Amathus Public Limited

Report and consolidated financial statements
31 December 2017

Contents

Amathus Public Limited

Board of Directors and other officers

Board of Directors

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

Company Secretary

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

Registered office

Akinita Amathus
Syntagmatos Street
3036 Limassol
Cyprus

Amathus Public Limited

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

In accordance with Article 9, sections (3) (c) and (7) of the Provisions of the Transparency (Securities for Trading on Regulated Markets) Laws of 2007 up to 2014 ("Law"), we, the members of the Board of Directors and the financial controller of Amathus Public Limited, responsible for the consolidated financial statements of Amathus Public Limited for the year ended 31 December 2017, confirm that, based on our knowledge:

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

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

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

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

Members of the Board of Directors

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

Financial Controller

Name	Signature
Panicos Sylikiotis, Financial Controller	

Limassol
30 April 2018

Consolidated Management Report

The Board of Directors submits to the Shareholders its annual report together with the audited consolidated financial statements of the Group for the year ended 31 December 2017.

Principal activities

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

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

(i) Tourist activities

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

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

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

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

The tourist activities which relate to sales of organised excursions abroad through Let's Go Tours have been transferred to the associate company Orange Travel (Cyprus) Limited at the end of the year 2016 (Note 31 (h)).

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).

Principal activities (continued)

(ii) Holding of investments

Participation in the associate company Claridge Public Limited with a shareholding of 40.53% (2016: 40.53%), which has as an activity the holding of investments and the sale of privately owned housing units.

Participation in the associate company Leisure Holding S.A. with a shareholding of 31,22% (2016: 31,22%), which owns 100% of Landa AXTE, which is the owner of Amathus Beach Hotel Rhodes. On December 22, 2016, the affiliated company signed an agreement to sell the entire share capital of its subsidiary Landa AXTE. Landa's sale was completed on June 30, 2017. As of July 1, 2017, Leisure Holding S.A. does not have any activities.

Participation in the joint venture Amathina Holdings Limited with a shareholding of 25% (2016: 25%), which owns 100% of Amathina Luxury Hotels Limited, which is the owner of Amathus Beach Hotel Limassol, a seaside luxury hotel of 239 rooms at Limassol Beach.

Participation in K.A. Olympic Lagoon Resort Limited with a shareholding of 48% (2016: 48%) which owns and operates the Olympic Lagoon Resort Paphos, a seaside luxury hotel of 276 rooms at the Kato Paphos Beach.

Participation in the associate company Olympic Lagoon Hotels Limited with a shareholding of 21,60% since 4 July 2017 which deals with the management of the Olympic Lagoon hotels, which are Olympic Lagoon Resort Paphos and the Olympic Lagoon Resort Agia Napa. As of 3 July 2017, the Company indirectly participated in Olympic Lagoon Hotels Limited through its participation in Olympic Lagoon Resort Limited.

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

The Group’s profit before tax from continuing operations for the year 2017 was €1.892.491 compared to loss before tax from continuing operations of €139.796 in prior year.

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

The improvement in the Group's results from continuing operations for the year 2017 compared to prior year, is mainly due to:

(i) The fact that in the 2016 results an impairment charge of the investment in the associate Leisure Holdings S.A amounting to €1.229.463 due to the sale agreement for the sale of its subsidiary company Landa AXTE, owner of the Amathus Beach Hotel Rhodes, was included, compared to the impairment charged amounted to €nil during the current year.

(ii) The improvement of the results of the associate company K.A. Olympic Lagoon Resort Limited.

(iii) The improvement in the results of the associate company Claridge Public Limited, due to the fact that its consolidated results for the year 2016, an impairment charge of the associated company Leisure Holding SA amounting to € 1.385.133 due to the sale agreement of its subsidiary LANDA AXTE, of the hotel Amathus Beach Hotel Rhodes, was included compared to an impairment charge amounted to €nil in the current year.

After the tax charge amounting to €396 (2016: €177.802), the profit after tax from continuing operations was €1.892.095 compared to a loss after tax from continuing operations of €317.598 in 2016.

The results for the year from discontinued operations was zero (2016: profit from discontinued operations €5.386).

The profit for the year amounted to €1.892.095 after the results from continued and discontinued operations compared to a loss of €312.212 in 2016.

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 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
- Political instability, military conflicts affecting Europe and/or other areas that are probable to affect tourist arrivals.

Principal risks and uncertainties (continued)

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

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

Use of financial instruments by the Group

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

The Group's risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. Risk management is carried out by a central treasury department under policies approved by the Board of Directors. The treasury department identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units.

Price risk

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

Cash flow interest rate risk

The Group's interest rate risk arises from interest bearing assets and from long-term borrowings. Interest bearing assets and borrowing at floating rates expose the Group to cash flow interest rate risk.

At 31 December 2017, if interest rates on Euro-denominated bank deposits had been 1% (2016: 1%) higher/lower with all other variables held constant, the impact on the Group's results for the year after tax would not be significant.

At 31 December 2017, if interest rates on Euro-denominated interest borrowings had been 1% (2016: 1%) higher/lower with all other variables held constant, the impact on the Group's results for the year after tax would be €50.198 (2016: €55.150) higher/(lower) due to the change in interest rates.

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

Credit risk

Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions, as well as credit exposures to customers and related parties, including outstanding receivables and committed transactions. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, management assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual credit limits and credit terms are set based on the credit quality of the customer in accordance with limits set by the Board. The utilisation of credit limits is regularly monitored. Sales to retail customers are settled in cash or using major credit cards. See Note 20 for further disclosure on credit risk.

Liquidity risk

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

Future developments of the Group

The Board of Directors of the Group does not expect any significant changes or developments in the operations, financial position and performance of the Company in the foreseeable future, apart from the completion of the investment in Hortitsa Trading Limited.

On 22 December 2017, the Company signed a shareholders agreement with Kanika Group Limited for a 30% shareholding in Hortitsa Trading Limited, the owner of the under construction Amavi Hotel in Paphos.

The agreement was completed in April 2018 because it was under various conditions, among which the most important was the approval of the Commission for the Protection of Competition.

Results

The Group's results for the year are set out on pages 19 to 21. The profit for the year is transferred to reserves.

Share capital

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

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

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

Board of Directors

The members of the Board of Directors at 31 December 2017 and at the date of this report are shown on page 1. All of them were members of the Board throughout the year 2017.

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

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

Corporate Governance Code

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

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

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

On 25 April 2018, the following shareholders held over 5% of the issued share capital of the Company:

	Percentage holding %
Lanitis E.C. Holdings Limited [(1)]	55,53
Unity Managers (Cyprus) Limited	5,07

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

The Company has not issued any titles with special control rights. In February 2007, the Company issued 35 218 480 partly paid shares which have the same rights with ordinary shares except from the voting right until their repayment. During the year ended 31 December 2016 the party paid shares were converted to 22 794 225 fully paid shares after special resolution, which will be listed to the Cyprus Stock Exchange for negotiation on 30 August 2017. Detailed information regarding the capital of the Company is presented in Note 26 of the consolidated financial statements.

Directors' interests in the Company's share capital

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

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 2017 and on 25 April 2018, were as follows:

	Percentage holding	
	31 December 2017 %	25 April 2018 %
Platon E. Lanitis [(1)]	63,67	63,67
Costas E. Lanitis	5,73	5,73
Marios E. Lanitis	4,21	4,21
Savvas Orfanides [(2)]	5,07	5,07
Markos Christodoulou	0,47	0,47
Michalakis Hatzikyriakos	-	-
Costas Charitou	-	-
Constantinos Mitsides	-	-

(1) The percentage holding of Mr Platon E. Lanitis includes the percentage of Lanitis E.C. Holdings Limited (54,81%) and N.P. Lanitis Investments Limited (0,72%) as stated above.

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

Corporate Governance Code (continued)

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 31 to the consolidated financial statements.

Other than what is stated in Note 31, at 31 December 2017 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.

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.

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.

New issue of shares

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

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

Audit Committee

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

The members of the Audit Committee as at 31 December 2017 are Messrs Savvas Orfanides, chairman, Michalakis Hatzikyriakos. A member of the Audit Committee in a consulting capacity was Mr Konstantinos Mylonas.

Risk Management Committee

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

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. The final appointment of the auditors for the year ending 31 December 2018 will be conducted through a public binding process and the auditors selected will be appointed at the next Annual General Meeting.

By Order of the Board

P&D Secretarial Services Limited
Secretary

Limassol, 30 April 2018

Independent auditor's report

To the Members of Amathus Public Limited

Report on the audit of the consolidated financial statements

Our opinion

In our opinion, the accompanying consolidated financial statements of Amathus Public Limited (the "Company") and its subsidiaries (the "Group") give a true and fair view of the consolidated financial position of the Group as at 31 December 2017, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113.

What we have audited

We have audited the consolidated financial statements which are presented in pages 19 to 26 and comprise of:

- the consolidated balance sheet as at 31 December 2017;
- the consolidated income statement for the year then ended;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of profit and loss and other comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, which include a summary of significant accounting policies.

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

Basis for opinion

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

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

Independence

We remained independent of the Group throughout the period of our appointment in accordance with the *International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code)* together with the ethical requirements that are relevant to our audit of the consolidated financial statements in Cyprus and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

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

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. During the year ended 31 December 2017, the key audit matters that were most significant were the following:

Key Audit Matter	How our audit addressed the Key Audit Matter
Investment in an associate company which is audited by auditors outside our network. Refer to Note 17 '' Investment in associates'' and Note 2 ''Significant accounting policies''. We have focused our attention on the accounting treatment of Group's Management in relation to the investment in associate company of the Group, K.A Olympic Lagoon Resort Limited, for which the audit is conducted by auditor outside the PwC Network. The book value of the specific investment amounts to €13.496.439 as at the balance sheet and represents 28% of the Group Total Assets of the Group's consolidated Balance Sheet. Group's Management relies on the financial information provided by the associate's management and its control systems and also to the final audited financial statements, so that it will correctly determine and portray the Group's share of profit.	For the purposes of our audit: (i) We have discussed with Management the assessment performed in relation to the accuracy and completeness of the share of profit from the investment in associate. (ii) We have assessed specific information provided by the component auditors which are outside PwC Network, who conducted their audit procedures based on the Group audit instruction sent by PwC (iii) We have reviewed the audit procedures performed from the component auditors in relation to the audit of the associate with emphasis given to the significant risks communicated to component auditors through Group audit instructions. (iv) We have assessed the adequacy of disclosures of the Group in relation to the investment in the associate company Finally, the results of the above procedures were considered satisfactory for our audit purposes.

Reporting on other information

The Board of Directors is responsible for the other information. The other information is comprised of the information included in the Management Report on the separate financial statements, the Consolidated Management Report and the statement of the members of the Board of Directors and the Chief Financial Officer of the Company for the preparation of the consolidated and separate financial statements of the Company but does not include the consolidated financial statements and our auditor's report thereon.

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

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

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

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

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters.

Report on Other Legal and Regulatory Requirements

Pursuant to the requirements of Article 10(2) of the EU Regulation 537/2014 we provide the following information in our Independent Auditor's Report, which is required in addition to the requirements of International Standards on Auditing.

Appointment of the Auditor and Period of Engagement

We were first appointed as auditors of the Company in 1998 by the Company's Board of Directors for the audit of the financial statements for the year ended 31 December 1998. Our appointment was renewed annually, since then, by shareholders' resolution. On 12 May 2005, the Cyprus Stock Exchange was first included in the list of regulated markets prepared by the European Commission and published in the Official Journal of the European Union and as a result, the first financial year in which the Company was designated as a Public Interest Entity (PIE) in the European Union was the year ended 31 December 2006. Since then, the total period of uninterrupted appointment has been 12 years.

Consistency of the Additional Report to the Audit Committee

We confirm that our audit opinion on the consolidated financial statements expressed in this report is consistent with the additional report to the Audit Committee of the Company, which we issued on 30 April 2018 in accordance with Article 11 of the EU Regulation 537/2014.

Provision of Non-audit Services

We declare that no prohibited non-audit services referred to in Article 5 of the EU Regulation 537/2014 and Section 72 of the Auditors Law of 2017 were provided. In addition, there are no non-audit services which were provided by us to the Group and which have not been disclosed in the consolidated financial statements or the consolidated management report.

Other Legal Requirements

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

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

- In light of the knowledge and understanding of the Group and its environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the consolidated management report. We have nothing to report in this respect.

- In our opinion, based on the work undertaken in the course of our audit, the information included in the corporate governance statement in accordance with the requirements of subparagraphs (iv) and (v) of paragraph 2(a) of Article 151 of the Cyprus Companies Law, Cap. 113, and which is included as a specific section of the consolidated management report, have been prepared in accordance with the requirements of the Cyprus Companies Law, Cap, 113, and is consistent with the consolidated financial statements.

- In our opinion, based on the work undertaken in the course of our audit, the corporate governance statement includes all information referred to in subparagraphs (i), (ii), (iii), (vi) and (vii) of paragraph 2(a) of Article 151 of the Cyprus Companies Law, Cap. 113.

- In light of the knowledge and understanding of the Group and its environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the corporate governance statement in relation to the information disclosed for items (iv) and (v) of subparagraph 2(a) of Article 151 of the Cyprus Companies Law, Cap. 113. We have nothing to report in this respect.

Other Matter

This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Article 10(1) of the EU Regulation 537/2014 and Section 69 of the Auditors Law of 2017 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whose knowledge this report may come to.

The engagement partner on the audit resulting in this independent auditor's report is Mr Elias M. Theodorou.

Elias M. Theodorou
Certified Public Accountant and Registered Auditor
for and on behalf of

PricewaterhouseCoopers Limited
Certified Public Accountants and Registered Auditors

City House, 6 Karaiskakis Street,
CY-3032 Limassol, Cyprus

30 April 2018

Amathus Public Limited

Consolidated income statement
for the year ended 31 December 2017

	Note	**2017**	2016
		€	€
Continuing operations			
Revenue	6	**4.549.531**	4.797.768
Cost of sales		**(3.209.307)**	(3.016.003)
Gross profit		**1.340.224**	1.781.765
Selling and marketing costs		**(109.907)**	(57.350)
Administrative expenses		**(1.938.535)**	(2.361.993)
Other income	7	**213.175**	337.034
Other losses – net	8	**-**	(1.226.759)
Operating (loss)/profit		**(495.043)**	(1.527.303)
Share of profit of associates	17	**1.696.523**	489.932
Share of profit of joint venture	18	**992.990**	1.257.095
Profit before finance costs		**2.194.470**	219.724
Finance costs	11	**(301.979)**	(359.520)
(Loss)/profit before income tax		**1.892.491**	(139.796)
Income tax charge/(credit)	12	**(396)**	(177.802)
(Loss)/profit for the year from continuing operations		**1.892.095**	(317.598)
Discontinued operations			
Profit/(loss) for the year from discontinued operations	24	**-**	5.386
(Loss)/profit for the year		**1.892.095**	(312.212)
Attributable to:			
Owners of the Company		**1.892.375**	(312.090)
Non-controlling interest	27	**(280)**	(122)
		1.892.095	(312.212)
(Loss)/profit per share attributable to the owners of the Company (cent per share):			
- Basic	13	**1,71**	(0,29)
(Loss)/profit per share from continuing operations attributable to the owners of the Company (cent per share):			
- Basic	13	**(1,71)**	(0,29)

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

Amathus Public Limited

Consolidated statement of comprehensive income for the year ended 31 December 2017

	Note	**2017** **€**	2016 €
(Loss)/profit for the year		**1.892.095**	(312.212)
Other comprehensive income:			
Items that maybe subsequently reclassified to profit or loss			
Revaluation gain on land and buildings after tax	26	**-**	281.597
Deferred tax adjustment on revaluation	26	**(16.491)**	2.630
Change in fair value of available-for-sale financial assets	21	**188.628**	(17.657)
Currency translation differences	26	**(7.849)**	(32.364)
Share of fair value reserve in associates	26	**(13.532)**	(22.407)
Other comprehensive income for the year, after tax		**150.756**	211.799
Total comprehensive (loss)/income for the year		**2.042.851**	(100.413)
Attributable to:		**2.024.278**	(98.603)
Owners of the Company	27	**18.573**	(1.810)
Non-controlling interest			
		2.042.851	(100.413)
Total comprehensive (loss)/income attributable to owners of the Company arises from:			
Continuing operations		**2.024.278**	(98.603)
Discontinued operations		**-**	(1.810)
		2.024.278	(100.413)
Total comprehensive (loss)/profit per share attributable to owners of the Company (cent per share)			
- Basic	13	**1,83**	(0,09)
Total comprehensive (loss)/profit per share from continuing operations attributable to owners of Company (cent per share)			
- Basic	13	**1,83**	(0,09)

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

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

Amathus Public Limited

Consolidated balance sheet
at 31 December 2017

	Note	2017 €	2016 €
Assets			
Non-current assets			
Property, plant and equipment	14	**4.540.778**	4.633.243
Investment property	15	**220.000**	220.000
Investments in associates	17	**17.964.925**	17.310.171
Investments in joint venture	18	**18.340.686**	16.606.696
Available-for-sale financial assets	21	**612.339**	425.602
		41.678.728	39.195.712
Current assets			
Trade and other receivables	22	**2.916.234**	3.651.533
Cash and bank balances	23	**3.155.114**	1.858.787
		6.071.348	5.510.320
Total assets		**47.750.076**	44.706.032
Equity and liabilities			
Capital and reserves			
Share capital	25	**37.687.140**	37.687.140
Other reserves	26	**1.281.562**	1.226.718
Accumulated losses		**(754.936)**	(2.253.224)
		38.213.766	36.660.634
Non-controlling interest	27	**76.389**	57.816
Total equity		**38.290.155**	36.718.450
Non-current liabilities			
Borrowings	28	**3.835.409**	1.334.911
Deferred tax liabilities	29	**662.050**	662.607
		4.497.459	1.997.518
Current liabilities			
Trade and other payables	30	**1.646.427**	3.172.081
Current tax liabilities		**24.549**	1.412
Borrowings	28	**3.291.486**	2.816.571
		4.962.462	5.990.064
Total liabilities		**9.459.921**	7.987.582
Total equity and liabilities		**47.750.076**	44.706.032

On 30 April 2018 the Board of Directors of Amathus Public Limited authorised these consolidated financial statements for issue.

Platon E. Lanitis, Chairman

Costas E. Lanitis, Vice Chairman

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

Amathus Public Limited

Consolidated statement of changes in equity for the year ended 31 December 2017

	Note	Attributable to the owners of the Company							
		Share capital – fully paid shares €	Share capital – partly paid shares €	Share premium [2] €	Other reserves [2] €	Accumulated losses [1] €	Total €	Non-controlling interest €	Total €
Balance at 1 January 2016		29.937.104	7.734.178	3.935.797	1.487.395	(2.083.581)	41.010.893	59.626	41.070.519
Comprehensive loss									
Loss for the year		-	-	-	-	(312.090)	(312.090)	(122)	(312.212)
Other comprehensive income									
Land and buildings:									
Revaluation gain on land and buildings	26	-	-	-	303.825	-	303.825	-	303.825
Deferred tax on revaluation of land and buildings	26	-	-	-	(22.228)	-	(22.228)	-	(22.228)
Transfer of excess depreciation, net of tax	26	-	-	-	(33.283)	33.283	-	-	-
Deferred tax adjustments on revaluation of land and buildings		-	-	-	2.630	-	2.630	-	2.630
Currency translation differences	26	-	-	-	(32.364)	-	(32.364)	-	(32.364)
Available-for-sale financial assets:									
Fair value loss	26,27	-	-	-	(15.969)	-	(15.969)	(1.688)	(17.657)
Transfer between reserves		-	-	-	(109.164)	109.164	-	-	-
Share of fair value reserve in associates	26	-	-	-	(22.407)	-	(22.407)	-	(22.407)
Total other comprehensive income		-	-	-	71.040	142.447	213.487	(1.688)	211.799
Transactions with owners:									
Distribution of share premium reserve to shareholders		-	-	(3.935.797)	-	-	(3.935.797)	-	(3.935.797)
Distribution of other reserves to shareholders		-	-	-	(331.717)	-	(331.717)	-	(331.717)
Installments paid for partially paid shares		-	15.858	-	-	-	15.858	-	15.858
Conversion of partially paid shares into fully paid shares		7.750.036	(7.750.036)	-	-	-	-	-	-
Total transaction with owners		7.750.036	(7.734.178)	(3.935.797)	(331.717)	-	(4.251.656)	-	(4.251.656)
Total comprehensive income for 2016		7.750.036	(7.734.178)	(3.935.797)	(260.677)	(169.643)	(4.350.259)	(1.810)	(4.352.069)
Balance at 31 December 2016		37.687.140	-	-	1.226.718	(2.253.224)	36.660.634	57.816	36.718.450

Amathus Public Limited

Consolidated statement of changes in equity for the year ended 31 December 2017 (continued)

		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] €	Total €	Non-controlling interest €	Total €
Balance at 1 January 2017		37.687.140	-	-	1.226.718	(2.253.224)	36.660.634	57.816	36.718.450
Comprehensive profit									
Profit for the year		-	-	-	-	1.892.375	1.892.375	(280)	1.892.095
Other comprehensive income									
Land and buildings:									
Revaluation gain/(loss) on land and buildings	26	-	-	-	(16.491)	-	(16.491)	-	(16.491)
Deferred tax on revaluation of land and buildings	26	-	-	-	-	-	-	-	-
Transfer of excess depreciation, net of tax	26	-	-	-	(26.433)	26.433	-	-	-
Deferred tax adjustments on revaluation of land and buildings		-	-	-	3.304	(3.304)	-	-	-
Currency translation differences	26	-	-	-	(7.849)	-	(7.849)	-	(7.849)
Available-for-sale financial assets:									
Fair value profit	26,27	-	-	-	169.775	-	169.775	18.853	188.628
Transfer between reserves		-	-	-	(53.930)	53.930	-	-	-
Share of fair value reserve in associates	26	-	-	-	(13.532)	-	(13.532)	-	(13.532)
Total other comprehensive income		-	-	-	54.844	77.059	131.903	18.853	150.756

Amathus Public Limited

Consolidated statement of changes in equity for the year ended 31 December 2017 (continued)

	Note	Share capital – fully paid shares €	Share capital – partly paid shares €	Share premium [2] €	Other reserves [2] €	Accumulated losses [1] €	Total €	Non-controlling interest €	Total €
		Attributable to the owners of the Company							
Transactions with owners:									
Defence tax for deemed dividend distribution		-	-	-	-	(471.146)	(471.146)	-	(471.146)
Total transaction with owners		-	-	-	-	(471.146)	(471.146)	-	(471.146)
Total comprehensive income for 2017		-	-	-	54.844	1.498.288	1.553.132	18.573	1.571.705
Balance at 31 December 2017		37.687.140	-	-	1.281.562	(754.936)	38.213.766	76.389	38.290.155

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

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

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

Amathus Public Limited

Consolidated statement of cash flows for the year ended 31 December 2017

	Note	**2017** €	2016 €
Cash flow from operations			
(Loss)/profit before tax from continuing and discontinued operations		**1.892.491**	(134.410)
Adjustments for:			
Depreciation of property, plant and equipment	14	**114.062**	115.303
Profit from the sale of property, plant and equipment	8	**-**	(2.704)
Interest income	7	**(44.300)**	(211.898)
Interest expense	11	**301.979**	359.520
Impairment charge of investment in associate	17	**-**	1.229.524
Share of profit of associates and joint ventures	17, 18	**(2.689.513)**	(1.747.027)
Impairment charge of financial assets available-for-sale	21	**1.892**	-
Dividend income	7	**(7.535)**	-
Currency translation differences		**(7.830)**	-
		(438.754)	(391.692)
Changes in working capital:			
Trade and other receivables		**735.299**	964.767
Trade and other payables		**(1.525.654)**	(1.888.597)
Cash generated from operations		**(1.229.109)**	(1.315.522)
Income tax paid		**(465.453)**	(69.268)
Net cash (used in)/generated from operating activities		**(1.694.562)**	(1.384.790)
Cash flow from investing activities			
Purchase of property, plant and equipment	14	**(21.617)**	(25.824)
Acquisition of investment in associates	17	**(22.753)**	-
Acquisition of investment in joint ventures	18	**(1.900.000)**	-
Investments in bank deposits with original maturity over three months		**-**	(677.630)
Release of bank deposits with original maturity over three months		**677.630**	652.098
Proceeds from sale of property, plant and equipment	14	**-**	50.418
Purchase of available-for-sale financial assets	21	**-**	(12.800)
Dividends received	17, 18	**2.217.525**	574.072
Interest received		**44.300**	211.898
Net cash generated from/(used in) investing activities		**995.085**	772.232

Consolidated statement of cash flows for the year ended 31 December 2017 (continued)

	Note	2017 €	2016 €
Cash flows from financing activities			
Receipts from bank borrowing		**2.690.431**	-
Receipts from members of Board of Directors		**990.000**	-
Repayments of borrowings		**(381.114)**	(82.190)
Repayments of debentures		**-**	(2.573.175)
Repayment of borrowings from related parties		**(124.052)**	(76.760)
Distribution of share premium to shareholders		**-**	(3.935.797)
Distribution of other reserves to shareholders		**-**	(331.717)
Interest paid		**(295.030)**	(292.174)
Net cash used in/for financing activities		**2.800.235**	(7.291.813)
Net increase/(decrease) in cash and bank overdrafts		**2.100.758**	(7.904.371)
Cash and bank overdrafts at beginning of year		**(1.484.862)**	6.419.509
Cash and bank overdrafts at end of year	23	**615.896**	(1.484.862)

The notes on pages 29 to 91 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 54,81% subsidiary of Lanitis E.C. Holdings Limited, also incorporated in Cyprus. Its registered office is at Akinita Amathus, Syntagmatos Street, 3036 Limassol, Cyprus.

Principal activities

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

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

(i) Tourist and other activities

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

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

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

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

The tourist activities which relate to sales of organised excursions abroad through Let's Go Tours have been transferred to the associate company Orange Travel (Cyprus) Limited at the end of the year (Note 31 (h)).

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 (continued)

(ii) Holding of investments

Participation in the associate company Claridge Public Limited with a shareholding of 40.53% (2016: 40.53%), which has as an activity the holding of investments and the sale of privately owned housing units.

Participation in the associate company Leisure Holding S.A. with a shareholding of 31,22% (2016: 31,22%), which owns 100% of Landa AXTE, which is the owner of Amathus Beach Hotel Rhodes. On December 22, 2016, the affiliated company signed an agreement to sell the entire share capital of its subsidiary Landa AXTE. Landa's sale was completed on June 30, 2017. As of July 1, 2017, Leisure Holding S.A. does not have any activities.

Participation in the joint venture Amathina Holdings Limited with a shareholding of 25% (2016: 25%), which owns 100% of Amathina Luxury Hotels Limited, which is the owner of Amathus Beach Hotel Limassol, a seaside luxury hotel of 239 rooms at Limassol Beach.

Participation in K.A. Olympic Lagoon Resort Limited with a shareholding of 48% (2016: 48%) which owns and operates the Olympic Lagoon Resort Paphos, a seaside luxury hotel of 276 rooms at the Kato Paphos Beach.

Participation in the associate company Olympic Lagoon Hotels Limited with a shareholding of 21,60% since 4 July 2017 which deals with the management of the Olympic Lagoon hotels, which are Olympic Lagoon Resort Paphos and the Olympic Lagoon Resort Agia Napa. As of 3 July 2017, the Company indirectly participated in Olympic Lagoon Hotels Limited through its participation in Olympic Lagoon Resort Limited.

Operating environment of the Group

The Cypriot economy has recorded positive growth in 2016 and 2017 after overcoming the economic recession of recent years. The overall economic outlook of the economy remains favorable, however there are still downside risks emanating from the still high levels of non-performing loans, the public debt ratio, as well as possible deterioration of the external environment for Cyprus.

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

1 General information (continued)

Operating environment of the Group (continued)

The Group's Management determined impairment provisions for financial assets carried at amortised cost using the "incurred loss" model required by International Accounting Standard 39 "Financial Instruments: Recognition and Measurement". This standard requires recognition of impairment losses for loans and receivables that arose from past events and prohibits recognition of impairment losses that could arise from future events, including future changes in the economic environment, no matter how likely those future events are. As a result, final impairment losses from financial assets could differ significantly from the current level of provisions.

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

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

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

2 Summary of significant accounting policies

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

Basis of preparation

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

As of the date of the authorisation of the consolidated financial statements, all International Financial Reporting Standards issued by the International Accounting Standards Board (IASB) that are effective as of 1 January 2017 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 and IFRS 14 "Regulatory Deferral Accounts".

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

2 Summary of significant accounting policies (continued)

Adoption of new and revised IFRSs

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

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 2017. This adoption did not have a material effect on the accounting policies of the Group with the exception of the following:

- Notification initiative – Amendments to IAS 7 (issued on 29 January 2016 and effective for annual periods beginning on or after 1 January 2017. As a result of this amendment, the Company discloses the reconciliation of movements in liabilities arising from financing activities. See Note 29.

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 2017, and have not been applied in preparing these financial statements. None of these is expected to have material impact on the financial statements of the Group, except the following:

- 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) 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.

  (ii) 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).

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

2 Summary of significant accounting policies (continued)

Adoption of new and revised IFRSs (continued)

(iv) 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.

(v) 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.

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

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

- Amendments to IAS 28: Long-term interests in associates and joint ventures (issued on 12 October 2017 and effective for annual periods beginning on or after 1 January 2019). The Amendments specify that an entity applies IFRS 9 Financial Instruments to long-term interests in an associate or joint venture that is, in essence, part of the net investment in the associate or joint venture but to which the equity method does not apply. An entity applies IFRS 9 to such long-term interests before applying IAS 28. When applying IFRS 9, the entity does not take account of any adjustments in the carrying amount of the long-term interest arising from the application of IAS 28. The economic entity applies the amendments retrospectively for annual periods beginning on or after 1 January 2019. Earlier application is permitted.

The Group is currently assessing that the overall impact of the new standards in the consolidated financial statements is not significant.

2 Summary of significant accounting policies (continued)

Basis of consolidation

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

(a) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group and they are deconsolidated from the date that control ceases.

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

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IAS 39 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

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

2 Summary of significant accounting policies (continued)

Basis of consolidation (continued)

(a) Subsidiaries (continued)

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.

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

After application of the equity method, including recognising the associates' losses, the carrying amount of the investment in associate which includes the goodwill arising on acquisition is tested for impairment at each balance sheet date, by comparing its recoverable amount with its carrying amount whenever there is an indication of impairment and is recognized in share of profit/(loss) of associates in profit or loss.

2 Summary of significant accounting policies (continued)

Basis of consolidation (continued)

(c) Joint arrangements

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

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

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

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

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

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

When the Group ceases to have control or significant influence, any retained interest in the entity is remeasured to its fair value at the date when control is lost, with the change in carrying amount recognized in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognized in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognized in other comprehensive income are reclassified to profit or loss.

2 Summary of significant accounting policies (continued)

Revenue recognition

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

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

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

(a) Sales of goods

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

(b) Sales of services

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

(c) Interest income

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

(d) Rental income

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

(e) Dividend income

Dividends are recognised when the Company's right to receive is proved. However, as a consequence, the investment may need to be checked for possible impairment.

2 Summary of significant accounting policies (continued)

Segmental reporting

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

Employee benefits

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

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 recorded in the functional currency based on the exchange rates prevailing at the date of the transaction or the estimate when the items are revalued. Foreign exchange gains and losses arising from the settlement of such transactions and from the conversion with the exchange rate prevailing at the end of the year of monetary assets and liabilities denominated in foreign currencies, are recognized in profit or loss.

Exchange rate differences arising from the translation of non-monetary items, such as equity instruments that are measured at fair value through profit or loss, are recognized in profit or loss as part of the fair value gain or loss. Exchange rate differences arising from non-monetary items, such as equity securities classified as available-for-sale financial assets, are included in other comprehensive income.

2 Summary of significant accounting policies (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.

2 Summary of significant accounting policies (continued)

Current and deferred income tax (continued)

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

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

Dividend distribution

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

Property, plant and equipment

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

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

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

2 Summary of significant accounting policies (continued)

Property, plant and equipment (continued)

The annual depreciation rates are as follows:

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

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

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

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

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

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

Leases

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

Investment property

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

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

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

2 Summary of significant accounting policies (continued)

Goodwill

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

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

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

Impairment of non-financial assets

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

Financial assets

(i) Classification

The Group classifies its financial assets as loans and receivables and available-for-sale financial assets. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial asset at initial recognition.

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

  Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets, unless management intends to dispose of the investment within twelve months of the statement of financial position date.

2 Summary of significant accounting policies (continued)

Financial assets (continued)

(i) Classification (continued)

- **Loans and receivables**

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

(ii) Recognition and measurement

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

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

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

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

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

(iii) Impairment of financial assets

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or group of financial assets is impaired.

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

2 Summary of significant accounting policies (continued)

Financial assets (continued)

(iii) Impairment of financial assets (continued)

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

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

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

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

Offsetting financial instruments

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

2 Summary of significant accounting policies (continued)

Financial guarantees

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

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

Trade receivables

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

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or delinquency in payments are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in profit or loss in selling and marketing costs. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequently recoveries of amounts previously written off are credited against selling and marketing costs in profit or loss.

Share capital and rights

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

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.

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings, using the effective interest method, unless they are directly attributable to the acquisition, construction or production of a qualifying asset, in which case they are capitalised as part of the cost of that asset.

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

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

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

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.

2 Summary of significant accounting policies (continued)

Trade and other payables

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

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

Cash and cash equivalents

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

Discontinued operations

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

3 Financial risk management

(i) Financial risk factors

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

The Group's risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance. Risk management is carried out by a central treasury department under policies approved by the Board of Directors. The treasury department identifies, evaluates and hedges financial risks in close co-operation with the Group operating units.

- **Market risk**

  Price risk

  Price risk is the risk that the value of available-for-sale financial assets will fluctuate as a result of changes in market prices. The Group is not exposed to significant price risk since it does not have significant available-for-sale financial assets. The equity investments that are publicly traded in Cyprus Stock Exchange at 31 December 2017 and 31 December 2016 are not significant.

3 Financial risk management (continued)

(i) Financial risk factors (continued)

- **Market risk (continued)**

Cash flow interest rate risk

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

At 31 December 2017, if interest rates on Euro - denominated bank deposits had been 1% (2016: 1%) higher/lower with all other variables held constant impact on post-tax profit for the year would not be significant.

At 31 December 2017, if interest rates on Euro - denominated borrowings had been 1% (2016: 1%) higher/lower with all other variables held constant, impact on post-tax profit for the year would be €50.198 (2016: €55.150) higher/lower due to change in interest rates.

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

- **Credit risk**

Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables and committed transactions. If wholesale customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, management assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual credit limits and credit terms are set based on the credit quality of the customer in accordance with limits set by the Board. The utilisation of credit limits is regularly monitored. Sales to retail customers are settled in cash or using major credit cards. See Note 21 for further disclosure on credit risk.

- **Liquidity risk**

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

3 Financial risk management (continued)

(i) Financial risk factors (continued)

Cash flow interest rate risk (continued)

- **Liquidity risk (continued)**

	Less than 1 year €	1 to 2 years €	2 to 5 years €	Over 5 years €
At 31 December 2016				
Borrowings	2.905.766	165.394	486.787	1.156.889
Trade and other payables	3.172.081	-	-	-
Corporate guarantees	-	1.546.314	-	-
	6.077.847	1.711.708	486.787	1.156.889
At 31 December 2017				
Borrowings	3.593.038	883.716	2.193.655	1.293.058
Trade and other payables	1.646.427	-	-	-
Corporate guarantees	-	1.546.314	-	5.349.804
	5.239.465	2.430.030	2.193.655	6.642.862

(ii) Capital risk management

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

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

Gearing ratio for the year ended 31 December 2017 and 2016 was as follows:

	2017 **€**	2016 €
Total borrowings (Note 289)	**7.126.895**	4.151.482
Less: Cash and bank balances (Note 23)	**(3.155.114)**	(1.858.787)
Net debt	**3.971.781**	2.292.695
Total equity	**38.290.155**	36.718.450
Total capital as defined by management	**42.261.936**	39.011.145
Gearing ratio	**9,4%**	**6,24%**

The increase in the gearing ratio during 2017 was mainly due to borrowing received during the year for the partial financing of the group’s investment.

3 Financial risk management (continued)

(iii) Fair value estimation

The table below analyses financial instruments carried at fair value by valuation method. The different levels have been identified as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The following table presents the Group's financial assets that are measured at fair value at 31 December 2016 and 31 December 2017:

	Level 1 €	Level 2 €	Level 3 €	Total balance €
31 December 2016				
Assets				
Available-for-sale financial assets:				
- Equity securities	616	394.168	30.818	425.602
Total financial assets measured at fair Value	616	394.168	30.818	425.602
31 December 2017				
Assets				
Available-for-sale financial assets:				
- Equity securities	699	582.714	28.926	612.339
Total financial assets measured at fair value	699	582.714	28.926	612.339

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

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

Specific valuation techniques used to value financial instruments include:

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

(iv) Offsetting financial assets and liabilities

The Group does not have any financial assets or financial liabilities that are subject to offsetting, enforceable master netting arrangements or any similar agreements, other than those disclosed in Note 31 (e).

4 Critical accounting estimates and judgements

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

(a) Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. There are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

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

- **Recognition of the investment in the associate companies Claridge Public Limited and Leisure Holding S.A.**

  At 31 December 2017, the Group's Management recognized the investment in associate companies using the equity method. The net assets of associated companies at 31 December 2017 are stated at fair value. The Group's share of these investments is presented in Note 17.

- **Recognition of the investment in Hortitsa Trading Limited**

  At 31 December 2017, the Group's Management recognized the investment in Hortitsa Trading Limited as an associate company (Note 17, 33 and 34).

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 and other activities
- Investments

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

5 Segmental analysis (continued)

Segmental analysis

	Tourist activities €	Other activities €	Total before results from associates and joint venture €	Results of associates €	Results of joint venture €	Total €
Year ended 31 December 2016						
Revenue	4.440.953	356.815	4.797.768	-	-	4.797.768
Profit before interest, tax, depreciation and impairment charge	70.159	(252.696)	(182.537)	489.932	1.257.095	1.564.490
Depreciation	115.068	235	115.303	-	-	115.303
Impairment charge	-	(1.229.463)	(1.229.463)	-	-	(1.229.463)
Year ended 31 December 2017						
Revenue	4.210.280	339.251	4.549.531	-	-	4.549.531
(Loss)/profit before interest, tax, depreciation and impairment charge	(1.559.088)	1.184.979	(374.109)	1.691.523	992.990	2.310.404
Depreciation	41.389	72.653	114.042	-	-	114.042
Impairment charge	(1.892)	-	(1.892)	-	-	(1.892)

5 Segmental analysis (continued)

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

	2017 €	2016 €
Profit/(loss) before interest, taxation, depreciation, amortisation, impairment charge and the results of associates and joint venture from operating reporting segments	**2.310.404**	1.564.490
Depreciation	**(114.042)**	(115.303)
Impairment charge	**(1.892)**	(1.229.463)
Operating profit	**2.194.470**	219.724
Finance costs	**(301.979)**	(359.520)
(Loss)/profit before taxation	**1.892.491**	(139.796)
Taxation	**(396)**	(177.802)
(Loss)/profit after taxation from continuing operations	**1.892.095**	(317.598)

Assets per segment

	Ownership of investment	Tourist activities €	Other activities €	Total €
31 December 2017	36.305.611	5.568.256	5.876.209	**47.750.076**
31 December 2016	33.916.867	5.740.377	5.048.788	**44.706.032**

Liabilities per segment

	Ownership of investment	Tourist activities €	Other activities €	Total €
31 December 2017	4.587.177	4.169.834	15.511	**8.773.322**
31 December 2016	2.985.463	4.327.742	10.358	**7.323.563**

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

	2017 €	2016 €
Total liabilities from operating reporting segments	**8.773.322**	7.323.563
Deferred tax liabilities	**662.050**	662.607
Current tax liabilities	**24.549**	1.412
Total liabilities per the consolidated balance sheet	**9.459.921**	7.987.582

6 Revenue

	2017	2016
	€	€
Sales of air tickets	**1.304.971**	1.385.827
Sales of travel packages	**2.513.559**	2.886.709
Sales of cruises	**-**	703.805
Income from incoming tourism	**301.543**	336.312
Income from international cargo	**265.497**	267.892
Other income	**163.961**	217.223
	4.549.531	4.797.768

7 Other income

	2017	2016
	€	€
Interest income on bank balances	**44.300**	211.898
Rental income	**19.200**	21.800
Other income	**142.140**	103.336
Credit dividends	**7.535**	-
	213.175	337.034

8 Other losses - net

	2017	2016
	€	€
Profit on sale of property, plant and equipment (Note 14)	**-**	2.704
Impairment charge of investment in associate Leisure Holdings S.A. (Note 17)	**-**	(1.229.463)
	-	(1.226.759)

9 Expenses by nature

	2017 €	2016 €
Depreciation of property, plant and equipment (Note 15)	**114.062**	115.303
Operating lease rentals and storage costs	**85.439**	77.764
Repairs and maintenance	**14.991**	15.506
Advertising and promotion	**68.618**	25.344
Management fees	**176.000**	160.847
Auditors' remuneration –assurance services charged by the Company's statutory audit firm	**62.700**	58.300
Other auditors – assurance services	**3.844**	3.234
Trade receivables – impairment charge (Note 22)	**41.289**	32.006
Trade receivables – charge in the provision for doubtful debts (Note 21)	**1.892**	-
Staff costs (Note 10)	**1.358.563**	1.318.919
Electricity and water	**33.185**	34.656
Purchase of cruise packages	**-**	638.135
Expenses relating to incoming tourism	**218.224**	273.997
Direct expenses relating to hotel accommodation, travel packages and outgoing tourism	**2.410.601**	2.053.197
Other expenses	**678.673**	628.158
Total cost of goods and services sold, selling and marketing costs and administrative expenses	**5.257.749**	5.435.346

The total fees charged by the Company's statutory auditor for the year ended 31 December 2017 for tax advisory services amounted to €1.800 (2016: €1.800) and for remaining non-audit services amounted to €1.400 (2016: €nil).

10 Staff costs

	2017 €	2016 €
Salaries	**1.194.860**	1.129.027
Social insurance costs	**90.078**	84.936
Provident Fund contributions	**30.493**	63.274
Other funds contributions	**28.690**	28.570
Other staff costs	**14.442**	13.112
	1.358.563	1.318.919
Average number of staff employed during the year	**55**	66

The Group has one defined contribution scheme, the Amathus Public Limited Employees' Provident Fund, which is funded separately and prepares its own financial statements whereby employees are entitled to payment of certain benefits upon retirement or prior termination of services.

11 Finance costs

	2017	2016
	€	€
Interest expense:		
Bank borrowings	**186.560**	176.444
Debentures	**-**	11.976
Borrowings from related parties (Note 34 (f))	**6.949**	-
Other interest	**67.048**	76.792
	41.422	94.308
Total interest expense	**301.979**	359.520

12 Tax

	2017	2016
	€	€
Current tax:		
Corporation tax – prior years	**3.334**	-
Defence contribution	**14.110**	69.268
Total current tax	**17.444**	69.268
Deferred taxation (Note 30):		
Origination and reversal of temporary differences	**(17.048)**	108.534
Total deferred tax	**(17.048)**	108.534
Tax (credit)/charge	**396**	177.802

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

	2017	2016
	€	€
(Loss)/profit before tax	**1.892.491**	(139.796)
Tax calculated at the applicable corporation tax rate	**238.182**	(16.457)
Tax effect of expenses not deductible for tax purposes	**138.746**	384.492
Tax effect of allowances and income not subject to tax	**(418.641)**	(292.105)
Corporation tax – prior years	**3.334**	-
Special contribution for defence	**14.110**	69.268
Tax effect of tax losses for which no deferred tax asset was recognised	**24.665**	32.604
Tax charge	**396**	177.802

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% (2016: 12,5% - 20%). For companies registered in Cyprus, as from tax year 2012, brought forward losses of only five years may be utilised against taxable profits of the same company. In addition, current year taxable losses incurred by companies of the Group incorporated in Cyprus, can be utilised by any company within the Group, incorporated in Cyprus, in the same year, provided there is at least 75% ownership.

12 Tax (continued)

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

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

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

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

Tax effects of components of other comprehensive income:

	Year ended 31 December					
	2017			2016		
	Before tax	**Tax (charge)/ credit**	After tax	Before tax	Tax (charge)/ credit	After tax
	€	€	**€**	€	€	€
Land and buildings:						
Revaluation gain of land and buildings	-	-	-	**303.825**	**(22.228)**	**281.597**
Deferred tax adjustment on revaluation	-	**(16.491)**	**(16.491)**	-	**2.630**	**2.630**
Share of transfer of revaluation of property sold in associates	-	-	-	-	-	-
Financial assets available for sale:						
Fair value (loss)/gain	**188.628**	-	**188.628**	**(17.657)**	-	**(17.657)**
Share of fair value reserve in associates	**(13.532)**	-	**(13.532)**	**(22.407)**	-	**(22.407)**
Currency translation differences	**(7.849)**	-	**(7.849)**	**(32.364)**	-	**(32.364)**
Other comprehensive income	**167.247**	**(16.491)**	**150.756**	**231.397**	**(19.598)**	**211.799**

13 Earnings/(loss) per share

	2017	2016
Net (loss)/profit attributable to the owners of the Company (€)	**1.892.375**	(312.090)
Net (loss)/profit from continuing operations attributable to the owners of the Company (€)	**1.892.375**	(317.598)
Comprehensive (loss)/income attributable to the owners of the Company (€)	**2.024.278**	(98.603)
Total (loss)/income from continuing operations attributable to the owners of the Company (€)	**2.024.278**	(98.603)
Weighted average number of ordinary shares in issue during the year	**110.844.530**	110 836 756
Basic (loss)/earnings per share (cent per share)	**1,71**	(0,28)
Basic (loss)/earnings from continuing operations per share (cent per share)	**1,71**	(0,29)
Basic comprehensive (loss)/earnings per share (cent per share)	**1,83**	(0,09)
Basic comprehensive (loss)/earnings from continuing operations per share (cent per share)	**1,83**	(0,09)

14 Property, plant and equipment

	Land and Buildings [1] €	Furniture, fixtures, machinery and office equipment €	Motor Vehicles €	Total €
At 1 January 2016				
Cost or valuation	5.510.653	2.293.411	220.564	8.024.628
Accumulated depreciation	(1.156.944)	(2.255.687)	(180.426)	(3.593.057)
Net book amount	4.353.709	37.724	40.138	4.431.571
Year ended 31 December 2016				
Opening net book amount	4.353.709	37.724	40.138	4.431.571
Additions	-	25.824	-	25.824
Revaluation gain	303.825	-	-	303.825
Disposal	(286)	(12.230)	-	(12.516)
Deprecation charge	(84.448)	(29.083)	(1.772)	(115.303)
Exchange differences	-	(158)	-	(158)
Closing net book amount	4.572.800	22.077	38.366	4.633.243
At 31 December 2016				
Cost or valuation	4.912.737	2.081.870	220.564	7.215.171
Accumulated depreciation	(339.937)	(2.059.793)	(182.198)	(2.581.928)
Net book amount	4.572.800	22.077	38.366	4.633.243
Year ended 31 December 2017				
Opening net book amount	4.572.800	22.077	38.366	4.633.243
Additions	3.500	18.117	-	21.617
Depreciation charge for continuing operations (Note 9)	(80.944)	(4.118)	(29.000)	(114.062)
Exchange differences	-	(20)	-	(20)
Closing net book amount	4.495.356	36.056	9.366	4.540.778
At 31 December 2017				
Cost or valuation	4.916.237	2.100.770	220.564	7.237.571
Accumulated depreciation	(420.881)	(2.063.911)	(212.098)	(2.696.890)
Net book amount	4.495.356	36.056	9.366	4.540.778

(1) The Group does not have free access to land which is recorded at a cost of €186.890 (2016: €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.

14 Property, plant and equipment (continued)

Depreciation expense from continuing operations of €114.062 (2016: €115.303) has been charged in "administrative expenses".

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

	2017	2016
	€	€
Net book amount	**-**	12.515
Profit/(loss) on sale of property, plant and equipment (Notes 8 and 24)	**-**	37.903
Proceeds from sale of property, plant and equipment	**-**	50.418

On 31 December 2016, the proceeds from sale of property, plant and equipment from discontinued operations with net book value of €9.261, amount to €44.460 and the respective profit amounts to €35.199 (Note 24).

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

	2017	2016
	€	€
Cost	**1.695.068**	1.691.568
Accumulated depreciation	**(1.034.569)**	(976.682)
Net book amount	**660.499**	714.886

Bank borrowings and overdrafts are secured on the Group's land and buildings as disclosed in Note 28.

Lease rentals amounting to €85.439 (2016: €77.764) relating to the lease of property are included in the profit or loss (Note 9).

Fair value of land and buildings

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

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

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

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

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

14 Property, plant and equipment (continued)

Fair value of land and buildings (continued)

	Fair value measurements at 31 December 2017 using		
	Quoted prices in active markets for identical assets (Level 1) €	Significant other observable inputs (Level 2) €	Significant unobservable inputs (Level 3) €
Recurring fair value measurements			
Land and buildings – Cyprus	-	-	4.495.356
	-	-	4.495.356

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

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

Valuation processes

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

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

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

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

14 Property, plant and equipment (continued)

Valuation processes (continued)

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. At 31 December 2017, the Company's Management assessed that any change in the fair value of land and buildings was not material for the financial statements.

Information about fair value measurements for land and buildings using significant unobservable inputs (Level 3) – 31 December 2017

Description	Valuation technique(s)	Unobservable inputs	Range of unobservable inputs (probability – weighted average)	Relationship of unobservable inputs to fair value
Land and office buildings - Cyprus	Comparative method	Price per square metre	€2.135/sq.m	The higher the price per square metre, the higher the fair value

Sensitivity of management's estimates Percentage change	-5%	0%	+5%
Value variation	€4.101.784	€4.307.831	€4.513.878

Information about fair value measurements for land and buildings using significant unobservable inputs (Level 3) – 31 December 2017

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

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

There are no inter-relationships between unobservable inputs. The prices for 2017 were based on the estimate made the previous year since the change in fair value in the current year was not significant.

14 Property, plant and equipment (continued)

Valuation techniques underlying management's estimation of fair value

For land and office buildings in Cyprus with a total carrying amount of €4.307.837 (2016: €4.572.800), the valuation was determined using the comparative method and cost method taking into account the following estimates (in addition to the inputs referred to above):

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

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

15 Investment property

Country	**2017 Total Cyprus**	2016 Total Cyprus
Fair value hierarchy	3	3
	€	€
Fair Value at 1 January	**220.000**	220.000
Fair value at 31 December	**220.000**	220.000

The Group's investment property is measured at fair value. Investment property consists of residential property in Cyprus that is revalued every year at 31 December at fair value, which is the value of the free market based on estimates by an independent professional appraiser. Changes in fair value are recognized in other earnings/(losses).

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.

15 Investment property (continued)

Valuation processes

The Group's investment properties were valued at 31 December 2017 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) – 31 December 2017/31 December 2016

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

Sensitivity of management's estimates

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

In the event of a change in the fair value by +/- 5%, the difference +€11.000/-€11.000 is recognised in after gains/losses.

There are no inter - relationships between unobservable inputs.

15 Investment property (continued)

Valuation techniques underlying management's estimation of fair value

For residential properties in Cyprus with a total carrying amount of €220.000 (2016: €220.000), the valuation was determined using the comparative method and cost method taking into account the following estimates (in addition to the inputs referred to above):

Cost of property	Based on the actual location, type and quality of the properties and supported by the terms of any existing lease, other contracts or external evidence such as current market rents for similar properties.
Cost of construction	Based on the cost of construction, construction materials and maintenance cost.

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

16 Investments in subsidiaries

At 31 December 2017, the Group had the following subsidiaries, all of which are unlisted:

Name	Principal activities	Country of incorporation	% interest held 2017	2016
Direct participation				
Amathus Hotels Limited	Inactive	Cyprus	100	100
ANC Worldchoice Holidays T.E. MEPE	Tour operators	Greece	100	100
Amathus Corporation Limited	Investment holding and tourist activities	Cyprus	100	100
Indirect participation				
Amathus (UK) Limited	Travel agents	United Kingdom	100	100
Amathus Travel Limited	Travel agents	Cyprus	100	100
Amathus Maritime Limited	Investment holding	Cyprus	90	90
Let’s Go Tours Limited	Inactive	Cyprus	100	100
Pelagos Travel and Tours Limited	Inactive	Cyprus	100	100
Air Promotion Group Cyprus Limited	Inactive	Cyprus	100	100
AMPM Travel Limited	Travel agents	Cyprus	100	100

17 Investments in associates

	2017	2016
	€	€
At beginning of year	**17.310.171**	18.083.670
Additions [(1), (2) (3)]	**22.753**	-
Share of profit/(loss) after tax	**1.696.523**	489.871
Dividends received	**(1.050.990)**	(11.500)
Share of fair value reserve (Note 27)	**(13.532)**	(22.407)
Impairment charge [(5)]	**-**	(1.229.463)
At end of year	**17.964.925**	17.310.171

(1) At 4 July 2017, the Company purchased 216 shares of Olympic Lagoon Hotels Limited for €1 each, for the total amount of €216.

(2) At 25 October 2017, the Company purchased 300 shares of Hortitsa Trading Limited for €1 each, for the total amount of €300.

(3) During the year ended 31 December 2017, the Company purchased 22 230 shares of Orange Travel (Cyprus) Limited for €1 each, for the total amount of €22.230. There was no change in the Company's percentage of ownership in the share capital of the associate company.

(4) An impairment charge of €1.229.463 in 2016 relates to the investment in the associate Leisure Holding S.A..

At 31 December 2017, investments in associates include goodwill amounting to €128.145 (2016: €128.145).

Set out below are the associates of the Company as at 31 December 2017, which, in the opinion of the Board of Directors, are material to the Company. The associates listed below have share capital consisting solely of ordinary shares, which are held directly by the Company; the country of incorporation or registration is also their principal place of business.

Nature of investments in associates in 2017 and 2016:

Name of entity	**Place of business/country of incorporation**	**Nature of the relationship**	**% of ownership interest**	
			2017	2016
Claridge Public Limited	Cyprus	Note 1	**40,53**	40,53
Leisure Holdings S.A.	Luxembourg	Note 2	**31,22**	31,22
Amathus Hellas Touristiki A.E.	Greece	Note 3	**50,00**	50,00
APG Malta Limited	Malta	Note 3	**33,33**	33,33
Amathus Aegeas Limited	Cyprus	Note 4	**50,00**	50,00
Two Serve (Airport Services) [(1)]	Cyprus	Note 5	**19,95**	19,95
Two Serve Management Limited	Cyprus	Note 6	**50,00**	50,00
Orange Travel (Cyprus) Limited	Cyprus	Note 7	**50,00**	50,00
K.A. Olympic Lagoon Resort Limited	Cyprus	Note 8	**48,00**	48,00
Olympic Lagoon Hotel Limited	Cyprus	Note 9	**21,60**	-
Hortitsa Trading Ltd	Cyprus	Note 10	**30,00**	-

Apart from investing in the Company Hortitsa Trading Ltd (Note 33), there are no contingency liabilities relating to the Company's interest in the associates.

17 Investments in associates (continued)

Apart from investing in the Company Hortitsa Trading Limited (Note 33), there are no contingency liabilities relating to the Company's interest in the associates.

Note 1: The associate company Claridge Public Limited has as an activity the holding of investments. The company owns 100% of the share capital of Amathus Vacation Ownership Limited, which deals with the sale of privately owned residential units and with the 30.87% of the share capital of the associated Leisure Holding S.A.

Note 2: The associate company Leisure Holding S.A. was the only shareholder in Landa AXTE, owner of "Amathus Beach Hotel Rhodes", a seaside luxury hotel in Rhodes. On 22 December 2016, Leisure Holding S.A. had signed an agreement to sell the share capital of Landa AXTE. The sale of Landa AXTE was completed on 30 June 2017. Since 1 July 2017, Leisure Holding S.A. does not have any activities.

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

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

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

Note 6: The associate Company Two Serve Management Limited remained inactive during the year 2017 and 2016.

Note 7: The associate company Oragne Travel (Cyprus) Limited (formerly A&M Cruises Limited) has as principal activity the sale of cruise packages and excursions.

Note 8: The associate company K.A. Olympic Lagoon Resort Limited, is the owner of Olympic Lagoon Resort Paphos, a seaside luxurious hotel of 276 rooms on the coast of Kato Paphos.

Note 9: The associate company Olympian Lagoon Hotels Limited deals with the management of the Olympic Lagoon hotels, which are the Olympic Lagoon Resort Paphos and the Olympic Lagoon Resort Ayia Napa. Until July 3, 2017, the Company participated indirectly in Olympic Lagoon Hotels Limited through its participation in the KA. Olympic Lagoon Resort Limited.

Note 10: The associate company Hortitsa Trading Limited owns 100% of the share capital of Somerstown Trading Limited, which is the owner of the under construction Amavi Hotel in Paphos. On 22 December 2017 a shareholder agreement was signed between the Company and Kanika Group Limited, which was under the approval of the Commission for the Protection of Competition (Note 27).

17 Investments in associates (continued)

Claridge Public Limited is the only associate company of the Group which is listed in the Cyprus Stock Exchange. The market value of this investment at 31 December 2017 amounted to €1.315.153 (2016: €1.622.022). The market value of the investment does not represent its fair value because there is no active market for the specific shares in the stock exchange due to the small volume of transactions.

Significant restrictions

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

Summarised financial information for associates

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

18 Investments in associates (continued)

Summarised balance sheet

	Claridge Public Ltd		Leisure Holding S.A.		K.A. Olympic Lagoon Resort Limited		Total	
	31 December		31 December		31 December		31 December	
	2017	2016	**2017**	2016	**2017**	2016	**2017**	2016
	€	€	**€**	€	**€**	€	**€**	€
Current								
Cash and cash equivalents	**77.611**	492.685	**4.144.259**	413.186	**2.579.282**	1.947.598	**6.801.152**	2.853.469
Other current assets	**6.742.018**	6.882.974	**411.297**	496.301	**1.162.933**	2.622.128	**8.316.248**	10.001.403
Assets held for sale	**291.556**	318.764	**-**	-	**-**	550.000	**291.556**	868.764
Total current assets	**7.111.185**	7.694.423	**4.555.556**	909.487	**3.742.215**	5.119.726	**15.408.956**	13.723.636
Financial liabilities (excluding trade payables)	**-**	-	**-**	(12.312.616)	**(1.508.593)**	(1.449.536)	**(1.508.593)**	(13.762.152)
Other current liabilities (including trade payables)	**(200.428)**	(230.212)	**(246.010)**	(1.726.066)	**(5.500.094)**	(7.980.506)	**(5.946.532)**	(9.936.784)
Liabilities associated with assets held for sale	**(2.647.939)**	(2.556.519)	**-**	-	**-**	-	**(2.647.939)**	(2.556.519)
Total current liabilities	**(2.848.367)**	(2.786.731)	**(246.010)**	14.038.682)	**(7.008.687)**	(9.430.042)	**(10.103.064)**	(26.255.455)
Non- current								
Assets	**1.336.835**	1.506.355	**-**	33.189.245	**52.400.621**	52.695.880	**53.737.456**	87.391.480
Financial liabilities	**-**	-	**-**	(11.080.000)	**(20.263.034)**	(21.771.627)	**(20.263.034)**	(32.851.627)
Other liabilities	**-**	-	**-**	(185.586)	**(753.533)**	(590.707)	**(753.533)**	(776.293)
Total non- current liabilities	**-**	-	**-**	(11.265.586)	**(21.016.567)**	(22.362.334)	**(21.016.567)**	(33.627.920)
Net assets	**5.599.653**	6.414.047	**4.309.546**	8.794.464	**28.117.582**	26.023.230	**38.026.781**	41.231.741

18 Investments in associates (continued)

Summarised statement of comprehensive income

	Claridge Public Ltd		Leisure Holding S.A.		K.A. Olympic Lagoon Resort Limited		Total	
	31 December		31 December		31 December		31 December	
	2017	2016	**2017**	2016	**2017**	2016	**2017**	2016
	€	€	**€**	€	**€**	€	**€**	€
Revenue	**-**	1.023.000	**-**	8.975.273	**13.649.114**	12.683.797	**13.649.114**	22.682.070
Depreciation	**-**	-	**-**	(1.016.941)	**(1.001.423)**	(980.232)	**(1.001.423)**	(1.997.173)
Interest income	**3**	293	**-**	1.315	**72.363**	78.125	**73.684**	79.733
Interest expense	**(150.844)**	(167.889)	**-**	(926.947)	**(790.053)**	(897.469)	**(940.897)**	(1.992.305)
Profit/(loss) before tax from continuing operations	**(560.709)**	(2.314.495)	**(542.658)**	(160.703)	**4.433.925**	3.510.407	**3.330.558**	1.035.918
Tax (charge)/credit	**(13)**	(75)	**(4.815)**	(201.450)	**(419.064)**	(337.620)	**(423.892)**	(539.145)
Profit/(loss) after tax from continuing operations	**(560.722)**	(2.314.570)	**(547.473)** [2]	(362.153) [2]	**4.014.861** [3]	3.172.787 [3]	**2.906.666**	496.773
Profit/(loss) after tax from discontinued operations	**(150.844)** [1]	(435.581) [1]	**-**	-	**-**	-	**(150.844)** [1]	(435.581) [1]
Other comprehensive income	**(21.582)**	1.245	**-**	709	**-**	-	**(21.582)**	1.954
Total comprehensive income	**(733.148)**	(2.748.906)	**(547.473)**	(361.444)	**4.014.861**	3.172.787	**2.734.240**	8.073
Dividends received from associate	**-**	-	**-**	-	**-**	-	**-**	-

(1) The share (40,53%) of (loss)/profit allocated to the Group: €297.145 (2016: 40,53%, (€1.114.636).
(2) The share (31,22%) of (loss)/profit allocated to the Group: €170.948 (2016: 31,22%, €113.081)
(3) The share of (48%) of profit allocated to the Group: €1.927.123 (2016: €1.522.938 for the period from May to December 2015).

18 Investments in associates (continued)

Reconciliation of summarised financial information

Summarised financial information	Claridge Public Ltd 31 December		Leisure Holding S.A. 31 December		K.A. Olympic Lagoon Resort Limited 31 December		Total 31 December	
	2017	2016	**2017**	2016	**2017**	2016	**2017**	2016
	€	€	**€**	€	**€**	€	**€**	€
Opening net assets 1 January	**6.414.047**	9.162.953	**4.857.783**	9.155.908	**25.952.721**	22.850.443	**37.224.551**	41.169.304
Profit/(loss) for the period	**(792.812)**	(2.750.151)	**574.473**	(361.444)	**4.014.861**	3.172.787	**3.769.552**	61.192
Dividend paid	**-**	-	**-**	-	**(1.850.000)**	-	**(1.850.000)**	-
Other comprehensive income	**(21.582)**	1.245	**-**	-	**-**	-	**(20.337)**	1.245
Closing net assets	**5.599.653**	6.414.047	**4.310.310**	8.794.464	**28.117.582**	26.023.230	**39.123.776**	41.231.741
Shareholding in associates (40,53% (2016: 40,53%), 31,22% (2016: 31,22%), 48% (2016: 48%)	**2.269.539**	2.599.613	**1.345.679**	2.746.063	**13.496.439**	12.491.150	**17.111.630**	17.836.826
Impairment charge of investment in associate Leisure Holdings S.A.	**-**	-	**-**	(1.229.463)	**-**	-	**-**	(1.229.463)
	2.269.539	2.599.613	**1.345.679**	1.516.600	**13.496.439**	12.491.150	**17.111.630**	16.607.363

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.

	2017 €	2016 €
Profit for the year	**794.245**	628.594
Other comprehensive losses	**(9.570)**	(46.265)
Total profit for the year	**784.675**	582.329
Total net assets	**853.295**	702.808

The information above reflects the amounts presented in the financial statements of the associates (and not the Company's share of those amounts), except for the net assets, which are based on the Group's share of the related companies adjusted for differences in accounting policies between the Company and the associates.

18 Investments in joint venture

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

	2017 €	2016 €
At beginning of year	**16.606.696**	15.912.173
Additions (1)	**1.900.000**	-
Share of profit after tax in joint venture	**992.990**	1.257.095
Dividends received	**(1.159.000)**	(562.572)
At end of year	**18.340.686**	16.606.696

(1) During the year ended 31 December 2017, the Company purchased 1 900 additional shares in the jointly controlled company Amathina Holdings Limited, with a par value of €1 which were issued at a premium of €999 per share, due to an increase in its share capital. There was no change in the percentage of ownership in the share capital of the jointly controlled entity.

As at 31 December 2017 and 31 December 2016, the Group had the below investment in joint venture which is not listed in the Cyprus Stock Exchange:

Name	Principal Activities	% of ownership interest 2017	2016
Amathina Holdings Limited	Note 1	**25%**	25%

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

Summarised financial information

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

19 Investments in joint venture (continued)

Summarised balance sheet

	Amathina Holdings Limited 31 December 2017 €	2016 €
Current		
Cash and cash equivalents	**1.783.989**	6.062.940
Other current assets	**2.681.807**	2.086.046
Total current assets	**4.465.796**	8.148.986
Financial liabilities (excluding trade payables)	**(905.827)**	-
Other current liabilities (including trade payables)	**(3.610.989)**	(3.294.123)
Total current liabilities	**(4.516.816)**	(3.294.123)
Non-current		
Assets	**94.702.910**	75.567.330
Financial liabilities	**(14.504.076)**	(9.075.054)
Other liabilities	**(6.785.068)**	(4.920.356)
Total non-current liabilities	**(21.289.144)**	(13.995.410)
Net assets	**73.413.766**	66.426.783

Summarised statement of comprehensive income

	Amathina Holdings Limited 31 December 2017 €	2016 €
Revenue	**21.961.035**	22.690.560
Depreciation and amortisation	**(2.172.556)**	(2.075.145)
Interest income	**18.125**	24.981
Interest expense	**(351.955)**	(404.106)
Profit before tax from continuing operations	**4.542.759**	5.629.159
Tax charge	**(570.796)**	(707.213)
Profit from continuing operations after tax	**3.971.963**	4.921.946
Total comprehensive income for the year (1)	**3.971.963**	4.921.946
Dividends received from joint venture	**1.159.000**	562.572

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

18 Investments in joint venture (continued)

Reconciliation of summarised financial information

Summarised financial information	Amathina Holdings Limited 31 December 2017 €	2016 €
Opening net assets		
1 January	**66.426.783**	63.755.127
Issue of share capital	**7.600.000**	-
Profit for the period	**3.971.963**	4.921.946
Dividend	**(4.636.000)**	(2.250.290)
Closing net assets	**73.362.746**	66.426.783
Share in investment in joint venture (25% respectively)	**18.340.686**	16.606.696

19 Financial instruments by category

	Loans and receivables €	Available-for-sale €	Total €
31 December 2017			
Assets as per consolidated balance sheet			
Available-for-sale financial assets	-	612.339	**612.339**
Trade and other receivables (excluding prepayments)	2.899.181	-	**2.899.181**
Cash and cash equivalents	3.155.114	-	**3.155.114**
Total	6.054.295	612.339	**6.666.634**

	Other financial liabilities €	Total €
Liabilities as per consolidated balance sheet		
Borrowings	7.126.895	**4.151.482**
Trade and other payables (excluding statutory liabilities)	1.528.451	**3.126.511**
Total	8.655.346	**7.277.993**

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

19 Financial instruments by category (continued)

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

20 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:

	2017 €	2016 €
Trade receivables		
Counterparties without external credit rating		
Group 1	**909.632**	943.843
Total fully performing trade receivables	**909.632**	943.843
Fully performing other receivables		
Group 2	**177.389**	1.225.974
Group 3	**545.516**	456.983
	722.905	1.682.957
Cash at bank (Moody's) (1)		
Caa1	**1.409.489**	18.431
Caa2	**1.610.593**	779.490
Caa3	**97.656**	871.408
	3.117.738	1.669.329

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

Group 1 – existing customers (less than 2 months) with no defaults in the past.

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

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

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

21 Available-for-sale financial assets

	2017 €	2016 €
At beginning of year	**425.602**	430.459
Additions	**-**	12.800
Fair value gain/(losses) transferred to equity (Notes 26 and 27)	**188.629**	(17.657)
Impairment charge	**(1.892)**	-
At the end of year	**612.339**	425.602

During the year there was dividend income amounted to €7.542 (2016: €nil) from available-for-sale financial assets.

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

	2017 €	2016 €
Listed shares in Cyprus Stock Exchange	**699**	616
Unlisted shares	**611.640**	424.986
	612.339	425.602

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

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

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

22 Trade and other receivables

	2017 €	2016 €
Trade receivables	**2.176.276**	1.846.077
Receivables from related parties (Note 31 (g))	**177.389**	1.225.974
Other receivables	**545.516**	456.983
Prepayments	**17.053**	122.499
	2.916.234	3.651.533

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

As at 31 December 2017, trade receivables of €909.632 (2016: €943.843) were fully performing.

Trade receivables that are less than two months past due are not considered impaired. As of 31 December 2017 trade receivables of €1.266.644 (2016: €899.150) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default.

22 Trade and other receivables (continued)

The ageing analysis of these trade receivables is as follows:

	2017 €	2016 €
2 – 4 months	**165.162**	133.518
More than 4 months	**1.101.482**	765.632
	1.266.644	899.150

As of 31 December 2017 trade receivables of €41.289 (2016: €32.006) were impaired and provided for (Note 9). The individually impaired receivables mainly relate to customers, which are in unexpectedly difficult economic situations.

	2017 €	2016 €
Over 6 months	**41.289**	32.006
	41.289	32.006

The creation and release of provision for impaired receivables have been included in "selling and marketing costs" in profit or loss. Amounts charged to the allowance account are generally written off, when there is no expectation of recovering additional cash (Note 9).

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

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

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

	2017 €	2016 €
Euro	**2.880.079**	3.558.145
Pound sterling	**36.155**	93.388
	2.916.234	3.651.533

23 Cash and bank balances

	2017 €	2016 €
Cash at bank and in hand	**3.155.114**	1.181.157
Short term bank deposits	**-**	677.630
	3.155.114	1.858.787

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

	2017 €	2016 €
Cash and bank balances	**3.155.114**	1.858.787
Less:		
Bank deposits with original maturity over 3 months	**-**	(677.630)
Bank overdrafts (Note 29)	**(2.539.218)**	(2.666.019)
	615.896	(1.484.862)

Cash and bank balances are denominated in the following currencies:

	2017 €	2016 €
Euro	**2.982.655**	1.692.712
Pound sterling	**172.459**	166.075
	3.155.114	1.858.787

Non-cash transactions

The principal non-cash transaction for the year ended 31 December 2016 was the repayment of payable in relation to investment in associate company amounting to €1.500.000 through conversion of the balance to borrowings based on loan agreement with the associate company as mentioned in Note 31 (f). There were no non cash transactions during the current year.

Reconciliation of obligations arising from financing activities

	Bank loan €	Loan from associate company €	Loans from Members of Board of Directors €	Total lending arising from financing activities €
Balance at 1 January 2017	62.223	1.423.240	-	1.485.463
Cash transactions:				
Receipts from borrowing	2.610.431	-	990.000	3.600.431
Capital repayments	(381.114)	(124.052)	-	(505.166)
Interest paid	(58.314)	(67.048)	-	(125.362)
Interest expense	58.314	67.048	6.949	132.311
At 31 December 2017	2.291.540	1.299.188	996.949	4.587.677

24 Non-current assets held for sale and discontinued operations

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

On 9 December 2016 the final sale agreement of the business of Let's Go department as a going concern to the associate Orange Travel (Cyprus) Limited was signed (Note 31 (h)).

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

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

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

	2017	2016
	€	€
Income	**899.305**	3.561.161
Cost of Sales	**(863.473)**	(3.410.807)
Gross profit	**35.832**	150.354
Selling and marketing costs	**(869)**	**(39.199)**
Administrative expenses	**(34.963)**	(100.530)
Operating profit before tax	**-**	10.625
Tax charge	**-**	-
Profit after tax	**-**	10.625
Loss from sale of the business of the business of Let's Go department [1]	**-**	(5.239)
Profit/(loss) from the year from discontinued operations	**-**	5.386

(1)

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

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

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

	2017	2016
	€	€
Cash flows from operations	**-**	18.959
Cash flows from investing activities	**-**	44.460
Total cash flows	**-**	63.419

25 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 2016	88 050 305	29.937.104	7.734.178	3.935.797	41.607.079
Instalments paid for partly paid shares	-	-	15.858	-	15.858
Conversion of partly paid shares to fully paid shares	22 794 225	7.750.036	(7.750.036)	-	-
Distribution of share premium to Shareholders	-	-	-	(3.935.797)	(3.935.797)
At 31 December 2016	110 844 530	37.687.140	-	-	37.687.140
At 31 December 2017	110.844.530	37.687.140	-	**-**	37.687.140

The total authorised number of ordinary shares is 185 218 480 shares (2016: 185 218 980 shares) with a par value of €0,34 per share. At 31 December 2017, the total number of ordinary shares that were issued and fully paid was 110 844 530 (2016: 110 844 530).

The Company issued 35 218 480 partly paid shares. These shares had the same rights as the existing fully paid shares except the right to vote. In respect of the partly paid shares, up to 11 March 2016 the Company had received an amount of €7.750.858 out of the amount of €11.974.283.

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

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

25 Share capital and share premium (continued)

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

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

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

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

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

The new fully paid shares were listed on the Cyprus Stock Exchange for trading on 30 August 2017.

26 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 2016	1.527.947	(321.412)	(137.213)	418.073	1.487.395
Land and buildings:					
Transfer of excess depreciation	(38.038)	-	-	-	(38.038)
Deferred tax on excess depreciation on land and buildings	4.755	-	-	-	4.755
Deferred tax adjustment on revaluation (Note 29)	2.630	-	-	-	2.630
Revaluation gain on land and buildings (Note 15)	303.825	-	-	-	303.825
Deferred tax on revaluation of land and buildings (Note 30)	(22.228)	-	-	-	(22.228)
Distribution of reserves to shareholder	-	-	-	(331.717)	(331.717)
Foreign exchange differences:					
Group	-	(32.364)	-	-	(32.364)
Available-for-sale financial assets:					
Fair value loss	-	-	(15.969)	-	(15.969)
Transfer between reserves	-	-	(109.164)	-	(109.164)
Share of fair value reserve in associates (Note 17)	-	-	(22.407)	-	(22.407)
At 31 December 2016	1.778.891	(353.776)	(284.753)	86.356	1.226.718
Land and buildings:					
Transfer of excess depreciation	(26.433)	-	-	-	(26.433)
Deferred tax on excess depreciation	3.304	-	-	-	3.304
Deferred tax adjustment on revaluation (Note 29)	(16.491)	-	-	-	(16.491)
Foreign exchange differences:					
Group	-	(7.849)	-	-	(7.849)
Available-for-sale financial assets:	-	-	(169.775)	-	169.775
Fair value gain	-	-	-	-	-
Transfer between reserves	-	(53.930)	-	-	(53.930)
Share of fair value reserve in associates (Note 17)	-	-	(13.532)	-	(13.532)
At 31 December 2017	1.739.721	(415.555)	(128.510)	86.356	1.281.562

27 Non-controlling interest

	2017 €	2016 €
At beginning of year	**57.816**	59.626
Share of net loss	**(280)**	(122)
Share of fair value gain/(loss) of available for sale financial assets	**18.853**	(1.688)
At end of year	**76.389**	57.816

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.

28 Borrowings

	2017	2016
	€	€
Current		
Bank overdrafts (Note 23)	**2.539.218**	2.666.019
Bank borrowings	**652.884**	62.223
Borrowings from related parties (Note 31 (f))	**92.435**	88.329
Borrowing from members of Board of Directors (Note 31 (f))	**6.949**	-
	3.291.486	2.816.571
Non-current		
Bank borrowings	**1.638.656**	-
Borrowings from related parties (Note 31 (f))	**1.206.753**	1.334.911
Borrowing from members of Board of Directors	**990.000**	-
	3.835.409	1.334.911
Total borrowings	**7.126.895**	4.151.482
Maturity of non-current borrowings (excluding debentures):		
Between 1 and 2 years	**738.754**	92.364
Between 2 and 5 years	**1.944.299**	300.285
Over 5 years	**1.152.356**	942.262
	3.835.409	1.334.911

The bank loans are repayable by semi-annual instalments until June 2024.

The bank loans and overdrafts are secured as follows:

(a) By mortgage on the land and buildings of the Group amounting to €4.150.000 (2016: €3.824.892) (Note 14).
(b) By floating charges on the Group's assets amounting to €10.337.202 (2016: €6.645.804).
(c) By pledge of 43 838 885 (2016: 43 838 885) ordinary shares of Claridge Public Limited and
1 445 shares of K.A. Olympic Lagoon Resort Limited.
(d) By assignment of fire insurance policies of all buildings of the Group.

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

	2017	2016
	%	%
Bank borrowings	**4,00**	5,48
Bank overdrafts	**4,84**	6,10
Borrowings from related parties	**4,95**	5,57
Borrowings from members of the Board of Directors	**3,00**	-

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.

28 Borrowings (continued)

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

	2017 €	2016 €
6 months or less	**6.129.946**	4.151.482

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

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

	2017 €	2016 €
Euro – functional and presentation currency	**7.126.895**	4.151.482

29 Deferred tax liabilities

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

	2017 €	2016 €
Deferred income tax assets:		
- Deferred tax assets to be recovered after more than 12 months	**(96.169)**	(96.169)
Deferred income tax liabilities:		
- Deferred tax liabilities to be settled after more than 12 months	**758.219**	758.776
Deferred tax liabilities - net	**662.050**	662.607

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

29 Deferred tax liabilities (continued)

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

	Deferred tax liabilities			Deferred tax asset	
	Difference between depreciation and wear and tear allowances €	Revaluation of land and buildings €	Other temporary differences €	Taxable losses €	Total €
At 1 January 2016	48.470	568.717	13.457	(96.169)	534.475
Charged/(credited) to:					
Profit or loss	108.534	-	-	-	108.534
Revaluation reserve of land and buildings (Note 26)	-	19.598	-	-	19.598
At 31 December 2016/1 January 2017	157.004	588.315	13.457	(96.169)	662.607
Charged/(credited) to:					
Profit or loss	(17.048)	-	-	-	(17.048)
Revaluation reserve of land and buildings (Note 26)	-	16.491	-	-	16.491
At 31 December 2017	139.956	604.806	13.457	(96.169)	662.050

Deferred income tax assets are recognised for taxable losses carried forward to the extent that the realisation of the related tax benefit through the future taxable profits is probable. The Group did not recognise deferred income tax assets of €289.638 (2016: €265.677) in respect of losses amounting to €2.317.101 (2016: €2.125.415).

30 Trade and other payables

	2017 **€**	2016 €
Trade payables	**1.180.158**	1.000.422
Payable to related parties (Note 31 (g))	**159.871**	1.692.405
Other payables	**88.364**	123.975
Accrued expenses	**218.034**	355.279
	1.646.427	3.172.081

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

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

31 Related party transactions

The Group is controlled by Lanitis E.C. Holdings Limited, incorporated in Cyprus, which owns 54,81% 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

	2017 €	2016 €
Sales of goods and services:		
Holding company	**991**	540
Associates	**292.709**	192.839
Companies under common control	**23.972**	26.219
	317.672	219.598

Sales represent mainly sales of tickets, forwarding services, management rights, redistribution of expenses and sale of travel packages.

(b) Purchase of goods and services

	2017 €	2016 €
Purchases of goods and services:		
Holding company	**176.000**	157.206
Associates	**464.776**	920.451
Companies under common control	**2.547**	3.374
	643.323	1.081.031

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

(c) Key management personnel compensation

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

	2017 €	2016 €
Salaries and other short-term employee benefits	**347.565**	325.845
Provident fund contributions	**8.158**	7.916
	355.723	333.761

31 Related party transactions (continued)

(d) Directors' remuneration

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

	2017	2016
	€	€
Fees	**27.678**	28.020

	Fees	Salaries and employer contributions	Bonuses	Employer contributions to the provident fund	2017 Total	2016 Total
	€	€	€	€	€	€
Directors						
Platon E. Lanitis	3.417	-	-	-	**3.417**	3.417
Costas E. Lanitis	3.417	-	-	-	**3.417**	3.417
Costas Charitou	3.417	-	-	-	**3.417**	3.417
Constantinos Mitsides	3.417	-	-	-	**3.417**	3.417
Marios E. Lanitis	3.417	-	-	-	**3.417**	3.417
Markos Christodoulou	3.417	-	-	-	**3.417**	3.417
Michalakis Hadjikiriakos	3.588	-	-	-	**3.588**	3.588
Savvas Orphanides	3.588	-	-	-	**3.588**	3.930
Total	27.678	-	-	-	27.678	28.020

(e) Loans from members to B.O.D.

	2017	2016
	€	€
Loans to associates:		
At beginning of year	**-**	-
Loan advanced during year	**990.000**	-
Interest charged	**6.949**	-
At end of year (Note 28)	**996.949**	-

The above loan was granted by Messrs Platon E. Lanitis, Marios E. Lanitis and Costas E. Lanitis, in order to partially finance the increase of the issued share capital of the jointly controlled company Amathina Holdings Limited. Based on the loan agreements signed on 1 September 2017, the above loan has annual interest of 3% and it will be repaid within three years.

31 Related party transactions (continued)

(f) Borrowings from related parties

	2017 €	2016 €
Borrowings from companies:		
At beginning of year	**1.423.240**	-
Borrowings advanced during the year	**-**	1.500.000
Borrowings repaid during year	**(191.100)**	(153.552)
Interest charged	**67.048**	76.792
At end of year (Note 28)	**1.299.188**	1.423.240

The above borrowing was provided with interest 3,9% (decreased to 3,25% on 1 June 2017) plus Euribor 6M adjusted for the Special Defence Contribution charge, from the associate company K.A Olympic Lagoon Resort Limited based on the loan agreement dated 21 January 2016.

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

	2017 €	2016 €
Receivable from related parties (Note 22):		
Holding company	**12.243**	33.243
Associates	**149.833**	1.140.728
Companies under common control	**15.313**	52.003
	177.389	1.225.974
Payable to related parties (Note 31):		
Associates	**121.042**	1.665.804
Companies under common control	**35.571**	-
Joint venture	**3.258**	26.601
	159.871	1.692.405

Apart from a payable amount to an associate financial company amounted to €1.500.000 (2016¨€1.500.000), which was repaid on 20 June 2017 and which boards interest of 4,75%, the above balances are not interest bearing. The interest charge for 2017 was €43.320 (2016: €65.314). All balances are unsecured and are repayable on demand.

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

On 9 December 2017 the final agreement for the sale of Let's Go department of the subsidiary Amathus Corporation Limited as a going concern to the associate Orange Travel (Cyprus) Limited was signed.

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

The results of the discontinued operations which were related to the operating cycle of Let's Go Tours are presented in Note 24.

31 Related party transactions (continued)

(i) Guarantees in favour of associates

As at 31 December 2017, the Group provided corporate guarantees in relation to bank borrowing facilities of associates which were provided to third parties amounting to €440.314 (2016: €440.314) and by pledging 8 395 shares of K.A Olympic Lagoon Resort Limited for three years until 11 May 2018 (Note 32).

32 Contingent liabilities

As at 31 December 2017, the Group provided corporate guarantees in relation to bank borrowing facilities of associates which were provided to third parties amounting to €440.314 (2016: €440.314) and by pledging 8 395 shares of K.A Olympic Lagoon Resort Limited, for three years until 11 May 2018.

In 2017, the Company granted a corporate guarantee of € 5,349,804 to London & Regional Group Trading No.3 Limited due to the completion of the sale of the total issued share capital of Landa AXTE, the owner of Amathus Beach Hotel Rhodes, from the associate company Leisure Holding SA.

Based on the aforementioned sale agreement, the Company has guaranteed to London & Rerional Group Trading No.3 Limited the adequacy of the commitments and assurances of Leisure Holding S.A. which are included in the sales contract. The maximum amount of the guarantee, based on the agreement, amounts to € 5,349,804. The duration of the warranty differs depending on the assurances given to the buyer company. As far as Landa's AXTE institutional obligations are concerned, the duration of the guarantee is six years, while for non-institutional obligations it is four years. As for the court dispute over the Soluna estate, on which a part of the hotel was built, it is continuous with the right to be terminated for up to two years, after a compromise reached by the former owners of Landa AXTE for any amount and after two years with a payment of up to € 400,000 following a compromise achieved by the new owners. In the occasion that the owners of the Solounia estate achieve an irrevocable court order against Landa AXTE, the Company's warranty covers any amount awarded up to € 2,000,000, which is included in the maximum amount of the guarantee.

The Company, in return for the warranty, has secured from the remaining shareholders of Leisure Holding S.A. and from Leisure Holding S.A. the commitment that the net amount of the sale of the hotel, approximately € 4,200,000, will be committed to a bank account of the company and will be assigned to the Company's benefit, as well as a corporate guarantee by Lanitis E.C. Holdings Limited and its subsidiary, Claridge Public Limited, Amathus Vacation Ownership Limited, for a proportionate coverage of the Company for the amount exceeding the amount to be committed to the bank account of Leisure Holding S.A ..

The Board of Directors estimates that no losses will occur in respect of the corporate guarantees given and therefore no provision was made in the consolidated financial statements.

33 Capital Commitments

On 22 December 2017, the Company signed a shareholder agreement with Kanika Group Limited for 30% stake in HortitsaTrading Limited, which owns 100% of the share capital of Somerstown Trading Limited, owner of the 5-star luxury hotel Amavi Hotel, which is under construction in Paphos. The amount of the investment is € 3,300,300. The shareholder agreement was under various heresies, the most important of which was the approval of the Commission for the Protection of Competition, given on 26 February 2018. The amount of the investment of € 3.300.000 was paid on 23 April 2018.

34 Events after the Balance Sheet Date

On 26 February 2018, the Commission for the Protection of Competition approved the shareholders' agreement with Hortitsa Trading Limited. The amount of the investment in Hortitsa Trading Limited amounting to € 3.300.000 was paid on 23 April 2018. The Company secured a loan of € 3.000.000 for the repayment of the investment.

At an Extraordinary General Meeting held on 10 January 2018, the Shareholders voted as follows:

(1) The share capital of the Company, amounting to €62.974.283,20, divided into 185.218.480 shares of nominal value €0,34c each, out of which 110.844.530 shares have been issued and are fully paid up and the remaining 74.373.950 shares have not been issued yet, be reduced to €18.521.848 with the reduction of the nominal value of each of the issued and unissued shares in the share capital of the Company from €0,34cents to €0,10cents each, and that the amount resulting from the reduction of the nominal value of the 110.844.530 issued shares of the Compnay from €0,34cents to €0,10cents each, that is the amount of €26.602.687,20, out of which the amount of €6.657.821,25 will be used for the write off of the Company's equivalent accumulated losses in accordance with the provisions of Article 64(1)(b) of the Companies Law (the "Law") and that the remaining amount of €19.944.865,95 be reduced and transferred to a special reserve account, which will be referred to as "capital reduction reserve" in accordance with the provisions of Article 64(1)(e) of the Law and shall be treated in the same manner as the share premium account, as defined in Article 55 of the Law.

(2) The authorised share capital of the Company be increased from €18.521.848 divided into 185.218.480 shares of nominal value €0,10cents each into €62.974.283,20 (Sixty Two Million Nine Hundred Seventy Four Thousand Two Hundred Eighty Three Euro and Twenty Cents) divided into 629.742.832 shares of nominal value €0,10cents each, out of which 110.844.530 shares of nominal value €0,10cents each have been issued.

The above judgments were ratified by a Court order on 30 April 2018.

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

Independent auditor's report on pages 12 to 18.