Cyprus Limni Resorts and GolfCourses PLC

Report and financial statements
31 December 2020

Contents

Cyprus Limni Resorts and GolfCourses PLC

Board of Directors and other officers

Board of Directors

Nicolas K. Shacolas (Chairman)
Marios N. Shacolas (resigned 3 February 2021)
Georgios Georgiades (resigned 1 January 2020)
Christos Mavrellis (resigned 1 January 2020)
Chrysoula N. Shacola
Eleni N. Shacola
Demetris Demetriou
Demetris Papapetrou (resigned 1 January 2020)
Stephos Stephanides (resigned 1 January 2020)

Company Secretary

Pella Demetriadou (appointed 3 March 2020 and resigned 12 May 2021)
15 Andrea Charalambide street
Flat 201
2015 Strovolos
Nicosia
George P. Mitsides (resigned 3 March 2020 and reappointed 12 May 2021)
11 Mesologgiou street, Acropolis
Nicosia

Registered office

Shacolas Building
Old Nicosia - Limassol road
Athalassa
Nicosia
Cyprus

Legal Consultants

Chrysses Demetriades & Co LLC

Deputy General Manager

Christakis Charalambous

Financial Controller

Maria Aristidou

Cyrus Limni Resorts and GolfCourses PLC

Declaration of the members of the Board of Directors and the Company Officials for the drafting of the financial statements

According to Article 9, subsections (3) (c) and (7) of the Transparency Requirements (Traded Securities on a Regulated Market) Act of 2007 ('Act'), we the members of the Board of Directors and other officers responsible for the financial statements of Cyprus Limni Resorts and GolfCourses PLC for the year ended 31 December 2020, we confirm that, to the best of our knowledge:

(a) the annual financial statements presented on pages 11 to 42 were:

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

(ii) give a true and fair view of assets and liabilities, financial position and the loss of Cyprus Limni Resorts and GolfCourses PLC, and

(b) The Management report provides a fair overview of the developments and performance of the business and financial position of Cyprus Limni Resorts and GolfCourses PLC, together with a description of the principal risks and uncertainties faced by the Company.

Members of the Board of Directors

Executive Chairman

Nicolas K. Shacolas

Executive Directors

Eleni N Shacola

Chrysoula N. Shacola

Demetris Demetriou

Responsible for Preparation of Financial Statements

Maria Aristidou - Financial Controller

Nicosia, 16 December 2021

Cyprus Limni Resorts and GolfCourses PLC

Management Report

1 The Board of Directors presents its report together with the audited financial statements of the Company for the year ended 31 December 2020.

Principal activities and nature of operations of the Company

2 The principal activities of the Company, following the restructuring of its debt in 2018, are the ownership of land in Kynousa, Lysos, Pelathousa and Polis Chrysochou villages which is available for future development. No decision has been made on this by Management to date. Up to 31 December 2020, a byproduct activity of the main activity of the Company is the development of agricultural plantations for sale of products. At 31 December 2020 the Company held Investment property the fair value of which amounted to €2.621.000. Currently, the total Freehold land owned by the Company is 292.723m^2.

Changes in group structure

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

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

4 The Company's loss for the years 2020 and 2019 amounted to €353.468 and €566.662 respectively.

5 The company's total assets at 31 December 2020 amounted to €2.722.213 compared to €2.815.896 in 2019. The companys' liabilities to third parties amount to €85.843 (2019:€232.960).

Principal risks and uncertainties

6 The principal risks and uncertainties faced by the Company are disclosed in Notes 1, 6 and 7 of the financial statements.

Use of financial instruments by the Company

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

8 The Company's risk management program focuses on the unpredictability of financial markets and seeks to minimize 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 operating units. The Board provides written and/or oral principles for overall risk management, as well as written and/or oral policies covering specific areas, such as interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

Fair value interest rate risk

9 The Company's interest rate risk arises from interest-bearing long term borrowings. Interest-bearing borrowings at fixed rates expose the Company to cash flow interest rate risk.

10 At 31 December 2020, the Company's asset and liabilities, which bore variable interest rates were insignificant.

Liquidity risk

11 Management monitors the current liquidity position of the Company based on expected cash flows. 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 believes that it is successful in managing the Company's liquidity risk. Currently any liquidity requirements of the Company are financed by Woolworth (Cyprus) Properties Plc.

Future developments of the Company

12 Currently there is no plan for developing the remaining land of the Company.

Results

13 The Company's results for the year are set out on page 10.

Other matter

14 The Company, by a letter dated 7 September 2020 to the Ministry of the Interior, submitted a claim for compensatory benefits and/or coverage of the cost of restoring the environment on the "Limni" property by the Government. The cost paid by the Company for the restoration of the environment amounted to approximately €30 million. The Ministry of the Interior in a reply letter considers that no further compensatory benefits are justified. According to the opinion of the Company's legal consultants, they consider the claim to be justified and valid, and the Company will continue to pursue compensation in relation to this matter.

Share capital

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

Board of Directors

16 The members of the Board of Directors at 31 December 2020 and at the date of this report are shown on page 1. All of them were members of the Board throughout the year 2020 except for Messrs Georgios Georgiades, Christos Mavrellis, Demetris Papapetrou and Stephos Stephanides who resigned from members of the Board of Directors on 1 January 2020. Mr Marios N. Shacolas who held office on 1 January 2021 resigned from member of the Board of Directors on 3 February 2021.

17 In accordance with the Company's Articles of Association Messrs Demetris Demetriou and Eleni N. Shacola retire at the next Annual General Meeting and, being eligible, offer themselves for re-election.

Board of Directors (continued)

18 There were no significant changes in the assignment of responsibilities of the Board of Directors. The current remuneration of the Directors is €18.000.

Events after the balance sheet date

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

Directors’ Interests in the Company’s share Capital

20 The direct and indirect interests of the Board of Directors in the Company’s share capital, as 31 December 2020 and as at the date of this report, were as follows:

	16 December 2021	31 December 2020
	%	%
Nicolas K. Shacolas	-	-
Marios N. Shacolas	-	20,02
Chrysoula N. Shacola	20,02	20,02
Eleni N. Shacola	20,02	20,02
Demetris Demetriou	-	-

Major shareholders

21 At the date of this report, the shareholders of the Company holding directly or indirectly over 5% of the Company’s issued share capital were as follows:

	Percentage of shareholding
Arsinoe Investments Company Limited	70,57%
N K Shacolas (Holdings) Limited	17,40%
Chrysochou Merchants Limited	11,73%
Marina Shacolas (through the above Companies)	20,02%
Chrysoula N. Shacola (through the above Companies)	20,02%
Eleni N. Shacola (through the above Companies)	20,02%

Other shareholders own 0,33%.

Branches

22 The Company did not operate through any branches during the year.

Management Report (continued)

Independent Auditors

23 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

Company Secretary

Nicosia, 16 December 2021

Independent Auditor's Report

To the Members of Cyprus Limni Resorts and GolfCourses Plc

Report on the Audit of the Financial Statements

Our opinion

In our opinion, the accompanying financial statements of Cyprus Limni Resorts and GolfCourses Plc (the "Company") give a true and fair view of the financial position of the Company as at 31 December 2020, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113.

What we have audited

We have audited the financial statements which are presented in pages 11 to 42 and comprise:

- the balance sheet as at 31 December 2020;
- the income statement for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

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

Basis for opinion

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

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

Emphasis of matter

We draw attention to note 25(v) of the financial statements which states that following the Debt for Asset Swap agreement with the Company's main banking institution in 2018, most of it's payable to its' related party Woolworth (Cyprus) Properties Plc ("WCP") was waived. It is further stated that the Company's investment property, which is the Company's main asset, has been mortgaged for €3.000.000 to secure a bank loan of another related company and that WCP and other related Companies have agreed that if this mortgage is ever called in, financial support will need to be given to the Company. Our opinion is not modified in respect of this matter.

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

Key Audit Matters
Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Emphasis of matter section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How our audit addressed the Key Audit Matter
<u>*Valuation of Investment Properties at fair value*</u>	
Refer to Note 4, 'Summary of Significant Accounting Policies', Note 7 'Critical accounting Estimates and Judgements' and Note 16 'Investment Property'. Management has estimated the fair value of the Company's Investment Properties to be €2.621.000 as at 31 December 2020 representing approximately 96% of Company's total assets. The valuations are dependent on certain key assumptions that require significant management judgement. Some of these estimates and judgements are subject to market forces and will change over time and the uncertainties due to the COVID – 19 pandemic and the termination of the Cyprus Investment Program ('CIP'). Independent external valuations are taken into consideration by the Management during the valuation process. As a result of the impact of COVID – 19 pandemic and the termination of the CIP, there is uncertainty which consequently imposes a higher degree of attention to investment property valuations. This represents a significant uncertainty in relation to the fair value of the investment property.	Our audit procedures in relation to Managements 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 Company's disclosures in the financial statements regarding the valuation of Investment Properties. The results of the above procedures were considered satisfactory for the purposes of our audit.

Reporting on other information
The Board of Directors is responsible for the other information. The other information comprises the information included in the Management Report and the Declaration of the members of the Board of Directors and the Company Officials for the drafting of the financial statements, but does not include the financial statements and our auditor's report thereon.

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.

- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

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

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

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

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

Report on Other Legal Requirements

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

- In our opinion, the management report has been prepared in accordance with the requirements of the Cyprus Companies Law, Cap. 113, and the information given is consistent with the financial statements.

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

Other Matter

This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 69 of the Auditors Law of 2017 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whose knowledge this report may come to.

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

Constantinos Taliotis
Certified Public Accountant and Registered Auditor
for and on behalf of

PricewaterhouseCoopers Limited
Certified Public Accountants and Registered Auditors

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

Nicosia, 16 December 2021

Cyprus Limni Resorts and GolfCourses PLC

Income Statement
for the year ended 31 December 2020

	Note	**2020** €	2019 (as restated) €
Revenue	8	**278**	47.229
Administrative expenses	10	**(228.143)**	(300.723)
Other income		**546**	12.259
Other gains/(losses) - net	9	**5.042**	(68.358)
Fair value loss on investment property	16	**(79.000)**	(200.000)
Operating loss		**(301.277)**	(509.593)
Finance costs - net	12	**(65.808)**	(96.389)
Loss before income tax		**(367.085)**	(605.982)
Income tax credit	13	**13.617**	39.320
Loss for the year		**(353.468)**	(566.662)

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

		2020 €	2019 (as restated) €
Basic and fully diluted	14	**(0,12)**	(0,19)

The notes on pages 15 to 42 are an integral part of these financial statements.

Cyprus Limni Resorts and GolfCourses PLC

Balance sheet at
31 December 2020

	Note	**2020** €	2019 €
Assets			
Non-current assets			
Property, plant and equipment	15	**14.381**	20.632
Investment property	16	**2.621.000**	2.700.000
Financial asset at fair value through other comprehensive income		**453**	453
		2.635.834	2.721.085
Current assets			
Prepayments		**8.174**	3.572
Other non-financial assets	18	**66.538**	17.870
Trade receivables	19	**-**	26.920
Financial assets at amortised cost	19	**3.416**	41.382
Cash and cash equivalents	20	**8.251**	5.067
		86.379	94.811
Total assets		**2.722.213**	2.815.896
Equity and liabilities			
Capital and reserves			
Share capital	21	**30.000.000**	30.000.000
Accumulated losses		**(30.000.000)**	(30.000.000)
Total equity		**-**	-
Non-current liabilities			
Borrowings	22	**1.833.772**	1.466.171
Deferred income tax liabilities	23	**500.551**	514.168
		2.334.303	1.980.339
Current liabilities			
Trade and other payables	24	**387.890**	835.557
		387.890	835.557
Total liabilities		**2.722.213**	2.815.896
Total equity and liabilities		**2.722.213**	2.815.896

On 16 December 2021 the Board of Directors of Cyprus Limni Resorts and GolfCourses PLC authorised these financial statements for issue.

Nicolas K. Shacolas, Director

Demetris Demetriou, Director

The notes on pages 15 to 42 are an integral part of these financial statements.

Cyprus Limni Resorts and GolfCourses PLC

Statement of changes in equity
for the year ended 31 December 2020

	Note	Share capital	Retained earnings (Accumulated losses) [1] (as restated)	Total
		€	€	€
Balance at 1 January 2019		30.000.000	(30.000.000)	-
Comprehensive income				
Loss for the year as restated	26	-	(566.662)	(566.662)
As restated		-	(566.662)	(566.662)
Transaction with owners				
Loan waiver as restated	25(v)/26	-	566.662	566.662
As restated		-	566.662	566.662
Balance at 31 December 2019/1 January 2020		30.000.000	(30.000.000)	-
Comprehensive income				
Loss for the year		-	(353.468)	(353.468)
Transactions with owners				
Loan waiver	25(v)	-	353.468	353.468
Balance at 31 December 2020		30.000.000	(30.000.000)	-

(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 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 and domiciled. The special contribution for defence rate increased from 15% 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 was reduced back to 17% in respect of profits of years of assessment 2012 onwards. The amount of this deemed dividend distribution is reduced by any actual dividend paid out of the profits of the relevant year by the end of the period of two years from the end of the year of assessment to which the profits refer. This special contribution for defence is paid by the Company for the account of the shareholders.

The notes on pages 15 to 42 are an integral part of these financial statements.

Cyprus Limni Resorts and GolfCourses PLC

Statement of cash flows
for the year ended 31 December 2020

	Note	2020 €	2019 (as restated) €
Cash flows used in operating activities			
Loss before income tax		**(367.085)**	(605.982)
Adjustments for:			
Depreciation of property, plant and equipment	15	**7.676**	8.783
(Gain)/Loss on disposal of property, plant and equipment	9	**(5.042)**	68.358
Fair value losses on investment property	9	**79.000**	200.000
Interest expense	12	**65.543**	96.124
		(219.908)	(232.717)
Changes in working capital:			
Trade receivables		**26.920**	13.254
Financial assets at amortised cost		**37.966**	(17.794)
Prepayments		**(4.602)**	3.308
Other non-financial assets		**(48.668)**	-
Trade and other payables		**(447.667)**	(63.068)
Net cash used in operating activities		**(655.959)**	(297.017)
Cash flows from investing activities			
Purchases of property, plant and equipment	15	**(1.425)**	-
Proceeds from sale of property, plant and equipment and Inventory	15	**5.042**	20.077
Net cash from investing activities		**3.617**	20.077
Cash flows from financing activities			
Proceeds from loans from related parties	25(v)	**754.921**	283.255
Repayments of loans from related parties	25(v)	**(99.394)**	-
Interest paid		**(1)**	(9)
Net cash from financing activities		**655.526**	283.246
Net increase in cash and cash equivalents		**3.184**	6.306
Cash and cash equivalents at beginning of year		**5.067**	(1.239)
Cash and cash equivalents at end of year	20	**8.251**	5.067

The notes on pages 15 to 42 are an integral part of these financial statements.

Cyprus Limni Resorts and GolfCourses PLC

Notes to the financial statements

1 General information

Country of incorporation

The Company is incorporated and domiciled in Cyprus as a private limited liability company in accordance with the provisions of the Cyprus Companies Law, Cap. 113. On 29 March 2010 the shares of the company were introduced to the Emerging Company's Market 'ECM' of the Cyprus Stock Exchange. Its registered office is at Shacolas Building, Old Nicosia - Limassol road, Athalassa, Nicosia, Cyprus.

Principal activities

The principal activities of the Company, following the restructuring of the debt in 2018, are the ownership of land in Kynousa, Lysos, Pelathousa and Polis Chrysochou villages which is available for future development. No decision has been made on this by Management to date. A byproduct activity of the main activity of the Company is the development of agricultural plantations. At 31 December 2020 the Company held Investment property the fair value of which amounted to €2.621.000. Currently, the total Freehold land owned by the Company is 292.723m^2.

Operating environment of the Company

The Cyprus economy has been adversely affected by the outbreak of the new coronavirus (COVID-19). On 11 March 2020, the World Health Organisation declared the outbreak of COVID-19 a global pandemic recognising its rapid spread across the globe. In response to the pandemic, the government of the Republic of Cyprus and various governments globally implemented and continue to implement numerous measures attempting to contain and now delay the spreading and impact of COVID-19, such as requiring self-isolation by those potentially affected, implementing social distancing measures and mass quarantines, controlling or closing borders and imposing limitations on business activity, including closure of non-essential businesses.

These measures have, among other things, severely restricted economic activity both in Cyprus and globally and they have negatively impacted, and could continue to negatively impact, businesses, market participants as well as the Cyprus and global economies as they persist for an unknown period of time.

Management has taken and continues to take necessary measures to ensure minimum disruption to and sustainability of the Company's operations and support the Company's employees, customers and suppliers. The measures taken comprise of quarantine for vulnerable employees and social distancing measures, such as replacement of face-to face meetings with telecommunications. Further, strict rules of hygiene have been imposed to protect the health and safety of the Company's employees and customers.

The unprecedented economic conditions have affected the cash flow forecasts of the Company's management in relation to the impairment of financial and non-financial assets.

The Company's management has assessed:

- The potential impact on valuation of investment properties carried at fair value.

The future effects of the COVID-19 pandemic and of the above measures on the Cyprus economy, and consequently on the future financial performance, cash flows and financial position of the Company, are difficult to predict and management’s current expectations and estimates could differ from actual results. The Company's management believes that it is taking all the necessary measures to maintain the viability of the Company and the development of its business in the current economic environment.

2 Basis of preparation

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

As of the date of the authorization of the financial statements, all International Financial Reporting Standards issued by the International Accounting Standards Board (IASB) that are effective as of 1 January 2020 and are relevant to the Company's operations have been adopted by the EU through the endorsement procedure established by the European Commission.

The Company has prepared these separate financial statements as all its subsidiaries would be excluded from inclusion in consolidated financial statements because their impact would be immaterial in accordance with International Financial Reporting Standards and Article 142A of the Cyprus companies Law, Cap 113.

The principal accounting policies applied in the preparation of these financial statements are set out below in Note 4.

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

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates and requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 7.

The financial statements have been prepared on a going concern basis. The Board of Directors has assessed the ability of the Company to continue as a going concern and is satisfied that the financial statements can be prepared on this basis, for further information refer to note 25(v).

3 Adoption of new or revised standards and interpretations

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 1 January 2020. This adoption did not have a material effect on the accounting policies of the Company.

4 Summary of significant accounting policies

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

Employee benefits

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

4 Summary of significant accounting policies (continued)

Foreign currency translation

(i) Functional and presentation currency

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

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at 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 charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the country in which the Company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. If applicable tax regulation is subject to interpretation, it establishes provision where appropriate on the basis of amounts expected to be paid to the tax authorities.

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

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

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

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

4 Summary of significant accounting policies (continued)

Uncertain tax positions

The Company's uncertain tax positions are reassessed by management at the end of each reporting period. Liabilities are recorded for income tax positions that are determined by management as more likely than not to result in additional taxes being levied if the positions were to be challenged by the tax authorities. The assessment is based on the interpretation of tax laws that have been enacted or substantively enacted by the end of the reporting period, and any known court or other rulings on such issues. Liabilities for penalties, interest and taxes other than on income are recognised based on management's best estimate of the expenditure required to settle the obligations at the end of the reporting period. Adjustments for uncertain income tax positions, other than interest and fines, are recorded within the income tax charge. Adjustments for uncertain income tax positions in respect of interest and fines are recorded within finance costs and other gains/(losses), net, respectively.

Property, plant and equipment

Property, plant and equipment are shown at cost less subsequent depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of property, plant and equipment.

	%
Motor vehicles	20
Furniture, fixtures, and office equipment	15
Plantations	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 the profit or loss of the year in which they were incurred.

The cost of major renovations and other subsequent expenditure are included in the carrying amount of the asset or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

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

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 prepare for its intended use, are capitalised as part of the cost of that asset, when it is probable that they will result in future economic benefits to the Company and the costs can be measured reliably.

4 Summary of significant accounting policies (continued)

Investment property

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

Financial assets - Classification

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

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

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

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

All other financial assets are classified as measured at FVTPL.

Financial assets - Recognition and derecognition

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

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

4 Summary of significant accounting policies (continued)

Financial assets – Measurement

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

Debt instruments

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

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

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

4 Summary of significant accounting policies (continued)

Debt instruments (continued)

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

Equity instruments

The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment, any related balance within the FVOCI reserve is reclassified to retained earnings.

Changes in the fair value of financial assets at FVTPL are recognised in other gains/(losses) in the income statement as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Financial assets – impairment – credit loss allowance for ECL

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

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

Debt instruments measured at AC are presented in the balance sheet net of the allowance for ECL. For loan commitments and financial guarantee contracts, a separate provision for ECL is recognised as a liability in the balance sheet.

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

The impairment methodology applied by the Company for calculating expected credit losses depends on the type of financial instrument assessed for impairment. Refer to Note 6, Credit risk section for a description of impairment methodology applied by the Company for calculating expected credit losses for financial assets that are subject to impairment under IFRS9

4 Summary of significant accounting policies (continued)

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

Additionally the Company has decided to use the low credit risk assessment exemption for investment grade financial assets.

Financial assets – Reclassification

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

Financial assets – write-off

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

Financial assets – modification

The Company sometimes renegotiates or otherwise modifies the contractual terms of the financial assets. The Company assesses whether the modification of contractual cash flows is substantial considering, among other, the following factors: any new contractual terms that substantially affect the risk profile of the asset (eg profit share or equity-based return), significant change in interest rate, change in the currency denomination, new collateral or credit enhancement that significantly affects the credit risk associated with the asset or a significant extension of a loan when the borrower is not in financial difficulties.

If the modified terms are substantially different, the rights to cash flows from the original asset expire and the Company derecognises the original financial asset and recognises a new asset at its fair value. The date of renegotiation is considered to be the date of initial recognition for subsequent impairment calculation purposes, including determining whether a SICR has occurred. The Company also assesses whether the new loan or debt instrument meets the SPPI criterion. Any difference between the carrying amount of the original asset derecognised and fair value of the new substantially modified asset is recognised in profit or loss, unless the substance of the difference is attributed to a capital transaction with owners.

In a situation where the renegotiation was driven by financial difficulties of the counterparty and inability to make the originally agreed payments, the Company compares the original and revised expected cash flows to assets whether the risks and rewards of the asset are substantially different as a result of the contractual modification. If the risks and rewards do not change, the modified asset is not substantially different from the original asset and the modification does not result in derecognition. The Company recalculates the gross carrying amount by discounting the modified contractual cash flows by the original effective interest rate, and recognises a modification gain or loss in profit or loss.

4 Summary of significant accounting policies (continued)

Classifications as cash and cash equivalents

In the statement of cash flows, cash and cash equivalents includes cash in hand. Cash and cash equivalents are carried at AC because: (i) they are held for collection of contractual cash flows and those cash flows represent SPPI, and (ii) they are not designated at FVTPL.

Classification as trade receivables

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

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

Trade receivables are also subject to the impairment requirements of IFRS 9.The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. See Note 18.

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Company, and a failure to make contractual payments for a period of greater than 180 days past due.

Classification as financial assets at amortised cost

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

4 Summary of significant accounting policies (continued)

Interest income

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

Financial liabilities – measurement categories

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

Borrowings

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

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

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

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

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

4 Summary of significant accounting policies (continued)

Financial Liabilities – Modifications

An exchange between the Company and its original lenders of debt instruments with substantially different terms, as well as substantial modifications of the terms and conditions of existing financial liabilities, are accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10% different from the discounted present value of the remaining cash flows of the original financial liability.

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

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

Investment in Subsidiaries

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity where the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. The Company carries the investments in subsidiaries at cost less any amounts written off due to impairment in its balance sheet.

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.

Waiver of balances with common ownership shareholders

Waiver of balances with common ownership Shareholders are recognized as transactions with owners in the statement of changes in equity.

Provisions

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

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

4 Summary of significant accounting policies (continued)

Segmental Analysis

The Company considers that there are no separate operating segments under IFRS 8 "Operating Segments" for which there is discrete financial information for making decisions on allocating resources and evaluating their performance. The Management of the Company (Board of Directors) (upper body for making operational decisions) take decisions for resource allocation and assessing their performance based on internal reports at Company level. These reports are in accordance with IFRS used for the preparation of the financial statements. There is no additional information on the performance of individual segments.

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.

Comparatives

Comparative figures have been adjusted to conform with changes in the presentation for the current year. An error of classification was recognised on the Income Statement and Statement of Changes in Equity amounting to €566.662 from 'other gains/(losses)-net' to transactions with owners in 'Accumulated losses' at 31 December 2019. The net effect of this adjustment in equity was zero. A reclassifcation adjustment was performed on the face of the Income Statement from 'other gains/(losses)-net' to Fair value loss on investment property amounting to €200.000.

5 New accounting pronouncements

At the date of approval of these financial statements a number of new standards interpretations and amendments to existing standards are effective for annual periods beginning after 1 January 2020, and have not been applied in preparing these financial statements. None of these is expected to have a significant effect on the financial statements of the Company.

6 Financial risk management

(i) Financial risk factors

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

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

6 Financial risk management (continued)

(i) Financial risk factors (continued)

- **Market risk**

Fair value interest rate risk

The Company's interest rate risk arises from interest bearing long-term borrowings. Borrowings from related parties were issued at fixed rates. The interest rates are set by the Group's management and are reassessed at regular intervals based on market conditions.

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

- **Liquidity risk**

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

	Less than 1 year	Between 1 and 2 years	Between 2 to 5 years
	€	€	€
At 31 December 2020			
Borrowings	-	-	2.207.809
Trade and other payables	387.890	-	-
Total	904.090	-	2.207.809

	Less than 1 year	Between 1 and 2 years	Between 2 to 5 years
	€	€	€
At 31 December 2019			
Borrowings	-	-	1.765.228
Trade and other payables	835.557	-	-
Total	835.557	-	1.765.228

(ii) Capital risk management

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

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

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

6 Financial risk management (continued)

(ii) Capital risk management (continued)

The gearing ratios at 31 December 2020 and 2019 were as follows:

	2020	2019
	€	€
Total borrowings (Note 22)	**1.833.772**	1.466.171
Less: cash and cash equivalents (Note 20)	**(8.251)**	(5.067)
Net debt	**1.825.521**	**1.461.104**
Total equity	-	-
Total capital as defined by management	**1.825.521**	**1.461.104**
Gearing ratio	**100%**	**100%**

7 Critical accounting estimates and judgements

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the company's accounting policies.
Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

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

- **Fair value of investment property**
  The fair value of investment property is determined using valuation techniques. Refer to Note 16 for the relevant disclosure of valuation technique used for the determination of the fair value of the Company's Investment Properties.

  The pandemic, COVID – 19 and the termination of the Cyprus Investment Program ('CIP') created a level of uncertainty in the real estate market on 31 December 2020. As a result the Board of Directors assessed the risks as well as the possible impact resulting from the new investment attraction plans introduced by the Government.

  The valuation of investment properties is subject to market-based assumptions (for comparable prices) and given the decline in the transaction volume activity due to the pandemic, the termination of the CIP, market volatility and the uncertainty about the economic recovery, these assumptions are likely to change after 31 December 2020. As a result of the above, there is uncertainty which consequently imposes a higher degree of attention to investment property valuations. This fact represents a significant uncertainty in the fair value of investment properties.

8 Revenue

	2020	2019
	€	€
Net income from plantations	**278**	47.229
Total revenue from contracts with customers	**278**	47.229

9 Other gains/(losses)

	2020	2019 (as restated)
	€	€
Other gains/(losses)		
Property, plant and equipment		
Gain/(Loss) on disposal (Note 15)	**5.042**	(68.358)
Total other gains/(losses) - net	**5.042**	(68.358)

10 Expenses by nature

	2020	2019
	€	€
Depreciation, amortisation and impairment charges (Notes 15)	**7.676**	8.783
Repairs and maintenance	**275**	2.761
Operating lease payments	**-**	1.080
Insurance	**4.369**	8.825
Auditors' remuneration charged by statutory audit firm	**15.000**	8.500
Staff costs (Note 11)	**24.013**	94.669
Advertising and promotion	**-**	4.247
Other expenses	**18.706**	24.738
Bank charges	**37.099**	-
Professional fees	**75.986**	83.275
Motor car expenses	**5.571**	8.066
Municipality taxes	**1.974**	2.393
Stock exchange fees	**18.232**	18.324
Director fees	**18.000**	-
Group asset services	**-**	33.300
Petrol and fuel expenses	**1.242**	1.762
Total administrative expenses	**228.143**	300.723

The total fees charged by the Company's statutory auditor for the statutory audit of the annual financial statements of the Company for the year ended 31 December 2020 amounted to €15.000 (2019: €8.500). The total fees charged by the Company's statutory auditor for the year ended 31 December 2020 for tax advisory services amounted to €1.000 (2019: €7.250).

11 Staff Costs

	2020	2019
	€	€
Salaries	**20.169**	81.370
Social insurance costs	**3.435**	10.482
Pensions	**409**	2.817
	24.013	94.669
Average number of staff employed during the year	**2**	6

The Company participates in a defined contribution scheme, the Cyprus Trading Corporation Plc Employees' Provident Fund, which is funded separately and prepares its own financial statements whereby employees are entitled to payment of certain benefits upon retirement or prior termination of service.

12 Finance costs - net

	2020	2019
	€	€
Interest and finance charges paid/payable for financial liabilities not at fair value through profit or loss:		
Bank borrowings	**1**	9
Loans from related parties (Note 25(v))	**65.542**	96.115
Total interest expense	**65.543**	96.124
Net foreign exchange gain	**265**	265
Total finance costs	**65.808**	96.389

13 Income tax credit

	2020	2019
	€	€
Deferred tax (Note 23):		
Origination and reversal of temporary differences	**(13.617)**	(39.320)
Total deferred tax	**(13.617)**	(39.320)
Income tax credit	**(13.617)**	(39.320)

13 Income tax credit (continued)

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

	2020	2019 (as restated)
	€	€
Loss before tax	**(367.085)**	(605.982)
Tax calculated at the applicable corporate of 12,5%	**(45.886)**	(75.748)
Tax effect of expenses not deductible for tax purposes	**44.838**	82.121
Tax effect of allowances and income not subject to tax	**(818)**	(9.061)
Tax effect of losses on which no deferred tax asset was recognized	**1.866**	2.688
Tax difference between corporation tax rate and capital gains tax rate, release of deferred tax due to disposal and effect of inflation	**(13.617)**	(39.320)
Income tax credit	**(13.617)**	(39.320)

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

Brought forward losses of only five years may be utilized.

Under certain conditions, interest may be exempt from income tax and be subject only to special contribution for defence at the rate of 30%.

14 Loss per share

The basic and fully diluted losses per share are calculated by dividing the loss attributed to the shareholders of the Company with the weighted average number of issued shares during the year.

	2020	2019 (as restated)
	€	€
Loss for the year attributed to shareholders	**(353.468)**	(566.662)
Weighted average number of issued shares	**300.000.000**	300.000.000
Loss per share – cents	**(0,12)**	(0,19)

15 Property, plant and equipment

	Motor vehicles €	Furniture, fixtures and office equipment €	Plantations €	Total €
At 1 January 2019				
Cost	228.848	889.068	27.480	1.145.396
Accumulated depreciation	(227.901)	(791.845)	(7.800)	(1.027.546)
Net book amount	947	97.223	-	117.850
Year ended 31 December 2019				
Opening net book amount	947	97.223	19.680	117.850
Disposal	-	(68.755)	(19.680)	(88.435)
Depreciation charge (Note 10)	(437)	(8.346)	-	(8.783)
Closing net bookamount	510	20.122	-	20.632
At 31 December 2019				
Cost	228.848	694.075	-	937.923
Accumulated depreciation	(228.338)	(673.953)	-	(917.291)
Net book amount	510	20.122	-	20.632
Year ended 31 December 2020				
Opening net book amount	510	20.122	-	20.632
Addition	1.425	-	-	1.425
Depreciation charge (Note 10)	(510)	(7.166)	-	(7.676)
Closing net bookamount	1.425	12.956	-	14.381
At 31 December 2020				
Cost	230.273	643.355	-	939.348
Accumulated depreciation	(228.848)	(630.399)	-	(924.967)
Net book amount	1.425	12.956	-	14.381

15 Property, plant and equipment (continued)

In the cash flow statement, proceeds from sale of property, plant and equipment comprise:

	2020 €	2019 €
Net book amount	**-**	88.435
Gain/(Loss) on sale of property, plant and equipment (Note 9)	**5.042**	(68.358)
Proceeds from sale of property, plant and equipment	**5.042**	20.077

16 Investment property

	2020 €	2019 €
At beginning of year	**2.700.000**	2.900.000
Fair value losses (Note 9)	**(79.000)**	(200.000)
At end of year	**2.621.000**	2.700.000

The investment properties are valued annually on 31 December at fair value comprising open-market value determined annually by the company's management, after taking into consideration all relevant available information, including valuations of independent valuers, market conditions and other factors. The company holds one class of investment property being land held for a currently undetermined use.

The Company's policy is to recognize transfers into and out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer. No transfers between fair value hierachy levels occurred in the year.

Fair value is based on alternative valuation methods such as comparable selling prices or less active markets. These valuations are reviewed annually by the company's management. Changes in fair values are recorded on the face of the profit or loss.

Bank borrowings of related company are secured on the Company's Investment property for €3.000.000 (2019: €3.000.000).

16 Investment property (continued)

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

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level1).

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

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

The company has classified its Investment property in Level 3 of the hierarchy, as it relates to land parcels that fall within agricultural and residential planning zones and for which comparable prices were very limited during 2019 to date. In the absence of transactions management has considered transactions of land parcels in surrounding villages, ie for similar parcels adjusted for assumptions to account different characteristicks such as location, size and zone relating to the land. As such the price per square meter is based on assumptions:

- location of the land,
- zone of the land,
- size of the parcel, and
- building coefficient.

Country	**Land - Kynousa, Pelathousa, Lisos, Polis Chrysochous**	**2020 Total**	**2019 Total**
	€	**€**	**€**
Fair Value at 1 January	2.700.000	**2.700.000**	2.900.000
Net loss from fair value adjustments on investment property (Note 9)	(79.000)	**(79.000)**	(200.000)
Fair value at 31 December	**2.621.000**	**2.621.000**	**2.700.000**

Valuation processes

The Company's investment properties were valued at 31 December 2020 by management taking into account valuation performed by independent professionally qualified valuers who hold a recognised relevant professional qualification and have recent experience in the locations and segments of the investment properties valued. For all investment properties, their current use equates to the highest and best use. 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, the 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.

16 Investment property (continued)

Information about fair value measurement using significant unobservable inputs (Level 3) - 31 December 2020

Property	Valuation €	Valuation technique	Unobservable Inputs	Average €
Land - Kynousa, Pelathousa, Lisos, Polis Chrysochous	2.621.000	Comparable selling prices	Price per square meter	8

Information about fair value measurement using significant unobservable inputs (Level 3) - 31 December 2019

Property	Valuation €	Valuation technique	Unobservable Inputs	Average €
Land - Kynousa, Pelathousa, Lisos, Polis Chrysochous	2.700.000	Comparable selling prices	Price per square meter	9

Sensitivity of management's estimates – 31 December 2020

			€
Land	**Change in price per square meters**	**-10%**	**2.358.900**
		0,00%	**2.621.000**
		10%	**2.883.100**

Sensitivity of management's estimates – 31 December 2019

			€
Land	**Change in price per square meters**	**-10%**	**2.430.000**
		0,00%	**2.700.000**
		10%	**2.970.000**

Valuation techniques underlying management's estimation of fair value

For land, 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.

17 Investments in subsidiaries

The Company's interests in its subsidiaries, all of which are unlisted, were as follows:

Name	Principal activity	**2020 % holding**	2019 % holding
CSC Kafkalla Viklin Limited	Dormant	**100**	100
CSC Evloimeni Limni Limited	Dormant	**100**	100
CSC Kynousa Limni Limited	Dormant	**100**	100
CSC Mavroli Limni Limited	Dormant	**100**	100
CSC Kafkalia Aloni Limited	Dormant	**100**	100
Akamas Line Company Limited	Dormant	**99,99**	99,99

No consolidated financial statements have been prepared incorporating the results of the above subsidiaries in view of the fact that the subsidiaries are dormant, and therefore the effect of preparing consolidated financial statements would be immaterial. The Company has fully impaired its shareholding in subsidiaries.

18 Other financial assets

	2020	2019
	€	€
VAT refundable	**65.688**	17.870
Other non-financial assets	**850**	-
	66.538	17.870

19 Financial assets

(a) Trade receivables

	2020	2019
	€	€
Trade receivables	**-**	26.920

(i) Fair value of trade receivables

Due to the short-term nature of the current receivables, their carrying amount is considered to be the same as their fair value.

(ii) Impairment and risk exposure

As of 31 December 2019, trade receivables of €26.920 were fully performing.

The carrying amount of the Company's trade receivable are denominated in EURO.

(b) Financial assets at amortised cost

Financial assets at amortised cost include the following debt investments:

	2020	2019
	€	€
Receivables from ultimate parent (Note 24 (iv))	**-**	20.329
Receivables from related parties (Note 24 (iv))	**3.416**	21.053
	3.416	41.382

Due to the nature of the current financial assets at amortized cost, their carrying amount is considered to be the same as their fair value.

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

As at 31 December 2020, financial assets at amortized cost of €3.416 (2019: €41.382) were fully performing.

The carrying amount of the Company's financial assets at amortised cost are denominated in EURO.

20 Cash and cash equivalents

	2020	2019
	€	€
Cash at bank and in hand	8.251	5.067

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

	2020	2019
	€	€
Cash at bank and in hand	8.251	5.067

Cash and cash equivalents are denominated in the following currencies:

	2020	2019
	€	€
Euro - functional and presentation currency	8.251	5.067

	Loans from related parties (Note 25(v))	Total liabilities from financing activities
	€	€
Opening Balance 1 January 2020	1.466.171	1.466.171
Cash flows:		
Proceeds from borrowings	754.921	754.921
Repayment of principal	(99.394)	(99.394)
Non-cash changes:		
Interest charged on Profit and Loss	65.542	65.542
Write off (Note 9)	(353.468)	(353.468)
Closing Balance 31 December 2020	1.883.772	1.833.772

	Loans from related parties (Note 25(v))	Total liabilities from financing activities
	€	€
Opening Balance 1 January 2019	1.653.463	1.653.463
Cash flows:		
Proceeds from borrowings	283.255	283.255
Non-cash changes:		
Interest charged on Profit and Loss	96.115	96.115
Write off (Note 9)	(566.662)	(566.662)
Closing Balance 31 December 2019	**1.466.171**	**1.466.171**

21 Share Capital

	2020		2019	
	Number of shares	**€**	Number of shares	€
Authorised				
Shares of €0,10 each	350.000.000	35.000.000	350.000.000	35.000.000
Issued and fully paid				
Shares of €0,10 each	300.000.000	30.000.000	300.000.000	30.000.000

The total authorized number of ordinary shares is 350.000.000 shares (2019: 350.000.000 shares) with a par value of €0,10 per share. All issued shares are fully paid.

22 Borrowings

	2020	2019
	€	€
Non-current		
Borrowings from related parties (Note 25(v))	**1.833.772**	1.466.171
Maturity of non-current borrowings		
Between 1 and 2 years	**-**	-
Between 2 and 5 years	**1.833.772**	1.466.171
Over 5 years	**-**	-
	1.833.772	1.466.171

The Company has a loan from related company Woolworth (Cyprus) Properties Plc which bears interest of 4,75%, does not have any security and is repayable on 31 December 2023.

The carrying amount of the borrowings approximate their fair value.

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

	2020	2019
	%	%
Borrowings from related parties (Note 25(v))	**4,75**	4,75

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

	2020	2019
	€	€
1-5 years	**1.833.772**	1.466.171

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

	2020	2019
	€	€
Euro - functional and presentation currency	**1.833.772**	1.466.171

23 Deferred income tax liabilities

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

	2020	2019
	€	€
Deferred income tax liabilities:		
Deferred tax liabilities to be settled after more than twelve months	**500.551**	514.168

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

	2020	2019
	€	€
At beginning of year	**514.168**	553.488
Credit to profit or loss	**(13.617)**	(39.320)
At end of year	**500.551**	514.168

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

23 Deferred income tax liabilities (continued)

Deferred tax liabilities	Fair value gains €
At 31 December 2019	553.488
Credited to:	
Income statement (Note 13)	(39.320)
At 31 December 2019 and 1 January 2020	514.168
Credited to:	
Income statement (Note 13)	(13.617)
At 31 December 2020	500.551

Deferred income tax assets are recognized for tax losses carried forward to the extent that the realization of the related tax benefit through future taxable profits is probable.

24 Trade and other payables

	2020 **€**	2019 €
Current:		
Trade payables	**38.654**	46.611
Payables to related parties (Note 25(iv))	**302.047**	602.597
Other payables	**20.800**	17.800
Accrued expenses	**26.389**	168.549
Trade and other payables	**387.890**	835.557

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

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

	2020 **€**	2019 €
Euro - functional and presentation currency	**387.890**	835.557

25 Related party transactions

The Company is controlled by Arsinoe Investments Company Limited, incorporated in England, which owns 70,57% of the Company's shares, N.K. Shacolas (Holdings) Limited incorporated in Cyprus, which owns 17,40% of the Company's shares and Chrysochou Merchants Limited, incorporated in Cyprus, which owns 11,73% of the Company's shares. The ultimate controlling party is N.K.Shacolas (Holdings) Limited. Since 2015 the shareholding of the N.K.Shacolas (Holdings) Limited was dilluted among the Shacola's family and none of them control the Company.

(i) Sales of goods and services

	2020 **€**	2019 €
Sales of professional services:		
Woolworth (Cyprus) Properties Plc–common ownership	**23.546**	-
N. K. Shacolas (Holdings) Limited-ultimate controlling party	**-**	12.173
	23.546	12.173

25 Related party transactions (continued)

(ii) Purchases of goods and services

	2020 €	2019 €
Purchases of professional services:		
Woolworth (Cyprus) Properties Plc - common ownership	-	5.784
Novario Holding Ltd - common ownership	-	185
Ermes Department Stores Plc - common ownership	-	992
CTC Automotive Limited - common ownership	**278**	1.339
Superhome Center (DIY) Limited - common ownership	-	4.380
Apex Limited - common ownership	-	165
Cyprus Trading Corporation Plc - common ownership	-	496
Argosy Trading Company Ltd - common ownership	**85**	-
	363	13.341

(iii) Directors' remuneration

The total remuneration of the Directors was as follows:

	2020 €	2019 €
Emoluments in their executive capacity	**18.000**	-

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

	2020 €	2019 €
Receivables from related parties (Note 18)		
Woolworth (Cyprus) Properties Plc – common ownership	-	6.883
Cyprus Trading Corporation Plc – common ownership	-	590
Danapan Limited – common ownership	**141**	142
Superhome Center (DIY) Limited – common ownership	-	9.013
Apex Limited – common ownership	-	196
Ermes Department Stores Plc – common ownership	-	1.180
LBSP - Limassol Beach & Seaview Properties Ltd – common ownership	**3.049**	3.049
N.K. Shacolas (Holdings) Ltd – ultimate controlling party	-	20.329
Argosy Trading Company Ltd – common ownership	**226**	-
	3.416	41.382

	2020 €	2019 €
Payables to related parties (Note 24):		
Novario Holdings Ltd – common ownership	**229**	229
CTC Automotive Limited – common ownership	-	67.980
Ermes Department Stores Plc – common ownership	-	18.007
Cyprus Trading Corporation Plc – common ownership	-	188.931
N.K. Shacolas (Holdings) Ltd – ultimate controlling party	**301.818**	327.168
Superhome Center (DIY) Limited – common ownership	-	282
	302.047	602.597

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

25 Related party transactions (continued)

(v) Borrowings from related parties

	2020	2019
	€	€
Borrowings from common ownership company:		
At beginning of year	**1.466.171**	1.653.463
Borrowings advanced during year	**754.921**	283.255
Borrowings waived during the year	**(353.468)**	(566.662)
Borrowings repaid during year	**(99.394)**	-
Interest charged	**65.542**	96.115
At end of year (Note 21)	**1.833.772**	1.466.171

The above balance is repayable on 31 December 2023, bears interest of 4,75% (2019: 4,75%) and does not have any security.

Following the Debt for Asset Swap agreement with the Company's main banking institution during 2018, most of the Company's payable to its' related party Woolworth (Cyprus) Properties Plc ("WCP") were waived. Additional waiver of balance was agreed in 2020 to cover expenses incurred in the current year. It is further noted that the Company's main asset, has been mortgaged for €3.000.000 to secure a bank loan of another related company (Note 25(vi)) and that WCP and other related Companies have agreed that if this mortgage is ever called in, financial support will need to be given to the Company.

The balance outstanding as at 31 December 2020 will be repaid in four years.

(vi) Guarantees

Bank borrowings of related company are secured on the Company's Investment property for €3.000.000 (2019: €3.000.000) (Note 16).

26 Prior year adjustment

The prior year adjustment represents an error of classification of the waiver of balance by a common control shareholder from profit and loss to reserve as it better presents the nature of the transaction.

	Originally stated €	Reclassification €	Restatement €	As restated €
Other gains/(losses) – net	298.304	200.000	(566.662)	(68.358)
Fair value loss on investment property	-	(200.000)		(200.000)
Loss for the year	-	-	(566.662)	(566.662)
Loss per share attributable to the Company's shareholders (cents per share)	-	-	(0,19)	(0,19)

27 Events after the balance sheet date

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

Independent Auditor's Report on pages 7 to 10.