Amathus Public Limited

Report and consolidated financial statements
31 December 2016

Contents

Amathus Public Limited

Board of Directors and other officers

Board of Directors

Platon E. Lanitis	- Chairman
Costas E. Lanitis	- Vice Chairman
Costas Charitou	
Constantinos Mitsides	
Marios E. Lanitis	
Markos Christodoulou	
Michalakis Hatzikyriakos	
Savvas Orfanides	

Company Secretary

P&D Secretarial Services Limited
Agathangelos Court
10 Georgiou Gennadiou Street
3rd Floor, Office 303
3600 Limassol
Cyprus

Registered office

Akinita Amathus
Syntagmatos Street
3036 Limassol
Cyprus

Amathus Public Limited

Declaration of the members of the Board of Directors and the Company's financial controller for the preparation of the consolidated financial statements of the Company

In accordance with Article 9, sections (3) (c) and (7) of the Provisions of the Transparency (Securities for Trading on Regulated Markets) Laws of 2007 up to 2014 ("Law"), we, the members of the Board of Directors and the financial controller of Amathus Public Limited, responsible for the consolidated financial statements of Amathus Public Limited for the year ended 31 December 2016, confirm that, based on our knowledge:

(a) the annual consolidated financial statements which are presented on pages 21 to 91 (excluding pages 13 to 20):

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

(ii) give a true and fair view of the assets and liabilities, the financial position and the profit or loss of the Group and the Company and the businesses that are included in the consolidated financial statements as a total and

(b) the Management Report provides a fair review of the developments and the performance of the business as well as the financial position of the Group, together with a description of the main risks and uncertainties that they face.

Members of the Board of Directors

Name	Signature
Platon E. Lanitis, Chairman	
Costas E. Lanitis, Vice Chairman	
Costas Charitou, Director	
Constantinos Mitsides, Director	
Marios E. Lanitis, Director	
Markos Christodoulou, Director	
Michalakis Hatzikyriakos, Director	
Savvas Orfanides, Director	

Financial Controller

Name	Signature
Panicos Sylikiotis, Financial Controller	

Limassol
28 April 2017

Amathus Public Limited

Consolidated Management Report

The Board of Directors submits to the Shareholders its annual report together with the audited consolidated financial statements of the Group for the year ended 31 December 2016.

Principal activities

The principal activities of the Group, which are unchanged from last year, are concentrated mainly in the tourist sector.

Specifically, the principal activities of the Group are the following:

(i) Tourist activities

Representation and handling of airline companies in Cyprus and sale of airline tickets and other travel agent services both in Cyprus and Greece through the associate company Amathus Hellas Touristiki A.E., and in Malta through the associate company APG Malta Limited.

Tourist activities which include sales of organised excursions abroad through Let's Go Tours, handling of incoming tourism including tourist groups and group conferences, through the subsidiary company Amathus Corporation Limited.

Sale of holiday packages from Greece through the subsidiary company ANC Worldchoice Holidays T.E. MEPE.

Sale of cruise packages through the associate company Orange Travel (Cyprus) Limited (formerly A&M Cruises Limited).

The tourist activities which relate to sales of organised excursions abroad through Let's Go Tours have been transferred to the associate company Orange Travel (Cyprus) Limited at the end of the year (Note 32 (h)).

(ii) Other activities – through associates and joint ventures

Representation and handling of shipping lines, clearing and forwarding services through the associate company Amathus Aegeas Limited.

Airport and air cargo handling services through the associate company Two Serve (Airport Services).

Participation in the associate company Leisure Holding S.A. with a shareholding of 31,22% (2015: 31,22%), which owns 100% of Landa AXTE, which is the owner of Amathus Beach Hotel Rhodes, and participation in the joint venture Amathina Holdings Limited with a shareholding of 25%, which owns 100% of Amathina Luxury Hotels Limited, which is the owner of Amathus Beach Hotel Limassol.

Principal activities (continued)

(ii) Other activities – through associates and joint ventures (continued)

Participation to the associate K.A. Olympic Lagoon Resort Limited with a shareholding of 48% (2015: 48%). Amathus Public Limited has acquired 48% of K.A. Olympic Lagoon Resort Limited which has been incorporated by Amathus Public Limited and Kanika Hotels Limited for the sole purpose of the acquisition of Amathus Beach Hotel Paphos which was renamed to Olympic Lagoon Resort Paphos. As from 28 May 2015, the company K.A. Olympic Lagoon Resort Limited owns and operates Olympic Lagoon Resort Paphos.

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

The Group's loss before tax from continuing operations for the year 2016 was €139.796 compared to a profit before tax from continuing operations of €2.871.879 in prior year.

The decrease in the Group's results from continuing operations for the year 2016 compared to prior year, is mainly due to:

(i) The impairment charge of the investment in the associate Leisure Holdings S.A amounting to €1.229.463 due to the sale and purchase agreement for the sale of its subsidiary company Landa AXTE, owner of the Amathus Beach Hotel Rhodes, signed on 22 December 2016.

(ii) The loss making results reported by the associate company Claridge Public Limited compared to the previous year. The results of Claridge Public Limited for the year 2016 include an impairment charge for the investment in associate Leisure Holdings S.A.. The share of Amathus Public Limited on the impairment charge stated above amounts to €537.690. In addition to the impairment, the decrease in the results of Claridge Public Limited is due to the fact that during the year 2015 non-recurring income amounting to €2.000.000 from a partial loan waiver was recognised.

(iii) The fact that the results of the associate company Leisure Holdings S.A. for the year 2015 included a credit in respect of an impairment charge reversal in respect of property, plant and equipment of Amathus Beach Hotel Rhodes, which was recognised in 2014.

(iv) The decrease of gross profit by €216.592 compared to prior year due to the decrease of the Group's revenue. The decrease of the Group's revenue relates mainly to the reduction of income from the sale of air tickets in Cyprus and the decrease in revenue of the subsidiary company ANC Worldchoice Holidays from the sale of holiday packages in Greece.

Review of developments, position and performance of the Group's business (continued)

After the tax charge/credit amounting to €177.802 (2015: credit €108.021), the loss after tax from continuing operations was €317.598 compared to a profit after tax from continuing operations of €2.979.900 in 2015. The tax charge includes deferred tax charge of €101.760 which derived from the revaluation of the company's land and buildings.

The profit for the year from discontinued operations was €5.386 (2015: loss from discontinued operations €38.075).

The loss for the year amounted to €312.212 after the results from discontinued operations compared to a profit of €2.941.825 in 2015.

The comparative figures for 2015 mentioned above have been restated on the basis of the correction that arose in relation to the results of the associate Claridge Public Limited as described in Note 14 of the consolidated financial statements.

Principal risks and uncertainties

The activities of the Group are influenced by various risks and uncertainties that mainly relate to the tourist industry.

Such risks and uncertainties are:

- The global financial crisis prevailing and its impact on the market;
- The seasonality of the activities;
- The quality and quantity of tourism from and to Cyprus;
- The increased competition both within Cyprus and from neighbouring countries as well; and
- The impact of wars, terrorist attacks, epidemics and illnesses that are probable to affect tourist arrivals.

The principal risks and uncertainties faced by the Group are disclosed in Note 3 of the consolidated financial statements.

Additionally, the Group faces the risks and uncertainties disclosed in Notes 1, 4 and 33.

Use of financial instruments by the Group

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

The Group's risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group'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 Group's operating units.

Price risk

Price risk is the risk that the value of the available-for-sale financial assets will fluctuate as a result of changes in market prices. The Group is not exposed to significant price risk since it does not have significant available-for-sale financial assets. The equity investments that are publicly traded in the Cyprus Stock Exchange at 31 December 2016 and 2015 are not significant.

Cash flow interest rate risk

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

At 31 December 2016, if interest rates on Euro-denominated bank deposits had been 1% (2015: 1%) higher/lower with all other variables held constant, the impact on the Group's results for the year after tax would not be significant.

At 31 December 2016, if interest rates on Euro-denominated interest borrowings had been 1% (2015: 1%) higher/lower with all other variables held constant, the impact on the Group's results for the year after tax would not be significant.

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 and related parties, including outstanding receivables and committed transactions. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, 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. The utilisation of credit limits is regularly monitored. Sales to retail customers are settled in cash or using major credit cards. See Note 21 for further disclosure on credit risk.

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 believes that it is successful in managing the Group's liquidity risk.

Future developments of the Group

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

Results

The Group's results for the year are set out on pages 21 to 22. The loss for the year is transferred to reserves.

The final results of the Group for the year 2016 differ from the profit warning announced in December 2016, mainly due to the impairment charge for the investment in the associate company Leisure Holdings S.A., which arose after the signing of the sale and purchase agreement for the sale of its subsidiary company Landa AXTE, owner of the Amathus Beach Hotel Rhodes, on 22 December 2016. The impairment charge arising from the direct holding of Amathus Public Limited in Leisure Holdings S.A. and from the indirect holding through the associate Claridge Public Limited amounts to €1.767.153.

Share capital

At the Extraordinary General Meeting on 11 March 2016, the Shareholders voted the following:

(i) The reduction of the issued share capital of the Company by the amount of €4.224.246 which represents the unpaid part of the Partly Paid Non-Voting shares. With the above stated reduction, the share capital of the Company shall be €37.687.140 divided into 88 050 305 ordinary shares of nominal value €0,34 each fully paid up, 16 425 non-voting shares of nominal value €0,34 each fully paid up and 35 202 055 non-voting shares of nominal value €0,22 fully paid up.

Share capital (continued)

(ii) The increase of the authorised share capital of the Company to €62.974.283 with the creation of 12 424 255 non-issued ordinary shares of nominal value €0,34 each, divided into 162 424 255 ordinary shares with voting rights of €0,34 each and 35 218 480 non-voting shares out of which 16 425 shares with a nominal value of €0,34 each and 35 202 055 shares with a nominal value of €0,22 each.

(iii) The consolidation of every 17 issued non-voting shares into 11 non-voting shares of nominal value €0,34 each, resulting into 22 777 800 fully paid up non-voting shares of nominal value €0,34 each.

(iv) The conversion of the 16 425 non-voting shares and the 22 777 800 non-voting shares resulted from the consolidation, totalling to 22 794 225 non-voting shares of €0,34 each, into ordinary shares fully paid up, which are equally ranked with the other ordinary shares of the Company and are going to be listed to the Cyprus Stock Exchange for trading.

(v) The reduction of the share premium account of the Company by the amount of €3.935.797 as well as the reduction of the currency translation difference reserve from the conversion of share capital in Euro by the amount of €331.717 and that the total amount of €4.267.514 resulting from the reduction of the above said accounts be returned to the shareholders of the Company.

(vi) The authorised share capital of the Company, as a result of the consolidation of shares described in point (iii) above, is €62.974.283 dividend into 185 218 480 ordinary shares with a nominal value of €0,34 each.

All the above resolutions were approved by Court decision and were effected.

There are no restrictions related to the transfer of the titles of the Company or the holding of any titles from anyone except for the obligation that is imposed to the members of the Board of Directors to obtain approval from a special committee that is set up before the purchase or sale of the shares of the Company.

There is no share option scheme for the participation of Company's employees in the share capital of the Company.

Board of Directors

The members of the Board of Directors at 31 December 2016 and at the date of this report are shown on page 1. All of them were members of the Board throughout the year 2016.

In accordance with article 82 of the Company's Articles of Association, all Directors retire and, being eligible, offer themselves for re-election.

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

Corporate Governance Code

The Board of Directors of the Group has not adopted the provisions of the Corporate Governance Code issued by the Cyprus Stock Exchange. The Group is not obliged to adopt the provisions of the Code as its titles are being traded on the Alternative Market of the Cyprus Stock Exchange. The main reason for not adopting the provisions of the Corporate Governance Code is that the costs to that would be incurred would be disproportionally higher than any anticipated benefits from its adoption. The full document of Corporate Governance code can be found on the website of the Cyprus Stock Exchange (www.cse.com.cy).

The Board of Directors ensures the establishment of sufficient internal control procedures and risk control mechanisms, for the drafting, preparation, content and publication of all periodical information that is required for listed companies. The person responsible for the preparation of consolidated financial statements is the financial controller.

Shareholders holding more than 5% of the Company's share capital

On 24 April 2017, the following shareholders held over 5% of the issued share capital of the Company:

	Percentage holding %
Lanitis E.C. Holdings Limited [(1)]	56,86
Unity Managers (Cyprus) Limited	6,39

(1) The percentages of the shares owned by Lanitis E.C. Holdings Limited includes the indirect participation that arises through the shares owned by the company N.P. Lanitis Investments Limited (0,91%).

The Company has not issued any titles with special control rights. In February 2007, the Company issued 35 218 480 partly paid shares which have the same rights with ordinary shares except from the voting right until their repayment. During the year ended 31 December 2016 the party paid shares were converted to 22 794 225 fully paid shares after special resolution, which will be listed to the Cyprus Stock Exchange for negotiation. Detailed information regarding the capital of the Company is presented in Note 26 of the consolidated financial statements.

Directors' interests in the Company's share capital

During the period from the end of the financial year and five days before the date of approval of the financial statements of the Company, there was no movement in the percentage of shares that each member of the Board of Directors holds directly and indirectly.

Corporate Governance Code (continued)

Directors' interests in the Company's share capital (continued)

The percentage of the total shares of the Company, Directors, their spouses, their children and companies in which the Directors hold directly or indirectly at least 20% of the shares with voting rights, on 31 December 2016 and on 24 April 2017, were as follows:

	Percentage holding	
	31 December 2016 %	24 April 2017 %
Platon E. Lanitis [1]	61,80	61,80
Costas E. Lanitis	4,21	4,21
Marios E. Lanitis	2,75	2,75
Savvas Orfanides [2]	6,39	6,39
Markos Christodoulou	0,60	0,60
Michalakis Hatzikyriakos	-	-
Costas Charitou	-	-
Constantinos Mitsides	-	-

(1) The percentage holding of Mr Platon E. Lanitis includes the percentage of Lanitis E.C. Holdings Limited (55,95%) and N.P. Lanitis Investments Limited (0,91%) as stated above.

(2) The percentage holding of Mr Savvas Orfanides includes the percentage of Unity Managers (Cyprus) Limited, as stated above.

Contracts with Directors and connected persons

Contractual agreements on an arm's length basis exist between the Group and other related entities as stated in Note 32 to the consolidated financial statements.

Other than what is stated in Note 32, at 31 December 2016 there was no other significant contractual agreement with the Group, in which a Director or connected persons had a material interest. Connected persons include the spouse, minor children and companies in which a Director holds, directly or indirectly, at least 20% of the voting shares.

Titles with special control rights

The Company has not issued titles with special control rights and neither exist any restrictions to the voting rights of shareholders, except from the lack of voting right of the 22 794 225 fully paid shares of the Company which were converted from party paid shares to fully paid shares, as stated in Note 26.

Corporate Governance Code (continued)

Rules for appointment of members of the Board of Directors

The appointment and replacement of members of the Board of Directors is done or is approved at the annual general meeting of the Company in accordance with the provisions of its Articles of Association. The Board of Directors has the power to appoint whenever it decides, any person as member of the Board of Directors until the next annual general meeting. In addition, it has the power to substitute places that have been depleted in the same way until the next annual general meeting.

The Company's Articles of Association can be modified by the passing of a Special Resolution at an Extraordinary General Meeting of the shareholders.

The Board of Directors consists of 8 members and meetings are convened at regular intervals. The Board of Directors approves the Group's strategy and supervises the adoption and realisation of the Group's strategic development. The day to day responsibilities have been assigned to the executive Directors.

New issue of shares

The Board of Directors of the Company may issue or repurchase shares of the Company after an approval from the shareholders of the Company. The issue of any new shares are further subject to the provisions of the Articles of Association, the current legislation and the principle of the equal treatment of the existing shares.

The issue of new shares to the shareholders depends on the discrete power of the members of the Board of Directors, while to any third party a decision is required at the general meeting. Any issue of shares is carried out in the context of the Company's Articles of Association and the relevant legislation.

Audit Committee

The Audit Committee assures the implementation of the accounting principles governing the preparation of the financial reports, the internal control system as well as the effectiveness, independence and objectivity of the internal and external auditors. In addition the Committee has the responsibility for the review of the internal financial systems such as internal control and risk management systems.

The members of the Audit Committee as at 31 December 2016 are Messrs Savvas Orfanides, chairman, Michalakis Hatzikyriakos and Constantinos Mylonas.

Risk Management Committee

A Risk Management Committee has not been formed by the Board. As mentioned above, the risk management is assigned to the Audit Committee.

Consolidated Management Report (continued)

Events after the balance sheet date

The material post balance sheet events, which have a bearing on the understanding of the consolidated financial statements are disclosed in Note 34.

Branches

The Group did not operate through any branches during the year.

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

P&D Secretarial Services Limited
Secretary

Limassol, 28 April 2017

Independent auditor's report

To the Members of Amathus Public Limited

Report on the audit of the consolidated financial statements

Our opinion

In our opinion, the accompanying consolidated financial statements of Amathus Public Limited ("the Company") and its subsidiaries (together "the Group") give a true and fair view of the consolidated financial position of the Group as at 31 December 2016, and of its consolidated financial performance and its consolidated 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 financial statements which are presented in pages 21 to 91 which comprise:

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

The financial reporting framework that has been applied in the preparation of the consolidated 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 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 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 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: €400.000, which represents 0,9% of the total assets of the Group.

- We audited the complete financial information of components which were selected either due to their size, or due to their risk characteristics.
- For the remaining components of the Group, we audited the complete financial information, performed audit work over specific financial statements lines or analytical procedures.

We have identified the following key audit matters (KAM):

- Fair value of Land and Buildings
- Impairment assessment of investments in associates

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 financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall group materiality for the consolidated 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	€ 400.000
How we determined it	0,9% of the total assets of the Group
Rationale for the materiality benchmark applied	We chose total assets as the benchmark, because it is a generally accepted benchmark and because in our view, due to the nature of the activities of the Group of which a significant part is the holding of investments, this is an appropriate quantitative materially benchmark. We chose 0,9% which is within the range of acceptable quantitative materiality thresholds.

We agreed with the Audit Committee that we would report to them individual misstatements identified during our audit above €20.000 as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

How we tailored our group audit scope
Amathus Public Limited is the parent of a group of companies. The financial information of this Group is included in the consolidated financial statements of Amathus Public Limited.

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 main activities of the Group are concentrated mainly in the tourist industry.

The Group's operations are made up of operating businesses situated in a number of territories (Cyprus, Greece and others). For financial reporting purposes, the Group is structured into 21 reporting units, comprising the Company, subsidiary or sub-subsidiary entities, associates and joint ventures 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 and whether this would be performed by us, as the group engagement team, or component auditors from other PwC network or other non-network firms, operating under our instructions. Accordingly, out of the Group's 21 reporting units, we performed an audit of the complete financial information of reporting units, which were selected either due to their size, or their risk characteristics. For the remaining reporting units of the Group, we audited the complete financial information, performed audit work over specific financial statement lines or analytical procedures.

Where the work was performed by component auditors, we as group auditors determined the level of involvement we needed to have in the audit work at those reporting units to be able us to conclude whether sufficient appropriate audit evidence had been obtained as a basis for our opinion on the Group financial statements as a whole. Our involvement in that work included, amongst others, review of the audit work in the files of component auditors in scope, including the nature, timing and extent of the work impacting the Group audit opinion and frequent communications with component audit teams to ensure that our audit plan was appropriately executed. We focused our review on significant/complex areas, such as the fair value of land and buildings and the impairment assessment of investment in associates. The Group consolidation and financial statement disclosures are audited by the Group engagement team.

By performing the procedures above at components, combined with the additional procedures at Group level, we have obtained sufficient and appropriate audit evidence regarding the financial information of the Group as a whole to provide a basis for our audit opinion on the consolidated financial statements.

Key audit matters

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

Key Audit Matter	How our audit addressed the Key Audit Matter
Fair value of Land and Buildings	
Refer to Note 15 "Property, plant and equipment" of the consolidated financial statements	
We focused on the assessment performed by Management for the fair value of the Group's Land and Buildings of a specific property due to the significance of its value in the balance sheet which amounted to €4 million from the total value of Land and Buildings of the Group of €4,6 million as at 31 December 2016. As at 31 December 2016, the fair value of Land and Buildings was determined by Management and approved by the Board of Directors based on valuations performed by independent professional valuers. The valuations were based mainly on the Comparative Method for the determination of the Fair Value of the properties, taking into consideration the factors affecting the value of them including comparable sales and trends of the economy and the real estate market. The significant unobservable input used was the price per square meter.	For the purposes of our audit, we requested from Management the valuations of the fair value of the property with value of €4 million, which were performed by independent professional valuers on behalf of the Group, to be assessed and we have discussed with Management and the Board of Directors the process and valuation methods. In the context of our work and by involving in our audit procedures the internal team of professional valuers of our firm: - We assessed the competency, capability and objectivity of the independent professional valuers; - We reviewed the reliability, appropriateness and accuracy of the methodology, data and assumptions applied in the valuations performed by the Board of Directors and the independent professional valuers; and - We evaluated the total presentation, structure and content of the consolidated financial statements, and whether the consolidated financial statements reflect the fair value of the property, including the disclosures required by the provisions of IFRS 13 for the fair value hierarchy, the significant unobservable inputs and the sensitivity of Management estimates.

Key Audit Matter	How our audit addressed the Key Audit Matter
Impairment assessment of investment in associate	
Refer to Note 18 "Investment in associates"	
We focused on the impairment assessment performed by Management for the value of the investment in the associate Leisure Holdings S.A., due to the significance of the carrying amount of the investment in the consolidated balance sheet. As at 31 December 2016, the carrying amount of the investment amounted to €1,5 million after impairment charge amounting to €1,2 million recognised in the year 2016. The investment in associate is reviewed for impairment, whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Management evaluated whether there were any events or changes in circumstances during the year 2016 which necessitate the recognition of an impairment charge for a specific investment. On 22 December 2016, the associate Leisure Holdings S.A. signed an agreement for the sale of its wholly owned subsidiary Landa AXTE, the completion of which is subject to the implementation of specific terms. As a result, Management proceeded with the impairment assessment of the investment in the associate. During the year, impairment charge of €1,2 million was recognised, calculated as the difference between the carrying amount of the investment and its fair value less costs to sell which was calculated based on the Group's share in the selling price of the wholly owned subsidiary of Leisure Holdings S.A., Landa AXTE, in accordance with the sale agreement.	For the purpose of our audit, we requested from the Group's Management the evaluation performed to identify any events or changes in circumstances which may indicate that the carrying amount of the investment may not be recoverable. In the context of our work: - We reviewed the existence of such indicators which necessitate the recognition of an impairment charge for the specific investment; - We reviewed the sale agreement, the validity of the data used by Management for the calculation of the impairment charge and we have assessed the accuracy of the calculation; and - We evaluated the disclosures in the consolidated financial statements in relation to the impairment of the investment in the associate.

Other information

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

Our opinion on the consolidated 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 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 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 the governance for the consolidated financial statements

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

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Group's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the consolidated 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 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 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 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 Group'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 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 to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated 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 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 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 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 financial statements give the information required by the Cyprus Companies Law, Cap. 113, in the manner so required.

- In our opinion, the Consolidated 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 financial statements.

- In our opinion, and in the light of the knowledge and understanding of the Group and its environment obtained in the course of the audit, we have not identified material misstatements in the Consolidated 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 financial statements.

- In our opinion, and in the light of the knowledge and understanding of the Group 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 Petros C. Petrakis.

Petros C. Petrakis
Certified Public Accountant and Registered Auditor
for and on behalf of

PricewaterhouseCoopers Limited
Certified Public Accountants and Registered Auditors

Limassol, 28 April 2017

Amathus Public Limited

Consolidated income statement
for the year ended 31 December 2016

	Note	**2016** **€**	2015 As restated €
Continuing operations			
Revenue	6	**4.797.768**	5.434.879
Cost of sales	9	**(3.016.003)**	(3.436.522)
Gross profit		**1.781.765**	1.998.357
Selling and marketing costs	9	**(57.350)**	(69.352)
Administrative expenses	9	**(2.361.993)**	(2.349.259)
Other income	7	**337.034**	598.068
Other losses – net	8	**(1.226.759)**	(18.252)
Operating (loss)/profit		**(1.527.303)**	159.562
Share of profit of associates	14,18	**489.932**	2.479.797
Share of profit of joint venture	19	**1.257.095**	798.269
Profit before finance costs		**219.724**	3.437.628
Finance costs	11	**(359.520)**	(565.749)
(Loss)/profit before income tax		**(139.796)**	2.871.879
Income tax charge/(credit)	12	**(177.802)**	108.021
(Loss)/profit for the year from continuing operations		**(317.598)**	2.979.900
Discontinued operations			
Profit/(loss) for the year from discontinued operations	25	**5.386**	(38.075)
(Loss)/profit for the year		**(312.212)**	2.941.825
Attributable to:			
Owners of the Company		**(312.090)**	2.941.957
Non-controlling interest	28	**(122)**	(132)
		(312.212)	2.941.825
(Loss)/profit per share attributable to the owners of the Company (cent per share):			
- Basic	13	**(0,28)**	2,65
- Diluted	13	**N/A**	N/A
(Loss)/profit per share from continuing operations attributable to the owners of the Company (cent per share):			
- Basic	13	**(0,29)**	2,69
- Diluted	13	**N/A**	N/A

The notes on pages 29 to 91 are an integral part of these consolidated financial statements.

Amathus Public Limited

Consolidated statement of comprehensive income for the year ended 31 December 2016

	Note	2016 €	2015 As restated €
(Loss)/profit for the year		**(312.212)**	2.941.825
Other comprehensive income:			
Items that maybe subsequently reclassified to profit or loss			
Revaluation gain on land and buildings after tax	27	**281.597**	-
Deferred tax adjustment on revaluation	27	**2.630**	5.103
Change in fair value of available-for-sale financial assets	27,28	**(17.657)**	(413.751)
Currency translation differences	27	**(32.364)**	11.618
Share of fair value reserve in associates	27	**(22.407)**	49.543
Other comprehensive income for the year, after tax		**211.799**	(347.487)
Total comprehensive (loss)/income for the year		**(100.413)**	2.594.338
Attributable to:			
Owners of the Company		**(98.603)**	2.635.730
Non-controlling interest	28	**(1.810)**	(41.392)
		(100.413)	2.594.338
Total comprehensive (loss)/income attributable to owners of the Company arises from:			
Continuing operations		**(98.603)**	2.635.730
Discontinued operations		**-**	-
		(98.603)	2.635.730
Total comprehensive (loss)/profit per share attributable to owners of the Company (cent per share)			
- Basic	13	**(0,09)**	2,38
- Diluted	13	**N/A**	N/A
Total comprehensive (loss)/profit per share from continuing operations attributable to owners of Company (cent per share)			
- Basic	13	**(0,09)**	2,38
- Diluted	13	**N/A**	N/A

Items in the statement above are disclosed net of tax. The income tax relating to each component of other comprehensive income is disclosed in Note 12.

The notes on pages 29 to 91 are an integral part of these consolidated financial statements.

Amathus Public Limited

Consolidated balance sheet at 31 December 2016

	Note	**2016** €	2015 As restated €
Assets			
Non-current assets			
Property, plant and equipment	15	**4.633.243**	4.431.571
Investment property	16	**220.000**	220.000
Investments in associates	14, 18	**17.310.171**	18.083.670
Investments in joint venture	19	**16.606.696**	15.912.173
Available-for-sale financial assets	22	**425.602**	430.459
		39.195.712	39.077.873
Current assets			
Trade and other receivables	23	**3.651.533**	4.616.300
Cash and bank balances	24	**1.858.787**	9.888.562
		5.510.320	14.504.862
Total assets		**44.706.032**	53.582.735
Equity and liabilities			
Capital and reserves			
Share capital	26	**37.687.140**	37.671.282
Share premium	26	**-**	3.935.797
Other reserves	27	**1.226.718**	1.487.395
Accumulated losses		**(2.253.224)**	(2.083.581)
		36.660.634	41.010.893
Non-controlling interest	28	**57.816**	59.626
Total equity		**36.718.450**	41.070.519
Non-current liabilities			
Borrowings	29	**1.334.911**	62.316
Deferred tax liabilities	30	**662.607**	534.475
		1.997.518	596.791
Current liabilities			
Trade and other payables	31	**3.172.081**	6.441.787
Current tax liabilities		**1.412**	1.412
Borrowings	29	**2.816.571**	5.472.226
		5.990.064	11.915.425
Total liabilities		**7.987.582**	12.512.216
Total equity and liabilities		**44.706.032**	53.582.735

On 28 April 2017 the Board of Directors of Amathus Public Limited authorised these consolidated financial statements for issue.

Platon E. Lanitis, Chairman   Costas E. Lanitis, Vice Chairman

The notes on pages 29 to 91 are an integral part of these consolidated financial statements.

Amathus Public Limited

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

	Note	Share capital – fully paid shares €	Share capital – partly paid shares €	Share premium [2] €	Other reserves [2] €	Accumulated losses [1] €	Total €	Non-controlling interest €	Total €
		Attributable to the owners of the Company							
Balance at 1 January 2015									
As previously stated		29.937.104	7.734.178	3.935.797	2.605.643	(6.612.940)	37.599.782	101.018	37.700.800
Prior year adjustment	14	-	-	-	(781.495)	1.556.876	775.381	-	775.381
Balance at 1 January 2015 as restated		29.937.104	7.734.178	3.935.797	1.824.148	(5.056.064)	38.375.163	101.018	38.476.181
Comprehensive income									
Profit for the year as restated		-	-	-	-	2.941.957	2.941.957	(132)	2.941.825
Other comprehensive income									
Land and buildings:									
Deferred tax on revaluation of land and buildings	27	-	-	-	5.103	-	5.103	-	5.103
Transfer of excess depreciation, net of tax	27	-	-	-	(30.526)	30.526	-	-	-
Currency translation differences	27	-	-	-	11.618	-	11.618	-	11.618
Available-for-sale financial assets:									
Fair value loss	27,28	-	-	-	(372.491)	-	(372.491)	(41.260)	(413.751)
Share of fair value reserve in associates	27	-	-	-	49.543	-	49.543	-	49.543
Total other comprehensive income		-	-	-	(336.753)	30.526	(306.227)	(41.260)	(347.487)
Total comprehensive income for the year 2015		-	-	-	(336.753)	2.972.483	2.635.730	(41.392)	2.594.338
Balance at 31 December 2015 as restated		29.937.104	7.734.178	3.935.797	1.487.395	(2.083.581)	41.010.893	59.626	41.070.519

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

	Note	Attributable to the owners of the Company						Non-controlling interest	Total
		Share capital – fully paid shares	Share capital – partly paid shares	Share premium [2]	Other reserves [2]	Accumulated losses [1]	Total		
		€	€	€	€	€	€	€	€
Balance at 1 January 2016	14	29.937.104	7.734.178	3.935.797	1.487.395	(2.083.581)	41.010.893	59.626	41.070.519
Comprehensive loss									
Loss for the year		-	-	-	-	(312.090)	(312.090)	(122)	(312.212)
Other comprehensive income									
Land and buildings:									
Revaluation gain on land and buildings	27	-	-	-	303.825	-	303.825	-	303.825
Deferred tax on revaluation of land and buildings	27	-	-	-	(22.228)	-	(22.228)	-	(22.228)
Transfer of excess depreciation, net of tax	27	-	-	-	(33.283)	33.283	-	-	-
Deferred tax adjustments on revaluation of land and buildings		-	-	-	2.630	-	2.630	-	2.630
Currency translation differences	27	-	-	-	(32.364)	-	(32.364)	-	(32.364)
Available-for-sale financial assets:									
Fair value loss	27,28	-	-	-	(15.969)	-	(15.969)	(1.688)	(17.657)
Transfer between reserves		-	-	-	(109.164)	109.164	-	-	-
Share of fair value reserve in associates	27	-	-	-	(22.407)	-	(22.407)	-	(22.407)
Total other comprehensive income		-	-	-	71.040	142.447	213.487	(1.688)	211.799

Amathus Public Limited

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

	Note	Share capital – fully paid shares €	Share capital – partly paid shares €	Share premium (2) €	Other reserves (2) €	Accumulated losses (1) €	Total €	Non-controlling interest €	Total €
		Attributable to the owners of the Company							
Transactions with owners:									
Distribution of share premium to shareholders		-	-	(3.935.797)	-	-	(3.935.797)	-	(3.935.797)
Distribution of other reserves to shareholders		-	-	-	(331.717)	-	(331.717)	-	(331.717)
Instalments paid for partly paid shares		-	15.858	-	-	-	15.858	-	15.858
Conversion of partly paid shares to fully paid shares		7.750.036	(7.750.036)	-	-	-	-	-	-
Total transaction with owners		7.750.036	(7.734.178)	(3.935.797)	(331.717)	-	(4.251.656)	-	(4.251.656)
Total comprehensive income for 2016		7.750.036	(7.734.178)	(3.935.797)	(260.677)	(169.643)	(4.350.259)	(1.810)	(4.352.069)
Balance at 31 December 2016		37.687.140	-	-	1.226.718	(2.253.224)	36.660.634	57.816	36.718.450

(1) Companies which do not distribute 70% of their profits after tax, as defined by the Special Contribution for the Defence of the Republic Law, by the end of the two years after the end of the year of assessment to which the profits refer, will be deemed to have distributed this amount as dividend. Special contribution for defence at 15% will be payable on such deemed dividend to the extent that the shareholders, for deemed dividend distribution purposes at the end of the period of two years from the end of the year of assessment to which the profits refer, are Cyprus tax residents. The 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 and other reserves are not available for distribution in the form of dividend.

The notes on pages 29 to 91 are an integral part of these consolidated financial statements.

Amathus Public Limited

Consolidated statement of cash flows for the year ended 31 December 2016

	Note	**2016 €**	2015 €
Cash flow from operations			
(Loss)/profit before tax from continuing and discontinued operations		**(134.410)**	2.833.803
Adjustments for:			
Depreciation of property, plant and equipment	15	**115.303**	120.655
(Profit)/loss from the sale of property, plant and equipment	8	**(2.704)**	3.252
Fair value loss on investment property	8	**-**	15.000
Interest income	7	**(211.898)**	(476.818)
Interest expense	11	**359.520**	565.749
Impairment charge of investment in associate	18	**1.229.524**	-
Share of profit of associates and joint ventures	18, 19	**(1.747.027)**	(3.278.065)
		(391.692)	(216.424)
Changes in working capital:			
Trade and other receivables		**964.767**	3.826.620
Trade and other payables		**(1.888.597)**	(925.109)
Cash generated from operations		**(1.315.522)**	2.685.087
Income tax paid		**(69.268)**	(173.317)
Net cash (used in)/generated from operating activities		**(1.384.790)**	2.511.770
Cash flow from investing activities			
Purchase of property, plant and equipment	15	**(25.824)**	(36.878)
Acquisition of investment in associates	18	**-**	(84.593)
Loans granted to related parties	32(e)	**-**	(5.778.155)
Investments in bank deposits with original maturity over three months		**(677.630)**	(652.098)
Release of bank deposits with original maturity over three months		**652.098**	-
Proceeds from sale of property, plant and equipment	15	**50.418**	1.155
Purchase of available-for-sale financial assets	22	**(12.800)**	(478)
Dividends received	18, 19	**574.072**	360.877
Interest received		**211.898**	476.818
Net cash generated from/(used in) investing activities		**772.232**	(5.713.352)

Consolidated statement of cash flows
for the year ended 31 December 2016 (continued)

	Note	2016 €	2015 €
Cash flows from financing activities			
Repayments of borrowings		**(82.190)**	(92.088)
Repayments of debentures		**(2.573.175)**	(3.905.042)
Repayment of borrowings from related parties		**(76.760)**	-
Distribution of share premium to shareholders		**(3.935.797)**	-
Distribution of other reserves to shareholders		**(331.717)**	-
Interest paid		**(292.174)**	(565.749)
Net cash used in financing activities		**(7.291.813)**	(4.562.879)
Net decrease in cash and bank overdrafts		**(7.904.371)**	(7.764.461)
Cash and bank overdrafts at beginning of year		**6.419.509**	14.183.970
Cash and bank overdrafts at end of year	24	**(1.484.862)**	6.419.509

The notes on pages 29 to 91 are an integral part of these consolidated financial statements.

1 General information

The Company was incorporated and domiciled in Cyprus in 1943 and was transformed into a public company in February 1974 in accordance with the provisions of the Cyprus Companies Law, Cap. 113. On 29 March 1996 the shares of the Company were listed in the Cyprus Stock Exchange. The Company is a 55,95% subsidiary of Lanitis E.C. Holdings Limited, also incorporated in Cyprus. Its registered office is at Akinita Amathus, Syntagmatos Street, 3036 Limassol, Cyprus.

Principal activities

The principal activities of the Group, which are unchanged from last year are concentrated mainly in the tourist sector.

Specifically, the principal activities of the Group are the following:

(i) Tourist activities

Representation and handling of airline companies in Cyprus and sale of airline tickets and other travel agent services both in Cyprus and Greece through the associate company Amathus Hellas Touristiki A.E., and in Malta through the associate company APG Malta Limited.

Tourist activities which include sales of organised excursions abroad through Let’s Go Tours, handling of incoming tourism including tourist groups and group conferences, through the subsidiary company Amathus Corporation Limited.

Sale of holiday packages from Greece through the subsidiary company ANC Worldchoice Holidays T.E. MEPE.

Sale of cruise packages through the associate company Orange Travel (Cyprus) Limited (formerly A&M Cruises Limited).

The tourist activities which relate to sales of organised excursions abroad through Let’s Go Tours have been transferred to the associate company Orange Travel (Cyprus) Limited at the end of the year (Note 32 (h)).

(ii) Other activities – through associates

Representation and handling of shipping lines, clearing and forwarding services through the associate company Amathus Aegeas Limited.

Airport and air cargo handling services through the associate company Two Serve (Airport Services).

Participation in the associate company Leisure Holding S.A. with a shareholding of 31,22% (2015:31,22%), which owns 100% of Landa AXTE, which is the owner of Amathus Beach Hotel Rhodes, and participation in the joint venture Amathina Holdings Limited with a shareholding of 25%, which owns 100% of Amathina Luxury Hotels Limited, which is the owner of Amathus Beach Hotel Limassol.

1 General information (continued)

(ii) Other activities – through associates (continued)

Participation to the associate company K.A. Olympic Lagoon Resort Limited with a shareholding of 48%. Amathus Public Limited has acquired 48% of K.A. Olympic Lagoon Resort Limited which has been incorporated by Amathus Public Limited and Kanika Hotels Limited for the sole purpose of the acquisition of Amathus Beach Hotel Paphos which was renamed as Olympic Lagoon Resort Paphos. As from 28 May 2015, K.A. Olympic Lagoon Resort Limited owns and operates Olympic Lagoon Resort Paphos.

Operating environment of 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 Brexit; and political uncertainty in Europe in view of Brexit and the refugee crisis.

This operating environment, could affect (1) the ability of the Group to obtain new borrowings or re-finance its existing borrowings at terms and conditions similar to those applied to earlier transactions, (2) the ability of the Group's trade and other debtors to repay the amounts due to the Group (3) the ability of the Group to generate sufficient turnover and to offer its services to customers, and (4) the cash flow forecasts of the Group's management in relation to the impairment assessment for financial and non-financial assets.

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 Group.

On the basis of the evaluation performed, the Group's management has concluded that no provisions or impairment charges are necessary other than those recognised in the financial statements.

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

2 Summary of significant accounting policies

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

Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU) and the requirements of the Cyprus Companies Law, Cap. 113 and the Cyprus Stock Exchange Laws and Regulations.

As of the date of the authorisation of the consolidated 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 financial statements have been prepared under the historical cost convention, as modified by the revaluation of land and buildings, investment property and available-for-sale financial assets.

The preparation of consolidated financial statements in conformity with IFRSs requires the use of certain critical accounting estimates and requires management to exercise its judgement in the process of applying 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 consolidated financial statements are disclosed in Note 4.

Adoption of new and revised IFRSs

During the current year the Group 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 Group with the exception of the following:

- Annual Improvements to IFRSs 2012.
  - 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.

2 Summary of significant accounting policies (continued)

Adoption of new and revised IFRSs (continued)

- Annual Improvements to IFRSs 2014.

  - 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.

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.

- 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 (FVOC I) 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.

2 Summary of significant accounting policies (continued)

Adoption of new and revised IFRSs (continued)

(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.

- 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.

2 Summary of significant accounting policies (continued)

Adoption of new and revised IFRSs (continued)

- IFRS 16, Leases (issued on 13 January 2016 and effective for annual periods beginning on or after 1 January 2019) *. The new standard sets out the principles for the recognition, measurement, presentation and disclosure of leases. All leases result in the lessee obtaining the right to use an asset at the start of the lease and, if lease payments are made over time, also obtaining financing. Accordingly, IFRS 16 eliminates the classification of leases as either operating leases or finance leases as is required by IAS 17 and, instead, introduces a single lessee accounting model. Lessees will be required to recognise: (a) assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value; and (b) depreciation of lease assets separately from interest on lease liabilities in the income statement. IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendments to IFRS 10 and IAS 28 (issued on 11 September 2014 and effective for annual periods beginning on or after a date to be determined by the IASB)*. These amendments address an inconsistency between the requirements in IFRS 10 and those in IAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognised when a transaction involves a business. A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if these assets are held by a subsidiary.

- 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.

- 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.

2 Summary of significant accounting policies (continued)

Adoption of new and revised IFRSs (continued)

- 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 Group is currently assessing the overall impact of the above interpretations in the consolidated financial statements.

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

Basis of consolidation

The consolidated financial statements include the financial statements of Amathus Public Limited (the “Company”) and its subsidiaries which are collectively referred to as the “Group”.

(a) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when 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 over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group and they are deconsolidated from the date that control ceases.

2 Summary of significant accounting policies (continued)

Basis of consolidation (continued)

(a) Subsidiaries (continued)

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred to the former owners of the acquiree 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. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in 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 deemed to be an asset or liability is recognised in accordance with IAS 39 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in profit or loss.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

When the Group ceases to have control any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is 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.

2 Summary of significant accounting policies (continued)

Basis of consolidation (continued)

(b) Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 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 (net of any accumulated impairment loss) identified on acquisition.

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

The Group's share of its associates' post-acquisition profits or losses is recognised in profit or loss, its share of post-acquisition other comprehensive income is recognised in other comprehensive income and its share of post-acquisition movements in reserves is recognised in reserves. 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 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 accounting policies adopted by the Group. Dilution gains and losses arising in investments in associates are recognised in 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 at each balance sheet date, by comparing its recoverable amount with its carrying amount whenever there is an indication of impairment and is recognized in share of profit/(loss) of associates in profit or loss.

(c) Joint arrangements

The Group applies IFRS 11 to all joint arrangements. Under IFRS 11 investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor. Joint operators have rights to assets and obligations for liabilities, so joint operations are accounted for by recognising the operator's relevant share of assets, liabilities, revenues and expenses. Where the investor has rights to net assets, the arrangement is a joint venture and is accounted for using equity accounting. IFRS 11 eliminates the accounting choice of proportionate consolidation for joint ventures.

The Group has assessed the nature of its joint arrangements and determined them to be joint ventures.

2 Summary of significant accounting policies (continued)

Basis of consolidation (continued)

(c) Joint arrangements (continued)

Under the equity method of accounting, interests in joint ventures are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses and movements in other comprehensive income. When the Group's share of losses in a joint venture equals or exceeds its interests in the joint ventures (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint ventures), the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint venture.

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

(d) Transactions with minority shareholders (non-controlling interest)

The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Group's gains or losses on disposals to non-controlling interests are also recorded in equity.

When the Group ceases to have control or significant influence, any retained interest in the entity is remeasured to its fair value at the date when control is lost, with the change in carrying amount recognized in profit or loss. The fair value is 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 recognized 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 recognized in other comprehensive income are reclassified to profit or loss.

Revenue recognition

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

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

2 Summary of significant accounting policies (continued)

Revenue recognition (continued)

Revenues earned by the Group are recognised on the following bases:

(a) Sales of goods

Sales of goods are recognised when significant risks and rewards of ownership of the goods have been transferred to the customer, which is usually when the Group has sold or delivered goods to the customer, the customer has accepted the goods and collectibility of the related receivable is reasonably assured.

(b) Sales 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 assessed on the basis of the actual service provided as a proportion of the total services to be provided.

(c) Interest income

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

(d) Rental income

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

Segmental reporting

The operating segments are presented according to the internal information that is provided to the Board of Directors of the Group which are used for decision making. The Board of Directors of the Group which is responsible for the distribution of resources and the assessment of the performance of the operating segments of the Group, was recognised as the highest management level for strategic decision making.

Employee benefits

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

2 Summary of significant accounting policies (continued)

Foreign currency translation

(a) Functional and presentation currency

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

(b) Group companies

The results and financial position of the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;

(ii) income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and

(iii) all resulting exchange differences are recognised as a separate component in equity.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations, and of borrowings that represent such investments, are recognised in other comprehensive income and are presented in other reserves in equity.

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 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.

2 Summary of significant accounting policies (continued)

Current and deferred income tax (continued)

Deferred income tax is recognised using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the 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.

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.

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 Group where there is an intention to settle the balances on a net basis.

Dividend distribution

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

Property, plant and equipment

Land and buildings comprising mainly of office buildings are shown at fair value, based on periodic valuations by external independent valuers, less subsequent depreciation for buildings. Valuations are performed with sufficient regularity to ensure that the fair value of a revaluated asset does not differ materially from its carrying amount. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. All other property, plant and equipment are stated at historical cost less depreciation. Historical costs includes expenditure that is directly attributable to the acquisition of property, plant and equipment.

Increases in the carrying amount arising on revaluation of land & buildings are credited in other comprehensive income and show as other reserves in shareholders’ equity. Decreases that offset previous increases of the same asset are charged in other comprehensive income and debited against other reserves directly in equity, all other decreases are charged to profit or loss. Each year the difference between depreciation based on the revalued carrying amount of the asset charged to profit or loss and depreciation based on the asset’s original cost is transferred from “other reserves” to “accumulated losses”.

Land is not depreciated. Depreciation on other property, plant and equipment is calculated using the straight-line method to allocate their cost or revalued amounts to their residual values, over their estimated useful lives.

2 Summary of significant accounting policies (continued)

Property, plant and equipment (continued)

The annual depreciation rates are as follows:

	%
Buildings	3 - 10
Plant, equipment, fixtures and fittings	10 – 33,33
Motor vehicles	20

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 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)" in the profit or loss.

When revalued assets are sold, the amounts included in the fair value reserves are transferred to accumulated losses.

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, comprising land, is held for long-term yields from capital appreciation and is not occupied by the Group. Investment property is carried at fair value, representing open market value determined annually by external valuers.

Changes in fair values are recorded in profit or loss and are included in "other income".

Gains and losses on disposal of investment property are determined by comparing procedures with carrying amount and these are included in "other income" in profit or loss.

2 Summary of significant accounting policies (continued)

Goodwill

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

Financial assets

(i) Classification

The Group classifies its financial assets as 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 its financial asset at initial recognition.

- **Available-for-sale financial assets**

  Available-for-sale financial assets are non-derivatives that are either designated in this category 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 statement of financial position date.

2 Summary of significant accounting policies (continued)

Financial assets (continued)

(i) Classification (continued)

- **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 Group's loans and receivables comprise "trade and other receivables" and "cash and bank balances" in the statement of financial position.

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

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

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 profit or loss as part of other income. Dividends on available-for-sale equity instruments are recognised in the profit or loss as part of other income when the Group's right to receive payments is established.

(iii) Impairment of financial assets

The Group assesses at each 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.

2 Summary of significant accounting policies (continued)

Financial assets (continued)

(iii) Impairment of financial assets (continued)

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 rate determined under the contract. As a practical expedient, the company 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 rating), 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.

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.

2 Summary of significant accounting policies (continued)

Financial guarantees

Financial guarantees are contracts that require the Group to make specified payments to reimburse the holder of the guarantee for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument. Financial guarantees are initially recognized at fair value, which is normally evidenced by the amount of fees received. This amount is amortised on a straight-line basis over the life of the guarantee. At the end of each reporting period, the guarantees are measured at the higher of (a) the remaining unamortised balance of the amount at initial recognition and (b) the best estimate of expenditure required to settle the obligation at the end of the reporting period.

The fair values of financial guarantees issued in relation to obligations of subsidiaries, where such guarantees are provided for no compensation, are accounted for as contributions to subsidiaries and are recognised as part of the cost of the investment in the subsidiary in the financial statements of the Company.

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 (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 provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that 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 asset’s carrying amount and the present value of estimated future cash flows, discounted at the original 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 in selling and marketing costs. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequently recoveries of amounts previously written off are credited against selling and marketing costs in profit or loss.

Share capital and rights

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.

Payments relating to rights are capitalized in share capital as partly paid shares. With the full repayment of rights there is an issue of shares and the amount is transferred from partly paid shares to fully paid shares.

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 purposes, 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.

2 Summary of significant accounting policies (continued)

Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not 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.

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

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated 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 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.

2 Summary of significant accounting policies (continued)

Borrowings (continued)

Borrowing costs are interest and other costs that 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 costs.

Trade and other payables

Trade and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business 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 and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Cash and cash equivalents

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

Discontinued operations

The discontinued operation is a component of the Company that either has been disposed of, or is classified as held for sale and: (a) represents a separate significant part of business operations or a geographical area operations; (b) forms part of a single, coordinated plan to dispose of a significant portion of business operations or a geographical area of operations or (c) is a subsidiary acquired exclusively with a view to resale. Earnings and cash flows from discontinued operations, if any, are disclosed separately from continuing operations with comparatives being represented.

Comparatives

Comparative figures have been adjusted to conform with changes in the presentation for the current year. The reclassifications for the year relate to discontinued operations (Note 25) and the prior year adjustment (Note 14).

3 Financial risk management

(i) Financial risk factors

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

The Group's risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group'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 Group operating units.

- **Market risk**

Price risk

Price risk is the risk that the value of available-for-sale financial assets will fluctuate as a result of changes in market prices. The Group is not exposed to significant price risk since it does not have significant available-for-sale financial assets. The equity investments that are publicly traded in Cyprus Stock Exchange at 31 December 2016 and 31 December 2015 are not significant.

Cash flow interest rate risk

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

At 31 December 2016, if interest rates on Euro - denominated bank deposits had been 1% (2015: 1%) higher/lower with all other variables held constant impact on post-tax profit for the year would not be significant.

At 31 December 2016, if interest rates on Euro - denominated borrowings had been 1% (2015: 1%) higher/lower with all other variables held constant, impact on post-tax profit for the year would not be significant.

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. If wholesale customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, 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. The utilisation of credit limits is regularly monitored. Sales to retail customers are settled in cash or using major credit cards. See Note 21 for further disclosure on credit risk.

3 Financial risk management (continued)

(i) Financial risk factors (continued)

Cash flow interest rate risk (continued)

- **Liquidity risk**

The table below analyses 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 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 €	1 to 2 years €	2 to 5 years €	Over 5 years €
At 31 December 2015				
Borrowings	5.485.354	63.632	-	-
Trade and other payables	6.441.787	-	-	-
	11.927.141	63.632	-	-

	Less than 1 year €	1 to 2 years €	2 to 5 years €	Over 5 years €
At 31 December 2016				
Borrowings	2.905.766	165.394	486.787	1.156.889
Trade and other payables	3.172.081	-	-	-
	6.077.847	165.394	486.787	1.156.889

(ii) Capital risk management

The Group's objectives when managing capital are to safeguard the Group'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.

The Group 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.

Gearing ratio for the year ended 31 December 2016 and 2015 was as follows:

	2016 €	2015 €
Total borrowings (Note 29)	**4.151.482**	5.534.542
Less: Cash and bank balances (Note 24)	**(1.858.787)**	(9.888.562)
Net debt	**2.292.695**	(4.354.020)
Total equity	**36.718.450**	41.070.519
Total capital as defined by management	**39.011.145**	36.716.499
Gearing ratio	**6,24%**	N/A

3 Financial risk management (continued)

(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 table presents the Group's financial assets that are measured at fair value at 31 December 2015 and 31 December 2016:

	Level 1 €	Level 2 €	Level 3 €	Total balance €
31 December 2015				
Assets				
Available-for-sale financial assets:				
- Equity securities	1.388	411.053	18.018	430.459
Total financial assets measured at fair value	1.388	411.053	18.018	430.459
31 December 2016				
Assets				
Available-for-sale financial assets:				
- Equity securities	616	394.168	30.818	425.602
Total financial assets measured at fair value	616	394.168	30.818	425.602

There were no transfers between Levels 2 and 3 during the year.

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.
- Other techniques, such as discounted cash flow analysis, are used for fair value measurement of the remaining financial instruments.

(iv) Offsetting financial assets and liabilities

The Group does not have any financial assets or financial liabilities that are subject to offsetting, enforceable master netting arrangements or any similar agreements, other than those disclosed in Note 32 (e).

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.

(a) Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. There are no 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.

(b) Critical judgements in applying the Group's accounting policies

- **Investment in associate company K.A. Olympic Lagoon Resort Limited**

  Taking into consideration the provisions of IFRS 11 ''Joint Arrangements'' and IAS 28 ''Investments in associates'', management has assessed the level of influence that the Group has on K.A. Olympic Lagoon Resort Limited and the involvement of Board of Directors' in the decision making regarding the relevant activities of the company, and consequently, this investment has been classified as an associate. Based on the shareholder's agreement, the Board of Directors in K.A. Olympic Lagoon Resort Limited, will be constituted of seven members, three of them will be appointed by the Group. Additionally, the Chairman will not be appointed by the Group.

- **Impairment of investment in associate Leisure Holdings S.A.**

  At 31 December 2016, the management of the Group recognised an impairment charge in relation to the investment in the associate company Leisure Holdings S.A.. The impairment charge equals the difference between the carrying amount of the investment and its fair value less cost to sell, which was calculated based on the Group's share on the selling price of the wholly owned subsidiary of Leisure Holdings S.A., Landa AXTE, in accordance with the binding sale agreement signed on 22 December 2016. At 31 December 2016, the Group recognised an impairment charge of €1.229.463 (Note 8). Until the date of approval of these financial statements from the Board of Directors, specific provisions of the agreement for the sale of Landa AXTE are not fulfilled and therefore the sale has not been completed. The impairment charge has been calculated based on the data which exist as at year end 2016 in relation to the determination of the selling price, which might change on the completion of the sale because they are affected by the implementation of specific terms of the sale agreement.

4 Critical accounting estimates and judgements (continued)

(b) Critical judgements in applying the Group's accounting policies (continued)

- **Income taxes**

For the determination of the provision for corporation tax, deferred tax liabilities and other indirect taxes, significant estimates are required. There are transactions and calculations for which the ultimate tax determination is uncertain. The Board of Directors recognises liabilities for the expected tax issues based on estimates of whether additional taxes will be due. According to the estimations of the Board of Directors no significant differences are expected in relation to the provisions for corporation tax and deferred tax liabilities.

5 Segmental analysis

The Board of Directors monitors internal reports to assess the Group's performance and provide its resources. The Board of Directors relies on these internal reports to determine the reporting segments. The primary areas of activity of the Group which are analysed by sector are the following:

- Tourist activities
- Other activities

The Board of Directors evaluates the performance of operating segments based on profit / (loss) before interest, taxes, depreciation, amortisation, impairment and the results of associates (EBITDA). Interest income and expense are not included in the results of operating segments. The other information provided, except as noted below, are accounted according to the consolidated financial statements.

5 Segmental analysis (continued)

Segmental analysis

	Tourist activities €	Other activities €	Total before results from associates and joint venture €	Results of associates €	Results of joint venture €	Total €
Year ended 31 December 2015						
Revenue	5.086.126	348.753	5.434.879	-	-	5.434.879
Profit before interest, tax, depreciation and impairment charge	(838.264)	1.118.481	280.217	2.479.797	798.269	3.558.283
Depreciation	117.490	3.165	120.655	-	-	120.655
Impairment charge	-	-	-	-	-	-
Year ended 31 December 2016						
Revenue	4.440.953	356.815	4.797.768	-	-	4.797.768
Profit before interest, tax, depreciation and impairment charge	70.159	(252.696)	(182.537)	489.932	1.257.095	1.564.490
Depreciation	115.068	235	115.303	-	-	115.303
Impairment charge	-	(1.229.463)	(1.229.463)	-	-	(1.229.463)

5 Segmental analysis (continued)

The reconciliation between profit before interest, taxation, depreciation, amortisation, impairment charge and the results of associates and joint venture and the total loss before taxation is as follows:

	2016 €	2015 €
Profit/(loss) before interest, taxation, depreciation, amortisation, impairment charge and the results of associates and joint venture from operating reporting segments	**1.564.490**	3.558.283
Depreciation	**(115.303)**	(120.655)
Impairment charge	**(1.229.463)**	-
Operating profit	**219.724**	3.437.628
Finance costs	**(359.520)**	(565.749)
(Loss)/profit before taxation	**(139.796)**	2.871.879
Taxation	**(177.802)**	108.021
(Loss)/profit after taxation from continuing operations	**(317.598)**	2.979.900

Assets per segment

	Tourist activities €	Other activities €	Total €
31 December 2016	39.657.244	5.048.788	**44.706.032**
31 December 2015	44.843.479	8.739.256	**53.582.735**

Liabilities per segment

	Tourist activities €	Other activities €	Total €
31 December 2016	7.313.205	10.358	**7.323.563**
31 December 2015	11.965.715	10.614	**11.976.329**

The liabilities per segment vary from the total liabilities per the consolidated balance sheet as follows:

	2016 €	2015 €
Total liabilities from operating reporting segments	**7.323.563**	11.976.329
Deferred tax liabilities	**662.607**	534.475
Current tax liabilities	**1.412**	1.412
Total liabilities per the consolidated balance sheet	**7.987.582**	12.512.216

6 Revenue

	2016	2015
	€	€
Sales of air tickets	**1.385.827**	1.702.678
Sales of travel packages	**1.886.709**	2.063.220
Sales of cruises	**703.805**	784.400
Income from incoming tourism	**336.312**	336.100
Income from international cargo	**267.892**	251.108
Other income	**217.223**	297.373
	4.797.768	5.434.879

7 Other income

	2016	2015
	€	€
Interest income on bank balances	**211.898**	476.818
Rental income	**21.800**	49.600
Other income	**103.336**	71.650
	337.034	598.068

8 Other losses - net

	2016	2015
	€	€
Profit/(loss) on sale of property, plant and equipment (Note 15)	**2.704**	(3.252)
Fair value loss on investment property (Note 16)	**-**	(15.000)
Impairment charge of investment in associate Leisure Holdings S.A. (Note 18)	**(1.229.463)**	-
	(1.226.759)	(18.252)

9 Expenses by nature

	2016	2015
	€	€
Depreciation of property, plant and equipment (Note 15)	**115.303**	120.655
Operating lease rentals and storage costs	**77.764**	100.785
Repairs and maintenance	**15.506**	7.542
Advertising and promotion	**7.474**	68.687
Management fees	**160.847**	143.003
Auditors' remuneration –assurance services charged by the Company's statutory audit firm	**58.300**	58.000
Other auditors – assurance services	**3.234**	4.130
Trade receivables – impairment charge (Note 23)	**32.006**	5.402
Trade receivables – charge in the provision for doubtful debts (Note 23)	**-**	2.660
Staff costs (Note 10)	**1.318.919**	1.459.419
Electricity and water	**34.656**	47.692
Purchase of cruise packages	**638.135**	739.341
Expenses relating to incoming tourism	**273.977**	376.450
Direct expenses relating to hotel accommodation, travel packages and outgoing tourism	**2.053.197**	2.346.442
Other expenses	**646.028**	374.925
Total cost of goods and services sold, selling and marketing costs and administrative expenses	**5.435.346**	5.855.133

The total fees charged by the Company's statutory auditor for the year ended 31 December 2016 for tax advisory services amounted to €Nil (2015: €1.750).

10 Staff costs

	2016	2015
	€	€
Salaries	**1.129.027**	1.257.229
Social insurance costs	**84.936**	90.574
Provident Fund contributions	**63.274**	57.675
Other funds contributions	**28.570**	26.899
Other staff costs	**13.112**	27.042
	1.318.919	1.459.419
Average number of staff employed during the year	**66**	69

The Group has two defined contribution schemes, the Amathus Public Limited Employees' Provident Fund and the pension scheme for certain employees of Amathus (UK) Limited, which are funded separately and prepare their own financial statements whereby employees are entitled to payment of certain benefits upon retirement or prior termination of services.

11 Finance costs

	2016 €	2015 €
Interest expense:		
Bank borrowings	**176.444**	255.219
Debentures	**11.976**	310.530
Borrowings from related parties (Note 32 (f))	**76.792**	-
Other interest	**94.308**	-
Total interest expense	**359.520**	565.749

12 Tax

	2016 €	2015 €
Current tax:		
Corporation tax – prior years	**-**	(257.656)
Defence contribution	**69.268**	154.132
Total current tax	**69.268**	(103.524)
Deferred taxation (Note 30):		
Origination and reversal of temporary differences	**108.534**	(4.497)
Total deferred tax	**108.534**	(4.497)
Tax (credit)/charge	**177.802**	(108.021)

The tax on the Group's profit/(loss) before tax from continuing operations differs from the theoretical amount that would arise using the applicable tax rates as follows:

	2016 €	2015 €
(Loss)/profit before tax	**(139.796)**	2.871.878
Tax calculated at the applicable corporation tax rate	**(16.457)**	360.421
Tax effect of expenses not deductible for tax purposes	**384.492**	106.338
Tax effect of allowances and income not subject to tax	**(292.105)**	(506.921)
Corporation tax – prior years	**-**	(257.656)
Special contribution for defence	**69.268**	154.132
Tax effect of tax losses for which no deferred tax asset was recognised	**32.604**	35.665
Tax charge	**177.802**	(108.021)

The Company, its subsidiaries and associates are subject to corporation tax at the domestic tax rates applicable on taxable profits in the respective countries at the rates of 12,5% - 20% (2014: 12,5% - 20%). For companies registered in Cyprus, as from tax year 2012, brought forward losses of only five years may be utilised against taxable profits of the same company. In addition, current year taxable losses incurred by companies of the Group incorporated in Cyprus, can be utilised by any company within the Group, incorporated in Cyprus, in the same year, provided there is at least 75% ownership.

12 Tax (continued)

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

In certain cases dividends received from abroad may be subject to special contribution for defence at the rate of 15%; increased to 17% as from 31 August 2011; increased to 20% as from 1 January 2012; reduced to 17% as from 1 January 2014. In certain cases dividends received from 1 January 2012 onwards from other Cyprus tax resident companies may also be subject to special contribution for defence.

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

The tax (charge)/credit relating to components of other comprehensive income is as follows:

Tax effects of components of other comprehensive income:

	Year ended 31 December					
	2016			2015		
	Before tax	**Tax (charge)/ credit**	After tax	Before tax	Tax (charge)/ credit	After tax
	€	€	**€**	€	€	€
Land and buildings:						
Revaluation gain of land and buildings	**303.825**	**(22.228)**	**281.597**	-	-	-
Deferred tax adjustment on revaluation	**-**	**2.630**	**2.630**	-	5.103	5.103
Share of transfer of revaluation of property sold in associates	**-**	**-**	**-**	-	658.931	658.931
Financial assets available for sale:						
Fair value loss	**(17.657)**	**-**	**(17.657)**	(413.751)	-	(413.751)
Share of fair value reserve in associates	**(22.407)**	**-**	**(22.407)**	49.543	-	49.543
Currency translation differences	**(32.364)**	**-**	**(32.364)**	11.618	-	11.618
Other comprehensive income	**231.397**	**(19.598)**	**211.799**	(352.590)	664.034	311.444

13 Earnings/(loss) per share

	2016	2015
Net (loss)/profit attributable to the owners of the Company (€)	**(312.090)**	2.941.285
Net (loss)/profit from continuing operations attributable to the owners of the Company (€)	**(317.598)**	2.979.900
Comprehensive (loss)/income attributable to the owners of the Company (€)	**(98.603)**	2.635.730
Total (loss)/income from continuing operations attributable to the owners of the Company (€)	**(98.603)**	2.635.730
Weighted average number of ordinary shares in issue during the year	**110 836 756**	110 836 756
Basic (loss)/earnings per share (cent per share)	**(0,28)**	2,65
Basic (loss)/earnings from continuing operations per share (cent per share)	**(0,29)**	2,69
Basic comprehensive (loss)/earnings per share (cent per share)	**(0,09)**	2,38
Basic comprehensive (loss)/earnings from continuing operations per share (cent per share)	**(0,09)**	2,38

For the calculation of basic loss per share the weighted average number of ordinary shares takes into account the number of shares in issue during the year and the partly paid shares proportionately based on the percentage paid divided by the total amount of payment.

The earnings/(loss) per share for the year 2015 has been adjusted due to the changes in the issued share capital during the year ended 31 December 2016 (Note 26).

14 Prior year adjustment

The prior year adjustment relates to a correction of deferred tax in the associate Claridge Public Limited which arose from the decision and the subsequent signing of the agreement for the sale of the hotel of the associate (Olympic Lagoon Resort Limited – previously Amathus Beach Hotel Paphos). As a result, according to IAS 8 ''Accounting policies, changes in accounting estimates and errors'' the consolidated financial statements of prior year have been restated in order to account for this accounting error.

The Board of Directors believes that the impact of the restatement of the balances as at 1 January 2015 affects only two financial statements line items, it has been appropriately disclosed in the consolidated statement of changes in equity, in Note 18 and in the table below and therefore it was not considered necessary to present a consolidated balance sheet as at 1 January 2015, as a third balance sheet.

14 Prior year adjustment (continued)

The relevant adjustment is presented below:

	As previously stated €	Adjustment €	As restated €
1 January 2015			
Investment in associates	**4.927.008**	775.381	5.702.389
Accumulated losses	**(6.612.940)**	1.556.876	(5.056.064)
Other reserves	**2.605.643**	(781.495)	1.824.148
31 December 2015			
Investment in associates	**19.069.979**	(986.309)	18.083.670
Share of profit from associates	**3.582.556**	(1.102.759)	2.479.797
Share of deferred tax on revaluation of property sold in associates	**658.931**	(658.931)	-
Movement in other reserves for the share of transfer of revaluation of property sold in associates	**(1.440.426)**	1.440.426	-
Movement in retained earnings for the share of transfer of revaluation of property sold in associates	**1.440.426**	(1.440.426)	-
Accumulated losses	**(1.097.272)**	(986.309)	(2.083.581)
Other reserves	**1.487.395**	-	1.487.395
Impact in earnings per share for 2015			
Basic earnings per share (cent per share)	**3,65**	(1,00)	2,65
Basic earnings from continuing operations per share (cent per share)	**3,65**	(0,96)	2,69
Basic comprehensive earnings per share (cent per share)	**3,97**	(1,59)	2,38
Basic comprehensive earnings from continuing operations per share (cent per share)	**3,97**	(1,59)	2,38

15 Property, plant and equipment

	Land and Buildings [1] €	Furniture, fixtures, machinery and office equipment €	Motor Vehicles €	Total €
At 1 January 2015				
Cost or valuation	5.507.833	2.296.799	220.564	8.025.196
Accumulated depreciation	(1.071.623)	(2.255.269)	(178.654)	(3.505.546)
Net book amount	4.436.210	41.530	41.910	4.519.650
Year ended 31 December 2015				
Opening net book amount	4.436.210	41.530	41.910	4.519.650
Additions	2.820	34.058	-	36.878
Disposals	-	(4.407)	-	(4.407)
Depreciation charge for continuing operations (Note 9)	(85.321)	(33.562)	(1.772)	(120.655)
Exchange differences	-	105	-	105
Closing net book amount	4.353.709	37.724	40.138	4.431.571
At 31 December 2015				
Cost or valuation	5.510.653	2.293.411	220.564	8.024.628
Accumulated depreciation	(1.156.944)	(2.255.687)	(180.426)	(3.593.057)
Net book amount	4.353.709	37.724	40.138	4.431.571
Year ended 31 December 2016				
Opening net book amount	4.353.709	37.724	40.138	4.431.571
Additions	-	25.824	-	25.824
Revaluation gain	303.825	-	-	303.825
Disposals	(286)	(12.230)	-	(12.516)
Depreciation charge for continuing operations (Note 9)	(84.448)	(29.083)	(1.772)	(115.303)
Exchange differences	-	(158)	-	(158)
Closing net book amount	4.572.800	22.077	38.366	4.633.243
At 31 December 2016				
Cost or valuation	4.912.737	2.081.870	220.564	7.215.171
Accumulated depreciation	(339.937)	(2.059.793)	(182.198)	(2.581.928)
Net book amount	4.572.800	22.077	38.366	4.633.243

(1) The Group does not have free access to land which is recorded at a cost of €186.890 (2015: €186.890) because the land is situated near the area which is occupied by the Turkish invasion forces. The extent to which the value of this land will be affected, will depend on the political developments and solution of the Cyprus problem.

15 Property, plant and equipment (continued)

Depreciation expense from continuing operations of €115.303 (2015: €120.655) has been charged in "administrative expenses".

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

	2016 **€**	2015 €
Net book amount	**12.515**	4.407
Profit/(loss) on sale of property, plant and equipment (Notes 8 and 25)	**37.903**	(3.252)
Proceeds from sale of property, plant and equipment	**50.418**	1.155

The proceeds from sale of property, plant and equipment from discontinued operations with net book value of €9.261, amount to €44.460 and the respective profit amounts to €35.199 (Note 25).

If land and buildings were stated on the historical cost basis, the amounts would be as follows:

	2016 **€**	2015 €
Cost	**1.691.568**	1.691.568
Accumulated depreciation	**(976.682)**	(893.024)
Net book amount	**714.886**	798.544

Bank borrowings and overdrafts are secured on the Group's land and buildings as disclosed in Note 29.

Lease rentals amounting to €77.764 (2015: €83.768) relating to the lease of property are included in the profit or loss (Note 9).

Fair value of land and buildings

Group's land and buildings relate to: (i) Group's offices and (ii) land situated near to areas occupied by Turkish military forces as referred above.

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

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

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

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

15 Property, plant and equipment (continued)

Fair value of land and buildings (continued)

	Fair value measurements at 31 December 2016 using		
	Quoted prices in active markets for identical assets (Level 1) €	Significant other observable inputs (Level 2) €	Significant unobservable inputs (Level 3) €
Recurring fair value measurements			
Land and buildings – Cyprus	-	-	4.572.800
	-	-	4.572.800

	Fair value measurements at 31 December 2015 using		
	Quoted prices in active markets for identical assets (Level 1) €	Significant other observable inputs (Level 2) €	Significant unobservable inputs (Level 3) €
Recurring fair value measurements			
Land and buildings – Cyprus	-	-	4.353.709
	-	-	4.353.709

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

Valuation processes

For the determination of the fair value of land and buildings as at 31 December 2016, an independent valuation was performed by external independent and professionally qualified valuers, who hold a recognised relevant professional qualification and have recent experience in the locations and segments of the properties valued. The revaluation gain after deferred tax resulted from the valuation was credited to other comprehensive income and it is presented in “other reserves” in equity.

The Group's finance department includes a team that reviews the valuations performed by the independent valuers for financial reporting purposes.

Discussions of valuation processes and results are held between the Chief Financial Officer, the Audit Committee and the independent valuers at least once every year. At each financial year end the finance department of the Group:

- 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.

Changes in Level 3 fair values are analysed at each reporting date during the valuation discussions between the Chief Financial Officer, the Audit Committee and the valuation team. As part of this discussion, the team presents a report that explains the reasons for the fair value movements.

15 Property, plant and equipment (continued)

Information about fair value measurements for land and buildings using significant unobservable inputs (Level 3)

Description	Valuation technique(s)	Unobservable inputs	Range of unobservable inputs (probability – weighted average)	Relationship of unobservable inputs to fair value
Land and office buildings - Cyprus	Comparative method	Price per square metre	€2.155/sq.m	The higher the price per square metre, the higher the fair value

Sensitivity of management's estimates Percentage change	-5%	0%	+5%
Value variation	€4.148.545	€4.572.800	€4.585.234

There are no inter-relationships between unobservable inputs.

Valuation techniques underlying management's estimation of fair value

For land and office buildings in Cyprus with a total carrying amount of €4.572.800 (2015: €4.353.709), the valuation was determined using the comparative method and cost method taking into account the following estimates (in addition to the inputs referred to above):

Cost of property	Based on the actual location, type and quality of the properties and supported by the terms of any existing lease, other contracts or external evidence such as current market rents for similar properties.
Cost of construction	Based on the cost of construction, construction materials and maintenance cost.
Maintenance cost	Including necessary investments to maintain functionality of the property for its expected useful life.
Terminal value	Taking into account assumptions regarding maintenance costs, vacancy rates and market rents.

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

16 Investment property

Country	2016 Total Cyprus	2015 Total Cyprus
Fair value hierarchy	3	3
	€	€
Fair Value at 1 January	**220.000**	235.000
Net loss from fair value adjustments on investment property	**-**	(15.000)
Fair value at 31 December	**220.000**	220.000

The Group’s investment property is measured at fair value. Investment property consists of land and buildings.

The Group'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.

Valuation processes

The Group's investment properties were valued at 31 December 2016 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 Group's finance department includes a team that reviews the valuations performed by the independent valuers for financial reporting purposes.

Discussions of valuation processes and results are held between the Chief Financial Officer, the Audit Committee 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.

Changes in Level 3 fair values are analysed at each reporting date during the valuation discussions between the Chief Financial Officer, the Audit Committe and the valuation team. As part of this discussion, the team presents a report that explains the reasons for the fair value movements.

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

Property	Valuation €	Valuation technique	Construction cost €	Cost of land
Land and residential building - Cyprus	220.000	Comparative method and cost method	90.000 – 100.000	650/sq.m.

16 Investment property (continued)

Sensitivity of management's estimates

Percentage change:	-5%	0%	+5%
Value variation	€209.000	€220.000	€231.000

There are no inter - relationships between unobservable inputs.

Valuation techniques underlying management's estimation of fair value

For residential properties in Cyprus with a total carrying amount of €220.000 (2015: €220.000), the valuation was determined using the comparative method and cost method taking into account the following estimates (in addition to the inputs referred to above):

Cost of property	Based on the actual location, type and quality of the properties and supported by the terms of any existing lease, other contracts or external evidence such as current market rents for similar properties.
Cost of constuction	Based on the cost of construction, construction materials and maintenance cost.
Maintenance cost	Including necessary investments to maintain functionality of the property for its expected useful life.
Terminal value	Taking into account assumptions regarding maintenance costs, vacancy rates and market rents.

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

17 Investments in subsidiaries

At 31 December 2016, the Group had the following subsidiaries, all of which are unlisted:

Name	Principal activities	Country of incorporation	% interest held 2016	2015
Direct participation				
Amathus Hotels Limited	Inactive	Cyprus	100	100
ANC Worldchoice Holidays T.E. MEPE	Tour operators	Greece	100	100
Amathus Corporation Limited	Investment holding and tourist activities	Cyprus	100	100
Indirect participation				
Amathus (UK) Limited	Travel agents	United Kingdom	100	100
Amathus Travel Limited	Travel agents	Cyprus	100	100
Amathus Maritime Limited	Investment holding	Cyprus	90	90
Let's Go Tours Limited	Inactive	Cyprus	100	100
Pelagos Travel and Tours Limited	Inactive	Cyprus	100	100
Air Promotion Group Cyprus Limited	Inactive	Cyprus	100	100
AMPM Travel Limited	Travel agents	Cyprus	100	100

18 Investments in associates

	2016 €	2015 €
At beginning of year [4]	**18.083.670**	5.702.389
Additions [1], [2]	**-**	9.924.593
Share of profit/(loss) after tax – continuing operations	**779.554**	1.274.383
Share of profit/(loss) after tax – discontinued operations [3], [4]	**(289.622)**	1.205.414
Dividends received	**(11.500)**	(72.652)
Share of fair value reserve (Note 27)	**(22.407)**	49.543
Impairment charge [5]	**(1.229.524)**	-
At end of year	**17.310.171**	18.083.670

(1) During the year ended 31 December 2015 the Company acquired additional shares in Leisure Holdings S.A., following the increase of share capital of the associate, for an amount of €84.593.

(2) On 13 May 2015, the Shareholders Agreement in relation to the investment of €9.840.000 in the newly incorporated company K.A. Olympic Lagoon Resort Limited, into which Amathus Public Limited participates with a percentage of 48%, was signed. The hotel unit Olympic Lagoon Resorts Paphos (previously named Amathus Beach Hotel Paphos), owned by Claridge Public Limited, has been acquired by K.A. Olympic Lagoon Resort Limited, based on the sale agreement signed on 2 April 2015. The results and operating cycle of the hotel were transferred to K.A. Olympic Lagoon Resort Limited as from 1 January 2015, while the assets and the liabilities related to the operations of the hotel were transferred on 28 May 2015. During the year ended 31 December 2015, the amount of €5.778.155 was set-off with the amounts payable from a related company (Note 32(e)). During 2016, an additional amount of €2.561.845 has been paid. In 2017, the Group has secured a borrowing facility for the repayment of the outstanding balance of €1.500.000 which is included in payables to related parties as at 31 December 2016.

(3) The share of (loss)/profit from discontinued operations relates to the share of the results from discontinued operations from the associates Claridge Public Limited and Leisure Holdings S.A..

(4) The carrying amount of the investment in associates at the beginning of the year 2015, the share of profit after tax from discontinued operations from associates for the year 2015 and the carrying amount of the investment in associates at the beginning of the year 2016 were restated due to the prior year adjustment (Note 14).

(5) The impairment charge of €1.229.463 relates to the investment in associate Leisure Holdings S.A.. On 22 December 2016 the associate signed an agreement for the sale of its wholly owned subsidiary Landa AXTE, the completion of which is subject to the implementation of some terms. The impairment charge was based on the binding agreement for the sale of its wholly owned subsidiary Landa AXTE and has been calculated based on the data which exist at the end of year 2016 for the determination of the selling price, which might change on the completion of the sale (Level 3 valuation method).

At 31 December 2016, investments in associates include goodwill amounting to €128.145 (2015: €128.145).

Set out below are the associates of the Company as at 31 December 2016, which, in the opinion of the Board of 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.

18 Investments in associates (continued)

Nature of investments in associates in 2016 and 2015:

Name of entity	Place of business/country of incorporation	Nature of the relationship	% of ownership interest 2016	2015
Claridge Public Limited	Cyprus	Note 1	**40,53**	40,53
Leisure Holdings S.A.	Luxembourg	Note 2	**31,22**	31,22
Amathus Hellas Touristiki A.E.	Greece	Note 3	**50,00**	50,00
APG Malta Limited	Malta	Note 3	**33,33**	33,33
Amathus Aegeas Limited	Cyprus	Note 4	**50,00**	50,00
Two Serve (Airport Services) (1)	Cyprus	Note 5	**19,95**	19,95
Two Serve Management Limited	Cyprus	Note 6	**50,00**	50,00
Hollandia Aviation Limited	Cyprus	Note 7	**-**	35,00
Orange Travel (Cyprus) Limited (formerly A&M Cruises Limited)	Cyprus	Note 8	**50,00**	50,00
K.A. Olympic Lagoon Resort Limited	Cyprus	Note 9	**48,00**	48,00

(1) Two Serve (Airport Services) was transferred to the subsidiary company Amathus Corporation Limited on 2 October 2015 at its carrying value.

There are no contingency liabilities relating to the Company's interest in the associates.

Note 1: The associate company Claridge Public Limited was the owner of "Amathus Beach Hotel Paphos''up to 28 May 2015, a seaside luxurious hotel of 273 rooms on the coast of Kato Paphos.

Note 2: The associate company Leisure Holdings S.A is the owner of "Amathus Beach Hotel Rhodes'', a seaside luxurious hotel of 355 rooms on the island of Rhodes. The hotel is managed by Amathus Public Limited.

Note 3: The associate companies Amathus Hellas Touristiki A.E and APG Malta Limited provide services such as representation and handling of airline companies, sale of airline tickets and other travel agent services in Greece and Malta respectively.

Note 4: The associate company Amathus Aegeas Limited provides services such as representation and handling of shipping lines, clearing and forwarding services.

Note 5: The associate company Two Serve (Airport Services) has as principal activity the provision of airport and air cargo handling services in the Larnaca International Airport.

Note 6: The associate Company Two Serve Management Limited remained inactive during the year 2016 and 2015.

Note 7: The associate company Hollandia Aviation Limited provided services such as representation and handling of airline companies. During November 2015, it terminated its activities and before the end of the year 2015 its liquidation was completed.

18 Investments in associates (continued)

Note 8: The associate company Orange Travel (Cyprus) Limited (formerly A&M Cruises Limited) has as principal activity the sale of cruise packages.

Note 9: The associate company K.A. Olympic Lagoon Resort Limited, is the owner of Olympic Lagoon Resort Paphos (previously named "Amathus Beach Hotel Paphos") as from 28 May 2015, a seaside luxurious hotel of 276 rooms on the coast of Kato Paphos.

Claridge Public Limited is the only associate company of the Group which is listed in the Cyprus Stock Exchange. The market value of this investment at 31 December 2016 amounted to €1.622.022 (2015: €1.578.184). The market value of the investment does not represent its fair value because there is no active market for the specific shares in the stock exchange due to the small volume of transactions.

Significant restrictions

There are no significant restrictions resulting from borrowing arrangements, 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 material associates which are accounted for using the equity method.

18 Investments in associates (continued)

Summarised balance sheet

	Claridge Public Ltd		Leisure Holding S.A.		K.A. Olympic Lagoon Resort Limited		Total	
	31 December		31 December		31 December		31 December	
	2016	2015	**2016**	2015	**2016**	2015	**2016**	2015
	€	€	**€**	€	**€**	€	**€**	€
Current								
Cash and cash equivalents	**492.685**	1.366	**413.186**	1.266.184	**1.947.598**	1.126	**2.853.469**	1.268.676
Other current assets	**6.882.974**	9.018.307	**496.301**	740.807	**2.622.128**	14.078.497	**10.001.403**	23.837.611
Assets held for sale	**318.764**	32.250.102	**-**	-	**550.000**	-	**868.764**	32.250.102
Total current assets	**7.694.423**	41.269.775	**909.487**	2.006.991	**5.119.726**	14.079.623	**13.723.636**	57.356.389
Financial liabilities (excluding trade payables)	**-**	(543.585)	**(12.312.616)**	(1.611.270)	**(1.449.536)**	(16.673)	**(13.762.152)**	(2.171.528)
Other current liabilities (including trade payables)	**(230.212)**	(869.834)	**(1.726.066)**	(2.522.570)	**(7.980.506)**	(40.672.997)	**(9.936.784)**	(44.065.401)
Liabilities associated with assets held for sale	**(2.556.519)**	(33.525.161)	**-**	-	**-**	-	**(2.556.519)**	(33.525.161)
Total current liabilities	**(2.786.731)**	(34.938.580)	**(14.038.682)**	(4.133.840)	**(9.430.042)**	(40.689.670)	**(26.255.455)**	(79.762.090)
Non- current								
Assets	**1.506.355**	2.831.758	**33.189.245**	33.558.436	**52.695.880**	49.460.490	**87.391.480**	85.850.684
Financial liabilities	**-**	-	**(11.080.000)**	(22.134.356)	**(21.771.627)**	-	**(32.851.627)**	(22.134.356)
Other liabilities	**-**	-	**(185.586)**	(141.323)	**(590.707)**	-	**(776.293)**	(141.323)
Total non- current liabilities	**-**	-	**(11.265.586)**	(22.275.679)	**(22.362.334)**	-	**(33.627.920)**	(22.275.679)
Net assets	**6.414.047**	9.162.953	**8.794.464**	9.155.908	**26.023.230**	22.850.443	**41.231.741**	41.169.304

18 Investments in associates (continued)

Summarised statement of comprehensive income

	Claridge Public Ltd		Leisure Holding S.A.		K.A. Olympic Lagoon Resort Limited		Total	
	31 December		31 December		31 December		31 December	
	2016	2015	2016	2015	2016	2015	2016	2015
	€	€	€	€			€	€
Revenue	**1.023.000**	852.424	**8.975.273**	9.341.385	**12.683.797**	3.578.726	**22.682.070**	13.772.535
Depreciation	**-**	-	**(1.016.941)**	-	**(980.232)**	(535.664)	**(1.997.173)**	(535.664)
Interest income	**293**	1.276	**1.315**	-	**78.125**	-	**79.733**	1.276
Interest expense	**(167.889)**	(1.976.523)	**(926.947)**	(889.436)	**(897.469)**	(22.835)	**(1.992.305)**	(2.888.794)
Profit/(loss) before tax from continuing operations	**(2.314.495)**	(533.472)	**(160.703)**	3.837.927	**3.510.407**	2.643.363	**1.035.918**	5.947.818
Tax (charge)/credit	**(75)**	-	**(201.450)**	10.811	**(337.620)**	(292.920)	**(539.145)**	(282.109)
Profit/(loss) after tax from continuing operations	**(2.314.570)**	(533.472)	**(362.153)** [(2)]	3.848.738 [(2)]	**3.172.787** [(3)]	2.350.443 [(3)]	**496.773**	5.665.709
Profit/(loss) after tax from discontinued operations	**(435.581)** [(1)]	1.182.111 [(1)]	**-**	-	**-**	-	**(435.581)**	1.182.211
Other comprehensive income	**1.245**	68.779	**709**	316.092	**-**	-	**1.954**	384.871
Total comprehensive income	**(2.748.906)**	717.518	**(361.444)**	4.164.830	**3.172.787**	2.350.443	**62.437**	7.232.791
Dividends received from associate	**-**	-	**-**	-	**-**	-	**-**	-

(1) The share (40,53%) of (loss)/profit allocated to the Group: €1.114.636 (2015: 40,53%, (€262.893).
(2) The share (31,22%) of (loss)/profit allocated to the Group: €113.081 (2015: 31,22%, €1.201.765).
(3) The share of (48%) of profit allocated to the Group: €1.522.938 (2015: €1.128.213 for the period from May to December 2015).

18 Investments in associates (continued)

The information above reflects the amounts presented in the financial statements of the associates (and not the Company's share of those amounts) adjusted for differences in accounting policies between the Company and the associates.

Reconciliation of summarised financial information

Summarised financial information	Claridge Public Ltd 31 December		Leisure Holding S.A. 31 December		K.A. Olympic Lagoon Resort Limited 31 December		Total 31 December	
	2016	2015	**2016**	2015	**2016**	2015	**2016**	2015
	€	€	**€**	€	**€**	€	**€**	€
Opening net assets 1 January	**9.162.953**	8.445.435	**9.155.908**	4.991.078	**22.850.443**	-	**41.169.304**	13.436.513
Profit/(loss) for the period	**(2.750.151)**	648.739	**(361.444)**	3.848.738	**3.172.787**	2.350.443	**61.192**	6.847.920
Issue of share capital	**-**	-	**-**	-	**-**	20.500.000	**-**	20.500.000
Other comprehensive income	**1.245**	68.779	**-**	316.092	**-**	-	**1.245**	384.871
Closing net assets	**6.414.047**	9.162.953	**8.794.464**	9.155.908	**26.023.230**	22.850.443	**41.231.741**	41.169.304
Shareholding in associates (40,53% (2015: 40,53%), 31,22% (2015: 31,22%), 48% (2015: 48%)	**2.599.613**	3.713.475	**2.746.063**	2.858.923	**12.491.150**	10.968.213	**17.836.826**	17.540.881
Impairment charge of investment in associate Leisure Holdings S.A.	**-**	-	**(1.229.463)**	-	**-**	-	**(1.229.463)**	-
	2.599.613	3.713.475	**1.516.600**	2.858.923	**12.491.150**	10.968.213	**16.607.363**	17.540.881

(1) The share of results from the associate Claridge Public Limited for the year 2015 has been adjusted due to the correction mentioned in Note 14 from €4.700.056 to €3.713.475.

18 Investments in associates (continued)

Set out below are the summarised financial information for the immaterial associates which are accounted for using the equity method.

	2016 **€**	2015 €
Profit for the year	**628.594**	282.889
Other comprehensive losses	**(46.265)**	-
Total profit for the year	**582.329**	155.221
Total net assets	**702.808**	542.789

The information above reflects the amounts presented in the financial statements of the associates (and not the Company's share of those amounts) adjusted for differences in accounting policies between the Company and the associates.

19 Investments in joint venture

The movement in the Group's investment in joint venture during the year was as follows:

	2016 **€**	2015 €
At beginning of year	**15.912.173**	15.402.129
Share of profit after tax in joint venture	**1.257.095**	798.269
Dividends received	**(562.572)**	(288.225)
At end of year	**16.606.696**	15.912.173

As at 31 December 2016 and 31 December 2015, the Group had the below investment in joint venture which is not listed in the Cyprus Stock Exchange:

Name	**Principal Activities**	**% of ownership interest** **2016**	2015
Amathina Holdings Limited	Note 1	**25%**	25%

Note 1: The joint venture company Amathina Holdings Limited is the owner of Amathus Beach Hotel Limassol, a luxurious seaside hotel of 239 rooms in Limassol.

Summarised financial information

Set out below are the summarised financial information for the joint venture which is accounted for using the equity method.

19 Investments in joint venture (continued)

Summarised balance sheet

	Amathina Holdings Limited 31 December 2016 €	2015 €
Current		
Cash and cash equivalents	**6.062.940**	3.919.238
Other current assets	**2.086.046**	1.980.511
Total current assets	**8.148.986**	5.899.749
Financial liabilities (excluding trade payables)	**-**	-
Other current liabilities (including trade payables)	**(3.294.123)**	(3.277.563)
Total current liabilities	**(3.294.123)**	(3.277.563)
Non-current		
Assets	**75.567.330**	76.964.592
Financial liabilities	**(9.075.054)**	(10.979.176)
Other liabilities	**(4.920.356)**	(4.852.475)
Total non-current liabilities	**(13.995.410)**	(15.831.651)
Net assets	**66.426.783**	63.755.127

Summarised statement of comprehensive income

	Amathina Holdings Limited 31 December 2016 €	2015 €
Revenue	**22.690.560**	19.928.708
Depreciation and amortisation	**(2.075.145)**	(2.001.893)
Interest income	**24.981**	13.259
Interest expense	**(404.106)**	(549.860)
Profit before tax from continuing operations	**5.629.159**	3.792.933
Tax charge	**(707.213)**	(491.339)
Profit from continuing operations after tax	**4.921.946**	3.301.594
Total comprehensive income for the year	**4.921.946**	3.301.594
Dividends received from joint venture	**562.572**	288.225

The information above reflects the amounts presented in the financial statements of the joint venture (and not the Company’s share of those amounts) adjusted for differences in accounting policies between the Company and the joint venture.

19 Investments in joint venture (continued)

Reconciliation of summarised financial information

Summarised financial information	Amathina Holdings Limited 31 December 2016 €	2015 €
Opening net assets		
1 January	**63.755.127**	61.606.433
Profit for the period	**4.921.946**	3.301.594
Dividend	**(2.250.290)**	(1.152.900)
Closing net assets	**66.426.783**	63.755.127
Share in investment in joint venture (25% respectively)	**16.606.696**	15.912.173

20 Financial instruments by category

	Loans and receivables €	Available-for-sale €	Total €
31 December 2016			
Assets as per consolidated balance sheet			
Available-for-sale financial assets	-	425.602	**425.602**
Trade and other receivables (excluding prepayments)	3.529.034	-	**3.529.034**
Cash and cash equivalents	1.858.787	-	**1.858.787**
Total	5.387.821	425.602	**5.813.423**

	Other financial liabilities €	Total €
Liabilities as per consolidated balance sheet		
Borrowings	4.151.482	**4.151.482**
Trade and other payables (excluding statutory liabilities)	3.126.511	**3.126.511**
Total	7.277.993	**7.277.993**

	Loans and Receivables €	Available-for-sale €	Total €
31 December 2015			
Assets as per the consolidated balance sheet			
Available for sale financial assets	-	430.459	**430.459**
Trade and other receivables (excluding prepayments)	4.545.847	-	**4.545.847**
Cash and Cash equivalents	9.888.562	-	**9.888.562**
Total	14.434.409	430.459	**14.864.868**

20 Financial instruments by category (continued)

	Other financial liabilities €	Total €
Liabilities as per consolidated balance sheet		
Borrowings	5.534.542	**5.534.542**
Trade and other payables (excluding statutory liabilities)	6.386.611	**6.386.611**
Total	11.921.153	**11.921.153**

21 Credit quality of financial assets

The credit quality of financials 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:

	2016 €	2015 €
Trade receivables		
Counterparties without external credit rating		
Group 1	**943.843**	1.160.683
Total fully performing trade receivables	**943.843**	1.160.683
Fully performing other receivables		
Group 2	**1.225.974**	1.879.061
Group 3	**456.983**	580.582
	1.682.957	2.459.643
Cash at bank (Moody's) [(1)]		
Caa1	**18.431**	-
Caa2	**779.490**	65.903
Caa3	**871.408**	9.808.346
	1.669.329	9.874.249

(1) The rest of the balance sheet item "cash and bank balances" is cash in hand.

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

Group 2 – companies under common control and associates with no defaults in the past.

Group 3 – existing other receivables (more than 6 months).

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

22 Available-for-sale financial assets

	2016 €	2015 €
At beginning of year	**430.459**	843.732
Additions	**12.800**	478
Fair value losses transferred to equity (Notes 27 and 28)	**(17.657)**	(413.751)
At the end of year	**425.602**	430.459

During the years 2016 and 2015 there was no dividend income from available-for-sale financial assets.

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

	2016 €	2015 €
Listed shares in Cyprus Stock Exchange	**616**	1.388
Unlisted shares	**424.986**	429.071
	425.602	430.459

The carrying amounts of available-for-sale financial assets are denominated in Euro.

The maximum exposure to credit risk at the balance sheet date is the carrying value of the debt securities classified as available-for-sale.

None of the debt securities held in the available-for-sale financial assets category is either past due or impaired.

23 Trade and other receivables

	2016 €	2015 €
Trade receivables	**1.846.077**	2.086.204
Less: provision for impairment of trade receivables	**-**	-
Trade receivables – net	**1.846.077**	2.086.204
Receivables from related parties (Note 32 (g))	**1.225.974**	1.879.061
Other receivables	**456.983**	580.582
Prepayments	**122.499**	70.453
	3.651.533	4.616.300

The fair value of trade and other receivables which are due within one year approximates their carrying amount.

As at 31 December 2016, trade receivables of €943.843 (2015: €1.160.683) were fully performing.

Trade receivables that are less than four months past due are not considered impaired. As of 31 December 2016 trade receivables of €899.150 (2015: €925.341) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default.

23 Trade and other receivables (continued)

The ageing analysis of these trade receivables is as follows:

	2016	2015
	€	€
Up to 4 months	**133.518**	330.909
4 to 12 months	**765.632**	594.522
	899.150	925.431

As of 31 December 2016 trade receivables of €32.006 (2015: €5.402) were impaired and provided for (Note 9). The individually impaired receivables mainly relate to customers, which are in unexpectedly difficult economic situations.

	2016	2015
	€	€
Over 6 months	**32.006**	5.402
	32.006	5.402

Movement on the Group's provision for impairment of trade receivables is as follows:

	2016	2015
	€	€
At 1 January	**-**	87.749
Provision for impairment of receivables (Note 9)	**-**	2.660
Receivables written off during the year as uncollectible	**-**	(90.409)
At 31 December	**-**	-

The creation and release of provision for impaired receivables have been included in "selling and marketing costs" in profit or loss. Amounts charged to the allowance account are generally written off, when there is no expectation of recovering additional cash.

The other classes within trade and other receivables do not contain impaired nor past due assets.

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

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

	2016	2015
	€	€
Euro	**3.558.145**	4.516.330
Pound sterling	**93.388**	99.970
	3.651.533	4.616.300

24 Cash and bank balances

	2016	2015
	€	€
Cash at bank and in hand	**1.181.157**	8.808.163
Short term bank deposits	**677.630**	1.080.399
	1.858.787	9.888.562

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

	2016	2015
	€	€
Cash and bank balances	**1.858.787**	9.888.562
Less:		
Bank deposits with original maturity over 3 months	**(677.630)**	(652.098)
Bank overdrafts (Note 29)	**(2.666.019)**	(2.816.955)
	(1.484.862)	6.419.509

Cash and bank balances are denominated in the following currencies:

	2016	2015
	€	€
Euro	**1.858.787**	9.726.214
Pound sterling	**-**	162.348
	1.858.787	9.888.562

Non-cash transactions

The principal non-cash transaction for the year ended 31 December 2016 was the repayment of payable in relation to investment in associate company amounting to €1.500.000 through conversion of the balance to borrowings based on loan agreement with the associate company as mentioned in Note 32 (f).

The principal non-cash transactions during the year ended 31 December 2015 were the offsetting of the loan advanced to associate company with the amount due from the investment in associate company as disclosed in Note 32(e).

25 Non-current assets held for sale and discontinued operations

The results from the operating cycle of Let's Go department of the subsidiary Amathus Corporation Limited have been presented as results from discontinued operations after the signing of the below agreement.

On 9 December 2016 the final sale agreement of the business of Let's Go department as a going concern to the associate Orange Travel (Cyprus) Limited (previously A&M Cruises Limited) was signed (Note 32 (h)).

The transfer date of the operating cycle of Let's Go business as discontinued operations was the 31st December 2016, which is the date that the IFRS 5 '' Non-current assets held for sale and discontinued operations'' provisions have been met. There are no non-current assets held for sale which are associated with the sale of the Let's Go department.

The sale of the business of Let's Go department as a going concern was made for the amount of €44.460 which includes (a) tourist activities which include sale of organised excursions abroad through the travel agency of Let's Go and (b) compensation for the losses of the Company in relation to the first six months of operations in 2016 which amounted to €10.000.

The analysis of the result of discontinued operations is presented as follows:

	2016	2015
	€	€
Income	**3.561.161**	3.509.962
Cost of Sales	**(3.410.807)**	(3.399.407)
Gross profit	**150.354**	110.555
Selling and marketing costs	**(39.199)**	(29.300)
Administrative expenses	**(100.530)**	(119.330)
Operating profit/(loss) before tax	**10.625**	(38.075)
Tax charge	**-**	-
Profit/(loss) after tax	**10.625**	(38.075)
Loss from sale of the business of the business of Let's Go department [(1)]	**(5.239)**	-
Profit/(loss) from the year from discontinued operations	**5.386**	(38.075)

(1)

	2016
	€
Proceeds from sale of the business of Let's Go department	44.460
Non-current assets sold – net	(9.261)
	35.199
Charge from Orange Travel (Cyprus) Limited (previously A&M Cruises Limited) for the profits in relation to the business for the last 6 months of the year 2016, based on the sale agreement	(40.438)
Loss from the sale of the business of Let's Go department	**(5.239)**

25 Non-current assets held for sale and discontinued operations (continued)

The analysis of cash flows from discontinued operations are as follows:

	2016 **€**	2015 €
Cash flows from operations	**18.959**	16.830
Cash flows from investing activities	**44.460**	-
Cash flows for financing activities	**-**	-
Total cash flows	**63.419**	16.830

26 Share capital and share premium

	Number of shares - fully paid ordinary shares	Share capital - fully paid shares €	Share capital – partly paid shares €	Share premium €	Total €
At 1 January 2015/ 31 December 2015/ 1 January 2016	88 050 305	29.937.104	7.734.178	3.935.797	41.607.079
Instalments paid for partly paid shares	-	-	15.858	-	15.858
Conversion of partly paid shares to fully paid shares	22 794 225	7.750.036	(7.750.036)	-	-
Distribution of share premium to Shareholders	-	-	-	(3.935.797)	(3.935.797)
At 31 December 2016	110 844 530	37.687.140	-	**-**	37.687.140

The total authorised number of ordinary shares is 185 218 480 shares (2015: 150 000 000 shares) with a par value of €0,34 per share. At 31 December 2016, the total number of ordinary shares that were issued and fully paid was 110 844 530 (2015: 88 050 305).

The Company issued 35 218 480 partly paid shares. These shares had the same rights as the existing fully paid shares except the right to vote. In respect of the partly paid shares, up to 31 December 2015 the Company had received an amount of €7.734.178 and during the year 2016, an additional amount of €15.858 had been received, total €7.750.036 out of the amount of €11.974.283.

26 Share capital and share premium (continued)

At the Extraordinary General Meeting on 11 March 2016, the Board of Directors approved on the following resolutions:

(i) The reduction of the issued share capital of the Company by the amount of €4.224.246 which represents the unpaid part of the partly paid non-voting shares. With the above stated reduction, the share capital of the Company shall be €37.687.140 divided into 88 050 305 ordinary shares of nominal value €0,34 each fully paid up, 16 425 non-voting shares of nominal value €0,34 each fully paid up and 35 202 055 non-voting shares of nominal value €0,22 fully paid up.

(ii) The increase of the authorised share capital of the Company to €62.974.283 with the creation of 12 424 255 non-issued ordinary shares of nominal value €0,34 each, divided into 162 424 255 ordinary shares with voting rights of €0,34 each and 35 218 480 non-voting shares out of which 16 425 shares with a nominal value of €0,34 each and 35 202 055 shares with a nominal value of €0,22 each.

(iii) The consolidation of every 17 issued non-voting shares into 11 non-voting shares of nominal value €0,34 each resulting into 22 777 800 fully paid up non-voting shares of nominal value €0,34 each.

(iv) The conversion of the 16 425 non-voting shares and the 22 777 800 non-voting shares resulted from the consolidation, totalling to 22 794 225 non-voting shares of €0,34 each, into ordinary shares fully paid up, which are equally ranked with the other ordinary shares of the Company and are going to be listed to the Cyprus Stock Exchange for trading.

(v) The reduction of the share premium account of the Company by the amount of €3.935.797 as well as the reduction of the currency translation difference reserve from the conversion of the share capital in Euro by the amount of €331.717 and that the total amount of €4.267.514 resulting from the reduction of the above said accounts be returned to the shareholders of the Company.

(vi) The authorised share capital of the Company, as a result of the consolidation of shares described in point (iii) above, is €62.974.283 divided into 185 218 480 ordinary shares with a nominal value of €0,34 each.

Until the date of issue of these financial statements, the new fully paid shares have not been admitted to Cyprus Stock Exchange for negotiation.

27 Other reserves

	Revaluation of land and buildings €	Currency translation differences €	Available-for- sale financial assets €	Currency translation difference reserve from the conversion of share capital in Euro €	Total €
At 1 January 2015	1.553.370	(333.030)	185.735	418.073	1.824.148
Land and buildings:					
Transfer of excess depreciation	(34.887)	-	-	-	(34.887)
Deferred tax on excess depreciation	4.361	-	-	-	4.361
Deferred tax adjustment on revaluation of land and buildings (Note 30)	5.103	-	-	-	5.103
Foreign exchange differences:					
Group	-	11.618	-	-	11.618
Available-for-sale financial assets:					
Fair value gain	-	-	(372.491)	-	(372.491)
Share of fair value reserve in associates (Note 18)	-	-	49.543	-	49.543
At 31 December 2015	1.527.947	(321.412)	(137.213)	418.073	1.487.395
Land and buildings:					
Transfer of excess depreciation	(38.038)	-	-	-	(38.038)
Deferred tax on excess depreciation	4.755	-	-	-	4.755
Deferred tax adjustment on revaluation (Note 30)	2.630	-	-	-	2.630
Revaluation gain on land and buildings	303.825	-	-	-	303.825
Deferred tax on revaluation of land and buildings (Note 30)	(22.228)	-	-	-	(22.228)
Distribution of reserves to shareholder	-	-	-	(331.717)	(331.717)
Foreign exchange differences:					
Group	-	(32.364)	-	-	(32.364)
Available-for-sale financial assets:					
Fair value loss	-	-	(15.969)	-	(15.969)
Transfer between reserves	-	-	(109.164)	-	(109.164)
Share of fair value reserve in associates (Note 18)	-	-	(22.407)	-	(22.407)
At 31 December 2015	1.778.891	(353.776)	(284.753)	86.356	1.226.718

28 Non-controlling interest

	2016 €	2015 €
At beginning of year	**59.626**	101.018
Share of net loss	**(122)**	(132)
Share of fair value gain/(loss) of available for sale financial assets	**(1.688)**	(41.260)
At end of year	**57.816**	59.626

The non-controlling interest was created during the year 2011 from the disposal of the subsidiary Amathus Maritime Services Limited to the related companies Amathus Corporation Limited and Amathus Aegeas Limited. The 80% of the share capital of Amathus Maritime Services Limited is held by the wholly owned subsidiary Amathus Corporation Limited and the remaining 20% is held by the 50% associated company Amathus Aegeas Limited.

29 Borrowings

	2016 €	2015 €
Current		
Bank overdrafts [2] (Note 24)	**2.666.019**	2.816.955
Bank borrowings [1] – [2]	**62.223**	82.097
Borrowings from related parties (Note 32 (f))	**88.329**	-
Debentures	**-**	2.573.174
	2.816.571	5.472.226
Non-current		
Bank borrowings [1] – [2]	**-**	62.316
Borrowings from related parties (Note 32 (f))	**1.334.911**	-
	1.334.911	62.316
Total borrowings	**4.151.482**	5.534.542
Maturity of non-current borrowings (excluding debentures):		
Between 1 and 2 years	**92.364**	62.316
Between 2 and 5 years	**300.285**	-
Over 5 years	**942.262**	-
	1.334.911	62.316

(1) The bank loans are repayable by monthly instalments until December 2017.

(2) The bank loans and overdrafts are secured as follows:

- (a) By mortgage on the land and buildings of the Group amounting to €3.824.892 (2015: €3.824.892) (Note 15).
- (b) By floating charges on the Group's assets amounting to €6.645.804 (2015: €6.575.803).
- (c) By pledge of 43 838 885 (2015: 43 838 885) ordinary shares of Claridge Public Limited.
- (d) By assignment of fire insurance policies of all buildings of the Group.

(3) The debentures were repayable in November 2015. Securities are subject to Irrevocable Guarantee for the payment of interest and principal by Laiki Bank in favor of the Commissioner of bondholders. After the submission of Laiki Bank in resolution regime and up to the date of these consolidated financial statements, the warranty has not been undertaken by the Bank of Cyprus. On 1 December 2015, the Company proceeded with the redemption of 50% of the nominal value of debentures. The remaining balance plus interest of 6,25% for the period of delay, was fully repaid on 28 January 2016.

29 Borrowings (continued)

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

	2016	2015
	%	%
Bank borrowings	**5,48**	5,40
Bank overdrafts	**6,10**	6,35
Borrowings from related parties	**5,57**	-
Debentures	**N/A**	6,25

The Group's bank borrowings and bank overdrafts are arranged at floating rates. For borrowings at floating rates the interest rate reprises on a regular basis exposing the Group to cash flow interest rate risk.

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

	2016	2015
	€	€
6 months or less	**4.151.482**	5.534.542

The carrying amounts of current and non-current borrowings approximate their fair value. Fair values are based on discounted cash flows in which the discounted interest rate is based on the borrowing interest rates as presented above.

The carrying amount of the Group's borrowings is denominated in the following currency:

	2016	2015
	€	€
Euro – functional and presentation currency	**4.151.482**	5.534.542

30 Deferred tax liabilities

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

	2016	2015
	€	€
Deferred income tax assets:		
- Deferred tax assets to be recovered after more than 12 months	**(96.169)**	(96.169)
Deferred income tax liabilities:		
- Deferred tax liabilities to be settled after more than 12 months	**743.776**	630.644
Deferred tax liabilities - net	**647.607**	534.475

The deferred tax liabilities – net are not expected to be settled in a period of twelve months.

30 Deferred tax liabilities (continued)

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:

	Deferred tax liabilities			Deferred tax asset	
	Difference between depreciation and wear and tear allowances €	Revaluation of land and buildings €	Other temporary differences €	Taxable losses €	Total €
At 1 January 2015	52.967	573.820	13.457	(96.169)	544.075
Charged/(credited) to:					
Profit or loss	(4.497)	-	-	-	(4.497)
Revaluation reserve of land and buildings (Note 27)	-	(5.103)	-	-	(5.103)
At 31 December 2015/1 January 2016	48.470	568.717	13.457	(96.169)	534.475
Charged/(credited) to:					
Profit or loss	108.534	-	-	-	108.534
Revaluation reserve of land and buildings (Note 27)	-	19.598	-	-	19.598
At 31 December 2016	157.004	588.315	13.457	(96.169)	662.607

Deferred income tax assets are recognised for taxable losses carried forward to the extent that the realisation of the related tax benefit through the future taxable profits is probable. The Group did not recognise deferred income tax assets of €265.677 (2015: €235.863) in respect of losses amounting to €2.125.415 (2015: €1.886.906).

31 Trade and other payables

	2016 €	2015 €
Trade payables	**1.000.422**	1.577.383
Payable to related parties (Note 32 (g))	**1.692.405**	4.155.034
Other payables	**123.975**	365.655
Accrued expenses	**355.279**	343.715
	3.172.081	6.441.787

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

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

32 Related party transactions

The Group is controlled by Lanitis E.C. Holdings Limited, incorporated in Cyprus, which owns 55,95% of the Company's shares and is the ultimate controlling party of the Group.

The following transactions were carried out with related parties:

(a) Sale of goods and services

	2016 €	2015 €
Sales of goods and services:		
Holding company	**11.029**	16.274
Associates	**221.706**	270.578
Companies under common control	**77.956**	182.392
	310.691	469.244

Sales represent mainly sales of tickets, forwarding services, income from hotel accommodation, technical support and rent.

(b) Purchase of goods and services

	2016 €	2015 €
Purchases of goods and services:		
Holding company	**157.206**	141.384
Associates	**920.451**	1.093.186
Companies under common control	**3.374**	7.355
	1.081.031	1.241.925

Purchases represent administration expenses, usage rights, hotel accommodation expenses and re-allocation of expenses.

(c) Key management personnel compensation

The compensation of the key management personnel of the Group (including the remuneration of the Directors) and the close members of their family was as follows:

	2016 €	2015 €
Salaries and other short-term employee benefits	**297.825**	261.992
Provident fund contributions	**7.916**	5.178
	305.741	267.170

32 Related party transactions (continued)

(d) Directors' remuneration

The total remuneration of the Directors (included in key management personnel compensation above) was as follows:

	2016	2015
	€	€
Fees	**28.020**	27.678

	Fees	Salaries and employer contributions	Bonuses	Employer contributions to the provident fund	**2016 Total**	2015 Total
	€	€	€	€	**€**	€
Directors						
Platon E. Lanitis	3.417	-	-	-	**3.417**	3.417
Costas E. Lanitis	3.417	-	-	-	**3.417**	3.417
Constantinos Mitsides	3.417	-	-	-	**3.417**	3.417
Costas Charitou	3.417	-	-	-	**3.417**	3.417
Marios E. Lanitis	3.417	-	-	-	**3.417**	3.417
Markos Christodoulou	3.417	-	-	-	**3.417**	3.417
Michalakis Hadjikiriakos	3.588	-	-	-	**3.588**	3.588
Savvas Orphanides	3.930	-	-	-	**3.930**	3.588
Total	28.020	-	-	-	**28.020**	27.678

(e) Loans to related parties

	2016	2015
	€	€
Loans to associates:		
At beginning of year	**-**	-
Loan advanced during year	**-**	5.778.155
Offsetting with amount due from investment in associate (Note 18)	**-**	(5.778.155)
At end of year	**-**	-

The loan was given to the associate company Claridge Public Limited. The purpose of this loan is to cover part of the renovation cost necessary for the operation of Amathus Beach Hotel Paphos. Based on the loan agreement signed on 17 March 2015, it was agreed that the repayment of the loan amount and the interest will be offset against the consideration payable by Amathus Public Limited for its participation in K.A. Olympic Lagoon Resort Limited. The transfer of the hotel was completed on 21 January 2016. The interest rate for the loan, which had been initially agreed to be equal with the deposit rate of interest received by Amathus Public Limited for its deposits in Cyprus plus 0,50% was eventually not charged.

32 Related party transactions (continued)

(f) Borrowings from related parties

	2016 €	2015 €
Borrowings from associates:		
At beginning of year	**-**	-
Borrowings advanced during the year	**1.500.000**	
Borrowings repaid during year	**(153.552)**	-
Interest charged	**76.792**	-
At end of year (Note 29)	**1.423.240**	-

The above borrowing was provided with interest 3,9% plus Euribor 6M adjusted for the Special Defence Contribution charge, from the associate company K.A Olympic Lagoon Resort Limited based on the loan agreement dated 21 January 2016 and its purpose was to repay the balance due to the associate company in respect to the participation of the Company in the share capital of the associate company.

(g) Year end balances arising from purchases/sales of services

	2016 €	2015 €
Receivable from related parties (Note 23):		
Holding company	**33.243**	181.475
Associates	**1.140.728**	1.682.695
Companies under common control	**52.003**	14.890
	1.225.974	1.879.060
Payable to related parties (Note 31):		
Associates	**1.665.804**	4.140.777
Companies under common control	**-**	4.091
Joint venture	**26.601**	10.166
	1.692.405	4.155.034

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

(h) Sale of Let's Go department of the subsidiary Amathus Corporation Limited to the associate Orange Travel (Cyprus) Limited (previously A&M Cruises Limited)

On 9 December 2016 the final agreement for the sale of Let's Go department of the subsidiary Amathus Corporation Limited as a going concern to the associate Orange Travel (Cyprus) Limited (previously A&M Cruises Limited) was signed.

Based on the above agreement, through the sale, the subsidiary Amathus Corporation Limited acquired additional shares in the associate Orange Travel (Cyprus) Limited (previously A&M Cruises Limited) in proportion with the existing percentage of its holding due to the increase of the share capital of the associate.

The results of the discontinued operations which were related to the operating cycle of Let's Go Tours are presented in Note 25.

32 Related party transactions (continued)

(i) Guarantees in favour of associates

As at 31 December 2016, the Group provided corporate guarantees in relation to bank borrowing facilities of associates which were provided to third parties amounting to €440.314 (2015: €440.314) and by pledging 8 395 shares of K.A Olympic Lagoon Resort Limited for three years until 11 May 2018 (Note 33).

33 Contingent liabilities

As at 31 December 2016, the Group provided corporate guarantees in relation to bank borrowing facilities of associates which were provided to third parties amounting to €440.314 (2015: €440.314) and by pledging 8 395 shares of K.A Olympic Lagoon Resort Limited, for three years until 11 May 2018. The Board of Directors estimates that no losses will occur in respect of the corporate guarantees given and therefore no provision was made in the consolidated financial statements.

34 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 13 to 20.