financial statements.

Loans to Directors

Any loans to Directors of the Group from Group companies and information relating to contingent interest of Directors in transactions or matters that affect the Company, are disclosed in Note 31 of the Consolidated and separate Financial Statements of the Group and the Company.

Voting and control rights

The Company has not issued any titles granting special control rights, and there are no limitations regarding voting rights. All shares have the same rights.

Going Concern

The Board of Directors confirms that the Company and the Group has sufficient resources to continue its operations as a going concern for the next twelve months.

Compliance with the Code on Corporate Governance

The Board of Directors appointed Messrs George Mitsides and Demetris Demetriou, who are very familiar with the Stock Exchange Legislation and the regulatory nature of decisions taken by the Board and the Cyprus Securities and Exchange Commission, as Compliance Officers under the Code on Corporate Governance, to observe, in cooperation with the Audit Committee, the implementation of the Code.

RELATIONSHIPS WITH THE SHAREHOLDERS

The Directors consider an important part of their responsibilities the provision of timely, clear and reliable information to the Shareholders and the adoption of the provisions of the Code on Corporate Governance regarding the constructive use of the General Meeting and the equitable treatment of Shareholders. The shareholders, given that they represent a sufficient number of shares, have the possibility to register matters for discussion in the General Meeting of the Shareholders in accordance with the procedures provided by the Companies Law. The Board of Directors appointed Mr Marios Panayides and Mrs Maria Aristidou as the Company's Shareholder liaison officers.

The Board of Directors appointed Mr. Stephos D. Stephanides, Independent Non- Executive Director, as Senior Independent Director, who is available to listen to Shareholders' concerns, whose potential problems may have not been solved through the normal communication channels of the Company.

BOARD OF DIRECTOR'S REMUNERATION POLICY

The Board of Directors Remuneration policy has been determined and approved at the Shareholders' General Meeting, and is uploaded on the Company's official website.

By order of the Board of Directors

George P. Mitsides
Secretary

Nicosia, 25 April 2017

Report on the audit of the consolidated financial statements and the separate financial statements of Woolworth (Cyprus) Properties Plc

Our opinion

In our opinion, the accompanying consolidated financial statements of Woolworth (Cyprus) Properties Plc (“the Company”) and its subsidiaries (together “the Group”) and the separate financial statements of Woolworth (Cyprus) Plc give a true and fair view of the financial position of the Group and the Company as at 31 December 2016, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113.

What we have audited

We have audited the consolidated and the separate financial statements which are presented in pages 30 to 110, which comprise:

- the consolidated and separate balance sheet as at 31 December 2016;
- the consolidated and separate income statement for the year then ended;
- the consolidated and separate statement of changes in equity for the year then ended;
- the consolidated and separate statement of cash flows for the year then ended; and
- the notes to the consolidated and separate financial statements, which include a summary of significant accounting policies.

The financial reporting framework that has been applied in the preparation of the consolidated and separate financial statements is International Financial Reporting Standards as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of our report.

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

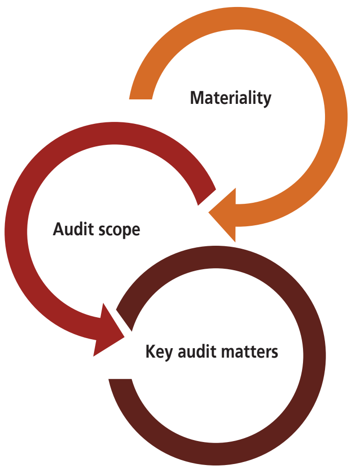
Independence

We are independent of the Group and the Company in accordance with the International Ethics Standards Board for Accountants’ Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Cyprus. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Our audit approach

Overview

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated and separate financial statements. In particular, we considered where the Board of Directors made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we considered the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.



Overall group materiality: € 1.450.000 which represents 0,5% of total assets.
Overall company materiality: €1.280.000 which represents 0,5% of total assets.

- We audited the complete financial information of 14 components, assessed as significant components.
- Our audit scope addressed 100% of the Group’s revenues, 100% of the Group’s absolute value of underlying profit and 100% of the Group’s total assets.

We have identified the following key audit matters:

- Valuation of Financial assets at fair value through profit and loss
- Valuation of Investment Properties at fair value

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated and separate financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall group materiality for the consolidated financial statements and the overall materiality for the separate financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Overall group materiality	€ 1.450.000
Overall company materiality	€1.280.000
How we determined it	0,5% on total assets
Rationale for the materiality benchmark applied	We chose total assets as the benchmark, because in our view, it is the benchmark against which the value of the Group and the Company is most commonly measured by the users, as the main activity is the ownership, exploitation management and trading of properties, and is a generally accepted benchmark. We chose 0,5% which based on our experience is within the range of acceptable quantitative materiality thresholds.

We agreed with those charged with governance that we would report to them individual misstatements identified during our audit above € 72.500 and €64.000 on the consolidated and separate financial statements respectively as well as misstatements below that amounts that, in our view, warranted reporting for qualitative reasons.

How we tailored our group audit scope

Woolworth (Cyprus) Properties Plc is the parent of a group of companies. The financial information of this Group is included in the consolidated and separate financial statements of Woolworth (Cyprus) Properties Plc.

Considering our ultimate responsibility for the opinion on the Group financial statements we are responsible for the direction, supervision and performance of the group audit. In this context, we tailored the scope of our audit and determined the nature and extent of the audit procedures for the components of the Group to ensure that we perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the significance and/or risk profile of the group entities or activities, the accounting processes and controls, and the industry in which the Group operates.

The Group are owners of properties in different locations in Cyprus. For financial reporting purposes, the Group is structured into 25 reporting units, comprising the Company and subsidiary and sub-subsidiary entities of the Company.

In establishing the overall approach to the group audit, we determined the scope of work that needed to be performed for each reporting unit as group auditors. Accordingly, out of the Group's 25 reporting units, we performed an audit of the complete financial information of 14 reporting units, which were selected either due to their size, or their risk characteristics. For the remaining reporting units of the Group, no procedures were performed as individually and in aggregate they were immaterial for the Group financial statements.

Taken together, our audit work addressed 100% of the Group's revenues, 100% of the Group's absolute value of underlying profit and 100% of the Group's total assets.

Key audit matters

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

Key Audit Matter for the Group and the Company	How our audit addressed the Key Audit Matter
Valuation of Financial Assets at Fair Value Through Profit or Loss Refer to Note 2, Summary of Significant Accounting Policies, Note 3, Significant Accounting Estimates and Judgements and Note 20, Financial Assets at Fair Value through Profit or Loss. The Group and the Company have Financial Assets at Fair Value through Profit or Loss with carrying value of €56.750.100 as at 31 December 2016 in the consolidated and separate financial statements of the Group and the Company, representing 20% and 22% of the Group's and the Company's total assets respectively. Management's annual valuation of Financial Assets at Fair Value through Profit and Loss is considered complex and requires significant Management judgement. Management has estimated the fair value of the financial assets at Fair Value through Profit or Loss taking into consideration all relevant information available, including a financial appraisal report (using Discounted Cash Flows) prepared by international real estate experts. The results of this measurement depends to a large extend on Management's assessment of future cash flows and the discount rate used, and is therefore subject to considerable sensitivity particularly as a result of the fact that the project is at an early stage of development.	Our procedures in relation to Management's valuation of Financial Assets at Fair Value through Profit or Loss included an evaluation of the independent international real estate experts' competency, capabilities and objectivity. With respect to the appropriateness of the future cash flows used in the calculation we evaluated the components of this information in comparison with the masterplan, the licenses obtained and expected from the authorities, as well as by comparison with general economic and sector specific expectations. With the knowledge that even relatively small changes in the discount rate applied can have a material effect on the valuation of Financial Assets at Fair Value through Profit or Loss, we also focused our testing on the parameters used to determine the discount rate applied. We have examined the mathematical accuracy of the fair value calculations by reperforming the calculations. Our team included a team of internal valuation experts to assess whether the assumptions used were reasonable. Furthermore we evaluated the adequacy of the Group's and the Company's disclosures in the financial statements regarding the valuation of Financial Assets at Fair Value through Profit or Loss.
Valuation of Investment Properties at fair value Refer to Note 2, Summary of Significant Accounting Policies, Note 3, Significant Accounting Estimates and Judgements and Note 17 Investment Properties. Management has estimated the fair value of the Group's and the Company's Investment Properties to be €153.530.216 and €86.421.787 respectively as at 31 December 2016 representing 53% and 34% of the Group's and the Company's total assets respectively. The valuations are dependent on certain key assumptions that require significant management judgement including capitalisation rates and fair market rents. Some of these estimates and judgements are subject to market forces and will change over time. Independent external valuations were obtained by Management in order to support the estimates.	Our audit procedures in relation to Management's valuation of Investment Properties included an evaluation of the independent external valuer's competency, capabilities and objectivity. We have also assessed the mathematical accuracy, methodologies used and the appropriateness of the key assumptions used, by comparing with general economic and market specific expectations and engaging our in-house valuation experts to assess whether the assumptions used were within a reasonable range of acceptable assumptions. Furthermore we evaluated the adequacy of the Group's and the Company's disclosures in the financial statements regarding the valuation of Investment Properties.

Other information

The Board of Directors is responsible for the other information. The other information comprises the Management report and the Corporate Governance report. Other information does not include the consolidated and the separate financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated and separate 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 consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, 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 consolidated and separate financial statements

The Board of Directors is responsible for the preparation of the consolidated and separate 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 consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the Board of Directors is responsible for assessing the Group's and 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 management either intends to liquidate the Group and the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's responsibilities for the audit of the consolidated and separate financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate 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 consolidated and separate 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 consolidated and separate 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 Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's 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 Group's and 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 consolidated and separate 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 Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated and separate financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Report on other legal requirements

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

- We have obtained all the information and explanations we considered necessary for the purposes of our audit.
- In our opinion, proper books of account have been kept by the Company, so far as appears from our examination of these books.
- The Company's consolidated and separate financial statements are in agreement with the books of account.
- In our opinion and to the best of our information and according to the explanations given to us, the consolidated and separate financial statements give the information required by the Cyprus Companies Law, Cap. 113, in the manner so required.
- In our opinion, the management report, whose preparation is the responsibility of the Board of Directors, has been prepared in accordance with the requirements of the Cyprus Companies Law, Cap 113, and the information given is consistent with the consolidated and separate financial statements.
- In our opinion, and in the light of the knowledge and understanding of the Group and the Company and its environment obtained in the course of the audit, of the consolidated and separate financial statements, we have not identified material misstatements in the management report.
- In our opinion, the information included in the corporate governance statement in accordance with the requirements of subparagraphs (iv) and (v) of paragraph 2(a) of Article 151 of the Cyprus Companies Law, Cap. 113, and which is included as a specific section of the management report, have been prepared in accordance with the requirements of the Cyprus Companies Law, Cap, 113, and is consistent with the consolidated and separate financial statements.
- In our opinion, and in the light of the knowledge and understanding of the Group and the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the corporate governance statement in relation to the information disclosed for items (iv) and (v) of subparagraph 2(a) of Article 151 of the Cyprus Companies Law, Cap. 113.
- In our opinion, the corporate governance statement includes all information referred to in subparagraphs (i), (ii), (iii) and (vi) of paragraph 2(a) of Article 151 of the Cyprus Companies Law, Cap. 113.

Other matter

This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 34 of the Auditors and Statutory Audits of Annual and Consolidated Accounts Laws of 2009 to 2016 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whose knowledge this report may come to.

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

Nicos A. Theodoulou

Certified Public Accountant and Registered Auditor
for and behalf of

PricewaterhouseCoopers Limited
Certified Public Accountants and Registered Auditors

Nicosia, 25 April 2017

Consolidated income statement for the year ended 31 December 2016

	Note	2016	2015
		€	€
Continuing operations			
Rights for use of space and other income	17	**6.209.281**	6.868.928
Other income - net	5	**259.175**	95.454
General and administration expenses	7	**(2.543.466)**	(2.677.051)
		3.924.990	4.287.331
Other profits/(losses) - unrealised	6	**7.332.830**	(26.889.576)
Operating profit/(loss)		**11.257.820**	(22.602.245)
Finance costs	9	**(5.824.188)**	(7.664.468)
Finance income	9	**2.302.403**	1.630.356
Share of (loss)/profit of associates after tax	18	**(8.533)**	496.858
Profit/(loss) before tax		**7.727.502**	(28.139.499)
Corporation tax and defence contribution		**(550.028)**	(61.512)
Deferred tax		**(2.097.993)**	1.136.977
Tax	10	**(2.648.021)**	1.075.465
Profit/(loss) after tax for the year from continuing operations		**5.079.481**	(27.064.034)
Discontinued operations			
(Loss)/profit after tax from discontinued opearations	12(i)	**(195.042)**	775.358
Profit/(loss) for the year and total comprehensive income for the year		**4.884.439**	(26.288.676)
Attributable to:			
Owners of the parent		**4.884.439**	(28.233.640)
Non-controlling interest		**-**	1.944.964
		4.884.439	(26.288.676)
Profit/(loss) per share from continuing and discontinued operations attributable to the equity holders of the company during the year (cents per share):	11		
Basic			
Continuing operations		**4,4**	(23,7)
Discontinued operations		**(0,2)**	(1,0)
Total		**(4,2)**	(24,7)
Adjusted			
Continuing operations		**3,0**	(16,0)
Discontinued operations		**(0,1)**	(0,7)
Total		**2,9**	(16,7)

The notes on pages 33 to 81 are an integral part of these financial statements.

Consolidated balance sheet at 31 December 2016

	Note	2016	2015
		€	€
Assets			
Non-current assets			
Property, plant and equipment	16	**209.351**	217.342
Investment property	17	**153.530.216**	143.774.112
Investments in associates	18	**19.460.047**	19.510.300
Available-for-sale financial assets	20	**1.763**	2.433
Financial assets at fair value through profit or loss	21	**56.750.100**	59.150.100
Non-current receivables	22	**54.115.105**	43.197.384
		284.066.582	265.851.671
Current assets			
Inventories		**1.539**	-
Trade and other receivables	23	**1.399.802**	1.339.019
Tax refundable		**17.843**	17.842
Restricted bank deposits	24	**5.000.000**	13.003.815
Cash in hand and at bank	24	**99.924**	44.426
		6.519.108	14.405.102
Total assets		**290.585.690**	280.256.773
Equity and Liabilities			
Capital and reserves attributable to owners of the parent			
Share capital	25	**38.972.111**	38.972.111
Shares to be issued	25	**18.423.679**	-
Difference from conversion of share capital into Euro		**197.184**	197.184
Share premium	25	**25.018.383**	25.018.383
Treasury shares	25	**(154.437)**	(154.437)
Fair value reserves	26	**29.524.070**	29.524.070
Retained earnings		**28.850.985**	42.966.546
Total equity		**140.831.975**	136.523.857
Non-current liabilities			
Borrowings	27	**128.051.441**	118.279.350
Deferred income tax liabilities	28	**12.416.522**	10.318.529
		140.467.963	128.597.879
Current liabilities			
Payables and accrued expenses	29	**3.390.242**	1.837.097
Current income tax liabilities		**1.571.033**	1.077.740
Borrowings	27	**4.324.477**	12.220.200
		9.285.752	15.135.037
Total liabilities		**149.753.715**	143.732.916
Total equity and liabilities		**290.585.690**	280.256.773

On 25 April 2017 the Board of Directors of Woolworth (Cyprus) Properties Plc authorised these consolidated financial statements for issue.

Demetris Demetriou
Chairman

Marios Panayides
Managing Director

The notes on pages 33 to 81 are an integral part of these financial statements.

Consolidated statement of changes in equity for the year ended 31 December 2016

	Attributable to owners of the parent									
	Share capital	Shares capital to be issued	Difference from conversion of share capital into Euro	Treasury shares	Share Premium (2)	Fair value reserves	Retained earnings (1)	Capital and reserves attributable to equity holders of the Company	Non-controlling interest	Total
	€	€	€	€	€	€	€	€	€	€
Balance at 1 January 2015	38.972.111	-	197.184	(154.437)	25.018.383	29.524.070	79.318.764	172.876.075	33.828.515	206.704.590
Comprehensive income										
(Loss)/profit for the year	-	-	-	-	-	-	(28.233.640)	(28.233.640)	1.944.964	(26.288.676)
Total comprehensive income for the year	-	-	-	-	-	-	(28.233.640)	(28.233.640)	1.944.964	(26.288.676)
Transactions with owners										
Disposal of subsidiary shares without loss of control (Note 32)	-	-	-	-	-	-	(23.151)	(23.151)	73.151	50.000
Acquisition of subsidiary shares (Note 32)	-	-	-	-	-	-	54.416	54.416	(154.416)	(100.000)
Decrease of non-controlling interest due to disposal of subsidiary with loss of control (Note 32)	-	-	-	-	-	-	-	-	(35.692.214)	(35.692.214)
Transfer to profit and loss due to loss of control in subsidiaries	-	-	-	-	-	-	(8.113.108)	(8.113.108)	-	(8.113.108)
Defence tax on deemed dividend distributions of prior years	-	-	-	-	-	-	(36.735)	(36.735)	-	(36.735)
Total transactions with owners	-	-	-	-	-	-	(8.118.578)	(8.118.578)	(35.773.479)	(43.892.057)
Balance at 31 December 2015	**38.972.111**	**-**	**197.184**	**(154.437)**	**25.018.383**	**29.524.070**	**42.966.546**	**136.523.857**	**-**	**136.523.857**

The notes on pages 33 to 81 are an integral part of these financial statements.

Consolidated statement of changes in equity for the year ended 31 December 2016

	Attributable to owners of the parent							
	Share capital	Shares capital to be issued	Difference from conversion of share capital into Euro	Treasury shares	Share Premium (2)	Fair value reserves	Retained earnings (1)	Capital and reserves attributable to equity holders of the Company
	€	€	€	€	€	€	€	€
Balance at 1 January 2016	38.972.111	-	197.184	(154.437)	25.018.383	29.524.070	42.966.546	136.523.857
Comprehensive income								
Profit for the year	-	-	-	-	-	-	4.884.439	4.884.439
Total comprehensive income for the year	-	-	-	-	-	-	4.884.439	4.884.439
Transactions with owners								
Dividend for 2014 (Note 13)	-	-	-	-	-	-	(18.423.679)	(18.423.679)
Defence tax on deemed dividend distribution (Note 13)	-	-	-	-	-	-	(576.321)	(576.321)
Shares to be issued (Note 25)	-	18.423.679	-	-	-	-	-	18.423.679
Total transactions with owners	-	18.423.679	-	-	-	-	(19.000.000)	(576.321)
Balance at 31 December 2016	**38.972.111**	**18.423.679**	**197.184**	**(154.437)**	**25.018.383**	**29.524.070**	**28.850.985**	**140.831.975**

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

The notes on pages 33 to 81 are an integral part of these financial statements.

	Note	2016 €	2015 €
Cash flows from operating activities			
Profit/(loss) before tax from:			
Continuing operations		7.727.502	(28.139.499)
Discontinued operations		(195.042)	2.046.656
Profit/(loss) before tax including discontinued operations		7.532.460	(26.092.843)
Adjustments for:			
Depreciation of property, plant and equipment	16	34.619	133.882
Interest expense		5.824.188	9.167.572
Interest income		(2.302.403)	(1.690.336)
Share of loss/(profit) of associates	18	8.533	(496.858)
Fair value profit/(loss) on investment property	6	(9.733.500)	8.325.587
Fair value loss on financial assets at fair value through profit and loss	6	2.400.000	18.563.989
Loss on disposal of subsidiary company	12	-	2.790.374
Fair value loss on available for sale financial assets	20	670	-
		3.764.567	10.701.367
Changes in working capital:			
Trade and other receivables		(60.783)	(3.828.809)
Payables and accrued expenses		976.823	9.475.470
Inventories		(1.539)	-
Cash generated from operations		4.679.068	16.348.028
Tax paid		(56.735)	(207.199)
Net cash from operating activities		4.622.333	16.140.829
Cash flows (used in)/from investing activities			
Purchases of property, plant and equipment	16	(26.628)	(193.456)
Purchases of investment property	17	(22.604)	(1.456.907)
Purchase of share in subsidiary company	32	-	(100.000)
Proceeds from disposal of subsidiary companies net of cash and cash equivalents	12	-	47.453.514
Decrease/(Increase) of restricted bank deposits		8.003.815	(13.000.000)
Net borrowings to related parties		(9.209.491)	(16.032.636)
Interest received		594.173	230.930
Dividends received from associates	18	41.720	83.440
Purchase of financial assets at fair value through profit and loss	21	-	(1.989)
Net cash (used in)/from investing activities		(619.015)	16.982.896
Cash flows used in financing activities			
Net borrowings		1.876.368	(24.598.720)
Interest paid		(5.824.188)	(9.167.572)
Dividends paid by subsidiary companies to non-controlling interest		-	-
Defence contributions to deemed dividend distribution		-	(36.735)
Net cash used in financing activities		(3.947.820)	(33.803.027)
Net increase/(decrease) in cash and cash equivalents		55.498	(679.302)
Cash and cash equivalents at beginning of year		44.426	723.728
Cash and cash equivalents at end of year	24	99.924	44.426

Non-cash transactions

The net dividend amounting to €18.423.679 was used for the settlement of the new shares issued after the balance sheet date to the shareholders of the Company (Note 13 and 25).

The notes on pages 33 to 81 are an integral part of these financial statements.

	Note	2016 €	2015 €
Continuing operations			
Rights for use of space and other income	17	**3.470.505**	3.770.505
Other income - net	5	**1.490.280**	1.642.718
General and administration expenses	7	**(2.059.698)**	(2.051.489)
		2.901.087	3.361.734
Other profit/(losses) - unrealised	6	**1.490.000**	(24.561.989)
Operating profit/(loss)		**4.391.087**	(21.200.255)
Finance costs	9	**(5.973.445)**	(7.877.583)
Finance income	9	**3.201.837**	2.954.311
Profit/(loss) before tax		**1.619.479**	(26.123.527)
Corporation tax and defence contribution		**(506.741)**	(7.358)
Deferred tax		**(913.944)**	914.500
Tax	10	**(1.420.685)**	907.142
Profit/(loss) for the year and total comprehensive income for the year from continuing operations		**198.794**	(25.216.385)
Discontinued operations			
(Loss)/profit from the disposal of shares in subsidiary companies	12 (ii)	**(195.042)**	23.970.950
Profit/(loss) for the year and total comprehensive income for the year		**3.752**	(1.245.435)
Profit/(loss) per share attributable to the equity holders of the company during the year (cents per share)	11		
Basic			
Continuing operations		**0,2**	(22,0)
Discontinued operations		**(0,2)**	20,9
Total		**0,0**	(1,1)
Adjusted			
Continuing operations		**0,1**	(14,9)
Discontinued operations		**(0,1)**	14,2
Total		**0,0**	(0,7)

The notes on pages 33 to 81 are an integral part of these financial statements.

	Note	2016 €	2015 €
Assets			
Non-current assets			
Property, plant and equipment	16	**23.115**	27.457
Investment property	17	**86.421.787**	82.529.112
Investments in subsidiaries	19	**21.911.498**	21.909.498
Investments in associates	18	**8.332.623**	8.332.623
Financial assets at fair value through profit or loss	21	**56.750.100**	59.150.100
Non-current receivables	22	**73.977.022**	64.148.421
		247.416.145	236.097.211
Current assets			
Trade and other receivables	23	**4.293.503**	3.658.715
Restricted bank deposits	24	**5.000.000**	13.003.815
Cash in hand and at bank	24	**67.739**	14.367
		9.361.242	16.676.897
Total assets		**256.777.387**	252.774.108
Equity and Liabilities			
Capital and reserves attributable to owners of the parent			
Share capital	25	**38.972.111**	38.972.111
Shares to be issued	25	**18.423.679**	-
Difference from the conversion of share capital into Euro		**197.184**	197.184
Share premium	25	**25.018.383**	25.018.383
Treasury shares	25	**(154.437)**	(154.437)
Fair value reserves	26	**26.013.836**	26.013.836
Retained earnings		**858.063**	19.854.311
Total equity		**109.328.819**	109.901.388
Non-current liabilities			
Borrowings	27	**130.947.295**	121.282.193
Deferred income tax liabilities	28	**7.601.838**	6.687.894
		138.549.133	127.970.087
Current liabilities			
Payables and accrued expenses	29	**3.029.029**	1.664.631
Current income tax liabilities		**1.521.422**	1.021.422
Borrowings	27	**4.348.984**	12.216.580
		8.899.435	14.902.633
Total liabilities		**147.448.568**	142.872.720
Total equity and liabilities		**256.777.387**	252.774.108

On 25 April 2017 the Board of Directors of Woolworth (Cyprus) Properties Plc authorised these financial statements for issue.

Demetris Demetriou
Chairman

Marios Panayides
Managing Director

The notes on pages 33 to 81 are an integral part of these financial statements.

Statement of changes in equity of the Company for the year ended 31 December 2016

		Attributable to owners of the parent							
	Note	Share capital	Shares capital to be issued	Difference from conversion of share capital into Euro	Treasury shares	Share Premium (2)	Fair value reserves	Retained earnings (1)	Total
		€	€	€	€	€	€	€	€
Balance at 1 January 2015		38.972.111	-	197.184	(154.437)	25.018.383	26.013.836	21.136.481	111.183.558
Comprehensive income									
Loss for the year		-	-	-	-	-	-	(1.245.435)	(1.245.435)
Total comprehensive income for the year		-	-	-	-	-	-	(1.245.435)	(1.245.435)
Transactions with owners									
Defence tax on deemed dividend distribution of prior years		-	-	-	-	-	-	(36.735)	(36.735)
Total transactions with owners		-	-	-	-	-	-	(36.735)	(36.735)
Balance at 31 December 2015 1 January 2016		38.972.111	-	197.184	(154.437)	25.018.383	26.013.836	19.854.311	109.901.388
Comprehensive income									
Loss for the year		-	-	-	-	-	-	3.752	3.752
Total comprehensive income for the year		-	-	-	-	-	-	3.752	3.752
Transactions with owners									
Dividend for 2014	13	-	-	-	-	-	-	(18.423.679)	(18.423.679)
Defence tax on deemed dividend distribution	13	-	-	-	-	-	-	(576.321)	(576.321)
Share to be issued	25	-	18.423.679	-	-	-	-	-	18.423.679
Total transactions with owners		-	18.423.679	-	-	-	-	(19.000.000)	(576.321)
Balance at 31 December 2016		**38.972.111**	**18.423.679**	**197.184**	**(154.437)**	**25.018.383**	**26.013.836**	**858.063**	**109.328.819**

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

(2) The share premium reserve is not distributable in the form of dividends.

The notes on pages 33 to 81 are an integral part of these financial statements.

	Note	2016 €	2015 €
Cash flows from/(used in) operating acitivites			
Profit/(loss) before tax from:			
Continuing operations		1.619.479	(26.123.527)
Discontinued operations		(195.042)	23.970.950
Profit/(loss) before tax including discontinued operations		1.424.437	(2.152.577)
Adjustments for:			
Depreciation of property, plant and equipment	16	8.542	8.624
Interest expense	9	5.973.445	7.877.583
Interest income	9	(3.201.837)	(2.954.311)
Dividend income	5	(1.232.720)	(1.532.940)
Fair value (gain)/loss on investment property	6	(3.890.000)	5.998.000
Fair value loss on financial assets at fair value through profit and loss	6	2.400.000	18.563.989
Profit on the disposal of subsidiary companies	12	-	(25.824.628)
		1.481.867	(16.260)
Changes in working capital:			
Trade and other receivables		(634.788)	88.532
Payables and accrued expenses		788.077	(223.968)
Cash generated from/(used in) operations		1.635.156	(151.696)
Tax paid		(6.741)	(17.905)
Net cash from/(used in) operating activities		1.628.415	(169.601)
Cash flows from investing activities			
Purchases of property, plant and equipment	16	(4.200)	(1.513)
Purchases of investment property	17	(2.675)	(27.110)
Purchase of financial assets at fair value through profit and loss	21	-	(1.989)
Net borrowings to related parties		(8.120.371)	(816.149)
Purchase of share in subsidiary company	19	(2.000)	(100.004)
Proceeds from disposal of subsidiary companies	19	-	47.574.266
Decrease/(increase) in non-current bank deposits		8.003.815	(13.000.000)
Interest received		1.493.607	1.494.905
Dividends received		1.232.720	1.532.940
Net cash from investing activities		2.600.896	36.655.346
Cash flows used in financing activities			
Net borrowings		1.797.506	(28.713.715)
Interest paid		(5.973.445)	(7.877.583)
Defence on deemed dividend distribution		-	(36.735)
Net cash used in financing activities		(4.175.939)	(36.628.033)
Net increase/(decrease) in cash and cash equivalents		53.372	(142.288)
Cash and cash equivalents at beginning of year		14.367	156.655
Cash and cash equivalents at end of year	24	67.739	14.367

Non-cash transactions

The net dividend amounting to €18.423.679 was used for the settlement of the new shares issued after the balance sheet date to the shareholders of the Company (Note 13 and 25).

The notes on pages 33 to 81 are an integral part of these financial statements.

1 GENERAL INFORMATION

Country of incorporation

The Company was incorporated and domiciled in Cyprus in 1971 as a private limited liability company in accordance with the provisions of the Companies Law, Cap. 113 and in 1987 it became a public company. In 1996 the Company's shares were quoted on the Cyprus Stock Exchange.

The Company's registered office is at Shacolas Building, Old Nicosia-Limassol Road, Athalassa, Nicosia.

Principal activities

The Company is the parent company of the Woolworth Group. As from 31 December 2003 the Group's activities involve mainly the ownership, development, management and trading of property. The Company also owns 35% of the share capital of the company Akinita Lakkos Mikelli Ltd.

The principal activity of the Company and the Group up until 31 December 2003 was the conduct of retail trading in Cyprus and in Greece, through multistores and specialised stores. As from that date, after the restructuring that took place, all the retail activities were transferred to Ermes Department Stores Plc. This restructuring resulted in the separation of the trading activities of the Company and the Group from the property and investing activities.

Operating Environment of the Company and the Group

Following a long and relatively deep economic recession, the Cyprus economy began to record positive growth in 2015 which accelerated during 2016. The restrictive measures and capital controls which were in place since March 2013 were lifted in April 2015 and on the back of the strength of the economy's performance and the strong implementation of required measures and reforms, Cyprus exited its economic adjustment programme in March 2016. In recognition of the progress achieved on the fiscal front and the economic recovery, as well as the enactment of the foreclosure and insolvency framework, the international credit rating agencies have proceeded with a number of upgrades of the credit ratings for the Cypriot sovereign, and although the rating continues to be "non-investment grade", the Cyprus government has regained access to the capital markets. The outlook for the Cyprus economy over the medium term remains positive, however, there are downside risks to the growth projections emanating from the high levels of non performing exposures, uncertainties in the property markets, as well as potential deterioration in the external environment for Cyprus, including continuation of the recession in Russia in conditions of protracted declines in oil prices; weaker than expected growth in the euro area as a result of worsening global economic conditions; slower growth in the UK with a weakening of the pound as a result of uncertainty regarding the result of the Brexit referendum; and political uncertainty in Europe in view of Brexit and the refugee crisis.

This operating environment, could affect the Group's and the Company's debtors (inability to meet their obligations towards the Group and the Company), suppliers (inability to continue trading, or to continue supply products and services with the same terms as previously), the valuation of investment property and the valuation of financial assets at fair value through profit and loss, bankers (inability to provide adequate finance with terms and conditions that applied to previous transactions), and future income from rental income/rights of use of space or disposal of properties.

The deterioration of operating conditions could also have an impact on the cash flow forecasts of the Company and Group's management and in effect:

(a) in the assessment for impairment of financial assets,

(b) in the valuation of assets that are measured at fair value based on discounted cash flows,

(c) in the management's assessment for the existence of satisfactory financial assistance for the Company and the Group.

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

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

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

These measures include, other than the successful restructuring of the Group's loans during 2014 and 2016, the deleveraging through liquidation of non-core activities and surplus assets, reduce spending including management and staff costs, rigorous management of working capital and closing/restructuring non-profitable operations.

The parent company confirmed that it will financially support the Company and the Group in case they need it.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Basis of preparation

The consolidated financial statements of Woolworth (Cyprus) Properties Plc and its subsidiaries and the Company's separate financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union (EU), the requirements of the Cyprus Companies Law, Cap. 113, and the Cyprus Stock Exchange Laws and Regulations.

As of the date of the authorisation of the consolidated and separate financial statements, all International Financial Reporting Standards issued by the International Accounting Standards Board (IASB) that are effective as of 1 January 2016 have been adopted by the EU through the endorsement procedure established by the European Commission, with the exception of certain provisions of IAS 39 "Financial Instruments: Recognition and Measurement" relating to portfolio hedge accounting.

The consolidated and separate financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment property, available-for-sale financial assets and financial assets at fair value through profit or loss.

The consolidated and separate financial statements have been prepared on a going concern basis. The Board of Directors has made an assessment of the ability of the Company and the Group to continue as a going concern (Note 1), and has satisfactorily concluded that the financial statements can be prepared on this basis.

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

Adoption of new and revised IFRSs

During the current year 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 2016. This adoption did not have a material effect on the accounting policies of the Company and the Group with the exception of the following:

- Annual Improvements to IFRSs 2012. The improvements consist of changes to seven standards as detailed below:

   i. IFRS 3 was amended to clarify that (1) an obligation to pay contingent consideration which meets the definition of a financial instrument is classified as a financial liability or as equity, on the basis of the definitions in IAS 32, and (2) all non-equity contingent consideration, both financial and non-financial, is measured at fair value at each reporting date, with changes in fair value recognised in profit and loss. This amendment did not impact the financial statements of the Company.

   ii. IFRS 8 was amended to require (1) disclosure of the judgements made by management in aggregating operating segments, including a description of the segments which have been aggregated and the economic indicators which have been assessed in determining that the aggregated segments share similar economic characteristics, and (2) a reconciliation of segment assets to the entity's assets when segment assets are reported. This amendment did not impact the financial statements of the Company.

   iii. The basis for conclusions on IFRS 13 was amended to clarify that deletion of certain paragraphs in IAS 39 upon publishing of IFRS 13 was not made with an intention to remove the ability to measure short-term receivables and payables at invoice amount where the impact of discounting is immaterial. This amendment did not result in any changes in the Company's financial statements.

   iv. IAS 16 and IAS 38 were amended to clarify how the gross carrying amount and the accumulated depreciation are treated where an entity uses the revaluation model. This amendment did not result in any changes in the Company's financial statements.

   v. IAS 24 was amended to include, as a related party, an entity that provides key management personnel services to the reporting entity or to the parent of the reporting entity ("the management entity"), and to require to disclose the amounts charged to the reporting entity by the management entity for services provided. This amendment did not impact the financial statements of the Company.

vi. Clarification of Acceptable Methods of Depreciation and Amortisation - Amendments to IAS 16 and IAS 38. In this amendment, the IASB has clarified that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset. This amendement did not impact the financial statements of the Company.

vii. Equity Method in Separate Financial Statements - Amendments to IAS 27. The amendments will allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements. This amendment did not impact the financial statements of the Company.

- Annual Improvements to IFRSs 2014. The amendments impact 4 standards, of which three affect the accounting policies that are adopted by the Company and the Group, as follows:

viii. IFRS 5 was amended to clarify that change in the manner of disposal (reclassification from "held for sale" to "held for distribution" or vice versa) does not constitute a change to a plan of sale or distribution, and does not have to be accounted for as such. This amendment did not have an impact on the Company's financial statements.

ix. The amendment to IFRS 7 adds guidance to help management determine whether the terms of an arrangement to service a financial asset which has been transferred constitute continuing involvement, for the purposes of disclosures required by IFRS 7. The amendment also clarifies that the offsetting disclosures of IFRS 7 are not specifically required for all interim periods, unless required by IAS 34. This amendment did not have an impact on the Company's financial statements.

x. IAS 34 will require a cross reference from the interim financial statements to the location of "information disclosed elsewhere in the interim financial report". This amendment did not impact the financial statements of the Company.

- Disclosure Initiative Amendments to IAS 1. The Standard was amended to clarify the concept of materiality and explain that an entity need not provide a specific disclosure required by an IFRS if the information resulting from that disclosure is not material, even if the IFRS contains a list of specific requirements or describes them as minimum requirements. The Standard also provides new guidance on subtotals in financial statements, in particular, such subtotals (a) should be comprised of line items made up of amounts recognised and measured in accordance with IFRS; (b) be presented and labelled in a manner that makes the line items that constitute the subtotal clear and understandable; (c) be consistent from period to period; and (d) not be displayed with more prominence than the subtotals and totals required by IFRS. As a result of this disclosure initiative, the Company has applied the concept of materiality in disclosures in the financial statements.

- Investment Entities: Applying the Consolidation Exception Amendment to IFRS 10, IFRS 12 and IAS 28. The Standard was amended to clarify that an investment entity should measure at fair value through profit or loss all of its subsidiaries that are themselves investment entities. In addition, the exemption from preparing consolidated financial statements if the entity's ultimate or any intermediate parent produces consolidated financial statements available for public use was amended to clarify that the exemption applies regardless whether the subsidiaries are consolidated or are measured at fair value through profit or loss in accordance with IFRS 10 in such ultimate or any intermediate parent's financial statements. This amendment did not have an impact on the Company's financial statements.

At the date of approval of these financial statements a number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 1 January 2016, and have not been applied in preparing these financial statements. None of these is expected to have a significant effect on the consolidated financial statements of the Company and the Group, except the following set out below:

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

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

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

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

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

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

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

The Company is currently assessing the impact of the new standard on its financial statements.

- IFRS 15, Revenue from Contracts with Customers (issued on 28 May 2014 and effective for the periods beginning on or after 1 January 2018)*. The new standard introduces the core principle that revenue must be recognised when the goods or services are transferred to the customer, at the transaction price. Any bundled goods or services that are distinct must be separately recognised, and any discounts or rebates on the contract price must generally be allocated to the separate elements. When the consideration varies for any reason, minimum amounts must be recognised if they are not at significant risk of reversal. Costs incurred to secure contracts with customers have to be capitalised and amortised over the period when the benefits of the contract are consumed. The Company is currently assessing the impact of the new standard on its financial statements.

- Disclosure Initiative - Amendments to IAS 7 (issued on 29 January 2016 and effective for annual periods beginning on or after 1 January 2017)*. The amended IAS 7 will require disclosure of a reconciliation of movements in liabilities arising from financing activities. The Company is currently assessing the impact of the amendment on its financial statements.

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

- Annual Improvements to IFRSs 2014-2016 cycle (issued on 8 December 2016 and effective for annual periods beginning on or after 1 January 2017 for amendments to IFRS 12, and on or after 1 January 2018 for amendments to IFRS 1 and IAS 28)*. The improvements impact three standards. The amendments clarify the scope of the disclosure requirements in IFRS 12 by specifying that the disclosure requirements in IFRS 12, other than those relating to summarised financial information for subsidiaries, joint ventures and associates, apply to an entity's interests in other entities that are classified as held for sale or discontinued operations in accordance with IFRS 5. IFRS 1 was amended and some of the short-term exemptions from IFRSs in respect of disclosures about financial instruments, employee benefits and investment entities were removed, after those short-term exemptions have served their intended purpose. The amendments to IAS 28 clarify that an entity has an investment-by-investment choice for measuring investees at fair value in accordance with IAS 28 by a venture capital organisation, or a mutual fund, unit trust or similar entities including investment linked insurance funds. Additionally, an entity that is not an investment entity may have an associate or joint venture that is an investment entity. IAS 28 permits such an entity to retain the fair value measurements used by that investment entity, associate or joint venture when applying the equity method. The amendments clarify that this choice is also available on an investment-by-investment basis. The Company is currently assessing the impact of the amendments on its financial statements.

- Transfers of Investment Property - Amendments to IAS 40 (issued on 8 December 2016 and effective for annual periods beginning on or after 1 January 2018)*. The amendments clarify the requirements on transfers to, or from, investment property in respect of properties under construction. Prior to the amendments, there was no specific guidance on transfers into, or out of, investment properties under construction in IAS 40. The amendment clarifies that there was no intention to prohibit transfers of a property under construction or development, previously classified as inventory, to investment property when there is an evident change in use. IAS 40 was amended to reinforce the principle of transfers into, or out of, investment property in IAS 40 to specify that a transfer into, or out of investment property should only be made when there has been a change in use of the property; and such a change in use would involve an assessment of whether the property qualifies as an investment property. Such a change in use should be supported by evidence. The Company is currently assessing the impact of the amendments on its financial statements.

- Equity Method in Separate Financial Statements - Amendments to IAS 27 (issued on 12 August 2014 and effective for annual periods beginning 1 January 2016*). The amendments will allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements. The Company is currently assessing the impact of the amendments on its separate financial statements.

* Denotes standards, interpretations and amendments which have not yet been endorsed by the European Union.

Consolidated financial statements

General

The consolidated financial statements include the financial statements of Woolworth (Cyprus) Properties Plc (the "Company") and all its subsidiaries which are collectively referred to as the "Group".

Consolidation

(i) Subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the Group has the power to control. The Group controls an entity when it is exposed to, or has the right in, variable returns from their participation in the entity and has the capability to affect those returns through its power to direct the activities of the entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group and they are de-consolidated from the date that control ceases.

The Group uses the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred for the previous owner of the acquired business and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed in profit or loss as incurred. Identifiable assets acquired and liabilities, including contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non- controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

If the business combination is achieved in stages, the fair value at the acquisition date of the previously held interest by the group is remeasured to fair value at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is considered as an asset or liability is recognised in accordance with IAS 39 either in the profit and loss account or as a change to other comprehensive income. Contingent consideration classified as equity is not remeasured and is subsequently accounted for within equity.

Goodwill is initially measured as the excess of the aggregate of the consideration transferred and the fair value of non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss.

Intercompany transactions, balances, income and expenses on transactions between Group companies are eliminated. Profits and losses arising from intercompany transactions that are recognised in assets are also eliminated. The non-incurred losses are also eliminated except from that the transaction provides evidence of impairment of the asset transferred.

The non-controlling interest in the profit and loss and in equity of the subsidiaries is presented separately in the consolidated profit and loss, consolidated statement of changes in equity and consolidated balance sheet.

The accounting policies of the subsidiaries have been differentiated, when necessary, to conform with the accounting policies applied by the Group.

(ii) Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% to 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting and are initially recognised at cost. The Group's investment in associates includes goodwill identified on acquisition, net of any accumulated impairment losses.

Dividends received or receivable from associated companies are recognised as decrease in carrying value of the investment.

If the Group's ownership interest in an associate company is reduced but significant influence is retained, only a proportionate share of the amounts recognised in other comprehensive income are reclassified to profit and loss, where appropriate.

The Group's share of its associates' post-acquisition profits or losses is recognised in the consolidated profit or loss, and its share of post-acquisition other comprehensive income is recognised in other comprehensive income. The cumulative post - acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group. Profits and losses distributed that have arisen from the investments in associates are recognised in the consolidated profit or loss.

After application of the equity method, including recognising the associates' losses, the carrying amount of the investment in associate which includes the goodwill arising on acquisition is tested for impairment by comparing its recoverable amount with its carrying amount whenever there is an indication of impairment and recognise the amount of impairment in "share of profit/(loss) of associates after tax" in the consolidated profit and loss.

Change in the percentage ownership

The group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of Woolworth (Cyprus) Properties Plc.

Disposal of subsidiary or associate companies

When the group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

The gain or loss from the disposal of subsidiary or associate companies is calculated as the difference between the sale proceeds and the Group's share of net assets of the subsidiary or associate at the date of disposal, less any unamortised goodwill resulting during the acquisition of the subsidiary or associate.

Separate financial statements of the Company

(i) Subsidiaries

In the balance sheet of the Company investments in subsidiaries are carried at cost less any impairment.

(ii) Associates

In the balance sheet of the Company investments in associates are carried at cost less any impairment.

Investments in associates are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised through profit or loss for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. An impairment loss recognised in prior years is reversed where appropriate if there has been a change in the estimates used to determin the recoverable amount.

In the separate financial statements of the Company the profit or loss from the sale of subsidiaries or associates is calculated as the difference between the sales proceeds and the carrying amount of the subsidiary or associate company.

Revenue recognition

Revenue is measured at fair value of the consideration received or receivable and represents amounts receivable for the sale of goods and services in the ordinary course of the Group and the Company activities net of Value Added Taxes, returns and discounts.

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

(i) Income from rights for use of space

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

(ii) Rental income

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

(iii) Interest income

Interest income is recognised using the effective interest method. When a loan receivable is impaired, the Group and the Company reduces the carrying amount to its recoverable amount, being the estimated future cash flows discounted at the original effective interest rate of the instrument and continues unwinding the discount as interest income. Interest income on impaired loans and receivables is recongnised using the original effective interest rate.

(iv) Dividend income

Dividend income is recognised when the Company's and the Group's right to receive payment is established. However, the investment may need to be tested for impairment as a consequence.

(v) Sale of services

Sales of services are recognised in the accounting period in which the services are rendered, by reference to stage of completion of the specific transaction and assessed on the basis of the actual service provided as a proportion of the total services to be provided.

Employee benefits

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

Foreign currency translation

(i) Functional and presentation currency

Items included in the consolidated and separate financial statements of the Group and the Company are measured using the currency of the primary economic environment in which the Group and the Company operates ("the functional currency"). The consolidated and separate financial statements are presented in Euros (€), which is the Group's and the Company's functional and presentation currency.

(ii) Transactions and balances

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

Current and deferred income tax

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

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

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

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

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

No deferred taxation arises for investments in subsidiaries and associates because the profits from the sale of securities are not taxable.

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

Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Company's and the Group'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 of the Company and in the case of final dividends, these are recognised in the period in which these are approved by the Company's shareholders.

Property, plant and equipment

Property, plant and equipment are stated at historic cost less depreciation. Historic cost includes expenditure that is directly attributable to the acquisition of property, plant and equipment.

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

	%
Motor vehicles	20
Furniture and fittings	15
Office equipment	15
Computers	33
Machinery	20
Improvements on leasehold properties	10

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

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

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

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

Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

Investment property

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

Goodwill

Goodwill arises on the acquisition of businesses and represents the excess of the consideration transferred over the Company's interest in the fair value of the net identifiable assets, liabilities and contingent liabilities of the acquiree and the fair value of the non-controlling interest in the acquiree.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the CGUs, or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs to sell. Any impairment is recognised immediately as an expense and is not subsequently reversed.

Impairment of non financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment or more frequently if events and changes in circumstances indicate that they might be impaired. Assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units). Non-financial assets, other than goodwill, that have suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

Financial assets

(i) Classification

The Company and the Group classify their financial assets in the following categories: financial assets at fair value through profit or loss, loans and receivables and available-for- sale financial assets. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of financial assets at initial recognition.

- Financial assets at fair value through profit or loss

  This category has two sub categories: financial assets held for trading and those designated at fair value through profit or loss at inception. A financial asset is classified as held for trading if acquired principally for the purpose of selling in the short term. Derivarive financial assets are also classified in the sub category hold for trading. Financial assets designated as at fair value through profit or loss at inception are those that are managed and their performance is evaluated on a fair value basis, in accordance with the Company's and the Group's documented investment strategy. Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within twelve months of the balance sheet date. Financial assets included in this category and for which the range of reasonable estimates of fair values is material and the likely values within this range cannot be reliably estimated, are recognised at cost.

- Loans and receivables

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

- Available-for-sale financial assets

  Available-for-sale financial assets are non-derivatives that are either designated in this category if they do not have fixed maturities and fixed or determinable payments and manament intends to hold them for the medium to long term or not classified in any of the other categories. They are included in non-current assets, unless management intends to dispose of the investment within twelve months of the balance sheet date.

(ii) Recognition and measurement

Regular way purchases and sales of financial assets are recognised on the trade date which is the date on which the Company and the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in profit or loss. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company and the Group have transferred substantially all risks and rewards of ownership.

Available- for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are carried at amortised cost using the effective interest method.

Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in profit or loss within "other gains/(losses) - net" in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in the profit or loss as part of other income when the Company's and the Group's right to receive payments is established.

Changes in the fair value of monetary securities denominated in a foreign currency and classified as available-for-sale are analysed between translation differences resulting from changes in amortised cost of the security and other changes in the carrying amount of the security. The translation differences on monetary securities are recognised in profit or loss, while translation differences on non-monetary securities are recognised in other comprehensive income. Changes in the fair value of monetary and non-monetary securities classified as available-for-sale are recognised in other comprehensive income.

When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recognised in other comprehensive income are included in profit or loss as gains and losses on available-for-sale financial assets.

Interest on available-for-sale securities calculated using the effective interest method is recognised in the profit or loss as part of other income. Dividends on available-for-sale equity instruments are recognised in profit or loss as part of other income when the Company's and the Group's right to receive payments is established.

(iii) Impairment of financial assets

The Company and the Group assess at the balance sheet date whether there is objective evidence that a financial asset or group of financial assets is impaired.

A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the profit or loss. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest date determined under the contract. As a practical expedient, the Company and the Group may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rate, the reversal of the previously recognised impairment loss is recognised in the profit or loss.

In the case of equity investments classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is also evidence that the assets are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in profit or loss. Impairment losses recognised in the profit or loss on equity instruments are not reversed through the profit or loss. If, in a subsequent period, the fair value of a debt instrument classified as available for sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed through the profit or loss.

Non-current assets (or disposed groups) held for sale and discontinued operations

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and investment property that are carried at fair value and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of derecognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the statement of profit or loss.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average cost method. The cost of finished goods comprises goods such as souvenir products which are sold in the Observatory at Shacolas Tower. It excludes borrowing costs. Cost of purchased inventory is determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less applicable variable selling expenses.

Trade receivables

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Company and the Group will not be able to collect all amounts due according to the original terms of receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or delinquency in payments are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the carrying amount and the recoverable amount, being the present value of estimated future cash flows, discounted at the effective interest rate.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in profit or loss within 'general and administrative expenses'. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against 'general and administrative expenses' in profit or loss.

Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs for the issue of shares directly attributable to the acquisition of a business are included in the cost of acquisition as part of the purchase consideration.

Share premium is the difference between the fair value of the consideration receivable for the issue of shares and the nominal value of the shares. Share premium account can only be resorted to for limited purpose, which do not include the distribution of dividends, and is otherwise subject to the provisions of the Cyprus Companies Law on reduction of share capital.

Where any Group company purchases the Company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of tax) is deducted from shareholders' equity as treasury shares until they are cancelled or reissued. Where such shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs, is included in shareholders' equity attributable to the Company's equity holders.

Provisions

Provisions are recognised when the Company and the Group have 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 to the provision due to the passage of time is recognised as interest expense.

Restructuring provisions comprise lease termination penalties and employee termination payments, and are recognised in the period in which the Company and the Group become legally or constructively committed to payment. Costs related to the ongoing activities of the Company and the Group are not provided in advance. Provisions are not recognised for future operating losses.

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.

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 extend there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment (for liquidity services) and amortised over the period of the facility to which it relates.

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

A substantial modification of the terms of an existing financial liability or a part of it is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Any gain or loss on extinguishment is recognised in profit or loss except to the extent that it arises as a result of transactions with shareholders acting in their capacity as shareholders when it is recognised directly in equity. The terms are considered to be substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10% different from the discounted present value of the remaining cash flows of the original financial liability. Any costs or fees incurred are recognised as part of the gain or loss on the extinguishment.

Borrowing costs are interest and other costs that the Company and the Group 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 expense.

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 Group and the costs can be measured reliably.

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

Trade payables

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

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

Financial Guarantee Contracts

Financial Guarantee Contracts are recognised as financial liabilities, when they are material, the date of the issuance of guarantee. Liabilities arising from financial guarantee contracts, including subsidiaries corporate guarantees, through contracts of mutual guarantee are initially recognised at fair value and subsequently at the higher of the amount determined by the accounting policy of provisions of the consolidated entity and the amount initially recognised minus depreciation. The fair value of financial guarantee contracts is determined by the net present value of the difference of the future cash flows between payments under contracts and payments that would be required without the guarantee, or the calculation of the amount that would have been payable to third parties to undertake the relative liability.

Cash and cash equivalents

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

Segmental reporting

The group considers that there are no separate operating segments according to IFRS 8 "Operating segments" for which there is discretionary financial information for making decisions on allocating resources and evaluating their performance. The Group's management (Board of Directors) (highest operating decisions-maker) makes its decisions on allocating resources and evaluating their performance based on internal reports at a group level. These reports are in accordance with IFRS used for the preparation of the consolidated and separate financial statements. There is no additional information for the performance of separate segments.

3 FINANCIAL RISK MANAGEMENT

(i) Financial risk factors

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

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

- Market risk

  Cash flow and fair value interest rate risk

  As the Company and the Group have significant interest-bearing assets, the Company's and the Group's income and operating cash flows are substantially dependent of changes in market interest rates. The interest rates of most interest bearing assets are fixed and expose the Company and the Group to fair value interest rate risk. The majority of interest bearing assets is associated with related Companies. The interest rates are set by the Group's management and are reassessed at regular intervals based on market conditions.

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

  At 31 December 2016, if interest rates on Euro-denominated borrowings had been 0,5% (2015: 0,5%) higher/lower with all other variables held constant, post-tax profit for the year would have been €440.199 (2015: €478.577) lower/ higher for the Group and €440.199 (2015: €478.577) lower/ higher for the Company, mainly as a result of higher/lower interest expense on floating rate borrowings.

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

- **Credit risk**

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

  For banks and financial institutions, only those which are positively evaluated, under the circumstances, by the Board of Directors are accepted, taking into account the condition of the financial sector of Cyprus as described in Note 1 of the financial statements.

  Management assesses the credit quality of the customer, 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 customer in accordance with limits set by the Board of Directors. The utilisation of credit limits is regularly monitored. See Note 15 for further disclosure on credit risk.

- **Liquidity risk**

  The table below analyses the Company's and the Group's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances of trade and other payables due within 12 months equal their carrying balances as the impact of discounting is not significant.

The Group	Less than 1 year	Between 1 and 2 years	Between 2 to 5 years	Over 5 years
	€	€	€	€
At 31 December 2016				
Bank overdrafts	1.629.775	-	-	-
Borrowings	5.693.720	7.861.460	95.452.405	53.515.191
Trade and other payables	3.390.242	-	-	-
	10.713.737	7.861.460	95.452.405	53.515.191
At 31 December 2015				
Bank overdrafts	2.546.492	-	-	-
Borrowings	13.317.253	12.684.227	103.084.710	30.415.980
Trade and other payables	1.837.097	-	-	-
	17.700.842	12.684.227	103.084.710	30.415.980

The Company	Less than 1 year	Between 1 and 2 years	Between 2 to 5 years	Over 5 years
	€	€	€	€
At 31 December 2016				
Bank overdrafts	1.629.775	-	-	-
Borrowings	5.718.227	7.861.460	98.636.902	53.680.618
Trade and other payables	3.029.029	-	-	-
	10.377.031	7.861.460	98.636.902	53.680.618
At 31 December 2015				
Bank overdrafts	2.542.872	-	-	-
Borrowings	13.317.253	12.684.227	106.734.685	30.415.980
Trade and other payables	1.664.631	-	-	-
	17.524.756	12.684.227	106.734.685	30.415.980

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. The management maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors rolling forecasts of the Company's and the Group's liquidity reserve (includes undrawn borrowing facilities (Note 27) and cash and cash equivalents (Note 24) on the basis of expected cash flows).

The Board of Directors and the Management of the Company and the Group have taken all the necessary actions needed to refinance the existing debt.

The borrowings of the Company and the Group are secured by guarantees from related companies (Note 27), whereas the Company and the Group have guaranteed borrowings of related companies (Note 30).

The parent company confirmed that it will financially support the Company and the Group in case they need it.

(ii) Capital risk management

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

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

Consistent with others in the industry, the Company and the Group monitor capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the balance sheet) less cash and cash equivalents. Total capital is calculated as "equity" as shown in the balance sheet plus net debt.

During 2016, the Company's and the Group's strategy, which was unchanged from 2015, was to maintain the gearing ratio within sustainable levels. The gearing ratios at 31 December 2016 and 2015 were as follows:

	The Group		The Company	
	2016	2015	**2016**	2015
	€	€	**€**	€
Total borrowings (Note 27)	**132.375.918**	130.499.550	**135.296.279**	133.498.773
Less: cash and cash equivalents (Note 24)	**(99.924)**	(44.426)	**(67.739)**	(14.367)
Net debt	**132.275.994**	130.455.124	**135.228.540**	133.484.406
Total equity	**140.831.975**	136.523.857	**109.328.819**	109.901.388
Total capital as defined by management	**273.107.969**	266.978.981	**244.557.359**	243.385.794
Gearing ratio	**48%**	**49%**	**55%**	**55%**

(iii) Fair value estimation

The table below analyses financial instruments carried at fair value by valuation method. The different levels have been identified 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 following tables present the Company's and the Group's assets and liabilities that are measured at fair value at 31 December 2016.

The Group	Level 1	Level 2	Level 3	Total
Assets	€	€	€	€
Financial assets at fair value through profit or loss:				
- Non - Trading securities	-	-	56.750.100	56.750.100
Available for sale financial assets				
- Trading securities	1.763	-	-	1.763
Total assets measured at fair value	1.763	-	56.750.100	56.751.863

The Company	Level 1	Level 2	Level 3	Total
Assets	€	€	€	€
Financial assets at fair value through profit or loss:				
- Non - Trading securities	-	-	56.750.100	56.750.100
Total assets measured at fair value	-	-	56.750.100	56.750.100

The following tables present the Company's and the Group's assets and liabilities that are measured at fair value at 31 December 2015.

The Group	Level 1	Level 2	Level 3	Total
Assets	€	€	€	€
Financial assets at fair value through profit or loss:				
- Non - Trading securities	-	-	59.150.100	59.150.100
Available for sale financial assets				
- Trading securities	2.433	-	-	2.433
Total assets measured at fair value	2.433	-	59.150.100	59.152.533

The Company	Level 1	Level 2	Level 3	Total
Assets	€	€	€	€
Financial assets at fair value through profit or loss:				
- Non - Trading securities	-	-	59.150.100	59.150.100
Total assets measured at fair value	-	-	59.150.100	59.150.100

(a) Financial instruments in level 1

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Company and the Group is the current bid price. These instruments are included in Level 1. Instruments included in Level 1 comprise primarily Cyprus Stock Exchange equity investments classified as available-for-sale.

(b) Financial instruments in level 2

The fair value of financial instruments that are not traded in an active market (for example, unlisted equity securities) or that are traded but for which there is no active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments.
- Adjusted comparable price-to-book value multiples.
- Other techniques, such as discounted cash flow analysis.

It must be noted that the amount included in Level 3 amounting to €56.750.100 (2015: €59.150.100) relates to financial assets at fair value through profit or loss the securities of which are not traded but they are themselves owners of equity investments in financial assets carried at fair value the securities of which are traded in a non-regulated market.

The following table presents the changes in Level 3 investments for the years ended 31 December 2015 and 31 December 2016:

	Equity securities 2016	Equity securities 2015
The Group	€	€
At 1 January	59.150.100	77.712.100
Additions of financial assets at fair value through profit or loss	-	1.989
Loss recognised in profit or loss from financial assets at fair value through profit or loss (Note 6)	(2.400.000)	(18.563.989)
At 31 December	56.750.100	59.150.100
Total losses for the period included in profit or loss for assets held at the end of the reporting period under other gains/losses	(2.400.000)	(18.563.989)
Change in unrealised gains or losses for the year included in profit or loss for assets held at the end of the reporting period	(2.400.000)	(18.563.989)

The Company	Equity securities 2016 €	Equity securities 2015 €
At 1 January	59.150.100	77.712.100
Additions of financial assets at fair value through profits or loss	-	1.989
Loss recognised in profit or loss from financial assets at fair value through profit or loss (Note 6)	(2.400.00)	(18.563.989)
At 31 December	56.750.100	59.150.100
Total losses for the period included in profit or loss for assets held at the end of the reporting period under other gains/losses	(2.400.000)	(18.563.989)
Change in unrealised losses for the year included in profit or loss for assets held at the end of the reporting period	(2.400.000)	(18.563.989)

Refer to Notes 17, 20 and 21 for disclosures relating to fair values for investment property, financial assets at fair value through profit or loss and available for sale financial assets, respectively carried at fair value.

(iv) Offsetting financial assets and liabilities

The Company and the Group do not have any financial assets or financial liabilities that are subject to offsetting, enforceable master netting arrangements or any similar agreements.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

Critical accounting estimates and assumptions

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

- Income taxes
  Significant judgment is required in determining the provision for income taxes. There are transactions and calculations for which the ultimate tax determination is uncertain. The Company and the Group recognise liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.
- Classification of Financial Assets at Fair Value through Profit and Loss
  For the determination of the classification of the investment in Cyprus Limni Resorts and GolfCources Plc significant judgement is required. Specifically, although the Company and the Group holds shareholding of between 20% to 50% of the voting rights of the company, bearing in mind that the other related company controls on its own more than 50% of voting rights, it has been classified as financial asset at fair value through profit and loss and not as an associate company in accordance with the documented investment strategy of the Company and the Group. Information on this basis of the fair value of financial assets is provided to the management of the Company and the Group.
- Fair Value of Investment Properties and financial instruments
  The fair value of investment properties and financial instruments that are not traded in an active market is determined using valuation techniques. Adverse developments in the rental property or comparable property values will have a similar impact on the fair value of the investment properties of the Company and the Group. The sensitivity of the significant estimates involved is disclosed in Notes 17 and 21.

5 OTHER INCOME/(EXPENSES) - NET

	The Group		The Company	
	2016 €	2015 €	**2016 €**	2015 €
Other income:				
Dividend income	-	-	**1.232.720**	1.532.940
Consultancy services	**269.952**	220.456	**286.715**	238.252
Other income	**60.525**	5.346	**42.147**	1.874
	330.477	225.802	**1.561.582**	1.773.066
Other expenses:				
Compensations	**(71.302)**	(130.348)	**(71.302)**	(130.348)
	259.175	95.454	**1.490.280**	1.642.718

Consultancy services represent services of management nature that were provided to related companies.

6 OTHER GAINS/(LOSSES) - NET

	The Group		The Company	
	2016	2015	**2016**	2015
	€	€	**€**	€
Unrealised profit/(losses)				
Investment property:				
Fair value gain/(loss) (Note 17)				
Total realised gains	**9.733.500**	(8.325.587)	**3.890.000**	(5.998.000)
Financial assets at fair value through profit or loss:				
Fair value loss (Note 21)	**(2.400.000)**	(18.563.989)	**(2.400.000)**	(18.563.989)
Available for sale financial assets				
Fair value loss (Note 20)	**(670)**	-	**-**	-
Total unrealised profits/(losses)	**7.332.830**	(26.889.576)	**1.490.000**	(24.561.989)

7 EXPENSES BY NATURE

	The Group		The Company	
	2016	2015	**2016**	2015
	€	€	**€**	€
Depreciation of property, plant and equipment (Note 16)	**34.619**	14.824	**8.542**	8.624
Directors' remuneration	**35.020**	45.350	**35.020**	45.350
Professional fees	**614.920**	526.723	**464.059**	485.245
Building and equipment expenses	**140.931**	274.245	**49.143**	28.035
Office expenses	**32.637**	33.850	**26.224**	29.553
Travelling expenses	**782**	1.280	**782**	1.280
Insurance	**132.762**	134.191	**74.969**	77.256
Auditors' remuneration	**84.010**	84.750	**63.600**	66.780
Auditors' remuneration – previous year	**(14.096)**	-	**(14.286)**	-
Legal fees	**49.130**	44.899	**49.130**	27.300
Bank charges	**63.865**	3.815	**63.545**	3.605
Donations and subscriptions	**117.670**	221.966	**117.670**	221.966
Cyprus Stock Exchange expenses	**20.089**	21.483	**20.089**	21.483
Staff costs (Note 8)	**765.558**	613.616	**718.875**	567.898
Advertising and other promotional expenses	**19.995**	25.925	**19.905**	25.757
Taxes and licenses	**160.242**	327.898	**94.000**	186.792
Annual General Meeting expenses	**7.103**	5.395	**7.103**	5.395
Common use expense	**20.819**	19.790	**-**	-
Other expenses	**257.410**	277.051	**261.328**	249.170
	2.543.466	2.677.051	**2.059.698**	2.051.489

The total fees charged by the Company's statutory auditor for the statutory audit of the annual financial statements of the Group and the Company for the year ended 31 December 2016 amounted to €84.010 and €63.600 respectively (2015: Group €84.750 and Company €66.780). The total fees charged by the Company's statutory auditor for the year ended 31 December 2016 for other assurance services was as follows:

Group €98.900 (2015: €56.650), Company €98.900 (2015: €56.650) for tax advisory services, Group €30.084 (2015: €35.355), Company €11.885 (2015: €23.900) for other assurance services and Group €Nil (2015: €9.400) and Company €Nil (2015: €9.400) for other non-assurance services.

8 STAFF COSTS

	The Group		The Company	
	2016	2015	2016	2015
	€	€	€	€
Salaries	691.127	550.524	647.780	508.015
Social insurance and other funds	62.317	53.644	59.089	50.543
Provident fund contributions	12.114	9.448	12.006	9.340
	765.558	613.616	718.875	567.898
Average number of staff employed during the year	13	11	10	8

9 FINANCE COSTS/INCOME

	The Group		The Company	
	2016	2015	2016	2015
	€	€	€	€
Finance costs				
Interest expense:				
Bank borrowings	(3.527.881)	(4.864.523)	(3.527.881)	(4.864.523)
Bank facilities	(93.101)	(129.823)	(93.101)	(129.812)
Overdue taxation	(5.547)	(32.877)	-	(10.520)
Loans from related companies (Note 31 (iv))	(2.195.814)	(2.637.245)	(2.195.814)	(2.637.245)
Loans from subsidiaries (Note 31 (iv))	-	-	(154.804)	(235.483)
Other interest/discounts	(1.845)	-	(1.845)	-
	(5.824.188)	(7.664.468)	(5.973.445)	(7.877.583)
Finance income:				
Interest income:				
Bank balances	22.478	24.556	22.471	24.527
Loans to subsidiaries (Note 31(v))	-	-	899.441	1.323.984
Loans to related company (Note 31(v))	2.279.925	1.605.800	2.279.925	1.605.800
	2.302.403	1.630.356	3.201.837	2.954.311
Total finance (costs)/income - net	(3.521.785)	(6.034.112)	(2.771.608)	(4.923.272)

10 INCOME TAX EXPENSE/(CREDIT)

	The Group		The Company	
	2016	2015	2016	2015
	€	€	€	€
Current tax:				
Provision for tax liabilities	500.000	-	500.000	-
Tax from previous years	(6.533)	-	-	-
Defence contribution	56.561	61.512	6.741	7.358
Total current tax	550.028	61.512	506.741	7.358
Deferred tax (Note 28):				
Origination and reversal of temporary differences	2.097.993	(1.136.977)	913.944	(914.500)
Total deferred tax	2.097.993	(1.136.977)	913.944	(914.500)
Income tax expense/(credit)	2.648.021	(1.075.465)	1.420.685	(907.142)

The tax on the Company's and the Group's profits/(losses) before tax differs from the theoretical amount that would arise using the applicable tax rate as follows:

	The Group		The Company	
	2016	2015	2016	2015
	€	€	€	€
Profit/(loss) before tax from continuing operations	7.727.502	(28.139.499)	1.619.479	(26.123.527)
Profit/(loss) before tax from discontinued operations	(195.042)	(4.644.052)	(195.042)	23.970.950
Profit/(loss) before tax	7.532.460	(32.783.551)	1.424.437	(2.152.577)
Tax calculated at the applicable corporation tax rate of 12,5%	941.558	(4.097.944)	178.055	(269.072)
Tax effect of expenses not deductible for tax purposes	417.659	3.030.710	395.278	2.370.350
Tax effect of allowances and income not subject to tax	(25.489)	(22.230)	(156.113)	(3.198.686)
Difference between income tax and Capital gains tax rates and indexation effect	726.767	(342.945)	292.285	(300.768)
Effect of utilisation of tax losses from previous years for which no provision for deferred tax was made	(1.055)	(8.819)	-	-
Tax from previous years	(6.533)	-	-	-
Effect of tax losses for which no provision for deferred tax was made and effect of utilization of tax losses by Group Companies	38.553	304.251	204.439	483.676
Provision for tax liabilities	500.000	-	500.000	-
Defence contribution	56.561	61.512	6.741	7.358
Income tax expense /(credit)	2.648.021	(1.075.465)	1.420.685	(907.142)

The Company is subject to corporation tax on taxable profits, at the rate of 12,5%.

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

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

Gains on disposal of qualifying titles (including shares, bonds, debentures, wrights thereon, etc) are exempt from Cyprus income tax.

11 EARNINGS/(LOSSES) PER SHARE

The basic earnings/(losses) per share are calculated by dividing the profit/(loss) attributable to the Company's shareholders by the weighted average number of issued shares during the year excluding the ordinary shares purchased by the Company which are held as treasury shares (Note 25).

The adjusted earnings/(losses) per share are calculated by dividing the earnings/(losses) attributable to the Company's shareholders by the adjusted weighted average number of issued shares and shares under issue

	The Group		The Company	
	2016	2015	2016	2015
	€	€	€	€
Profit/(loss) from continuing operations for the year attributable to the shareholders	5.079.481	(27.064.034)	198.794	(25.216.385)
Profit/(loss) from discontinued operations for the year attributable to the shareholders	(195.042)	(1.169.606)	(195.042)	23.970.950
Total	(4.884.439)	(28.233.640)	3.752	(1.245.435)
Weighted average number of issued shares	114.500.019	114. 500.019	114.500.019	114. 500.019
Basic earnings/(losses) per share-cents				
Continuing operations	4,4	(23,7)	0,2	(22,0)
Discontinued operations	(0,2)	(1,0)	(0,2)	(20,9)
Total	4,2	(24,7)	0,0	(1,1)
Adjusted weighted average number of shares	168.687.023	168.687.023	168.687.023	168.687.023
Adjusted earnings/(losses) per share-cents				
Continuing operations	3,0	(16,0)	0,1	(14,9)
Discontinued operations	(0,1)	(0,7)	(0,1)	14,2
Total	2,9	(16,7)	0,0	(0,7)

12 DISCONTINUED OPERATIONS

On 23 July 2015, after a resolution of the Board of Directors, the Company and the Group proceeded with the disposal of share capital held in the subsidiary companies of the Group, ITTL Trade Tourist and Leisure Park Plc and Woolworth Commercial Center Plc, amounting to 54,67% and 99,5% respectively. As a result of the above transactions, the results of the above companies for the current and previous period are presented in the consolidated financial statements as discontinued operations.

The financial information in relation with the discontinued operations is as follows:

(i) Financial information presented in consolidated income statement and cash flow statement:

	2016 €	2015 €
Rights for use of space and other income (Note 17)	-	8.315.090
Profit before tax	-	6.690.708
Tax	-	(1.271.298)
Profit after tax for the year from discontinued operations	-	5.419.410
Loss from disposal of subsidiary companies with loss of control	-	(11.185.630)
Transfer of profit in profit or loss from previous disposal of shares which did not constituted loss of control, which was reclassified from reserves	-	8.081.843
(Loss)/Profit from disposal of subsidiary companies without loss of control which is transferred to reserves (Note 32 (i))	-	(23.151)
Reversal of adjustment in consolidated financial statements due to disposal	-	336.564
	-	(2.790.374)
Direct transaction costs		
Commission payable	-	(950.485)
Provision for possible compensation payment	-	(825.000)
Other expenses related to the disposal	**(195.042)**	(115.207)
Additional sale consideration as provided by the sale agreement	-	37.014
Total loss for the year from sale of share capital held in subsidiary companies (Note 32 (iii))	**(195.042)**	(4.644.052)
Total (loss)/profit after tax from discontinued operations	**(195.042)**	775.358
Total profit transferred to reserves	-	-
Total income for the year attributable to non-controlling interest	-	1.944.964
Proceeds from disposal of subsidiary companies	**47.574.266**	47.574.266
Less: Cash and cash equivalents at 23 July 2016	-	(120.752)
Net increase in cash and cash equivalents due to disposal of subsidiary companies	-	47.453.514
Net cash inflow from operating activities	-	8.523.321
Net cash outflow from investing activities	**(3.350.514)**	(3.350.514)
Net cash outflow from financing activities	-	(5.625.473)
Net decrease in cash and cash equivalents generated by the subsidiaries	-	(452.666)

(ii) Financial information presented in the separate profit or loss and cash flow statements:

	2016 €	2015 €
Dividend received from subsidiary companies	-	-
Profit on sale of subsidiary companies (Note 32 (iii))	-	25.785.848
Profit on sale of share held in subsidiary companies (Note 32 (i))	-	38.780
	-	25.824.628
Direct transaction costs		
Commission payable	-	(950.485)
Provision for possible compensation payment	-	(825.000)
Other expenses related to the disposal	**(195.042)**	(115.207)
Additional sale consideration as provided by the sale agreement	-	37.014
Total (loss)/profit after tax from discontinued operations	**(195.042)**	23.970.950
Proceeds from disposal of subsidiary companies	-	47.574.266
Net increase in cash and cash equivalents due to disposal of subsidiary companies	-	47.574.266

The carrying amount of the assets and liabilities of ITTL Trade Tourist and Leisure Park Plc and Woolworth Commercial Center Plc at the date of disposal (23 July 2015) were as follows:

	23 July 2015
	€
Property, plant and equipment (Note 16)	461.233
Investment property (Note 17)	221.145.740
	221.606.973
Trade and other receivables	6.743.311
Cash and cash equivalents	120.752
Total assets	228.471.036
Trade payables and accrued expenses	(18.618.093)
Borrowings	(93.776.020)
Current income tax liabilities	(1.011.062)
Deferred tax liabilities (Note 28)	(20.610.773)
Total liabilities	(134.015.948)
Total equity	94.455.088

The disposal of shares to Atterbury Cyprus Limited was made at the amount of €47.524.266 ie €0,6648 per share held in ITTL Trade Tourist and Leisure Park Plc and €1,123 per share held in Woolworth Commercial Center Plc.

As a result of this sale, Woolworth (Cyprus) Properties Plc, no longer holds any shares in ITTL Trade Tourist and Leisure Park Plc and Woolworth Commercial Center Plc, and due to this the results of the two companies are presented as discontinued operations. This transaction constitutes disposal with loss of control and thus the non-controlling interest was reduced to €NIL and the loss/profit from disposal is recognised directly to profit or loss.

At this date, the Group held €43.183.471 and €15.526.425 share in the net assets of ITTL Trade Tourist and Leisure Park Plc και Woolworth Commercial Center Plc respectively. The total loss amounted to €4.644.052 millions for the Group and includes transfer of profit from reserves amounting to €8.058.692 millions which resulted from the sale of the 45% of the Group's share held in ITTL Trade Tourist and Leisure Park Plc during July 2014 and from the sale of the 0,5% of the Group's share held in Woolworth Commercial Center Plc during June 2015, but which was not recognised in the profit or loss because at that point the transaction did not constitute loss of control in the subsidiary. The sale of 50 000 shares held in Woolworth Commercial Center Plc as part of the share-accession process of the Company in the "Emerging Companies Market" (E.C.M) of the Cyprus Stock exchange was made against an amount of €50.000.

13 DIVIDEND PER SHARE

At the Extraordinary General Meeting held on 30 December 2016, it was proposed and approved a dividend of 16,57 cent per share amounting to €19.000.000 from the profit of the year ended 31 December 2014, after a proposal of the Board of Directors of the Company.

This dividend was paid through issuance of new shares to the Company and will be paid to every shareholder based on the existing participation percentage, on 2 February 2017.

Dividend paid to individuals who are tax residents of Cyprus are subject to a deduction of special contribution for defense at the rate of 17%. As a result, from the dividend of 2014 a special contribution for defense was deducted amounting to €576.321.

14 FINANCIAL INSTRUMENTS BY CATEGORY

The Group	Loans and receivables	Assets at fair value through profit or loss	Available -for-sale	Total
31 December 2016	€	€	€	€
Assets as per balance sheet				
Available-for-sale financial assets	-	-	1.763	1.763
Non-current receivables	54.115.105	-	-	54.115.105
Trade and other receivables (excluding prepayments)	1.269.431	-	-	1.269.431
Financial assets at fair value through profit or loss	-	56.750.100	-	56.750.100
Restricted bank deposits	5.000.000	-	-	5.000.000
Cash and cash equivalents	99.924	-	-	99.924
Total	60.484.460	56.750.100	1.763	117.236.323

Liabilities as per balance sheet	Other financial liabilities €	Total €
Borrowings	132.375.918	132.375.918
Trade and other payables (excluding statutory liabilities)	3.613.496	3.613.496
Total	135.989.414	135.989.414

The Group	Loans and receivables	Assets at fair value through profit or loss	Available -for-sale	Total
	€	€	€	€
31 December 2015				
Assets as per balance sheet				
Available-for-sale financial assets	-	-	2.433	2.433
Non-current receivables	43.197.384	-	-	43.197.384
Trade and other receivables (excluding prepayments)	1.245.708	-	-	1.245.708
Financial assets at fair value through profit or loss	-	59.150.100	-	59.150.100
Restricted bank deposits	13.003.815	-	-	13.003.815
Cash and cash equivalents	44.426	-	-	44.426
Total	57.491.333	59.150.100	2.433	116.643.866

	Other financial liabilities	Total
	€	€
Liabilities as per balance sheet		
Borrowings	130.499.550	130.499.550
Trade and other payables (excluding statutory liabilities)	1.634.477	1.634.477
Total	132.134.027	132.134.027

The Company	Loans and receivables	Assets at fair value through profit or loss	Total
	€	€	€
31 December 2016			
Assets as per balance sheet			
Non-current receivables	73.977.022	-	73.977.022
Trade and other receivables (excluding prepayments)	4.226.462	-	4.226.462
Financial assets at fair value through profit or loss	-	56.750.100	56.750.100
Restricted bank deposits	5.000.000	-	5.000.000
Cash and cash equivalents	67.739	-	67.739
Total	83.271.223	56.750.100	140.021.323

	Other financial liabilities	Total
	€	€
Liabilities as per balance sheet		
Borrowings	135.296.279	135.296.279
Trade and other payables (excluding statutory liabilities)	3.293.503	3.293.503
Total	138.589.782	138.589.782

The Company	Loans and receivables	Assets at fair value through profit or loss	Total
	€	€	€
31 December 2015			
Assets as per balance sheet			
Non-current receivables	64.148.421	-	64.148.421
Trade and other receivables (excluding prepayments)	3.622.908	-	3.622.908
Financial assets at fair value through profit or loss	-	59.150.100	59.150.100
Restricted bank deposits	13.003.815	-	13.003.815
Cash and cash equivalents	14.367	-	14.367
Total	80.789.511	59.150.100	139.939.611

	Other financial liabilities	Total
	€	€
Liabilities as per balance sheet		
Borrowings	133.498.773	133.498.773
Trade and other payables (excluding statutory liabilities)	1.472.534	1.472.534
Total	134.971.307	134.971.307

15 CREDIT QUALITY OF FINANCIAL ASSETS

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

	The Group		The Company	
	2016	2015	**2016**	2015
	€	€	**€**	€
Trade Receivables				
Counterparties without external credit rating				
Group 1	**73.764**	78.228	**-**	-
Fully performing other receivables				
Group 2	**55.177.317**	44.251.464	**78.180.696**	67.716.038
Group 3	**133.455**	113.400	**22.788**	55.291
	55.310.772	44.364.864	**78.203.484**	67.771.329

	The Group		The Company	
	2016	2015	**2016**	2015
Cash and bank balances (1)	**€**	€	**€**	€
Caa1	**15.590**	-	**15.590**	-
Caa2	**44.819**	-	**13.495**	-
Caa3	**34.382**	43.114	**34.382**	13.354
Not rated	**3.922**	663	**3.922**	663
	98.713	43.777	**67.389**	14.017
Restricted bank deposits				
Caa2	**5.000.000**	13.003.815	**5.000.000**	13.003.815

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

Group 1 - existing customers without any defaults in the past.

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

Group 3 - other receivables (more than 6 months) with no defaults in the past.

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

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

16 PROPERTY, PLANT AND EQUIPMENT

The Group

	Improvements on leasehold properties	Plant and equipment	Motor vehicles	Total
Year ended 31 December 2015	€	€	€	**€**
Opening net book amount	12.728	589.474	16.799	**619.001**
Additions	-	193.456	-	**193.456**
Depreciation charge - continuing operations (Note 7)	(2.464)	(8.760)	(3.600)	**(14.824)**
Depreciation charge – continuing operations	-	(119.058)	-	**(119.058)**
Decrease of assets due to the disposal of subsidiary companies – cost (Note 12)	-	(2.510.413)	-	**(2.510.413)**
Decrease of assets due to the disposal of subsidiary companies - accumulated depreciation (Note 12)	-	2.049.180	-	**2.049.180**
Closing net book amount	10.264	193.879	13.199	**217.342**
Year ended 31 December 2015				
Cost	24.636	750.264	182.306	**957.206**
Accumulated depreciation	(14.372)	(556.385)	(169.107)	**(739.864)**
Net book amount	10.264	193.879	13.199	**217.342**

The Group

	Improvements on leasehold properties	Plant and equipment	Motor vehicles	Total
	€	€	€	**€**
Year ended 31 December 2016				
Opening net book amount	10.264	193.879	13.199	**217.342**
Additions	10.728	15.900	-	**26.628**
Depreciation charge (Note 7)	(2.821)	(28.198)	(3.600)	**(34.619)**
Closing net book amount	18.171	181.581	9.599	**209.351**
Year ended 31 December 2016				
Cost	35.364	766.164	182.306	**983.834**
Accumulated depreciation	(17.193)	(584.583)	(172.707)	**(774.483)**
Net book amount	18.171	181.581	9.599	**209.351**

The Company

	Improvements on leasehold properties	Plant and equipment	Motor vehicles	Total
At 1 January 2015				
Cost	24.636	89.903	182.306	**296.845**
Accumulated depreciation	(11.908)	(84.863)	(165.506)	**(262.277)**
Net book amount	12.728	5.040	16.800	**34.568**
Year ended 31 December 2015				
Opening net book amount	12.728	5.040	16.800	**34.568**
Additions	-	1.513	-	**1.513**
Depreciation charge (Note 7)	(2.464)	(2.560)	(3.600)	**(8.624)**
Closing net book amount	10.264	3.993	13.200	**27.457**
At 31 December 2015				
Cost	24.636	91.416	182.306	**298.358**
Accumulated depreciation	(14.372)	(87.423)	(169.106)	**(270.901)**
Net book amount	10.264	3.993	13.200	**27.457**
Year ended 31 December 2016				
Opening net book amount	10.264	3.993	13.200	**27.457**
Additions	-	4.200	-	**4.200**
Depreciation charge (Note 7)	(2.464)	(2.478)	(3.600)	**(8.542)**
Closing net book amount	7.800	5.715	9.600	**23.115**
At 31 December 2016				
Cost	24.636	95.616	182.306	**302.558**
Accumulated depreciation	(16.836)	(89.901)	(172.706)	**(279.442)**
Net book amount	7.800	5.715	9.600	**23.115**

17 INVESTMENT PROPERTY

The Group

Country	Department Stores	Stand alone shops	Offices/ flats	Idle land and buildings	**2016 Total**	2015 Total
Fair Value hierarchy	3	3	3	3		
	€	€	€	€	**€**	€
Fair Value at 1 January	**111.726.000**	**15.919.112**	**5.700.000**	**10.429.000**	**143.774.112**	371.451.968
Additions	**19.104**	**3.500**	**-**	**-**	**22.604**	1.456.907
Net gain/(loss) from fair value adjustments on investment property (Note 6)	**9.924.000**	**(130.000)**	**100.000**	**(160.500)**	**9.733.500**	(8.325.587)
Decrease in assets due to the disposal of subsidiary companies (Note 12)	-	-	-	-	-	(221.145.740)
Transfer in profit or loss due to the disposal of subsidiary	-	-	-	-	-	336.564
Fair value at 31 December	**121.669.104**	**15.792.612**	**5.800.000**	**10.268.500**	**153.530.216**	143.774.112

The Company

Country	Department Stores	Idle land and buildings	**2015 Total**	2014 Total
Fair Value hierarchy	3	3		
	€	€	**€**	€
Fair Value at 1 January	74.529.112	8.000.000	**82.529.112**	88.500.002
Additions	2.675	-	**2.675**	27.110
Net loss from fair value adjustments on investment property (Note 6)	3.890.000	-	**3.890.000**	(5.998.000)
Fair value at 31 December	78.421.787	8.000.000	**86.421.787**	82.529.112

The Group's and the Company's investment property is measured at fair value. The Group holds four classes of investment property being malls, department stores, stand alone shops, offices/flats and idle land and buildings.

The Company holds two classes of investment property being offices/flats, department stores and idle land and buildings.

The Group's and the Company's policy is to recognise transfers into and out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer.

Bank borrowings are secured on the Group's investment property for €118.170.267 (2015: €118.170.267) (Note 27) and on the Company's investment property for €118.170.267 (2015: €118.170.267) (Note 27).

The investment properties are valued annually on 31 December at fair value comprising open- market value, determined by the management of the Company and the Group, taking into consideration all relevant information available, including valuations for all the Group's properties by the external independent valuers, Antony Loizou and Associates, and taking into account market conditions and others.

Fair value is based on an active market process, adjusted, if necessary for any differences in the nature, location or condition of the specific asset. If the information is not available, the Company and the Group uses alternative valuation methods such as recent prices or less active markets or discounted cash flow projections. These valuations are reviewed annually by the Management of the Company and the Group, based on valuations of independent professional valuers taking into account the market conditions. Changes in fair values are recorded in profit and loss and are included in "other gains-net".

The following amounts have been recognised in profit or loss:

	The Group		The Company	
	2016 €	2015 €	**2016 €**	2015 €
Continuing operations				
Income from rights of use of space	**3.696.072**	4.395.888	**3.470.505**	3.770.505
Rental income	**2.513.209**	2.473.040	-	-
Total income from continuing operations	**6.209.281**	6.868.928	**3.470.505**	3.770.505
Discontinued operations				
Income from rights of use of space	-	7.905.419	-	-
Rental income	-	409.671	-	-
Total income from discontinued operations (Note 12)	-	8.315.090	-	-

Valuation processes

The Company's investment properties were valued at 31 December 2016 by the management of the Company and the Group taking into consideration the valuations made by independent professionally qualified valuers who hold a recognised relevant professional qualification, Antony Loizou and Associates Chartered Surveyors, member of RICS, 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 term "use" refers to the way by which the Group utilises each property and not necessarily current revenues which could be affected by temporary and other factors. The Company's finance department reviews the valuations performed by the independent valuers for financial reporting purposes. Discussions of valuation processes and results are held between the CFO, Management and the independent valuers at least once every year. At each financial year end the finance department:

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

Information about fair value measurement using significant unobservable inputs (Level 3) – 31 December 2016

The Group

Property	Valuation	Valuation technique	Unobservable inputs	Range of unobservable inputs (weighted average)	Rental yield	Occupancy
	€			€	%	%
Department Stores	121.669.104	Income method	License fee/ rental income per sq. meter per month (1)	€6- €16 (€11)	5-8	97%
Stand alone shops	15.792.612	Income method	License fee/ rental income per sq. meter per month (1)	€3 - €32 (€10)	5,5-7	92%
Offices/flats	5.800.000	Income method/ comparable prices	License fee/ rental Income per sq. meter per month (1)/price per sq. meter	(€4)	6	100%
Idle land and buildings	10.268.500	Comparable prices	Price per sq. meter	€550 - €1.450	-	0%
	153.530.216					

The Company

Property	Valuation	Valuation technique	Unobservable inputs	Range of unobservable inputs (weighted average)	Rental yield	Occupancy
	€			€	%	%
Department Stores	78.421.787	Income method	License fee/ rental income per sq. meter per month (1)	€11 – €16 (€13)	6-7	100%
Idle land and buildings	8.000.000	Comparable prices	Price per sq. meter	€550 – €1.450	-	-
	86.421.787					

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

The Group

Property	Valuation	Valuation technique	Unobservable inputs	Range of unobservable inputs (weighted average)	Rental yield	Occupancy
	€			€	%	%
Department Stores	111.726.000	Income method	License fee/ rental income per sq. meter per month (1)	€4- €14 (€10)	6,8,0	100%
Stand alone shops	15.919.112	Income method	License fee/ rental income per sq. meter per month (1)	€2 - €20 (€8)	5,5-7,5	90%
Offices/flats	5.700.000	Income method/ comparable prices	License fee/ rental Income per sq. meter per month (1)/price per sq. meter	€3	6	100%
Idle land and buildings	10.429.000	Comparable prices	Price per sq. meter	€550 - €1.450	-	0%
	143.774.112					

The Company

Property	Valuation	Valuation technique	Unobservable inputs	Range of unobservable inputs (weighted average)	Rental yield	Occupancy
Department Stores	74.529.112	Income method	License fee/ rental income per sq. meter per month (1)	€10- €14 (€11)	6-7,0	100%
Idle land and buildings	8.000.000	Comparable prices	Price per sq. meter	€550 - €1.450	-	-
	82.529.112					

Sensitivity of management's estimates - 31 December 2016

The Group

			Change in rental yield		
			-0,50%	0,00%	0,50%
		-10%	119.657.299	109.828.698	101.506.373
Department stores	Change in license fee/rental income	0,00%	132.951.542	**121.669.104**	112.783.847
		10%	146.245.786	134.233.051	124.061.321
		-10%	15.941.261	14.537.863	13.364.225
Stand alone shops	Change in license fee/rental income	0,00%	17.711.500	**15.792.612**	14.848.126
		10%	19.481.738	17.766.475	16.332.028
		-10%	5.693.619	5.220.000	4.819.125
Offices/flats	Change in license fee/rental income	0,00%	6.326.243	**5.800.000**	5.354.583
		10%	6.958.868	6.380.000	5.890.042

		Decrease value per sq. meter	Increase value per sq. meter
		€	€
Idle land and buildings	Comparable prices +/-15%	**(1.564.350)**	1.564.350

The Company

			Change in rental yield		
			-0,50%	0,00%	0,50%
		-10%	76.990.959	70.850.514	65.159.072
Department Stores	Change in license fee/rental income	0,00%	85.544.498	**78.421.787**	72.397.957
		10%	94.098.038	86.263.049	79.636.842

		Decrease value per sq. meter	Increase value per sq. meter
		€	€
Idle land and buildings	Comparable prices +/-15%	**(1.200.000)**	1.200.000

The category department stores of the Group and the Company includes a building with fair value calculated based on a percentage of the tenant's estimated sales and rental yield of 6,5%. It is noted that there is not extensive history relating to the tenant's sales. In the case that the actual sales are 20% lower than the estimated, the value of the investment property would have been €4.760.000 lower.

Sensitivity of management's estimates – 31 December 2015

The Group

			Change in rental yield		
			-0,50%	0,00%	0,50%
		-10%	109.356.400	100.562.507	93.091.883
Department stores	Change in license fee/rental income	0,00%	121.506.098	**111.726.000**	103.434.414
		10%	133.655.797	122.907.707	113.776.944
		-10%	15.743.465	14.325.376	13.144.585
Stand alone shops	Change in license fee/rental income	0,00%	17.491.727	**15.919.112**	14.604.081
		10%	19.239.988	17.506.768	16.063.578
		-10%	5.593.172	5.130.000	4.737.672
Offices/flats	Change in license fee/rental income	0,00%	6.214.636	**5.700.000**	5.264.080
		10%	6.836.100	6.270.000	5.790.488

		Decrease value per sq. meter €	Increase value per sq. meter €
Idle land and buildings	Comparable prices +/-15%	**(1.564.350)**	1.564.350

The Company

			Change in rental yield		
			-0,50%	**0,00%**	**0,50%**
		-10%	73.147.535	67.077.107	61.943.315
Department Stores	Change in license fee/rental income	**0,00%**	81.274.027	**74.529.112**	68.824.893
		10%	89.400.519	81.981.107	75.706.472

		Decrease value per sq. meter €	Increase value per sq. meter €
Idle land and buildings	Comparable prices +/-15%	**(1.200.000)**	1.200.000

There are inter-relationships between unobservable inputs. Increase in rental yield and decrease in license fee/rental income per square meter results in a decrease in fair values. Increase or decrease in the price per square meter results in an increase/decrease in fair values. For investment property under construction, increases in construction costs that enhance the property's features may result in an increase in future rental values. An increase in the future rental income may be linked with higher costs.

Valuation techniques underlying management's estimation of fair value

For department stores, stand alone shops and offices/flats in Cyprus, the valuation was determined using income methods based on the following inputs.

Rental yields: The basis of the assessment is the expected net income after allowing for the owners property taxes and other direct expenses and the net income is capitalized using an appropriate yield.

For Idle land and buildings, the valuation was determined using comparable prices.

Comparable prices: Based on the location, the size and the quality of the properties including market conditions at the date of the valuation.

There were no changes to the valuation techniques during the year.

18 INVESTMENTS IN ASSOCIATES

	The Group		The Company	
	2016 €	2015 €	**2016 €**	2015 €
At the beginning of the year	**19.510.300**	19.096.882	**8.332.623**	8.332.623
Share of profit/(loss) after tax	**(8.533)**	496.858	**-**	-
Dividends received	**(41.720)**	(83.440)	**-**	-
At the end of the year	**19.460.047**	19.510.300	**8.332.623**	8.332.623

Set out below are the associates of the Company as at 31 December 2016, which, in the opinion of the Directors, are material to the Company. The associates listed below have share capital consisting solely of ordinary shares, which are held directly by the Company; the country of incorporation or registration is also their principal place of business.

Nature of investments in associates in 2016 and 2015:

Name of entity	Country of Incorporation	% of ownership interest		Meisurement method
		2016	2015	
Akinita Lakkos Mikelli Limited	Cyprus	35	35	Equity method

The main activity of the associate company which is a private company and there is no quoted market price available for its shares, is the holding of investment property which is revalued annually by the independent valuers, Rois Nicolaides and Associates. There are no contingent liabilities relating to the Group's interest in the associates.

Significant restrictions

There are no significant restrictions resulting from loam agreements, regulatory requirements or contractual arrangements between investors with significant influence over the Company's associates, on the ability of associates to transfer funds to the Company in the form of cash dividends, or to repay loans or advances made by the Company.

Summarised financial information for associates

Set out below are the summarised financial information for the associate company which at the consolidated financial statements is accounted for using the equity method.

Summarised balance sheet	Akinita Lakkos Mikelli Limited	
Current	**2016 €**	2015 €
Assets	**5.929.175**	5.823.944
Liabilities	**(3.155.614)**	(2.906.802)
Total net current assets	**2.773.561**	2.917.142
Non-Current		
Assets	**56.664.371**	56.664.371
Liabilities	**(4.758.197)**	(4.758.197)
Total net non-current assets	**51.906.174**	51.906.174
Net Assets	**54.679.735**	54.823.316

Summarised statement of comprehensive income

	2016 €	2015 €
Revenue	**-**	-
(Loss)/profit before tax	**(23.912)**	1.612.623
Corporation tax	**(469)**	(193.026)
(Loss)/profit for the year	**(24.381)**	1.419.597
Dividends received	**119.200**	238.400

The information above reflects the amounts presented in the financial statements of the associate company and not the Group's share of those amounts.

Reconciliation of summarised financial information

	2016 €	2015 €
Opening net assets	**54.823.316**	53.642.119
(Loss)/profit for the period	**(24.381)**	1.419.597
Dividends paid	**(119.200)**	(238.400)
Closing net assets	**54.679.735**	54.823.316

	2016 €	2015 €
Interests in associate (35%)	**19.137.907**	19.188.160
Goodwill	**322.140**	322.140
Book value	**19.460.047**	19.510.300

19 INVESTMENTS IN SUBSIDIARIES

The Company	2016 €	2015 €
At the beginning of the year	**21.909.498**	43.559.132
Additions (Note 32)	**2.000**	100.004
Disposals (Note 32)	-	(21.749.638)
At the end of the year	**21.911.498**	21.909.498

During 2016, the investment in subsidiaries increased by €2.000 due to the incorporation of the subsidiary company Ledra Observatory Limited which manages the observatory at the Shacolas Tower.

During 2015 the Company proceeded with the sale of 50 000 shares held in the subsidiary company Woolworth Commercial Center Plc, as part of the share-accession process in the "Emerging Companies Market" (E.C.M.) of Cyprus Stock Exchange for €50.000.

In addition, it proceeded with the acquisition of 100 000 shares from Mr Nicos Shacolas, for €100.000, as part of the share-accession process of Woolworth Commercial Center Plc in Cyprus Stock Exchange.

As a result of the above transactions, the share of Woolworth (Cyprus) Properties Plc in Woolworth Commercial Center Plc increased from 99% to 99,5%.

On 23 July 2015, the Group proceeded with the sale of 54,67% of the share capital held in ITTL Trade Tourist and Leisure Park Plc and 99,5% of share capital held in Woolworth Commercial Center Plc to Atterbury Cyprus Limited.

As a result, from 23 July 2015, the Group does not hold any shares in the above subsidiaries and therefore they are presented as discontinued operations (Note 12) in the consolidated and separate financial statements.

The (loss)/gain on disposal of subsidiary's shares for the Company and the Group is presented in Note 32.

In the cash flow statement, proceeds and payments from disposal of subsidiary's shares comprise (Note 12):

	2016 €	2015 €
Net book value	-	21.749.638
Profit from disposal of shares	-	25.824.628
Proceeds from disposal of shares in subsidiary companies	-	47.574.266

	2016 €	2015 €
Payments for acquisition of shares in subsidiary companies	-	**100.004**

The details of the subsidiaries are as follows:

Name	Principal activity	Interest Held 2016 %	2015 %	Country of incorporation
Company's subsidiaries				
F.W.W. Super Department Stores Limited	Rental of property in Larnaca	100	100	Cyprus
Zako Limited	Rental of property in Limassol, Larnaca, Paphos	100	100	Cyprus
Realtra Limited	Holding company of Calandra Limited which owns immovable property	100	100	Cyprus
Chrysochou Merchants Limited	Investment in Cyprus Limni Resorts & GolfCourses Plc, owner of large piece of land in Polis Chrysochous	100	100	Cyprus
Ledra Observatory Limited	Management of observatory in Shacolas Tower	100	100	Cyprus
Nugget Limited	Dormant	100	100	Cyprus
Perscitus Trading Limited	Dormant	100	100	Cyprus
Masneco Properties Limited	Dormant	100	100	Cyprus
Wolipro Trading Limited	Dormant	100	100	Cyprus
Philadel Trading Limited	Dormant	100	100	Cyprus
Ermetra Limited	Dormant	100	100	Cyprus
Rocantra Limited	Dormant	100	100	Cyprus

Name	Principal activity	Interest Held 2016 %	Interest Held 2015 %	Country of incorporation
Subsidiaries of Zako Limited				
Zaco Estate Limited	Rental of owned building in Ledras Street	100	100	Cyprus
The Cyprus Supply Company Limited	Dormant	100	100	Cyprus
Elermi General Trading Limited	Dormant	100	100	Cyprus
Apex Limited	Exploitation of rights of use of space of the Ledra Arcade Building in Ledras Street, Nicosia and owner of property in Latsia, and management of own parking space in Ledras Street			
Chrypolis Properties Limited	Dormant	100	100	Cyprus
Scabious Trading Limited	Dormant	100	100	Cyprus
Ophrys Limited	Dormant	100	100	Cyprus
Ratma Enterprises Limited	Dormant	100	100	Cyprus

All subsidiary companies are included in the consolidation.

Summarised financial information for subsidiaries with significant minority interest

Set out below are the summarised financial information for the subsidiary company ITTL Trade, Tourist and Leisure Park Plc, with significant minority interest in the previous year. The summarized statement of comprehensive income is presented up to 23 July 2015 (date of disposal).

Summarised statement of comprehensive income

	2016 €	23 July 2015 €
Rights for use of space and other income	-	6.520.157
Profit before tax	-	5.314.639
Corporation tax	-	(1.032.785)
Profit after tax and total income for the year	-	4.281.854
Total income for the year attributable to non-controlling interest	-	1.940.750
Dividends paid to non-controlling interest	-	-

Summarised statement of cash flows

	2016 €	23 July 2015 €
Cash flows from operating activities		
Cash generated from operations	-	5.749.825
Tax paid	-	(12.392)
Net cash from operating activities	-	5.737.433
Net cash for investing activities	-	(230.992)
Net cash used in financing activities	-	(6.089.878)
Net decrease in cash and cash equivalents	-	(583.735)
Cash and cash equivalents at beginning of year	-	(3.430.335)
Cash and cash equivalents at end of period/year	-	(4.014.070)

The above information is before any intercompany elimination.

20 AVAILABLE-FOR-SALE FINANCIAL ASSETS

	The Group		The Company	
	2016	2015	**2016**	2015
	€	€	**€**	€
At the beginning and end of the year	**2.433**	2.433	**-**	-
Net fair value loss (Note 6)	**(670)**	-	**-**	-
	1.763	2.433	**-**	-

Losses of €670 incurred due to impairment.

Available-for-sale financial assets are analysed as follows:

	The Group		The Company	
	2016	2015	**2016**	2015
	€	€	**€**	€
Listed securities – Cyprus Stock Exchange	**1.763**	2.433	**-**	-

The following are included in profit or loss with respect to available-for-sale financial assets:

	The Group		The Company	
	2016	2015	**2016**	2015
	€	€	**€**	€
Impairment charge on available-for-sale financial assets	**(670)**	-	**-**	-
Net loss on available-for-sale financial assets (Note 6)	**(670)**	-	**-**	-

Available-for-sale financial assets are denominated in the following currencies:

	The Group		The Company	
	2016	2015	**2016**	2015
	€	€	**€**	€
Euro-functional and presentation currency	**1.763**	2.433	**-**	-

21 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	The Group		The Company	
	2016	2015	**2015**	2015
Non-trading securities:	**€**	€	**€**	€
Designated at fair value through profit or loss on initial recognition	**56.750.100**	59.150.100	**56.750.100**	59.150.100

Charges in fair values of financial assets at fair value through profit or loss are recorded in 'other gains – net' (Note 6) in the profit and loss and are analysed as follows:

	2016	2015
	€	€
Financial assets at fair value through profit or loss – designated at fair value through profit or loss on initial recognition:		
Fair value loss (Note 6)	**(2.400.000)**	(18.563.989)
Net fair value loss on financial assets at fair value through profit or loss	**(2.400.000)**	(18.563.989)

	The Group		The Company	
	2016	2015	**2016**	2015
	€	€	**€**	€
Fair value hierarchy	**3**	3	**3**	3
Fair value at 1 January	**59.150.100**	77.712.100	**59.150.100**	**77.712.100**
Additions	**-**	1.989	**-**	**1.989**
Net loss from the fair value adjustments on financial assets at fair value through profit or loss (Note 6)	**(2.400.000)**	(18.563.989)	**(2.400.000)**	**(18.563.989)**
Fair value at 31 December	**56.750.100**	59.150.100	**56.750.100**	**59.150.100**

The financial assets at fair value through profit or loss represent the Company's investment in the 100% subsidiary company Chrysochou Merchants Limited which itself holds 11,73% of the share capital of Cyprus Limni Resorts and GolfCourses Plc and the investment in Arsinoe Investments Limited with shareholding of 49,65% which itself holds the 70,57% of the share capital of Cyprus Limni Resorts and GolfCourses Plc.

Cyprus Limni Resorts and GolfCourses Plc is the owner of a large piece of land in the area of Polis Chrysochous, which has obtained the required planning permits for the development of this land, at the Limni Bay Resort, which includes amongst others, two golf courses, a five-star hotel, a significant number of residential units and other associate developments.

Financial assets designated as at fair value through profit or loss at inception are those whose performance is evaluated on a fair value basis, in accordance with the Company's and the Group's documented investment strategy. Information based on the fair value of these financial assets, is provided internally to the Company's and the Group's key management personnel.

Cyprus Limni Resorts and GolfCourses Plc is a listed company and its shares are traded on the Emerging Companies Market (E.C.M), of the Cyprus Stock Exchange. In total, 300 million shares were subscribed. In doing so it facilitates the future attraction of strategic and institutional investors to the share capital of the Company.

Information about fair value measurement using significant unobservable inputs (Level 3)

The valuation was performed using the discounted cash flows of the project. For the calculation of the fair value a discount rate of 10-11% (2015: 10-11%) was used. The table below shows the sensitivity analysis of the fair value based on the discount rate and the sales value and the capital expenditures of residential units. As per management's opinion there was no substantial variation of the significant assumptions used in the fair value during 2016 compared to the previous year, other than the change in discount rate.

Sensitivity of management's estimates - 31 December 2015

			Change in discount rate		
			-0,5%	0,00%	0,5%
		-10%	43.496.770	32.271.797	22.449.946
Financial assets at fair value through profit or loss	Change in sales price	0,00%	69.688.373	**56.750.100**	44.432.184
		10%	95.879.976	80.445.638	66.414.422
	Change in capital expenditure	-10%	76.703.981	62.672.765	50.512.378
		0,00%	69.688.373	**56.750.100**	44.432.184
		10%	62.672.765	50.044.670	38.819.698

Sensitivity of management's estimates – 31 December 2015

			Change in discount rate		
			-1%	0,00%	1%
		-10%	45.496.686	42.809.708	38.987.604
Financial assets at fair value through profit or loss	Change in sales price	0,00%	64.427.602	**59.150.100**	56.687.983
		10%	83.347.294	79.648.665	74.376.202
	Change in capital expenditure	-10%	68.138.391	64.881.278	60.240.687
		0,00%	64.427.602	**59.150.100**	56.687.983
		10%	60.716.813	57.588.788	53.135.280

22 NON-CURRENT RECEIVABLES

	The Group		The Company	
	2016	2015	**2016**	2015
	€	€	**€**	€
Non-current				
Loan to subsidiaries (Note 31 (v))	**-**	-	**19.861.917**	20.951.037
Loan to related company (Note 31 (v))	**54.115.105**	43.197.384	**54.115.105**	43.197.384
Total	**54.115.105**	43.197.384	**73.977.022**	64.148.421

At 31 December 2013, the related parties signed an agreement that no repayment will be demanded within the next five years from the date of the agreement.

The fair value of non-current receivables approximates their carrying amount.

The effective interest rates on non-current receivables were as follows:

	2016	2015
	%	%
Loan to subsidiaries	**4,88**	5,00
Loan to related company	**4,88**	5,00

The carrying amounts of the Company's and the Group's non-current receivables are denominated in the following currencies:

	The Group		The Company	
	2016	2015	**2016**	2015
	€	€	**€**	€
Euro – functional and presentation currency	**54.115.105**	43.197.384	**73.977.022**	64.148.421

The maximum exposure to credit risk at the balance sheet date is the carrying value of each class of receivables mentioned above. The Company and the Group do not hold any collateral as security. None of the non-current receivables is either past due or impaired.

23 TRADE AND OTHER RECEIVABLES

	The Group		The Company	
	2016	2015	**2016**	2015
	€	€	**€**	€
Trade receivables	**73.764**	78.228	**-**	-
Other receivables	**629.539**	609.484	**518.872**	551.375
Less: provision for impairment of receivables	**(496.084)**	(496.084)	**(496.084)**	(496.084)
Trade receivables - net	**207.219**	191.628	**22.788**	55.291
Receivables from subsidiaries (Note 31 (iii))	**-**	-	**3.142.163**	2.557.055
Receivables from related companies (Note 31 (iii))	**19.212**	52.800	**18.511**	9.282
Receivables from associated companies (Note 31 (iii))	**1.043.000**	1.001.280	**1.043.000**	1.001.280
Advances and prepayments	**130.371**	93.311	**67.041**	35.807
	1.339.802	1.339.019	**4.293.503**	3.658.715

The fair values of trade and other receivables are as follows:

	The Group		The Company	
	2016	2015	**2016**	2015
	€	€	**€**	€
Other receivables	**133.455**	113.400	**22.788**	55.291
Trade receivables	**73.764**	78.228	**-**	-
Receivables from related companies	**19.212**	52.800	**18.511**	9.282
Receivables from subsidiaries	**-**	-	**3.142.163**	2.557.055
Receivables from associated companies	**1.043.000**	1.001.280	**1.043.000**	1.001.280
Advances and prepayments	**130.371**	93.311	**67.041**	35.807
	1.399.802	1.339.019	**4.293.503**	3.658.715

As of 31 December 2016, trade receivables of the Group amounting to €73.764 (2015: €78.228) were neither past due nor impaired.

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

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

	The Group		The Company	
	2016	2015	**2016**	2015
	€	€	**€**	€
Euro - functional and presentation currency	**1.339.802**	1.339.019	**4.293.503**	3.658.715

24 CASH IN HAND AND AT BANK

	The Group		The Company	
	2016	2015	**2016**	2015
	€	€	**€**	€
Cash at bank and in hand	**99.924**	44.426	**67.739**	14.367

In the balance sheet, bank deposits are presented in the current assets but are not classified as cash and cash equivalents due to the reason that they are restricted by the Bank.

	The Group		The Company	
	2016	2015	**2016**	2015
	€	€	**€**	€
Restricted bank deposits	**5.000.000**	13.003.815	**5.000.000**	13.003.815

The restricted bank deposits on 31 December 2015 were restricted by a court order which relates to a case of an early termination of rental contract and demand from the property's owner to pay the total amount of the rent up to the expiration of the Contract. This deposit has been released by the bank during the current year. In its place, a letter of guarantee of €13.030.000 was issued for the benefit of the Registrar of the Nicosia District Court for this case, with expiry date on 30 June 2017 (Note 30).

To guarantee this letter the Company pledged a deposit of €5.000.000 in favour of the bank. This property was used by the related company Ermes Department Stores Plc from 2003, after the separation of the activities from Woolworth (Cyprus) Properties Plc and the undertake of activities from Ermes Department Stores Plc. The lease agreement remained on the name of Woolworth (Cyprus) Properties Plc but there is a mutual understanding between the two Companies that any liability arising from the above case will be beared byErmes Department Stores Plc.

Cash and bank balances and bank overdrafts include the following for the purposes of the cash flow statement:

	The Group		The Company	
	2016	2015	**2016**	2015
	€	€	**€**	€
Cash and cash equivalents	**99.924**	44.426	**67.739**	14.367

Cash and cash equivalents are denominated in the following currencies:

	The Group		The Company	
	2016	2015	**2016**	2015
	€	€	**€**	€
Euro-functional and presentation currency	**99.924**	44.426	**67.739**	14.367

25 SHARE CAPITAL, SHARE PREMIUM AND TREASURY SHARES

	Number of ordinary shares of 34 cents each	Share capital €	Share premium reserve €	Treasury shares €	**Total €**
At 1 January 2015 31 December 2015 and 31 December 2016	114.500.019	38.972.111	25.018.383	(154.437)	**63.836.057**

The share premium reserve is non-distributable.

The total authorized number of ordinary shares is 125 000 000 shares (2015: 125 000 000 shares) with a par value of €0,34 per share. All issued shares are fully paid. The number of treasury shares at 31 December 2015 was 123 836 (2013: 123 836).

At an Extraordinary General Meeting of the Company's shareholders held on 30 December 2016, it was decided that the authorised share capital of the Company will be increased from €42.500.000 dividend into 125 000 000 shares of nominal value of €0,34 each to €57.800.000 divided into 170 000 000 shares of nominal value of €0,34 each with the creation of additional 45 000 000 ordinary shares of nominal value of €0,34 each.

It was also decided to approve the proposal of the Board of Directors for the payment of the dividend amounting to €19.000.000 from the profits of the year ended 31 December 2014, with the condition that the net payable dividend will be used for the full payment of new ordinary shares which will be issued to the entitled shareholders of the Company at their nominal value of €0,34 each. Therefore, the Company proceeded with the issuance of 54 187 004 ordinary shares of nominal value €0,34 each. The new shares were accepted and began trading in the Cyprus Stock Exchange on 7 February 2017. The total issued share capital of the Company currently traded, after the above issue, amounts to 168 687 023 shares of nominal value of €0,34 each.

26 FAIR VALUE RESERVES

The Group

	Land and buildings revaluation	Total
	€	€
At 1 January 2015 /31 December 2015 and 31 December 2016	29.524.070	**29.524.070**

The Company

At 1 January 2015 /31 December 2015 and 31 December 2016	26.013.836	**26.013.836**

27 BORROWINGS

	The Group		The Company	
	2016	2015	**2016**	2015
Current	**€**	€	**€**	€
Bank overdrafts	**1.629.775**	2.546.492	**1.629.775**	2.542.872
Bank borrowings	**2.694.702**	9.673.708	**2.694.703**	9.673.708
Borrowings from subsidiaries (Note 31 (iv))	**-**	-	**24.506**	-
	4.324.477	12.220.200	**4.348.984**	12.216.580
Non-current				
Bank borrowings	**72.928.067**	67.249.564	**72.928.067**	67.249.564
Borrowings from related parties (Note 31 (iv))	**55.123.374**	51.029.786	**55.123.374**	51.029.786
Borrowings from subsidiaries (Note 31 (iv))	**-**	-	**2.895.854**	3.002.843
	128.051.441	118.279.350	**130.947.295**	121.282.193
Total borrowings	**132.375.918**	130.499.550	**135.296.279**	133.498.773
Maturity of non-current borrowings				
Between 1 and 2 years	**5.058.415**	9.512.373	**5.058.415**	9.512.373
Between 2 and 5 years	**76.123.367**	80.495.097	**78.893.997**	83.497.940
Over 5 years	**46.869.659**	28.271.880	**46.994.883**	28.271.880
	128.051.441	118.279.350	**130.947.295**	121.282.193

The carrying amounts of current and non-current borrowings approximate their fair value.

The weighted average effective borrowing interest rates were as follows:

	The Group		The Company	
	2016	2015	**2016**	2015
	%	%	**%**	%
Bank overdrafts	**4,24**	4,91	**4,24**	4,91
Bank borrowings	**4,11**	5,23	**4,11**	5,23
Borrowings from related company	**5,22**	5,64	**5,22**	5,64
Borrowings from subsidiaries	**-**	-	**4,88**	5,00

The Company's and the Group's bank borrowings and overdrafts are mainly arranged at floating interest rates. Borrowings at fixed interest rates expose the Company and the Group to fair value interest rate risk. For borrowings at floating rates, the Company and the Group are exposed to cash flows interest rate risk.

The bank loans are repayable by instalments until 2030.

The bank borrowings and overdrafts are secured as follows:

The Group

(a) By mortgage on land and buildings for €118.170.267 (2015: €118.170.267) (Note 17).
(b) By guarantees from related companies amounting to €51.597.785 (2015: €54.597.785).
(c) By assignment of the fire and earthquake insurance on the properties of the Group.
(d) By general assignment of rights for use of space and rental income which will be received by the Company and the Group's subsidiaries, Apex Limited, Zako Limited, Estelte Limited and Calandra Limited.
(e) By pledging of 4 150 500 shares of Akinita Lakkos Mikelli Limited.

The Company

(a) By mortgage on investment property for €118.170.267 (2015: €118.170.267) (Note 17).
(b) By guarantees from related companies amounting to €142.540.439 (2015: €145.540.439).
(c) By assignment of fire and earthquake insurance on the property of the Company.
(d) By general assignment of rights for use of space and rental income which will be received by the company.
(e) By pledging of 4 150 500 shares of Akinita Lakkos Mikelli Limited.

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

	The Group		The Company	
	2016	2015	**2016**	2015
	€	€	**€**	€
6 months or less	**19.552.240**	31.734.475	**19.552.240**	31.730.855
6-12 months	**38.675.652**	30.904.925	**38.675.652**	30.904.925
1-5 years	**74.148.026**	67.860.150	**77.068.387**	70.862.993
Over 5 years	-	-	-	-
	132.375.918	130.499.550	**135.296.279**	133.498.773

The Company and the Group have the following undrawn borrowing facilities:

	The Group		The Company	
	2016	2015	**2016**	2015
	€	€	**€**	€
Floating rate:				
Expiring within one year	**224.875**	175.350	**224.875**	175.350

The facilities expiring within one year are annual facilities subject to review at various dates during 2016.

The carrying amounts of borrowings approximate their fair value.

The carrying amounts of the Group's and the Company's borrowings are analysed per currency as follows:

	The Group		The Company	
	2016	2015	**2016**	2015
	€	€	**€**	€
Euro - Functional and presentation currency	**132.375.918**	130.499.550	**135.296.279**	133.498.773

28 DEFERRED INCOME TAX LIABILITIES

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

	2016	2015
	€	€
The Group		
Deferred income tax liabilities:		
Deferred tax liabilities to be settled after more than twelve months	**12.416.522**	10.318.529
Deferred income tax liabilities – net	**12.416.522**	10.318.529

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

	2016	2015
	€	€
At the beginning of the year	**10.318.529**	31.247.747
Charge included in profit or loss (Note 10)	**2.097.993**	(318.445)
Decrease of deferred income tax liabilities due to disposal of subsidiary companies (Note 12)	-	(20.610.773)
At the end of the year	**12.416.522**	10.318.529

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

Deferred tax liabilities	Difference between depreciation and wear and tear allowance €	Fair value gains €	Total €
At 1 January 2015	8.622.102	22.625.645	31.247.747
Charged/(credited) to:			
Profit or loss (Note 10)	170.654	(1.307.631)	(1.136.977)
Charge to disposal group disposed during the year	342.646	475.886	818.532
	513.300	(831.745)	(318.445)
Decrease of deferred tax liability due to disposal of subsidiary companies (Note12)	(5.041.192)	(15.569.581)	(20.610.773)
At 31 December 2015/1 January 2016	4.094.210	6.224.319	10.318.529
Charged/(credited) to: Profit or loss (Note 10)	167.928	1.930.065	2.097.993
At 31 December 2016	4.262.138	8.154.384	12.416.522

The Company	**2016** €	2015 €
Deferred income tax liabilities:		
- Deferred tax liabilities to be settled after more than twelve months	**7.601.838**	6.687.894
Deferred income tax liabilities - net	**7.601.838**	6.687.894

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

	2016 €	2015 €
At the beginning of the year	**6.687.894**	7.602.394
Charge/(credit) included in profit or loss (Note 10)	**913.944**	(914.500)
At the end of the year	**7.601.838**	6.687.894

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

	Difference between depreciation and wear and tear allowance €	Fair value gains €	Total €
Deferred tax liabilities			
At 1 January 2015	2.344.413	5.257.981	7.602.394
Charged/(credited) to:			
Profit or loss (Note 10)	136.018	(1.050.518)	(914.500)
At 31 December 2015/1 January 2016	2.480.431	4.207.463	6.687.894
Charged/(credited) to:			
Profit or loss (Note 10)	135.409	778.535	913.944
At 31 December 2016	2.615.840	4.985.998	7.601.838

29 PAYABLES AND ACCRUED EXPENSES

	The Group		The Company	
	2016	2015	**2016**	2015
Current	**€**	€	**€**	€
Payables to related companies (Note 31 (iii))	**980.725**	379.759	**946.598**	350.990
Other payables and accrued expenses	**2.333.627**	1.457.338	**2.082.431**	1.313.641
Advances on the rights of use of spaces	**75.890**	-	**-**	-
Total payables and accrued expenses	**3.390.242**	1.837.097	**3.029.029**	1.664.631

The fair value of the current and non-current payables approximates their carrying amount at the balance sheet date.

30 COMMITMENTS

(i) Guarantees

The Group has provided guarantees amounting to €171.963.549 (2015: €93.721.041) and the Company has provided guarantees amounting to €166.649.730 (2015: €88.221.041) in order to secure bank facilities of related companies. It is not expected that any losses would arise for the Group and the Company from the breach of the conditions and obligations of the arrangements signed by the related parties with the financial institutions.

The Group and the Company has granted mortgage on investment properties held amounting to €3.645.000 and assigned fire and earthquake insurance on these properties to secure bank facilities of a related company.

The Group and the Company has provided guarantees amounting to €2.000.000 in favor of the tenant for the smooth and complete fulfillment of the agreement's terms which were made with a subsidiary company. The Group and the Company provided a letter of guarantee amounting to €13.030.000 through a financial institution with which it cooperates at the benefit of the Registrar of the Nicosia District Court, for the Eliades case (Note 24). A deposit of €5.000.000 was pledged in order to secure this guarantee letter.

(ii) Operating lease commitments – where the Group and the Company are the lessors

The future aggregate minimum space usage fees/rentals receivable under non- cancellable operating leases are as follows:

	The Group		The Company	
	2016 **€**	2015 €	**2016** **€**	2015 €
Not later than 1 year	**7.952.308**	6.505.004	**4.427.592**	3.770.499
Between 1 and 5 years	**10.517.538**	15.594.289	**2.388.962**	5.976.736
Later than 5 years	**-**	-	**-**	-
	18.469.846	22.099.293	**6.816.554**	9.747.235

For the agreements with related parties that will expire during 2017, there is intention to further extend the agreements.

(iii) Capital commitments

After the balance sheet date and before the date of approval of the financial statements, the Group did not proceed with the signing of contracts relating to capital expenditures.

31 RELATED PARTY TRANSACTIONS

At the date of this report the main shareholder of the Company is Cyprus Trading Corporation Plc which owns 77,04% of the Company's shares. N. K. Shacolas (Holdings) Limited is the ultimate parent company through the shareholding of 85,90% of Cyprus Trading Corporation Plc. N. K. Shacolas (Holdings) Limited is owned by the members of Shacolas family, none of which controls the company.

The ultimate parent entity which prepares the consolidated financial statements of the largest body of which the Company forms part as a subsidiary undertaking is N.K.Shacolas (Holdings) Ltd, incorporated in Cyprus with registered office at Shacolas House, Old Nicosia-Limassol road, Athalassa, Nicosia.

Cyprus Trading Corporation Plc, incorporated in Cyprus with registered office at Shacolas House, Old Nicosia-Limassol road, Athalassa, Nicosia is the parent entity which prepares the consolidated financial statements of the smallest body of undertakings of which the Company forms part as a subsidiary undertaking, of which the consolidated financial statements are available at the website www.ctcgroup.com.

The following transactions were carried out with related companies (companies in which N. K. Shacolas (Holdings) Limited has a significant interest) and with associated companies:

(i) Sales of services and other transactions

Continuing operations		The Group		The Company	
	Nature of transaction	2016 €	2015 €	2016 €	2015 €
Subsidiaries	Financing and interest	-	-	899.441	1.323.984
	Dividends	-	-	1.191.000	1.532.940
		-	-	2.090.441	2.856.924
Related companies	Financing and interest	2.279.925	1.605.800	2.279.925	1.605.800
	Property usage rights	5.263.365	6.186.088	3.470.505	3.770.505
	Consultancy services	20.000	240.458	20.000	293.767
	Other services	364.473	-	360.273	-
	Dividends	-	-	41.720	83.440
		7.927.763	8.032.896	6.172.423	5.753.512

		The Group		The Company	
		2016 €	2015 €	2016 €	2015 €
Discontinued operations					
	Nature of transaction				
Related companies	Right for use of space	-	2.612.818	-	-
	Other services	-	2.660	-	-
		-	2.615.478	-	-

(ii) Purchases of goods, services and other transactions

Continuing operations		The Group		The Company	
	Nature of transaction	2016 €	2015 €	2016 €	2015 €
Subsidiaries	Financing and interest	-	-	154.804	235.483
Related companies	Financing and interest	2.195.814	2.637.425	2.195.814	2.637.245
	Purchase of services	33.219	189.528	12.400	189.528
	Purchase of goods	302.827	10.945	302.827	10.945
		2.531.860	2.837.898	2.511.041	2.837.718

Discontinued operations					
	Nature of transaction	2016 €	2015 €	2016 €	2015 €
	Financing and interest	-	25.312	-	-
Related companies	Purchase of services	-	-	-	-
	Purchase of goods	-	62.834	-	-
		-	88.146	-	-

(iii) Year-end balances arising from the above transactions

	The Group		The Company	
	2016	2015	**2016**	2015
	€	€	**€**	€
Receivables from related parties (Note 23)				
Related companies	**19.212**	52.800	**18.511**	9.282
Subsidiaries	**-**	-	**3.142.163**	2.557.055
Associates	**1.043.000**	1.001.280	**1.043.000**	1.001.280
	1.062.212	1.054.080	**4.203.674**	3.567.617
Payables to related parties (Note 29)				
Related companies	**980.725**	379.759	**946.598**	350.990

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

(iv) Borrowings from related companies

The total borrowings from related companies are analysed in the tables below::

The Company	2016	2015
	€	€
Borrowings from subsidiaries:		
At the beginning of the year	**-**	-
Borrowings advanced during the year	**23.917**	-
Interest payable (Note 9)	**589**	-
At the end of the year (Note 27)	**24.506**	-

The borrowing analysed above was provided by the subsidiary company Ledra Observatory Limited and bears interest 5,00% up to 30 June 2016 and reduced to 4,75% from that date onwards. The loan is repayable on demand and it is not secured.

The Company	2016	2015
	€	€
Borrowings from subsidiaries:		
At the beginning of the year	**3.002.843**	7.213.840
Borrowings advanced during the year	**227.169**	1.378.829
Loan repaid during the year	**(707.169)**	(1.693.564)
Balances transferred from related parties	**218.796**	332.652
Balances transferred to related parties	**-**	(4.464.397)
Interest payable (Note 9)	**154.215**	235.483
At the end of the year (Note 27)	**2.895.854**	3.002.843

The borrowing analysed above was provided by the subsidiaries Zaco Estate Limited, Zako Limited, The Cyprus Supply Company Limited and Estelte Limited. The loans bear interest at 5,00% up to 30 June and reduced to 4,75% from that date onwards (2015: 5,00%) and on 31 December 2013 the related parties agreed that no repayment will be demanded for the above amounts for the next five years from the date of the agreement.

	The Group		The Company	
	2016	2015	**2016**	2015
	€	€	**€**	€
Borrowings from related parties:				
At the beginning of the year	**51.029.786**	53.964.740	**51.029.786**	51.714.740
Loans advanced during the year	**2.957.160**	35.132.311	**2.957.160**	35.132.311
Loans repaid during the year	**-**	(40.971.437)	**-**	(38.696.125)
Balances transferred from current account	**(1.080.450)**	241.615	**(1.080.450)**	241.615
Balances transferred from related parties	**21.064**	-	**21.064**	-
Interest payable (Note 9)	**2.195.814**	2.662.557	**2.195.814**	2.637.245
At the end of the year (Note 27)	**55.123.374**	51.029.786	**55.123.374**	51.029.786

The borrowings from related companies, are analysed per company in the tables below:

	The Group		The Company	
	2016	2015	**2016**	2015
	€	€	**€**	€
N.K. Shacolas (Holdings) Limited:				
At the beginning of the year	-	2.132.007	-	2.132.007
Loan advanced during the year	-	150.000	-	150.000
Loan repaid during the year	-	(2.338.238)	-	(2.338.238)
Interest payable	-	56.231	-	56.231
At the end of the year (Note 27)	-	-	-	-

The borrowing from the related company N. K. Shacolas (Holdings) Limited was fully repaid during 2015.

	The Group		The Company	
	2016	2015	**2016**	2015
	€	€	**€**	€
Cyprus Trading Corporation Plc:				
At the beginning of the year	**30.206.457**	49.582.733	**30.206.457**	49.582.733
Loan advanced during the year	**1.626.729**	13.816.320	**1.626.729**	13.816.320
Loan repaid during the year	-	(35.825.448)	-	(35.825.448)
Balances transferred from current account	**(1.080.450)**	241.615	**(1.080.450)**	241.615
Interest payable	**1.590.305**	2.391.237	**1.590.305**	2.391.237
At the end of the year (Note 27)	**32.343.041**	30.206.457	**32.343.041**	30.206.457

The borrowing from Cyprus Trading Corporation Plc carries interest at 5,50% up to 30 June 2016 and reduced to 4,75% from that date onwards (2015: 5,73%) and on 31 December 2013 an agreement was made between the related parties that the loan will be repaid in 7 years with one instalment including capitalised interest.

	The Group		The Company	
	2016	2015	**2016**	2015
	€	€	**€**	€
Ermes Department Stores Plc:				
At the beginning of the year	**20.823.329**	-	**20.823.329**	-
Loan advanced during the year	**1.330.431**	21.165.991	**1.330.431**	21.165.991
Loan repaid during the year	-	(532.439)	-	(532.439)
Balances transferred from related parties	**21.064**	-	**21.064**	-
Interest payable	**605.509**	189.777	**605.509**	189.777
At the end of the year (Note 27)	**22.780.333**	20.823.329	**22.780.333**	20.823.329

The borrowing from the related company Ermes Department Stores Plc to Woolworth (Cyprus) Properties Plc carries interest at 5,5% up to 30 June 2016 and reduced to 4,75% from that date onwards (2015: 5,50%). On 31 December 2015 an agreement was made between the related parties that no repayment will be demanded of any amount for the next 5 years from the date of the agreement.

	The Group		The Company	
	2016	2015	**2016**	2015
	€	€	**€**	€
Ermes Department Stores Plc:				
At the beginning of the year	-	2.250.000	-	-
Loan repaid during the year	-	**(2.275.312)**	-	-
Interest payable	-	25.312	-	-
At the end of the year (Note 27)	-	-	-	-

The borrowing from Ermes Department Stores Plc to ITTL Trade Tourist and Leisure Park Plc carries has been fully repaid during 2015.

(v) Loans to related parties

The Company	2016 €	2015 €
Loans to subsidiaries:		
At the beginning of the year	**20.951.037**	36.167.524
Loan advanced during the year	**394.328**	1.367.118
Loan repaid during the year	**(2.226.227)**	(15.718.504)
Balances transferred to related companies	**(156.662)**	(4.464.397)
Balances transferred from related companies	**-**	2.275.312
Interest charged (Note 9)	**899.441**	1.323.984
At the end of the year (Note 22)	**19.861.917**	20.951.037

The above loans represent borrowings to the subsidiaries FWW Super Department Stores Limited, Apex Limited, Calandra Limited and Estelte Limited and bear interest of 5,00% up to 30 June 2016 and reduced to 4,75% from that date onwards (2015: 5,00%). On 31 December 2013, an agreement was made between the subsidiaries that no repayment will be demanded within the next five years. The loan due from ITTL Trade Tourist and Leisure Park Plc, amounted to €10.312.212, was repaid on 23 July 2015 due to the disposal of the subsidiary to Atterbury Cyprus Limited.

The Company and the Group	2016 €	2015 €
Loans to related company:		
At the beginning of the year	**43.197.384**	25.709.157
Loan advanced during the year	**1.058.359**	15.383.065
Loan repaid during the year	**(9.000)**	-
Balances transferred from related companies	**7.588.437**	499.362
Interest charged (Note 9)	**2.279.925**	1.605.800
At the end of the year (Note 22)	**54.115.105**	43.197.384

The borrowing to related parties per Company is analysed as follows:

Cyprus Limni Resorts and Golfcourses Plc	2016 €	2015 €
At the beginning of the year	**34.063.965**	25.709.157
Loan advanced during the year	**1.058.359**	6.399.855
Loan repaid during the year	**(9.000)**	-
Balances transferred from related companies	**1.798.576**	499.362
Interest charged (Note 9)	**1.708.230**	1.455.591
At the end of the year (Note 22)	**38.620.130**	34.063.965

The above loans represents loan to related company Cyprus Limni Resorts and Golfcourses Plc and bears interest of 5,00% up to 30 June 2016 and reduced to 4,75% from that date onwards (2015: 5,00%). On 31 December 2013, an agreement was made between the related parties that no repayment will be demanded within the next five years from the date of the agreement.

Olymbos Investments Limited	2016 €	2015 €
At the beginning of the year	**9.133.419**	-
Loan advanced during the year	**-**	8.983.210
Balances transferred from related companies	**5.789.861**	-
Interest charged (Note 9)	**571.695**	150.209
At the end of the year (Note 22)	**15.494.975**	9.133.419

The above loans represents loan to related company Olymbos Investments Limited and bears interest of 5,00% up to 30 June 2016 and reduced to 4,75% from that date onwards (2015: 5,00%). On 31 December 2015, an agreement was made between the related parties that no repayment will be demanded within the next five years from the date of the agreement.

(vi) Directors' remuneration

The total remuneration of the Directors (including the key management personnel compensation below) was as follows:

	The Group		The Company	
	2016	2015	**2016**	2015
	€	€	**€**	€
Compensation of Executive Director	**243.123**	214.685	**243.123**	214.685
Fees as Executive directors	**16.770**	20.000	**16.770**	20.000
Fees as Non - Executive directors	**19.700**	25.350	**19.700**	25.350
Professional fees	**-**	17.500	**-**	17.500
	279.593	277.535	**279.593**	277.535

(vii) Key management personnel compensation

The compensation of key management personnel is as follows:

	The Group		The Company	
	2016	2015	**2016**	2015
	€	€	**€**	€
Emoluments	**408.593**	368.776	**408.593**	368.776

(viii) Guarantees

The Group and the company granted guarantees to secure bank facilities of related companies (Note 30 (i)).

32 CHANGE IN OWNERSHIP PERCENTAGE IN SUBSIDIARIES

31 December 2015

(i) Sale of 50 000 shares in the subsidiary Woolworth Commercial Center Plc

On 30 June 2015, the Company and the Group sold 50 000 shares held in the subsidiary Woolworth Commercial Center Plc as part of the share-accession process of the company in "Emerging Companies Market" (E.C.M) of Cyprus Stock Exchange of €50.000 (€1 per share).

From the above transaction arose the following (loss)/profit:

	2015
For the Group	€
Proceeds from disposal of shares	50.000
Less: Increase in non-controlling interest	(73.151)
Loss on disposal which transferred in other reserves	(23.151)
The Company	
Proceeds from disposal of shares	50.000
Net book value at the date of disposal	(11.220)
Profit on disposal (Note 12)	38.780

As a result of the above disposal, the share of Woolworth (Cyprus) Properties Plc in Woolworth Commercial Center Plc decreased from 99,0% to 98,5%.

(ii) Acquisition of 100 000 shares in the subsidiary Woolworth Commercial Center Plc

On 14 July 2015, the Company and the Group proceeded with the acqusition of 100 000 shares in Woolworth Commercial Center Plc from Mr. Nicos Shacolas (€1 per share). From the above acquisition the following arose:

For the Group	2015 €
Payment for acquisition of investment	(100.000)
Less: Decrease in non-controlling interest	154.416
Loss on disposal which transferred in other reserves	54.416

For the Company	
Payment for acquisition of investment	(100.000)

As a result of this acquisition the share of Woolworth (Cyprus) Properties Plc in Woolworth Commercial Center Plc increased by 1%.

On 23 July 2015, the Company and the Group proceeded to the disposal of 54,67% of the share capital (54 674 920 shares) held in ITTL Trade Tourist and Leisure Park Plc and 99,5% of the share capital (9 949 950 shares) held in Woolworth Commercial Center Plc to Atterbury Cyprus Limited.

(iii) Disposal of 54,67% of the share capital of the subsidiary company ITTL Trade Tourist and Leisure Park Plc and 99,5% of the share capital of Woolworth Commercial Center Plc

From the above sale the (loss)/profit was as follows:

For the Group	2015 €
Proceeds from disposal of investments	47.524.266
Decrease in non-controlling interest	(35.692.214)
Loss on disposal (Note 12)	(4.644.052)

For the Company	2015 €
Proceeds from disposal of investments	47.524.266
Net book value at the date of disposal	(21.738.418)
Profit on disposal (Note 12)	25.785.848

33 EVENTS AFTER THE BALANCE SHEET DATE

The subsidiary company of the Group, Zaco Estate Limited, proceeded with the disposal of its investment property which comprised of a four-storey Neoclassical building at Ledra street, on 19 April 2017, for the amount of €2.000.000. The fair value of the property as shown in the balance sheet of the Group and the Company is €2.000.000.

There were no other material events after the balance sheet date, which have a bearing on the understanding of the financial statements, except from the above and the matters disclosed in Note 25 of the financial statements.

Independent auditor's report on pages 19 and 23.