Amathus Public Limited

Report and consolidated financial statements
31 December 2014

Contents

Amathus Public Limited

Board of Directors and other officers

Board of Directors

Platon E. Lanitis - Chairman
Costas E. Lanitis - Vice Chairman
Constantinos Mitsides
Costas Charitou
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 2014, confirm that, based on our knowledge:

(a) the annual consolidated financial statements which are presented on pages 13 to 85:

 (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 report of the Board of Directors 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	
Constantinos Mitsides, Director	
Costas Charitou, Director	
Marios E. Lanitis, Director	
Markos Christodoulou, Director	
Michalakis Hatzikyriakos, Director	
Savvas Orfanides, Director	

Financial Controller

Name	Signature
Panicos Sylikiotis, Financial Controller	

Limassol
29 April 2015

Amathus Public Limited

Report of the Board of Directors

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 2014.

Principal activities

The principal activities of the Group, have changed from last year due to the sale of Amathus Beach Hotel Limassol and the termination of management agreement for Amathus Beach Hotel Paphos. During the current year, the principal activities of the Group are concentrated mainly in the tourist sector.

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

Hotel activities

Management of Amathus Beach Hotel Rhodes, a seaside luxurious hotel of 364 rooms situated on the island of Rhodes.

During the year 2013, the Company decided to terminate the management agreement of Amathus Beach Hotel Paphos which is owned by Claridge Public Limited, with effect from 1 January 2014.

The freehold seaside Amathus Beach Hotel Limassol has been sold as detailed below.

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.

Tour operating from Greece through the subsidiary company ANC Worldchoice Holidays T.E. MEPE.

Sale of cruise packages through the associate company A & M Cruises Limited.

Other activities

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).

Significant developments during the year

From 1 January 2014, the management agreement for Amathus Beach Hotel Paphos, which is owned by the associate company Claridge Public Limited, was terminated by the Company.

On 21 January 2014, the final sale agreement regarding the disposal of Amathus Beach Hotel Limassol to the newly incorporated company Amathina Luxury Hotels Limited was signed. The company Amathina Luxury Hotels Limited is the subsidiary company of the newly incorporated company Amathina Holdings Limited, in which Amathus Public Limited participates with a percentage of 25%, M.A Luxury Hotels Limited with a percentage of 50% and Elerfield Holdings Limited with a percentage of 25%. The consideration for the said sale is €71.000.000, which includes the freehold land of the hotel, the leased land, the content of the hotel and the trade mark Amathus Beach Hotel. On 27 February 2014, the Shareholders agreement for the implementation of the agreed terms was signed. The cost the Company's investment to Amathina Holdings Limited amounts to €15.000.250 and has been recognised as joint venture.

On 22 January 2015, the company announced its participation to the newly incorporated company K.A Olympic Lagoon Resort Limited with a percentage of 48%. Amathus Public Limited has acquired 48% of K.A Olympic Lagoon Resort Limited which has been incorporated from Amathus Public Limited and Kanika Hotels Limited for the sole purpose of preparing and submitting a proposal to Claridge Public Limited for the acquisition of its hotel Amathus Beach Hotel Paphos. The cost of investment in K.A Olympic Lagoon Resort Limited by the Company is expected to be €9.840.000 and shall be paid wholly in cash. At the Extraordinary General Meeting of Claridge Public Limited held on 17 February 2015, the board of directors of the Company approved the sale of the hotel. The respective sales contract was signed on 2 April 2015. The Company and the Group do not have any capital commitments on 31 December 2014, related to the said contract.

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

The Group's loss before tax from continuing operations for the year 2014 was €8.113.520 compared to a loss before tax from continuing operations of €4.056.266 in prior year.

The increase in loss before tax from continuing operations is mainly due to:

(a) The decrease of the Group's revenue compared to the prior year by €478.018. The decrease in the Group's revenue is mainly due to the decrease of revenue in the department that is involved with incoming tourism and to the discontinued income from hotel oprations.

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

(b) The fact that during the current year a loss of €440.561 has been recognised due to adjustments in the fair value of investment property and financial assets held for sale compared to a loss of €32.225 in the prior year.

(c) The increase of share of loss from associated companies by €3.969.870, compared to the prior year.

After the tax charge amounting to €187.867 (2013: charge of €329.712), the loss after tax from continuing operations was €8.301.387 compared to a loss from continuing operations of €4.385.978 in 2013.

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 that the Group is facing are disclosed in Note 3 to the consolidated financial statements.

Additionally, the Group faces the risks and uncertainties disclosed in Note 1.

Future developments of the Group

The significant changes or developments in the activities of the Group for the foreseeable future are disclosed in Note 34 and Note 1 (economic environment of Cyprus).

Report of the Board of Directors (continued)

Results

The Group's results for the year are set out on pages 13 and 14. The loss before tax from continuing operations amounts to €8.113.520 (2013: loss from continuing operations of €4.056.266). After the tax charge of €187.867 (2013: charge of €329.712), the net loss for the year from continuing operations was €8.301.387 (2013: loss from continuing operations of €4.385.978). The net loss for the year is carried forward in reserves. The deviation between the indicative result announced from the Group (loss attributable to the shareholders of the Company, which amounts to €4.138.495) and the final result of €3.432.052 mentioned on page 13 relates to the restatement of the share of loss from the associated companies and to the reassessment of deferred taxation.

Dividends

The Board of Directors decided to pay an interim dividend to the shareholders of the Company for the amount of 11 cents per share of nominal value of 34 cents. The dividend was paid to the shareholders of the Company on 30 September 2014.

Share capital

The share capital of the Company amounts to €37.671.282, divided to (a) 88 050 305 ordinary shares with a par value of €0,34 each, fully paid, which are listed and traded in Cyprus Stock Exchange and (b) 35 218 480 partly paid shares with no voting rights, which are not quoted in Cyprus Stock Exchange and are transferred with private contract, in accordance with Company's Article of Association and the terms of their issue. Regarding the partly paid shares, an amount of €7.734.178 has been paid by now. Due to the change in the capital structure of the Group which resulted from the partly sale of its operations and assets, the Board of Directors is considering ways of the settlement of outstanding partly paid shares.

There were no changes in the issued share capital of the Company during the year.

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.

Amathus Public Limited

Report of the Board of Directors (continued)

Board of Directors

The members of the Board of Directors at 31 December 2014 and at the date of this report are shown on page 1. All of them were members of the Board throughout the year 2014.

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 or the 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. 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 incurred would be disproportionally higher than any anticipated benefits from its adoption.

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 2015, 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	6,28

(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 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. Detailed information regarding the capital of the Company is presented in Note 26 of the consolidated financial statements.

Corporate Governance Code (continued)

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.

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 2014 and on 24 April 2015, were as follows:

	Percentage holding	
	31 December 2014 %	24 April 2015 %
Platon E. Lanitis [(1)]	61,80	61,80
Costas E. Lanitis	4,21	4,21
Marios E. Lanitis	2,75	2,75
Constantinos Mitsides	-	-
Savvas Orfanides [(2)]	6,28	6,28
Markos Christodoulou	0,58	0,58
Michalakis Hatzikyriakos	-	-
Costas Charitou	-	-

(1) The percentage holding of Mr Platon E. Lanitis includes the percentage of Lanitis E.C. Holdings Limited (55,95%) and N.P. Lanitis 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 33 to the consolidated financial statements.

Other than what is stated in Note 33, at 31 December 2014 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 35 218 480 partly paid shares of the Company, 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.

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
29 April 2015

Independent Auditor's Report
To the Members of Amathus Public Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Amathus Public Limited (the "Company") and its subsidiaries (together with the Company, the "Group"), which comprise the consolidated balance sheet as at 31 December 2014, and the consolidated statements of income, comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Board of Directors' Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of consolidated financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors, as well as evaluating the consolidated overall presentation of the financial statements.

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

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T: +357 25 - 555 000, F:+357 - 25 555 001, www.pwc.com/cy

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2014, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU and the requirements of the Cyprus Companies Law, Cap. 113.

Report on Other Legal Requirements

Pursuant to the additional requirements of the Auditors and Statutory Audits of Annual and Consolidated Accounts Laws of 2009 and 2013, 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 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 information given in the report of the Board of Directors is consistent with the consolidated financial statements.

According to the requirements of the direction OD190-2007-04 of the Cyprus Capital Market Board, we report that a statement of corporate governance code has been issued regarding paragraphs (a), (b), (c), (f) and (g) of Article 5 of the given direction and consist a special part of the report of the Board of Directors.

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 and 2013 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.

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

PricewaterhouseCoopers Limited
Certified Public Accountants and Registered Auditors

Limassol, 29 April 2015

Amathus Public Limited

Consolidated income statement
for the year ended 31 December 2014

	Note.	**2014** **€**	2013 €
Continuing operations			
Revenue	6	**9.488.088**	9.966.106
Cost of sales	9	**(7.152.732)**	(7.468.436)
Gross profit		**2.335.356**	2.497.670
Selling and marketing costs	9	**(256.404)**	(420.401)
Administrative expenses	9	**(3.159.928)**	(2.381.855)
Other income	7	**722.824**	250.759
Other losses - net	8	**(441.579)**	(30.250)
Operating loss		**(799.731)**	(84.077)
Finance costs	11	**(769.379)**	(995.770)
Share of loss of associates	18	**(6.946.289)**	(2.976.419)
Share of profit of joint venture	19	**401.879**	-
Loss before tax		**(8.113.250)**	(4.056.266)
Income tax expenses	12	**(187.867)**	(329.712)
Loss for the year from continuing operations		**(8.301.387)**	(4.385.978)
Discontinued operations:			
Profit for the year from discontinued operations	25	**4.869.199**	1.955.773
Loss for the year		**(3.432.188)**	(2.430.205)
Attributable to:			
Owners of the Company		**(3.432.052)**	(2.430.092)
Non-controlling interest	28	**(136)**	(113)
		(3.432.188)	(2.430.205)
Loss per share attributable to the owners of the Company (cent per share):			
- Basic	14	**(3,10)**	(2,19)
- Diluted	14	**N/A**	N/A
Loss per share from continuing operations attributable to the owners of the Company (cent per share):			
- Basic	14	**(7,49)**	(3,96)
- Diluted	14	**N/A**	N/A

The notes on pages 21 to 85 are an integral part of these consolidated financial statements.

Amathus Public Limited

Consolidated statement of comprehensive income for the year ended 31 December 2014

	Note	2014 €	2013 €
Loss for the year		**(3.432.188)**	(2.430.205)
Other comprehensive income/(loss):			
Items that will not be reclassified to profit or loss			
Share of revaluation reserve on land and buildings in associates, after tax	27	**(2.311.936)**	(668.601)
Gain on revaluation of land and buildings, after tax	27	**-**	6.541.719
Capital gains tax on the sale of business	27	**(2.500.000)**	-
Deferred tax on revaluation of property sold	27	**5.492.189**	-
Items that maybe subsequently reclassified to profit or loss			
Deferred tax adjustment	27	**-**	10.699
Impact of change in tax rate on deferred tax	27	**-**	(315.225)
Deferred tax adjustment on revaluation	27	**28.858**	-
Change in fair value of available-for-sale financial assets	27,28	**99.417**	(32.735)
Currency translation differences	27	**11.436**	(2.814)
Share of deferred tax adjustment in associates	27	**(4.697)**	(7.566)
Share of fair value reserve in associates	27	**(555)**	473
Other comprehensive income for the year, after tax		**814.712**	5.525.950
Total comprehensive (loss)/income for the year		**(2.617.476)**	3.095.745
Attributable to:			
Owners of the Company		**(2.627.195)**	3.099.139
Non-controlling interest	28	**9.719**	(3.394)
		(2.617.476)	3.095.745
Total comprehensive (loss)/income attributable to shareholders arises from:			
Continuing operations		**(10.488.583)**	(4.789.965)
Discontinued operations		**7.861.388**	7.889.104
		(2.627.195)	3.099.139
Total comprehensive (loss)/profit per share attributable to owners of the Company (cents per share)			
- Basic	14	**(2,37)**	(2,80)
- Diluted	14	**N/A**	(2,50)
Total comprehensive loss per share from continuing operations attributable to owners of Company (cents per share)			
- Basic	14	**(9,47)**	(4,32)
- Diluted	14	**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 21 to 85 are an integral part of these consolidated financial statements.

Amathus Public Limited

Consolidated balance sheet at 31 December 2014

	Note	**2014 €**	2013 €
Assets			
Non-current assets			
Property, plant and equipment	15	**4.519.650**	4.622.685
Investment property	16	**235.000**	260.000
Investments in associates	18	**4.927.008**	14.200.835
Investment in joint venture	19	**15.402.129**	-
Available-for-sale financial assets	22	**843.732**	1.159.876
		25.927.519	20.243.396
Current assets			
Trade and other receivables	23	**8.442.920**	7.878.653
Cash and bank balances	24	**16.757.917**	2.831.452
		25.200.837	10.710.105
Assets held for sale	25	**-**	67.220.538
Total assets		**51.128.356**	98.174.039
Equity and liabilities			
Capital and reserves			
Share capital	26	**37.671.282**	37.671.282
Share premium	26	**3.935.797**	3.935.797
Other reserves	27	**2.605.643**	19.280.235
Accumulated losses		**(6.612.940)**	(8.472.570)
		37.599.782	52.414.744
Non-controlling interest	28	**101.018**	91.299
Total equity		**37.700.800**	52.506.043
Non-current liabilities			
Borrowings	29	**146.412**	8.990.111
Deferred tax liabilities	30	**544.075**	7.412.283
		690.487	16.402.394
Current liabilities			
Trade and other payables	31	**3.316.564**	5.429.289
Current tax liabilities		**278.253**	313.418
Borrowings	29	**9.142.252**	2.788.004
		12.737.069	8.530.711
Liabilities associated with assets held for sale	25	**-**	20.734.891
Total liabilities		**13.427.556**	45.667.996
Total equity and liabilities		**51.128.356**	98.174.039

On 29 April 2015 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 21 to 85 are an integral part of these consolidated financial statements.

Amathus Public Limited

Consolidated statement of changes in equity for the year ended 31 December 2014

		Attributable to the owners of the Company						
	Note	Share capital - fully paid shares €	Share capital - partly paid shares €	Share premium (2) €	Other reserves (2) €	Accumulated losses (1) €	Non-controlling interest €	Total €
Balance at 1 January 2013		29.937.104	7.734.178	3.935.797	14.301.444	(6.562.072)	94.693	49.441.144
Comprehensive loss								
Loss for the year		-	-	-	-	(2.430.092)	(113)	(2.430.205)
Other comprehensive income								
Land and buildings:								
Deferred tax on revaluation	27	-	-	-	10.699	-	-	10.699
Reassessment of deferred tax due to change in applicable tax rates	27	-	-	-	(315.225)	-	-	(315.225)
Gain on revaluation of land and buildings after tax		-	-	-	6.541.719	-	-	6.541.719
Transfer of excess depreciation after tax	27	-	-	-	(451.864)	451.864	-	-
Share of transfer of excess depreciation in associates after tax	27	-	-	-	(98.576)	98.576	-	-
Share of deferred tax adjustment in associates	27	-	-	-	(7.566)	-	-	(7.566)
Share of revaluation reserve on land and buildings in associates after tax	27	-	-	-	(668.601)	-	-	(668.601)
Currency translation differences	27	-	-	-	(2.814)	-	-	(2.814)
Available-for-sale financial assets:								
Fair value loss	27,28	-	-	-	(29.454)	-	(3.281)	(32.735)
Share of fair value reserve in associates	27	-	-	-	473	-	-	473
Total other comprehensive income		-	-	-	4.978.791	550.440	(3.281)	5.525.950
Comprehensive income for the year 2013		-	-	-	4.978.791	(1.879.652)	(3.394)	3.095.745
Transactions with owners								
Defence contribution on deemed dividend distribution		-	-	-	-	(30.846)	-	(30.846)
Total transactions with owners		-	-	-	-	(30.846)	-	(30.846)
Balance at 31 December 2013		29.937.104	7.734.178	3.935.797	19.280.235	(8.472.570)	91.299	52.506.043

Amathus Public Limited

Consolidated statement of changes in equity for the year ended 31 December 2014

	Note	Share capital - fully paid shares €	Share capital - partly paid shares €	Share premium [2] €	Other reserves [2] €	Accumulated losses [1] €	Non-controlling interest €	Total €
		Attributable to the owners of the Company						
Balance at 1 January 2014		29.937.104	7.734.178	3.935.797	19.280.235	(8.472.570)	91.299	52.506.043
Comprehensive loss								
Loss for the year		-	-	-	-	(3.432.052)	(136)	(3.432.188)
Other comprehensive income								
Land and buildings:								
Deferred tax on revaluation of property sold	27	-	-	-	5.492.189	-	-	5.492.189
Deferred tax adjustment on revaluation	27	-	-	-	28.858	-	-	28.858
Capital gains tax on the sale of business		-	-	-	(2.500.000)	-	-	(2.500.000)
Transfer of revaluation of property sold [3]		-	-	-	(17.420.493)	17.420.493	-	-
Transfer of excess depreciation after tax	27	-	-	-	(30.526)	30.526	-	-
Share of transfer of excess depreciation in associates after tax	27	-	-	-	(28.430)	28.430	-	-
Share of deferred tax adjustment in associates	27	-	-	-	(4.697)	-	-	(4.697)
Share of revaluation reserve on land and buildings in associates after tax	27	-	-	-	(2.311.936)	-	-	(2.311.936)
Currency translation differences	27	-	-	-	11.436	-	-	11.436
Available-for-sale financial assets:								
Fair value gain/(loss)	27,28	-	-	-	89.562	-	9.855	99.417
Share of fair value reserve in associates	27	-	-	-	(555)	-	-	(555)
Total other comprehensive income		-	-	-	(16.674.592)	17.479.449	9.855	814.712
Comprehensive loss for the year 2014		-	-	-	(16.674.592)	14.047.397	9.719	(2.617.476)
Transactions with owners								
Dividend for 2014	13	-	-	-	-	(12.187.767)	-	(12.187.767)
Total transactions with owners		-	-	-	-	(12.187.767)	-	(12.187.767)
Balance at 31 December 2014		29.937.104	7.734.178	3.935.797	2.605.643	(6.612.940)	101.018	37.700.800

Consolidated statement of changes in equity for the year ended 31 December 2014 (continued)

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

(2) The share premium and other reserves are not available for distribution in the form of dividend.

(3) The transfer of revaluation of property sold includes the gains on revaluation of Amathus Beach Hotel Limassol less the additional issue of shares to existing shareholders in the past due to these gains. The additional issue of shares to existing shareholders has been allocated proportionately to properties based on the revaluation of each property at the date of the additional issue of shares.

The notes on pages 21 to 85 are an integral part of these consolidated financial statements.

Amathus Public Limited

Consolidated statement of cash flows for the year ended 31 December 2014

	Note	**2014** €	2013 €
Cash flow from operations			
Loss before tax from continuing and discontinuing operations		**(4.586.014)**	(2.265.313)
Adjustments for:			
Depreciation of property, plant and equipment	15	**122.140**	1.632.036
Profit from the sale of property, plant and equipment	8	**1.018**	(1.975)
Impairment charge on classification as assets held for sale	25	**-**	196.164
Fair value loss on investment property	8	**25.000**	30.000
Impairment of available-for-sale financial assets	22	**415.561**	2.225
Dividend income	7	**-**	(2.112)
Interest income	7	**(624.733)**	(112)
Interest expense	11,25	**1.650.495**	2.541.369
Profit from sale of business of Amathus Beach Hotel Limassol	25	**(4.455.977)**	-
Share of loss of associates	18,19	**6.544.410**	2.976.419
		(908.100)	5.108.701
Changes in working capital:			
Inventories		**-**	(38.289)
Trade and other receivables		**636.585**	(365.815)
Trade and other payables		**(5.106.532)**	1.259.255
Cash generated from operations		**(5.378.042)**	5.963.852
Tax paid		**(193.330)**	(562.101)
Net cash generated (used in)/from operating activities		**(5.571.377)**	5.401.751
Cash flow from investing activities			
Purchase of property, plant and equipment	15	**(581.129)**	(595.488)
Acquisition of investment in joint venture	19	**(15.000.250)**	-
Proceeds from sale of business of Amathus Beach Hotel	25	**71.000.000**	-
Tax paid for sale of Amathus Beach Hotel		**(2.500.000)**	-
Proceeds from the sale of property, plant and equipment	15	**-**	6.608
Purchase of available-for-sale financial assets	22	**-**	(495)
Proceeds from sale of investment property in 2012		**-**	12.000.000
Dividends received		**10.350**	90.162
Interest received		**624.733**	112
Net cash generated from investing activities		**53.553.704**	11.500.899

Consolidated statement of cash flows for the year ended 31 December 2014 (continued)

	Σημ.	**2014** **€**	2013 €
Cash flows from financing activities			
Repayments of borrowings		**(12.542.889)**	(10.190.524)
Dividends paid to owners of the Company		**(12.187.767)**	-
Interest paid		**(1.657.247)**	(1.516.268)
Net cash used in financing activities		**(26.387.903)**	(11.706.792)
Net increase in cash and bank overdrafts		**21.594.424**	5.195.858
Cash and bank overdrafts at beginning of year		**(7.410.454)**	(12.606.312)
Cash and bank overdrafts at end of year		**14.183.970**	(7.410.454)
Cash and bank overdrafts balance at 31 December 2014 consists of the following:			
Cash and bank overdrafts in the balance sheet	24	**14.183.970**	112.991
Assets held for sale (cash and bank balances)	25	**-**	19.686
Liabilities associated with assets held for sale (bank overdrafts)	25	**-**	(7.543.131)
		14.183.970	(7.410.454)

The notes on pages 21 to 85 are an integral part of these consolidated financial statements.

Notes to the 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, Limassol, Cyprus.

Principal activities

The principal activities of the Group, have changed from last year due to the sale of Amathus Beach Hotel Limassol and the termination of management agreement for Amathus Beach Hotel Paphos. During the current year, the principal activities of the Group are concentrated mainly in the tourist sector.

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

Hotel activities

Management of Amathus Beach Hotel Rhodes, a seaside luxurious hotel of 364 rooms situated on the island of Rhodes.

During the year 2013, the Company decided to terminate the management agreement of Amathus Beach Hotel Paphos which is owned by Claridge Public Limited, with effect from 1 January 2014.

The freehold seaside Amathus Beach Hotel Limassol has been sold as detailed beleow.

Tourist activities

Representation and handling of airline companies in Cyprus and sale of airline tickets, as well as 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.

Tour operating from Greece through the subsidiary company ANC Worldchoice Holidays T.E. MEPE.

Sale of cruise packages through the associate company A & M Cruises Limited.

Other activities

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).

1 General information

Operating environment of the Group

(a) Operating environment of the Group

The Cyprus economy has been adversely affected from the crisis in the Cyprus banking system in conjunction with the inability of the Republic of Cyprus to borrow from international markets. These events led to negotiations between the Republic of Cyprus and the European Commission, the European Central Bank and the International Monetary Fund (the "Troika") for financial support which resulted into the Eurogroup decision on 25 March 2013. The decision included the restructuring of the two largest banks in Cyprus through a "bail in". Additionally, during 2013 and 2014 Cyprus economy further contracted with a decrease in the Gross Domestic Product.

The uncertain economic conditions in Cyprus, the unavailability of financing, the restructuring of the banking sector through the use of a "bail in" for Laiki Bank and Bank of Cyprus and the imposition of capital controls together with the current instability of the banking system and the continuing overall economic recession, 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 (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 has assessed:

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

(2) Whether the market value of Group's immovable property exceeds the net book value as presented in consolidated financial statements. When the market value is lower, then decreases that offset previous increases of the same asset are charged to other comprehensive income against other reserves directly in equity, all other decreases are debited in profit or loss.

(3) The ability of the Group to continue as a going concern (Note 2).

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.

1 General information (continued)

Operating environment of the Group (continued)

(a) Operating environment of the Group (continued)

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. The Group's Management has assessed the ability of the Group to continue as a going concern (Note 2).

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 Company 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 2013 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 at fair value 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 judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

Going concern

Management prepared financial budgets using future cash flows which cover the next financial year, based on historical experience, expectations for future events and several estimations and assumptions. Based on these financial budgets and provided that they do not vary significantly as a result of the factors and the risks of the operating environment of Group as mentioned in Note 1, the Group will continue as a going concern.

2 Summary of significant accounting policies (continued)

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 2014. This adoption did not have a material effect on the accounting policies of the Group with the exception of the following:

- IFRS 10, Consolidated financial statements'. IFRS 10 builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company. The standard provides additional guidance to assist in the determination of control where this is difficult to assess.

- IFRS 11, "Joint Arrangements". IFRS 11 is a more realistic reflection of joint arrangements by focusing on the rights and obligations of the arrangement rather than its legal form. There are two types of joint arrangement: joint operations and joint ventures. Joint operations arise where a joint operator has rights to the assets and obligations relating to the arrangement and hence accounts for its interest in assets, liabilities, revenue and expenses. Joint ventures arise where the joint operator has rights to the net assets of the arrangement and hence equity accounts for its interest. Proportional consolidation of joint ventures is no longer permitted.

- IAS 27, "Separate Financial Statements" was changed and its objective is now to prescribe the accounting and disclosure requirements for investments in subsidiaries, joint ventures and associates when an entity prepares separate financial statements. The guidance on control and consolidated financial statements was replaced by IFRS 10, Consolidated Financial Statements.

- IFRS 12, "Disclosures of Interests in Other Entities". IFRS 12 applies to entities that have an interest in a subsidiary, a joint arrangement, an associate or an unconsolidated structured entity. IFRS 12 sets out the required disclosures for entities reporting under the two new standards: IFRS 10, Consolidated financial statements, and IFRS 11, Joint arrangements, and replaces the disclosure requirements currently found in IAS 28, Investments in associates. IFRS 12 requires entities to disclose information that helps financial statement readers to evaluate the nature, risks and financial effects associated with the entity's interests in subsidiaries, associates, joint arrangements and unconsolidated structured entities. To meet these objectives, the new standard requires disclosures in a number of areas, including significant judgments and assumptions made in determining whether an entity controls, jointly controls, or significantly influences its interests in other entities, extended disclosures on share of non-controlling interests in group activities and cash flows, summarised financial information of subsidiaries with material non-controlling interests, and detailed disclosures of interests in unconsolidated structured entities.

2 Summary of significant accounting policies (continued)

Adoption of new and revised IFRSs (continued)

- IAS 28, Investments in Associates and Joint Ventures. The amendment of IAS 28 resulted from the Board's project on joint ventures. When discussing that project, the Board decided to incorporate the accounting for joint ventures using the equity method into IAS 28 because this method is applicable to both joint ventures and associates. With this exception, other guidance remained unchanged.

- Offsetting Financial Assets and Financial Liabilities - Amendments to IAS 32. The amendment clarifies that the right of set-off must not be contingent on a future event. It must also be legally enforceable for all counterparties in the normal course of business, as well as in the event of default, insolvency or bankruptcy. The amendment also considers settlement mechanisms.

- Transition Guidance Amendments to IFRS 10, IFRS 11 and IFRS 12. The amendments clarify the transition guidance in IFRS 10 Consolidated Financial Statements. Entities adopting IFRS 10 should assess control at the first day of the annual period in which IFRS 10 is adopted, and if the consolidation conclusion under IFRS 10 differs from IAS 27 and SIC 12, the immediately preceding comparative period (that is, year 2013 for a calendar year-end entity that adopts IFRS 10 in 2014) is restated, unless impracticable. The amendments also provide additional transition relief in IFRS 10, IFRS 11, Joint Arrangements, and IFRS 12, Disclosure of Interests in Other Entities, by limiting the requirement to provide adjusted comparative information only for the immediately preceding comparative period. Further, the amendments will remove the requirement to present comparative information for disclosures related to unconsolidated structured entities for periods before IFRS 12 is first applied. The amendment did not have a significant effect on the Company's financial statements.

- Recoverable Amount Disclosures for Non-financial Assets - Amendments to IAS 36. The amendments remove the requirement to disclose the recoverable amount when a CGU contains goodwill or indefinite lived intangible assets but there has been no impairment. The impact of adoption of this amendment is that no disclosure is made of the recoverable amount of CGU.

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 2014, and have not been applied in preparing these financial statements. None of these is expected to have a significant effect on the financial statements of the Group, except the following set out below:

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

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

2 Summary of significant accounting policies (continued)

Adoption of new and revised IFRSs (continued)

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

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

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

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

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

- Accounting for Acquisitions of Interests in Joint Operations - Amendments to FRS 11 (issued on 6 May 2014 and effective for the periods beginning on or after 1 January 2016*). This amendment adds new guidance on how to account for the acquisition of an interest in a joint operation that constitutes a business. The Group is currently assessing the impact of the amendments on its financial statements.

2 Summary of significant accounting policies (continued)

Adoption of new and revised IFRSs (continued)

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

- IFRIC 21 - Levies (issued on 20 May 2013 and effective for annual periods beginning 17 June 2014). The interpretation clarifies the accounting for an obligation to pay a levy that is not income tax. The obligating event that gives rise to a liability is the event identified by the legislation that triggers the obligation to pay the levy. The fact that an entity is economically compelled to continue operating in a future period, or prepares its financial statements under the going concern assumption, does not create an obligation. The same recognition principles apply in interim and annual financial statements. The application of the interpretation to liabilities arising from emissions trading schemes is optional.

- Defined Benefit Plans: Employee Contributions - Amendments to IAS 19 (issued in November 2013 and effective for annual periods beginning 1 July 2014*). The amendment allows entities to recognise employee contributions as a reduction in the service cost in the period in which the related employee service is rendered, instead of attributing the contributions to the periods of service, if the amount of the employee contributions is independent of the number of years of service.

- 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 1 January 2016)*. 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.

- Annual Improvements to IFRSs 2014 (issued on 25 September 2014 and effective for annual periods beginning on or after 1 January 2016*). The amendments impact 4 standards. IFRS 5 was amended to clarify that change in the manner of disposal (reclassification from "held for sale" to "held for distribution" or vice versa) does not constitute a change to a plan of sale ore distribution, and does not have to be accounted for as such. The amendment to IFRS 7 adds guidance to help management determine whether the terms of an arrangement to service a financial asset which has been transferred constitute continuing involvement, for the purposes of disclosures required by IFRS 7. The amendment also clarifies that the offsetting disclosures of IFRS 7 are not specifically required for all interim periods, unless required by IAS 34.The amendment to IAS 19 clarifies that for post-employment benefit obligations, the decisions regarding discount rate, existence of deep market in high-quality corporate bonds, or which government bonds to use as a basis, should be based on the currency that the liabilities are denominated in, and not the country where they arise. IAS 34 will require a cross reference from the interim financial statements to the location of "information disclosed elsewhere in the interim financial report".

2 Summary of significant accounting policies (continued)

Adoption of new and revised IFRSs (continued)

The Group has not analysed 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. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred 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.

2 Summary of significant accounting policies (continued)

Basis of consolidation (continued)

(a) Subsidiaries (continued)

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 the statement of 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.

(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.

2 Summary of significant accounting policies (continued)

Basis of consolidation (continued)

(b) Associates (continued)

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 by comparing its recoverable amount with its carrying amount whenever there is an indication of impairment.

(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 each investor.

The Group has assessed the nature of its joint arrangements and determined them to be joint ventures. Joint ventures are accounted for using the equity method.

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 ventures.

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. When necessary, 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.

2 Summary of significant accounting policies (continued)

Basis of consolidation (continued)

(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. Revenue is shown 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.

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.

2 Summary of significant accounting policies (continued)

Revenue recognition (continued)

(d) Rental income

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

(e) Dividend income

Dividend income is recognised when the right of the Group to receive payment is established.

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 three 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.

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) Transactions and balances

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

2 Summary of significant accounting policies (continued)

Foreign currency translation (continued)

(c) 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.

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.

2 Summary of significant accounting policies (continued)

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 buildings are shown at fair value, based on periodic valuations by external independent valuers, less subsequent depreciation for buildings. Revaluations are carried out with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the balance sheet date. 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.

The annual depreciation rates are as follows:

	%
Hotel buildings	1,25
Buildings (excluding hotel buildings)	3 - 4
Plant and equipment	15 – 33,33
Motor vehicles	20
Furniture, fixtures and office equipment	10 – 33,33
Linen, catering and kitchen equipment	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.

2 Summary of significant accounting policies (continued)

Property, plant and equipment (continued)

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 the profit or loss.

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

Leases

Leases of property, plant and equipment where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased property and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in borrowings. The interest element of the finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the shorter of the useful life of the asset or the lease term, unless there is a reasonable certainty that the Group will obtain ownership by the end of the lease term, in which case the assets are depreciated over their estimated useful lives .

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 gains”.

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. 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 balance sheet 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 cash equivalents” in the balance sheet.

(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 the balance sheet date whether there is objective evidence that a financial asset or group of financial assets is impaired.

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

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 (i) the remaining unamortised balance of the amount at initial recognition and (ii) 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.

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.

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

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

2 Summary of significant accounting policies (continued)

Trade payables

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

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

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.

Non-current assets (or disposal groups) held for sale

Non-current assets (or disposal groups) are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell. Before the classification as held for sale, all non-current assets and liabilities that will be reclassified are measured according to the applicable standards, up to the date of the reclassification. Property measured at fair value in accordance with IAS16 'Property, plant and equipment', is revalued at fair value at the date of the reclassification, if its fair value differs significantly from the carrying amount at that date. Deferred tax assets and liabilities and current assets that are part of the disposal group are outside the scope of IFRS 5 and are measured according to the applicable standards and after the reclassification.

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

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year. The reclassifications for the prior year relate to discontinued operations (Note 24).

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 overall 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 its available-for-sale financial assets relate to investment funds consisting mainly of cash and cash equivalents, which are not significantly affected from changes in market prices. The equity investments that are publicly traded in Cyprus Stock Exchange at 31 December 2014 and 31 December 2013 are not significant.

Cash flow interest rate risk

As the Group has significant interest-bearing assets (deposits with bank), the Group's income and operating cash flows are not substantially independent of changes in market interest rates.

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

At 31 December 2014, if interest rates on Euro denominated deposits with bank had been 1% (2013: 1%) higher/lower with all other variables held constant, after tax loss for the year would have been €8.329 (2013: €-) higher/lower, mainly as a result of higher/lower credit interest.

At 31 December 2014, if interest rates on Euro denominated borrowings had been 1% (2013: 1%) higher/lower with all other variables held constant, after tax loss for the year would have been €81.276 (2013: €295.192) higher/lower, mainly as a result of higher/lower debit interest of borrowings in floating charges.

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

3 Financial risk management (continued)

(i) Financial risk factors (continued)

- **Credit risk**

Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables and committed transactions. For banks and financial institutions, only independently rated parties with high credit rating are accepted. 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.

- **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.

	Less than 1 year €	1 to 2 years €	2 to 5 years €	Over 5 years €
At 31 December 2013				
Borrowings	2.788.004	9.412.337	158.476	-
Borrowings associated with assets held for sale	7.767.186	1.886.597	4.290.668	6.275.199
Trade and other payables	5.429.289	-	-	-
Trade and other payables associated with assets held for sale	2.993.807	-	-	-
	18.978.286	11.298.934	4.449.144	6.275.199

	Less than 1 year €	1 to 2 years €	2 to 5 years €	Over 5 years €
At 31 December 2014				
Borrowings	9.495.226	87.672	67.648	-
Trade and other payables	3.316.564	-	-	-
	12.811.790	87.672	67.648	-

3 Financial risk management (continued)

(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.

The gearing rations including assets and liabilities held for sale at 31 December 2014 and 2013 were as follows:

	2014	2013
	€	€
Total borrowings (Notes 25 and 29)	**9.288.664**	29.519.199
Less: cash and cash equivalents (Note 24 and 25)	**(16.757.917)**	(2.851.138)
Net debt	**(7.469.253)**	26.668.061
Total equity	**37.700.800**	52.506.043
Total capital as defined by Management	**30.231.547**	79.174.104
Gearing ratio	**N/A**	34%

At 31 December 2014 the Group is not exposed to capital risk as total borrowings are exceeded by cash and cash equivalents resulted from the proceeds from the sale of Amathus Beach Hotel Limassol. The Group considers equity as shown on the face of the balance sheet as capital.

(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).

3 Financial risk management (continued)

(iii) Fair value estimation (continued)

The following table presents the Group's financial assets that are measured at fair value at 31 December 2013 and 31 December 2014:

	Level 1 €	Level 2 €	Level 3 €	Total balance €
31 December 2013				
Assets				
Available-for-sale financial assets:				
- Equity securities	-	-	434.766	434.766
- Unlisted equity securities	-	725.110	-	725.110
Total assets measured at fair value	-	725.110	434.766	1.159.876
31 December 2014				
Assets				
Available-for-sale financial assets:				
- Equity securities	-	-	20.077	20.077
- Unlisted equity securities	-	823.655	-	823.655
Total assets measured at fair value	-	823.655	20.077	843.732

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

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in Level 1. Instruments included in Level 3 comprise investments on Cyprus Stock Exchange classified as available for sale, for which no active market exist.

The fair value of financial instruments that are not traded in an active market (for example, unlisted equity securities) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

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

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments.
- Other techniques, such as discounted cash flow analysis, are used for fair value measurement of the remaining financial instruments.

  Refer to Notes 15 and 16 for disclosures of the fair values of property plant and equipment and investment property, respectively carried at fair value.

3 Financial risk management (continued)

(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.

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 Claridge Public Limited**

Management has assessed the influence that the Company has on the associate company Claridge Public Limited considering the adoption of IFRS 10 and determined that it has significant influence and not control. Despite the fact that the percentage of participation is considerably high (40,53%), the Company has no the practical ability to control Claridge Public Limited due to the existence of other investors who hold significant percentages of participation and to their active participation at the previous general meetings of Claridge Public Limited. Therefore, this investment was classified as investment in associates.

- **Fair Value of Land and Buildings**

Management, considering the observable inputs for the variation in fair value measurements for land and buildings for the year 2014 (fall in sales prices), the location and the development of the respective area where land and buildings are located, estimates that the fair value has not changed significantly from 31 December 2013 to 31 December 2014. Therefore, based on the provisions of IAS 16 ''Property, Plant and Equipment- Revaluation model'', no revaluation has been performed at 31 December 2014 (Note 15).

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
- Hotel activities
- Other activities

5 Segmental analysis (continued)

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.

The assets held for sale and the liabilities associated with assets held for sale are included in the operating reporting segment of hotel activities.

Segmental results

	Tourist activities €	Hotel activities €	Other activities €	Total €
Year ended 31 December 2013				
Income	8.988.511	702.464	275.131	9.966.106
Profit/(loss) before interest, taxation, depreciation, amortisation, impairment and the results of associates	330.271	(253.890)	121.794	198.175
Depreciation	127.331	125	28	127.484
Impairment charge	154.768	-	-	154.768
Year ended 31 December 2014				
Income	9.169.169	-	318.919	9.488.088
Profit/(loss) before interest, taxation, depreciation, amortisation, impairment and the results of associates	(1.393.074)	-	846.566	(546.508)
Depreciation	119.007	-	3.133	122.140
Impairment charge	131.083	-	-	131.083

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

	2014 **€**	2013 €
(Loss)/profit before interest, taxation, depreciation, amortisation, impairment and the results of associated companies from operating reporting segments	**(546.508)**	198.175
Depreciation	**(122.140)**	(127.484)
Impairment charge	**(131.083)**	(154.768)
Operating (loss)/ profit	**(799.731)**	(84.077)
Finance costs	**(769.379)**	(995.770)
Share of loss of associates	**(6.946.289)**	(2.976.419)
Share of profit of joint venture	**401.879**	-
Loss before taxation	**(8.113.520)**	(4.056.266)
Taxation	**(187.867)**	(329.712)
Loss after taxation from continuing operations	**(8.301.387)**	(4.385.978)

5 Segmental analysis (continued)

Assets per segment

	Tourist activities €	Hotel activities €	Other activities €	Total €
31 December 2014	45.420.332	-	5.708.024	**51.128.356**
31 December 2013	14.001.954	73.397.104	10.774.981	**98.174.039**

Liabilities per segment

	Tourist activities €	Hotel activities €	Other activities €	Total €
31 December 2014	12.601.127	-	4.101	**12.605.228**
31 December 2013	3.836.907	34.291.634	13.754	**38.142.295**

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

	2014 €	2013 €
Total liabilities from operating reporting segments	**12.605.228**	38.142.295
Deferred tax liabilities	**544.075**	7.212.283
Current tax liabilities	**278.253**	313.418
Total liabilities per the consolidated balance sheet	**13.427.556**	45.667.996

6 Revenue

	2014 €	2013 €
Income from hotel activities	**-**	702.464
Sales of air tickets	**1.806.887**	1.607.075
Sales of travel packages	**5.546.122**	4.946.241
Sales of cruises	**905.184**	985.607
Income from incoming tourism	**525.414**	1.053.382
Income from international cargo	**254.735**	240.739
Other income	**449.746**	430.598
	9.488.088	9.966.106

7 Other income

	2014 €	2013 €
Interest income on bank balances	**624.733**	112
Dividend income	**-**	2.112
Management fees	**-**	15.600
Other income	**98.091**	232.935
	722.824	250.759

8 Other (losses)/gains - net

	2014 €	2013 €
(Loss)/Profit on sale of property, plant and equipment (Note 15)	**(1.018)**	1.975
Fair value loss from investment property (Note 16)	**(25.000)**	(30.000)
Impairment charge of financial assets held for sale (Note 22)	**(415.561)**	(2.225)
	(441.579)	(30.250)

9 Expenses by nature

	2014 €	2013 €
Depreciation of property, plant and equipment (Note 15)	**122.140**	127.484
Operating lease rentals	**115.272**	122.120
Repairs and maintenance	**12.456**	11.197
Advertising and promotion	**94.630**	244.542
Management fees	**263.660**	306.741
Auditors' remuneration –assurance services charged by the Company's statutory audit firm	**57.500**	60.500
Other auditors – assurance services	**3.100**	3.534
Trade receivables – charge in the provision for doubtful debts (Note 23)	**98.943**	-
Trade receivables – impairment charge (Note 23)	**131.083**	154.768
Staff costs (Note 10)	**1.833.045**	1.938.460
Electricity and water	**60.552**	81.611
Purchase of cruise packages	**862.818**	940.608
Expenses relating to incoming tourism	**383.046**	527.275
Direct expenses relating to outgoing tourism	**3.275.009**	3.151.823
Other direct expenses relating to hotel services, travel packages and incoming tourism	**2.298.670**	1.555.634
Other expenses	**957.140**	1.044.395
Total cost of goods and services sold, selling and marketing costs and administrative expenses	**10.569.064**	10.270.692

The other expenses stated above include fees of €36.240 (2013: €19.200) for tax consultancy services charged by the Company's statutory audit firm.

10 Staff costs

	2014 €	2013 €
Salaries	**1.623.145**	1.720.847
Social insurance and other funds	**152.441**	154.908
Provident Fund contributions	**38.712**	42.674
Other staff costs	**18.747**	20.031
	1.833.045	1.938.460

The Group has three defined contribution schemes, the Amathus Public Limited Employees' Provident Fund, the Hotel Industry 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

	2014 €	2013 €
Interest expense:		
Bank borrowings	**276.971**	365.668
Debentures	**471.178**	629.361
Overdue taxation	**21.230**	371
Total interest expense	**769.379**	995.400
Net foreign exchange gain on financing activities	**-**	370
	769.379	995.770

12 Tax

	2014 €	2013 €
Current tax charge:		
Corporation tax	**-**	361.776
Defence contribution	**193.335**	3.658
Total current tax charge	**193.335**	365.434
Deferred taxation (Note 30):		
Origination and reversal of temporary differences	**(5.468)**	(16.365)
Impact of change in the applicable tax rate	**-**	(19.357)
Total deferred tax	**(5.468)**	(35.722)
Tax charge	**187.867**	329.712

12 Tax (continued)

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

	2014	2013
	€	€
Loss before tax	**(8.113.520)**	(4.056.266)
Tax calculated at the applicable corporation tax	**(1.014.190)**	(547.689)
Tax effect of expenses not deductible for tax purposes	**1.091.369**	910.417
Tax effect of allowances and income not subject to tax	**(82.647)**	(43.401)
Special contribution for defence	**193.335**	3.658
Additional tax	**-**	23.884
Deferred tax on tax losses not recognised	**-**	(17.157)
Tax charge	**187.867**	329.712

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% (2013: 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.

The capital gains tax rate is 20%.

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.

12 Tax (continued)

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					
	2014			2013		
	Before tax €	**Tax (charge)/ credit €**	**After tax €**	Before tax €	Tax (charge)/ credit €	After tax €
Land and buildings:						
Deferred tax adjustment	**-**	**-**	**-**	-	10.699	10.699
Impact of change in tax rate on deferred taxation	**-**	**-**	**-**	-	(315.225)	(315.225)
Share of revaluation on land and buildings in associates	**(2.589.666)**	**277.730**	**(2.311.936)**	(835.650)	167.130	(668.520)
Adjustment of deferred taxation from share of revaluation of land and buildings of associated companies due to change in applicable tax rates	**-**	**-**	**-**	-	(81)	(81)
Share of deferred tax adjustment in associates	**(4.697)**	**-**	**(4.697)**	(7.566)	-	(7.566)
Deferred tax on revaluation of property sold	**-**	**5.492.189**	**5.492.189**	-	-	-
Deferred tax adjustment on revaluation	**-**	**28.858**	**28.858**	-	-	-
Capital gains tax on the sale of business	**-**	**(2.500.000)**	**(2.500.000)**	-	-	-
Revaluation of land and buildings	**-**	**-**	**-**	8.302.149	(1.760.430)	6.541.719
Financial assets available for sale:						
Fair value loss/(gain)	**99.417**	**-**	**99.417**	(32.735)	-	(32.735)
Share of fair value reserve in associates	**(555)**	**-**	**(555)**	473	-	473
Currency translation differences	**11.436**	**-**	**11.436**	(2.814)	-	(2.814)
Other comprehensive income/(losses)	**(2.484.065)**	**3.298.777**	**814.712**	7.423.857	(1.897.907)	5.525.950

13 Dividends per share

On 28 August 2014 the Board of Directors decided to pay an interim dividend to the shareholders of the Company for the amount of €0,11 per share (nominal value of €0,34). The dividend was paid to the shareholders of the Company who were registered at Register of Members on 12 September 2014. The dividend was paid on 30 September 2014.

The dividend paid to individuals who are Cyprus tax residents was subject to a deduction of special contribution for defence amounting to €652.308,60 at the time dividend was paid.

14 Loss per share

	2014	2013
Net loss attributable to the owners of the Company (€)	**(3.432.052)**	(2.430.092)
Net loss from continuing operations attributable to the owners of the Company (€)	**(8.301.251)**	(4.385.865)
Comprehensive gain/(loss) attributable to the owners of the Company (€)	**(2.627.195)**	3.099.139
Total loss from continuing operations attributable to the owners of the Company (€)	**(10.488.583)**	(4.789.965)
Weighted average number of ordinary shares in issue during the year	**110 797 884**	110 797 888
Basic loss per share (cent per share)	**(3,10)**	(2,19)
Basic loss from continuing operations per share (cent per share)	**(7,49)**	(3,96)
Basic comprehensive loss per share (cent per share)	**(2,37)**	(2,80)
Basic comprehensive loss from continuing operations per share (cent per share)	**(9,47)**	(4,32)

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 payments.

The calculation of the diluted loss per share is based on the possible number of shares that will be issued with the full settlement of party paid shares.

	2014	2013
Possible weighted average number of shares after full payment of partially paid shares	**123 268 785**	123 268 785
Diluted loss per share (1)	**N/A**	N/A
Diluted loss from continuing operations per share (1)	**N/A**	N/A
Diluted total comprehensive income/(loss) per share (1)	**N/A**	2,51
Diluted total comprehensive loss from continuing operations per share (1)	**N/A**	N/A

(1) The calculation of the diluted loss per share based on the possible number of shares that will be issued with the full exercise of the rights and warrants has not been made because the loss per share will be decreased. In such case in accordance with the provisions of IAS 33 “Earnings per share” the diluted loss is not applicable.

15 Property, plant and equipment

	Land and Buildings €	Furniture, Fixtures, machinery and office equipment €	Motor Vehicles €	Total €
At 1 January 2013				
Cost or valuation	62.463.166	18.905.435	341.247	81.709.848
Accumulated depreciation	(2.271.862)	(16.156.968)	(294.346)	(18.723.176)
Net book amount	60.191.304	2.748.467	46.901	62.986.672
Year ended 31 December 2013				
Opening net book amount	60.191.304	2.748.467	46.901	62.986.672
Additions	143.504	451.984	-	595.488
Disposals	-	(4.633)	-	(4.633)
Revaluation gain (1) (Note 27)	8.437.641	-	-	8.437.641
Write-off of revaluation (2)	(135.492)	-	-	(135.492)
Depreciation charge for continuing operations (Note 9)	(88.669)	(35.864)	(2.951)	(127.484)
Depreciation charge for discontinued operations	(474.418)	(1.030.134)	-	(1.504.552)
Exchange differences	-	(207)	-	(207)
Transfer to assets held for sale	(63.550.246)	(2.074.502)	-	(65.624.748)
Closing net book amount	4.523.624	55.111	43.950	4.622.685
At 31 December 2013				
Cost or valuation	5.507.833	2.270.006	224.856	8.002.695
Accumulated depreciation	(984.209)	(2.214.895)	(180.906)	(3.380.010)
Net book amount	4.523.624	55.111	43.950	4.622.685
Year ended 31 December 2014				
Opening net book amount	4.523.624	55.111	43.950	4.622.685
Additions	561.074	20.055	-	581.129
Transfer to assets held for sale	(561.074)	-	-	(561.074)
Disposals	-	(1.018)	-	(1.018)
Depreciation charge for continuing operations (Note 9)	(87.414)	(32.686)	(2.040)	(122.140)
Exchange differences	-	68	-	68
Closing net book amount	4.436.210	41.530	41.910	4.519.650
At 31 December 2014				
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

(1) The Group's land and buildings were revalued for the last time on 31 December 2013 by independent valuers on the basis of open market value. No deficit or surplus arose from this revaluation. The revaluation gain amounting to €8.437.641 relates to assets held for sale (Note 27).

(2) The Group does not have free access to land which is recorded at a cost of €186.890 (2013: €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. Due to this uncertainty, the Directors decided to write-off the revaluation of the land, amounted to €135.492, which was recognized in other reserves in the previous years and to present the land at its initial cost.

15 Property, plant and equipment (continued)

Depreciation for continuing operations amounting to €122.140 (2013: €127.484) has been charged in administrative expenses.

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

	2014 **€**	2013 €
Net book amount	**1.018**	4.633
(Loss)/profit on sale of property, plant and equipment (Note 8)	**(1.018)**	1.975
Proceeds from sale of property, plant and equipment	**-**	6.608

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

	2014 **€**	2013 €
Cost	**4.496.177**	4.496.177
Accumulated depreciation	**(908.753)**	(855.681)
Net book amount	**3.587.424**	3.640.496

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

Assets acquired via finance leases have been classified at 31 December 2013 as assets held for sale (Note 25).

Fair values 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.

An independent valuation of the Group's land and buildings was performed by valuers to determine the fair value of the land and buildings as at 31 December 2013. No deficit or surplus arose from this revaluation.

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 measurements at 31 December 2014 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			
– Land – Cyprus	-	-	2.786.890
– Office Buildings – Cyprus	-	-	1.649.320
	-	-	4.436.210

	Fair value measurements at 31 December 2013 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			
– Land – Cyprus	-	-	2.786.890
– Office Buildings – Cyprus	-	-	1.736.734
	-	-	4.523.624

Fair value measurements using significant unobservable inputs (Level 3)

	31 December 2014			31 December 2013		
	Office buildings Cyprus	Land Cyprus	Total	Office buildings Cyprus	Land Cyprus	Total
	€	€	€	€	€	€
Opening balance	1.736.734	2.786.890	4.523.624	1.822.465	2.922.382	4.744.847
Additions	-	-	-	2.938		2.938
Depreciation	(87.414)	-	(87.414)	(88.669)		(88.669)
Losses recognised in other comprehensive income	-	-	-	-	(135.492)	(135.492)
Closing balance	1.649.320	2.786.890	4.436.210	1.736.734	2.786.890	4.523.624

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.

15 Property, plant and equipment (continued)

Valuation processes

The Group's building properties were valued at 31 December 2013, as mentioned above, by independent professionally qualified valuers who hold a recognised relevant professional qualification and have recent experience in the locations and segments of the properties valued. 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 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.

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

Description	Fair value at 31 December 2014 €	Valuation technique(s)	Unobservable inputs	Range of unobservable inputs (probability – weighted average)	Relationship of unobservable inputs to fair values
Office buildings - Cyprus	4.436.210	Sales comparison approach	Price per square metre	€2.387/sq.m	The higher the price per square metre, the higher the fair value

Description	Fair value at 31 December 2013 €	Valuation technique(s)	Unobservable inputs	Range of unobservable inputs (probability – weighted average)	Relationship of unobservable inputs to fair values
Office buildings - Cyprus	4.523.624	Sales comparison approach	Price per square metre	€2.434/sq.m	The higher the price per square metre, the higher the fair value

Sensitivity of management's estimates

	Change in the building value per sq. m.		
	-5%	0%	+5%
Value variation	€4.214.340	€4.436.210	€4.658.020

There are no inter-relationships between unobservable inputs.

15 Property, plant and equipment (continued)

Valuation techniques underlying management's estimation of fair value

For offices in Cyprus with a total carrying amount of €4.436.210 (2013: €4.523.624), the valuation was determined using the comparative method and cost method while considering the following valuations (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 in the valuation methods during the year.

16 Investment property

	2014	2013
	€	€
At beginning of year	**260.000**	290.000
Fair value loss (Note 8)	**(25.000)**	(30.000)
At end of year	**235.000**	260.000

The investment property, comprising land, is revalued annually on 31 December at fair value which is the open market value based on estimates by an independent, professionally qualified valuer. Changes in fair values are recorded in profit or loss and are included in “other gains”.

Country	**Cyprus - Residential properties**	**2014 Total**	2013 Total
Fair value hierarchy	3		
	€	**€**	€
Fair Value at 1 January	**260.000**	**260.000**	290.000
Net loss from fair value adjustments on investment property	**(25.000)**	**(25.000)**	(30.000)
Fair value at 31 December	**235.000**	**235.000**	260.000

16 Investment property (continued)

The Group's investment property is measured at fair value. Investment property consists of residential 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 2014 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
Cyprus Residential	235.000	Comparative method and cost method	90.000 – 100.000	650/sq.m.

Sensitivity of management's estimates

	Change in the building value per sq. m.		
Percentage change:	**-5%**	**0%**	**+5%**
Value variation	€223.550	€235.000	€246.750

There are no inter - relationships between unobservable inputs.

16 Investment property (continued)

Valuation techniques underlying Management's estimation of fair value

For residential property in Cyprus with a total carrying amount of €235.000 (2013: €260.000), the valuation was determined using the comparative method and cost method while considering the following valuations (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 in the valuation methods during the year.

17 Investments in subsidiaries

At 31 December 2014, the Group had the following subsidiaries, all of which are unlisted:

Name	Principal activities	Country of incorporation	% interest held 2014	2013
Amathus (UK) Limited	Travel agents	United Kingdom	100	100
Amathus Travel Limited	Travel agents	Cyprus	100	100
Amathus Hotels Limited	Inactive	Cyprus	100	100
Let's Go Tours Limited	Inactive	Cyprus	100	100
Pelagos Travel and Tours Limited	Inactive	Cyprus	100	100
Amathus Maritime Limited (1)	Investment holding	Cyprus	90	90
Air Promotion Group Cyprus Limited	Inactive	Cyprus	100	100
ANC Worldchoice Holidays T.E. MEPE	Tour operators	Greece	100	100
AMPM Travel Limited	Travel agents	Cyprus	100	100
Amathus Corporation Limited	Investment holding and tourist activities	Cyprus	100	100

(1) 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.

18 Investments in associates

	2014 €	2013 €
At beginning of year	**14.200.835**	17.940.998
Share of loss after tax – continuing operations	**(3.697.074)**	(2.976.419)
Share of loss after tax – discontinued operations (1)	**(3.249.215)**	-
Dividends received	**(10.350)**	(88.050)
Share of fair value reserve (Note 27)	**(555)**	473
Share of deferred tax adjustments on revaluation of land and buildings (Note 27)	**(4.697)**	(7.566)
Share of revaluation of property, plant and equipment charged directly to inventory (Note 27) (2)	**(2.589.666)**	(835.650)
Share of deferred tax on revaluation (Note 27) (2)	**277.730**	167.130
Deferred tax adjustments in the applicable tax rates (Note 27)	**-**	(81)
At end of year	**4.927.008**	14.200.835

(1) The share of loss from discontinued operations relates to the share of the operations of Amathus Beach Hotel Paphos, which it was decided to be sold by the shareholders on 17 February 2015. The sale agreement was signed on 2 April 2015.

(2) Revaluation relates to the decrease in the value of land and property in the associates and resulted from the revaluation to the market value at 31 December by independent professional valuers.

At 31 December 2014, investments in associates include goodwill amounting to €128.145 (2013: €128.145).

Set out below are the associates of the Company as at 31 December 2014, which, in the opinion of the Directors, are material to the Company. The associates listed below have share capital consisting solely of ordinary shares, which are held directly by the Company; the country of incorporation or registration is also their principal place of business.

Nature of investments in associates in 2014 and 2013:

Name of entity	Place of business/country of incorporation	Nature of the relationship	% of ownership interest
2014			
Claridge Public Limited	Cyprus	Note 1	40,53
Leisure Holdings S.A.	Luxembourg	Note 2	31,02
Amathus Hellas Touristiki A.E.	Greece	Note 3	50,00
APG Malta Limited	Malta	Note 3	33,33
Amathus Aegeas Limited	Cyprus	Note 4	50,00
Two Serve (Airport Services)	Cyprus	Note 5	20,02
Two Serve Management Limited	Cyprus	Note 5	50,00
Hollandia Aviation Limited	Cyprus	Note 6	35,00
A & M Cruises Limited	Cyprus	Note 7	50,00

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

18 Investments in associates (continued)

Note 1: The associate company Claridge Public Limited is the owner of “Amathus Beach Hotel Paphos’’, a seaside luxurious hotel of 273 rooms on the coast of Kato Paphos. The hotel was managed by Amathus Public Limited until 31 December 2013. From 1 January 2014, the management agreement was terminated.

Note 2: The associate company Leisure Holdings S.A is the owner of “Amathus Beach Hotel Rhodes’’, a seaside luxurious hotel 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 companies Two Serve (Airport Services) and Two Serve Management Limited have as principal activities the provision of airport and air cargo handling services.

Note 6: The associate company Hollandia Aviation Limited provides representation and handling of airline companies.

Note 7: The associate company A&M Cruises Limited has as a principal activity the sale of cruise packages.

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.		Total	
	31 December		31 December		31 December	
	2014	2013	**2014**	2013	**2014**	2013
	€	€	**€**	€	**€**	€
Current						
Cash and cash equivalents	**187.303**	29.276	**1.668.169**	945.016	**1.855.472**	974.292
Other current assets	**48.722.978**	12.407.042	**1.370.946**	1.352.341	**50.093.924**	13.759.383
Total current ssets	**48.910.281**	12.436.318	**3.039.115**	2.297.357	**51.949.396**	14.733.675
Financial liabilities (excluding trade payables)	**(510.828)**	(5.567.100)	**(24.391.675)**	(24.024.552)	**(24.902.503)**	(29.591.652)
Other current liabilities (including trade payables)	**(43.447.892)**	(3.445.471)	**(3.656.362)**	(3.598.696)	**(47.104.254)**	(7.044.167)
Total current liabilities	**(43.958.720)**	(9.012.571)	**(28.048.037)**	(27.623.248)	**(72.006.757)**	(36.635.819)
Non- current						
Assets	**1.580.768**	47.884.464	**30.000.000**	39.597.849	**31.580.768**	87.482.313
Financial liabilities	**-**	(26.303.945)	**-**	-	**-**	(26.303.945)
Other liabilities	**-**	(4.434.468)	**-**	-	**-**	(4.434.468)
Total non- current liabilities	**-**	(30.738.413)	**-**	-	**-**	(30.738.413)
Net assets	**6.532.329**	20.569.798	**4.991.078**	14.271.958	**11.523.407**	34.841.756

18 Investments in associates (continued)

Summarised statement of comprehensive income

	Claridge Public Ltd		Leisure Holding S.A.		Total	
	31 December		31 December		31 December	
	2014	2013	**2014**	2013	**2014**	2013
	€	€	**€**	€	**€**	€
Revenue	**500.000**	1.550.541	**9.460.054**	8.933.783	**9.960.054**	10.484.324
Depreciation	**-**	(1.023.308)	**(897.642)**	(893.226)	**(897.642)**	(1.916.534)
Interest income	**1.490**	19	**-**	8.691	**1.490**	8.710
Interest expense	**(37.620)**	(42.729)	**(1.193.360)**	(1.289.283)	**(1.230.980)**	(1.332.012)
Pre-tax loss from continuing operations	**(3.266.728)**	(1.226.465)	**(7.738.977)**	(154.561)	**(11.005.705)**	(1.381.026)
Income tax expense	**-**	-	**-**	-	**-**	-
Post-tax loss from continuing operations	**(3.266.728)**	(1.226.465)	**(7.738.977)**[(2)]	(154.561)	**(11.005.705)**	(1.381.026)
Post-tax loss from discontinued operations	**(8.016.815)**[(1)]	(6.058.920)	**-**	-	**(8.016.815)**	(6.058.920)
Other comprehensive income	**(2.753.926)**	(1.666.947)	**(1.541.093)**	-	**(4.295.019)**	(1.666.947)
Total comprehensive income	**(14.037.469)**	(8.952.332)	**(9.280.880)**	(154.561)	**(23.318.349)**	(9.106.893)
Dividends received from associate	**-**	-	**-**	-	**-**	-

(1) The share (40,53%) of loss which is allocated to the Group: €3.249.215
(2) The share (31,02%) of loss which is allocated to the Group: €2.400.631

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.

18 Investments in associates (continued)

Reconciliation of summarised financial information

Summarised Financial Information	Claridge Public Ltd 31 December		Leisure Holding S.A. 31 December		Total 31 December	
	2014	2013	**2014**	2013	**2014**	2013
	€	€	**€**	€	**€**	€
Opening net assets 1 January	**20.569.798**	29.522.130	**14.271.958**	14.426.519	**34.841.756**	43.948.649
Profit/Loss for the period	**(11.283.543)**	(7.285.385)	**(7.738.977)**	(154.561)	**(19.022.520)**	(7.439.946)
Other comprehensive income	**(2.753.926)**	(1.666.947)	**(1.541.903)**	-	**(4.295.829)**	(1.666.947)
Closing net assets	**6.532.329**	20.569.798	**4.991.078**	14.271.958	**11.523.407**	34.841.756
Interest in associates (40,53%, 31,02%)	**2.617.716**	9.051.057	**1.572.752**	4.427.161	**4.190.468**	13.478.218
Goodwill	**-**	-	**-**	-	**-**	-
	2.617.716	9.051.057	**1.572.752**	4.427.161	**4.190.468**	13.478.218

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:

	2014 **€**	2013 €
Profit for the year	**216.400**	90.258
Other comprehensive income/(losses)	**-**	-
Total profit/(loss) for the year	**216.400**	90.258
Total net assets	**736.540**	722.617

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.

Claridge Public Limited, the only public associate company of the Group is listed in the Cyprus Stock Exchange. Claridge Public Limited is the owner of the hotel Amathus Beach Hotel Paphos which was operated under the management of the Group until 31 December 2013. The cooperation agreement was terminated on 1 January 2014. An amount of €350.764 has been credited in the consolidated financial statements for these services provided for the year 2013. From 1 January 2014, the management of the hotel has been taken under Olympic Lagoon Hotels Limited. The market value of this investment at 31 December 2014 amounted to €1.841.125 (2013: €1.753.538). 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.

19 Investments in joint venture

Following the agreements taken place as regards the sale of Amathus Beach Hotel Limassol (Note 25), the Group disposed the control of the hotel unit Amathus Beach Hotel Limassol and acquired a stake of 25% in Amathina Holdings Limited, which is currently the owner of Amathus Beach Hotel Limassol. The sharehoding of 25% was acquired with the issue of shares from Amathina Holdings Limited for the consideration of €15.000.000 and was recognised as investment in joint venture (Note 4) measured initially at cost.

	2014 **€**	2013 €
Investment in joint venture	**15.402.129**	-
	15.402.129	

The details for the participation in the joint venture at the year end are as follow:

Name	**Principal Activities**	**% of ownership interest**
Amathina Holdings Limited	Hotel operations	25%

19 Investments in joint venture (continued)

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

	2014 €	2013 €
At beginning of year	-	-
Additions	15.000.250	-
Share of profit after tax	401.879	-
At end of year	15.402.129	-

Summarised financial information

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

Summarised balance sheet

	Amathina Holdings Limited as at 31 December	
	2014 €	2013 €
Current		
Cash and cash equivalents	4.129.333	-
Other current assets	1.601.318	-
Total current assets	5.730.651	-
Financial liabilities (excluding trade payables)	(1.629.612)	-
Other current liabilities (including trade payables)	(2.228.692)	-
Total current liabilities	(3.858.304)	-
Non-current		
Assets	73.245.996	-
Financial liabilities	(13.351.827)	-
Other liabilities	(157.999)	-
Total non-current liabilities	(13.509.826)	-
Net assets	61.608.517	-

19 Investments in joint venture (continued)

Reconciliation of summarised financial information

	Amathina Holdings Limited 31 December 2014	2013
Summarised financial information	**€**	€
Opening net assets 1 January	**-**	-
Profit for the period	**1.607.517**	-
Reserves	**60.001.000**	-
Foreign exchange differences	**-**	-
Closing net assets	**61.608.517**	-
Share in investment in joint venture (25%)	**15.402.129**	-
Goodwill	**-**	-
	15.402.129	-

Summarised statement of comprehensive income

	Amathina Holdings Limited 31 December 2014	2013
	€	€
Revenue	**14.141.033**	-
Depreciation and amortisation	**(1.920.827)**	-
Interest income	**81.463**	-
Interest expense	**(494.786)**	-
Pre-tax profit from continuing operations	**1.867.892**	-
Income Tax expense	**(260.375)**	-
Post-tax profit from continuing operations	**1.607.517**	-
Post-tax profit from discontinued operations	**-**	-
Other Comprehensive Income	**-**	-
Total Comprehensive Income	**1.607.517**	-
Dividends received from joint venture	**-**	-

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 joint ventures.

20 Financial instruments by category

	Loans and receivables €	Available-for-sale €	Total €
31 December 2014			
Assets as per consolidated balance sheet			
Available-for-sale financial assets	-	843.732	**843.732**
Trade and other receivables (excluding prepayments)	8.411.434	-	**8.411.434**
Cash and cash equivalents	16.757.917	-	**16.757.917**
Total	25.169.351	843.732	**26.013.083**

	Other financial liabilities €	Total €
Liabilities as per consolidated balance sheet		
Borrowings	9.288.664	**9.288.664**
Trade and other payables (excluding statutory liabilities)	3.295.467	**3.295.467**
Total	12.584.131	**12.584.131**

	Loans and Receivables €	Available-for-sale €	Total €
31 December 2013			
Assets as per the consolidated balance sheet			
Available for sale financial assets	-	1.159.876	1.159.876
Trade and other receivables (excluding prepayments)	7.821.104	-	7.821.104
Trade and other receivables (excluding prepayments) included in assets held for sale	1.200.852	-	1.200.852
Cash and Cash equivalents	2.831.452	-	2.831.452
Cash and cash equivalents included in assets held for sale	19.686	-	19.686
Total	11.873.094	1.159.876	13.032.970

	Other financial liabilities €	Total €
Liabilities as per consolidated balance sheet		
Borrowings	11.778.115	11.778.115
Borrowings included in liabilities associated with assets held for sale	17.741.084	17.741.084
Trade and other payables (excluding statutory liabilities)	5.249.317	5.249.317
Trade and other payables included in liabilities associated with assets held for sale	2.993.807	2.993.807
Σύνολο	37.762.323	37.762.323

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:

	2014 €	2013 €
Trade receivables		
Counterparties without external credit rating		
Group 1	**1.534.558**	2.079.828
Total fully performing trade receivables	**1.534.558**	2.079.828
Fully performing other receivables		
Group 2	**4.384.797**	3.709.107
Group 3	**1.064.892**	618.191
	5.449.689	4.327.298
Cash at bank (Moody's) (1)		
A1	**18**	2.668.049
Caa1	**2.663.746**	39.036
Caa2	**5.068.092**	-
Caa3	**9.002.841**	4.463
Ca	**-**	41.991
No external credit rating	**38**	64.258
	16.734.735	2.817.797

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

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

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

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

None of the financial assets that are fully performing has been renegotiated, in the last year. None of the loans and receivables from related parties is past due or impaired.

22 Available-for-sale financial assets

	2014 €	2013 €
At beginning of year	**1.159.876**	1.194.341
Additions	**-**	495
Impairment charge (Note 8)	**(415.561)**	(2.225)
Fair value gains/(losses) transferred to equity (Note 27 & 28)	**99.417**	(32.735)
At the end of year	**843.732**	1.159.876

During the year 2014 there was no dividend income (2013: €2.114) from available-for-sale financial assets, which would be included in "other income" in the profit or loss (Note 7).

22 Available-for-sale financial assets (included)

Available-for-sale financial assets include the following:

	2014 €	2013 €
Listed shares in Cyprus Stock Exchange	**2.537**	2.606
Unlisted shares	**841.195**	1.157.270
	843.732	1.159.876

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 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

	2014 €	2013 €
Trade receivables	**3.049.494**	3.493.806
Less: provision for impairment of doubtful receivables	**(87.749)**	-
Trade receivables – net	**2.961.745**	3.493.806
Receivables from related parties (Note 33 (e))	**4.384.797**	3.709.107
Other receivables	**1.064.892**	618.191
Prepayments	**31.486**	57.549
	8.442.920	7.878.653

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

As at 31 December 2014, trade receivables of €1.534.558 (2013: €2.079.828) were fully performing.

Trade receivables that are less than four months past due are not considered impaired. As at 31 December 2014 trade receivables of €1.427.187 (2013: €1.413.978) 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 of these trade receivables is as follows:

	2014	2013
	€	€
Up to 4 months	**212.341**	140.792
4 to 12 months	**1.214.846**	1.273.186
	1.427.187	1.413.978

As of 31 December 2014 trade receivables of €131.083 (2013: €154.178) were impaired and provided for (Note 9). The individually impaired receivables mainly relate to customers, which are in unexpectedly difficult economic situations.

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

	2014	2013
	€	€
At 1 January	**-**	354.434
Provision for impairment of receivables (Note 9)	**98.943**	-
Receivables written off during the year	**(11.194)**	(10.304)
Transfer to assets held for sale (Note 25)	**-**	(344.130)
At 31 December	**87.749**	-

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 provision for impairment 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 Euro.

24 Cash and bank balances

	2014 €	2013 €
Cash at bank and in hand	**9.120.000**	2.813.861
Short term bank deposits	**7.637.917**	17.591
	16.757.917	2.831.452

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

	2014 €	2013 €
Cash and cash equivalents	**16.757.917**	2.831.452
Bank overdrafts (Note 29)	**(2.573.947)**	(2.718.461)
	14.183.970	112.991

The short term bank deposits have initial maturity until three months.

Cash and cash equivalents are denominated in Euro.

25 Non-current assets held for sale and discontinued operations

The non-current assets and liabilities that relate to the hotel Amathus Beach Hotel Limassol have been presented as assets and liabilities held for sale, after signing the Binding Heads of Agreement on 7 December 2013 for the sale of the Company's hotel unit. The agreement provided for the sale of the Company's hotel unit to the newly incorporated company Amathina Luxury Hotels Limited, in which Amathus Public Limited will participate with a share of 25%. M. A. Luxury Hotels with a share of 50% and Elerfield Holdings Limited with a share of 25%.

The transfer date of the assets and liabilities which relate to the hotel Amathus Beach Hotel Limassol as held for sale is 1 December 2013, which is the date on which the provisions of the IFRS 5 'Non-current assets held for sale and discontinued operations' are fulfilled.

On 21 January 2014 the final sales agreement of the hotel Amathus Beach Hotel Limassol to the company Amathina Luxury Hotels Limited was signed. On 27 February 2014 the Shareholders Agreement was signed for the implementation of the matters agreed.

According to the agreements in place for the sale of the business unit of the hotel Amathus Beach Hotel, the Group disposed the control of the business unit of the hotel Amathus Beach Hotel Limassol and acquired a share of 25% in Amathina Holdings Limited, which controls currently the business unit Amathus Beach Hotel Limassol. The share of 25% was acquired after the issue of shares from Amathina Holdings Limited for the amount of €15.000.000 and was recognised as share in joint venture. (Note 19).

The sale of the Company's hotel unit was made for the amount of € 71.000.000, which includes the freehold land of the hotel, leasehold land, the contents of the hotel and the trade mark Amathus Beach Hotel.

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

As a result, the assets and liabilities the relate to the hotel Amathus Beach Hotel Limassol were presented as assets and liabilities held for sale and have been recognized at the carrying amount or fair value less costs to sell, whichever is lower. The date of classification of the assets and liabilities that relate to the hotel Amathus Beach Hotel Limassol is 1 December 2013. In accordance with the provisions of IFRS 5, no depreciation is charged on property, plant and equipment after being classified as assets held for sale.

In accordance with the provisions of IFRS 5 and IAS 16, the land and buildings measured at fair value have been revalued to their fair value, amounting to €61.000.000 at the date of the reclassification resulting to a fair value gain before tax of €8.437.641 (Note 15).

The remaining items of property, plant and equipment, which are measured at cost, have suffered an impairment of €124.749 because their fair value in accordance with the final sale agreement amounts to €4.500.000 which is lower than their carrying amount of €4.624.749 and this event is considered an objective evidence of impairment.

Inventories included in assets held for sale are outside the scope of IFRS 5 and therefore they are valued at cost or net realizable value, whichever is lower, in accordance with the provisions of IAS 16. The net realisable value, according to the final sale agreement amounts to €500.000 which is lower than the cost of €571.415. As a result, inventory has suffered an impairment of €71.415.

The major classes of assets and liabilities held for sale at 31 December 2014 and 2013 are:

	2014	2013
	€	€
Assets		
Property, plant and equipment	-	65.500.000
Investment in associate	-	-
Inventories	-	500.000
Trade and other receivables	-	1.200.852
Cash and bank balances	-	19.686
Assets held for sale	-	67.220.538
Liabilities		
Trade and other payables	-	2.993.807
Borrowings	-	17.741.084
Liabilities associated with assets held for sale	-	20.734.891

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

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

	2014 €	2013 €
Income [(1)]	**183.633**	15.710.661
Cost of Sales	**(155.602)**	(10.220.418)
Gross Profit	**28.031**	5.490.243
Selling and marketing costs	**-**	(884.271)
Administrative expenses	**(204.816)**	(1.302.701)
Other Income	**129.430**	229.815
Impairment charge on reclassification as assets held for sale	**-**	(196.164)
Operating Loss	**(47.355)**	3.336.922
Finance costs	**(881.116)**	(1.545.969)
Operating loss before tax	**(928.471)**	1.790.953
Tax credit	**1.341.693**	164.820
Profit after tax	**413.222**	1.955.773
Profit from sale of business unit of Amathus Beach Hotel Limassol [(2)]	**4.455.977**	-
Profit from the year from discontinued operations	**4.869.199**	1.955.773

(1) The results presented for 2014 relates to the nine days of operation of the Amathus Beach Hotel Limassol, from 1 January to 9 January 2015.

(2)

	2014 €
Proceeds from sale of Amathus Beach Hotel Limassol business unit	71.000.000
Use of proceeds for acquisition of 25% share in joint venture	(15.000.250)
Net proceeds from partly sale of controlled business unit	**55.999.750**
Net assets sold	(66.044.023)
Inventories	(500.000)
	(66.544.023)
	(10.544.273)
Retention of 25% holding in joint venture	15.000.250
Profit from sale of business unit	**4.455.977**

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

Analysis of cash flows from discontinued operations are as follows:

	2014	2013
	€	€
Cash flow for/(from) operations	**(4.755.713)**	4.571.835
Cash flow from/(for) investing activities	**67.938.926**	(604.074)
Cash flow for financing activities	**(11.059.872)**	(2.949.901)
Total cash flows	**52.103.341**	1.017.860

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 2013	88 050 305	29.937.104	7.734.178	3.935.797	41.607.079
Instalments paid	-	-	-	-	-
At 31 December 2013/ 31 December 2014	**88 050 305**	**29.937.104**	**7.734.178**	**3.935.797**	**41.607.079**

The total authorised number of ordinary shares is 150 000 000 shares (2013: 150 000 000 shares) with a par value of €0,34 per share. At 31 December 2014, the total number of ordinary shares that were issued and fully paid was 80 050 305 (2013: 88 050 305).

The Company issued 35 218 480 partly paid shares. These shares have the same rights as the existing fully paid shares except the right to vote. Once these shares are fully paid and their introduction to the Cyprus Stock Exchange (CSE) is approved by the General Meeting, they will gain voting rights and will have the same rights as the existing fully paid ordinary shares. Up to date the Company has received an amount of €7.734.178 out of the total amount of €11.974.283, as far as partly paid shares are concerned.

During the year the Company did not receive any instalments on the partly paid shares (2013: €Nil).

The last instalment of partly paid shares of €0,12 per share amounting to €4.240.105 in total, was in September 2012 and has not been paid up to the date of the issue of the financial statements. The holding company Lanitis E.C. Holdings Limited, has guaranteed the rights issue at its release in 2007 and consequently took the majority of these rights. The Company has granted to Lanitis E.C. Holdings Limited extension until 31 December 2014, for the payment of the amount of €4.240.105. Due to the change in the shareholding of the Group which resulted from the sale of a part of operations and assets, the Board of Directors is considering how to settle payment of the partly paid shares.

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 2013	14.099.314	(341.652)	125.709	418.073	14.301.444
Land and buildings:					
Transfer of excess depreciation [(1)]	(516.416)	-	-	-	(516.416)
Deferred tax on excess depreciation	64.552	-	-	-	64.552
Gain on revaluation of land and buildings	8.302.149	-	-	-	8.302.149
Deferred tax on revaluation of land and buildings (Note 29)	(1.760.430)	-	-	-	(1.760.430)
Deferred tax on revaluation (Note 29)	10.699	-	-	-	10.699
Remeasurement of deferred tax on revaluation due to change in applicable tax rates (Note 29)	(315.225)	-	-	-	(315.225)
Share of excess depreciation on revalued buildings in associates	(102.638)	-	-	-	(102.638)
Share of deferred tax on excess depreciation in associates	4.062	-	-	-	4.062
Share of deferred tax adjustment on revaluation in associates (Note 17)	(7.566)	-	-	-	(7.566)
Share of revaluation of land and buildings (gross) in associates (Note 17)	(835.650)	-	-	-	(835.650)
Share of revaluation of land and buildings (tax) in associates	167.130	-	-	-	167.130
Adjustment of share of deferred tax on revaluation of land and buildings in associated companies due to a change in the applicable tax rates (Note 17)	(81)	-	-	-	(81)
Share of deferred tax on excess depreciation in associates					
Group	-	(2.814)	-	-	(2.814)
Available-for-sale financial assets:					
Fair value loss	-	-	(29.454)	-	(29.454)
Share of fair value reserve in associates (Note 17)	-	-	473	-	473
At 31 December 2013	19.109.900	(344.466)	96.728	418.073	19.280.235

27 Other reserves (continued)

	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 2014	19.109.900	(344.466)	96.728	418.073	19.280.235
Land and buildings:					
Transfer of excess depreciation [1]	(34.887)	-	-	-	(34.887)
Deferred tax on excess depreciation	4.361	-	-	-	4.361
Deferred tax on revaluation of assets sold (Note 30)	5.492.189	-	-	-	5.492.189
Adjustment of deferred tax on revaluation (Note 30)	28.858	-	-	-	28.858
Capital gains tax on assets sold	(2.500.000)	-	-	-	(2.500.000)
Transfer of revaluation of assets sold [2]	(17.420.493)	-	-	-	(17.420.493)
Share of excess depreciation on revalued buildings in associates	(31.984)	-	-	-	(31.984)
Share of deferred tax on excess depreciation in associates	3.554	-	-	-	3.554
Share of deferred tax adjustment on revaluation in associates (Note 18)	(4.697)	-	-	-	(4.697)
Share of revaluation of land and buildings (gross) in associates (Note 18)	(2.589.666)	-	-	-	(2.589.666)
Share of revaluation of land and buildings (tax) in associates (Note 18)	277.730	-	-	-	277.730
Foreign exchange differences:					
Group	-	11.436	-	-	11.436
Available-for-sale financial assets:					
Fair value gain/(loss)	-	-	89.562	-	89.562
Share of fair value reserve in associates (Note 18)	-	-	(555)	-	(555)
At 31 December 2014	2.334.865	(333.030)	185.735	418.073	2.605.643

(1) This amount includes also the excess depreciation that relates to revalued elements of property and equipment.

(2) The transfer of revaluation of assets sold includes the gain from revaluation of Amathus Beach Hotel Limassol, less the additional issue of shares to existing shareholders. The additional issue of shares to existing shareholders has been proportionately allocated to properties according to the revaluation of each property as at the date of the additional issue of shares.

28 Non-controlling interest

	2014 €	2013 €
At beginning of year	**91.299**	94.693
Share of net loss	**(136)**	(113)
Share of fair value gains/(loss) of available for sale financial assets	**9.855**	(3.281)
At end of year	**101.018**	91.299

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

	2014 €	2013 €
Current		
Bank overdrafts [2] (Note 24)	**2.573.947**	2.718.461
Bank borrowings [1] – [2]	**90.089**	69.543
Debentures	**6.478.216**	-
	9.142.252	2.788.004
Non-current		
Bank borrowings [1] – [2]	**146.412**	223.085
Debentures [3]	**-**	8.767.026
	146.412	8.990.111
Total borrowings	**9.288.664**	11.778.115
The maturity of the non-current borrowings is as follows:		
Maturity of non-current borrowings (excluding debentures):		
Between 1 and 2 years	**80.587**	74.533
Between 2 and 5 years	**65.825**	148.552
	146.412	223.085
Maturity of non-current debentures		
Between 1 to 2 years	**-**	8.767.026
	-	8.767.026

[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 (2013: €38.319.916) (Note 15).

(b) By floating charges on the Group's assets amounting to €6.575.803 (2013: €27.963.010).

(c) By pledge of 43 838 885 (2013: 26 347 530) ordinary shares of Claridge Public Limited.

(d) By assignment of fire insurance policies of all buildings of the Group.

(e) By commitment of the Group that no assets which are already under mortgage will be pledged as security for the benefit of any financial institution without the prior consent of the financial institution which is the main finance provider of the Group.

[3] The debentures are 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.

Lease liabilities are effectively secured as the rights to the leased assets revert to the lessor in the event of default.

29 Borrowings (continued)

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

	2014	2013
	%	%
Bank borrowings	**7,23**	7,75
Bank overdrafts	**7,51**	7,86
Debentures	**6,25**	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:

	2014	2013
	€	€
6 months or less	**9.288.664**	11.778.115

The carrying amounts of current borrowings 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:

	2014	2013
	€	€
Euro – functional and presentation currency	**9.288.664**	11.778.115

30 Deferred tax liabilities

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

	2014	2013
	€	€
Deferred tax assets:		
- Deferred tax assets to be recovered after more than 12 months	**(96.169)**	(125.606)
Deferred tax liabilities:		
- Deferred tax liabilities to be settled after more than 12 months	**640.244**	7.537.889
Deferred tax liabilities - net	**544.075**	7.412.283

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 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 2013	1.647.178	4.056.303	(55.061)	(96.169)	5.552.251
Charge/(credit):					
Profit or loss [(1)]	(204.156)	(26.392)	25.624	-	(204.924)
Revaluation reserve of land and buildings (Note 27)	-	2.064.956	-	-	2.064.956
At 31 December 2013	1.443.022	6.094.867	(29.437)	(96.169)	7.412.283
At 1 January 2014	1.443.022	6.094.867	(29.437)	(96.169)	7.412.283
Charge/(credit):					
Profit or loss [(1)]	(1.390.055)	-	42.894	-	(1.347.161)
Revaluation reserve of land and buildings (Note 27)	-	(5.521.047)	-	-	(5.521.047)
At 31 December 2014	52.967	573.820 1	13.457	(96.169)	544.075

[(1)] Charge/(credit) of deferred taxation in profit or loss that relates to continuing operations for the year ended 2014 amounts to €5.468 (2013: €35.722) (Note 12).

Deferred 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 tax assets of €159.866 (2013: €19.335) in relation to losses amounting to €1.278.924 (2013: €154.682).

31 Trade and other payables

	2014 €	2013 €
Trade payables	**2.116.031**	4.576.094
Payable to related parties (Note 33 (e))	**405.443**	221.920
Other payables	**318.504**	349.219
Accrued expenses	**476.586**	282.056
	3.316.564	5.429.289

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

32 Commitments

(i) Operating lease commitments – where the Company is the lessee

The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

	2014 €	2013 €
Not later than 1 year	-	58.552
Later than 1 year and no later than 5 years	-	234.208
Later than 5 years	-	3.161.809
	-	3.454.569

The above commitments for 2013 relate to hotel activities of Amathus Beach Hotel Limassol which have been classified as discontinued operations.

33 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

	2014 €	2013 €
Sales of goods and services:		
Holding company	**20.012**	24.495
Associates	**190.172**	1.264.457
Companies under common control	**382.845**	390.290
	593.029	1.679.242

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

(b) Purchase of goods and services

	2014 €	2013 €
Purchases of goods and services:		
Holding company	**263.660**	221.141
Associates	**1.082.942**	1.376.921
Companies under common control	**865.933**	151.579
	2.212.535	1.749.641

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

33 Related party transactions (continued)

(c) Key management personnel compensation

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

	2014	2013
	€	€
Salaries and other short-term employee benefits	**389.325**	446.690
Provident fund contributions	**28.091**	41.344
	417.416	488.034

(d) Directors' remuneration

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

	2014	2013
	€	€
Fees	**27.336**	29.565

	Fees	Salaries and employer contributions	Bonuses	Employer contributions to the provident fund	**2014 Total**	2013 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	3.417	-	-	-	**3.417**	3.759
Savvas Orphanides	3.417	-	-	-	**3.417**	3.417
Ioannis K. Archontides (1)	-	-	-	-	**-**	1.887
Total	27.336	-	-	-	**27.336**	29.565

(1) Resigned on 14 June 2013

33 Related party transactions (continued)

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

	2014 €	2013 €
Receivable from related parties (Note 23):		
Holding company	**504.582**	327.180
Associates	**3.717.689**	3.262.884
Companies under common control	**162.526**	119.043
	4.384.797	3.709.107
Payable to related parties (Note 31):		
Associates	**403.496**	221.662
Companies under common control	**1.947**	258
	405.443	221.920

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

34 Events after the balance sheet date

On 22 January 2015 the Company announced its participation in the newly formed company K.A Olympic Lagoon Resort Ltd with 48%. The cost of the investment of the company in K.A Olympic Lagoon Resort Ltd is expected to be €9,84 million. K.A Olympic Lagoon Resort Ltd submitted an offer to Claridge Public Ltd for purchasing the Amathus Beach Hotel Paphos and two apartments at Apollo heights for a consideration of €35 million. In addition K.A Olympic Lagoon Resort Ltd shall undertake the renovation cost for the conversion of the hotel to Olympic Lagoon Resort which is €1,35 million. Claridge Public Ltd, owner of Amathus Beach Hotel Paphos, approved the sale of the hotel after shareholders decision during emergency general meeting which was held on 17 February 2015. The relevant sale agreement was signed on 2 April 2015.

On 12 February 2015 the board of Directors of the Company accepted a binding offer of Invel Real Estate Management Ltd for the acquisition of 100% of the shares in Leisure Holdings S.A, owner of the Hotel Amathus Beach Hotel Rhodes. The proposal is subject to the fulfillment of a number of conditions and successful due diligence procedure which will be fulfilled during May 2015. The proposal of Invel is to acquire 100% of Leisure Holdings S.A for the sum of €30 million less its obligations to the bank which amount to approximately €24,4 million plus or minus its working capital.

On 4 March 2015 the Company acquired 844 new shares in the associate company Leisure Holdings S.A after the decision to issue 1204 new shares with an ultimate goal the increase of share capital of Leisure Holdings S.A. The percentage of the shareholding of the Company in Leisure Holdings S.A increased from 31,02% to 31,2249%.

On 5 February 2015 the Company announced that it has proceeded with the cancellation of 150 bonds of nominal value €1.000, due to their purchase on 4/2/2015 by the Company. Following the cancellation, the total number of bonds has been reduced to 5.830.

34 Events after the balance sheet date (continued)

On 20 February 2015 the issued share capital of the associate company Claridge Public Limited which amounted to €36.775.403 divided into 108.162.950 shares with nominal value of €0,34, has been decreased according to a court decision to €12.979.554 divided into 108.162.950 shares with nominal value €0,12.

On 17 March 2015, the associate company Claridge Public Limited announced that it was signed a borrowing agreement for an amount of €5.800.000 with Amathus Public Limited. The borrowings will be used in order to cover a part of the cost of the renovations currently in progress in Amathus Beach Hotel Paphos for its conversion to Olympic Lagoon.

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

Independent auditor’s report on pages 11 to 12.