Amathus Public Limited

Report on separate and consolidated financial statements 31 December 2019

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	(resigned 12 July 2019)
Marios E. Lanitis	(resigned 12 July 2019)
Marcos Christodoulou	
Michalakis Hatzikyriakos	(resigned 31 January 2020)
Savvas Orfanides	
Nicolas M. Lanitis	(appointed 12 July 2019)
Panicos Loizou	(appointed 29 June 2020)

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 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 2017 ("Law"), we, the members of the Board of Directors and the financial controller of Amathus Public Limited, responsible for the consolidated and separate financial statements of Amathus Public Limited for the year ended 31 December 2019, confirm that, based on our knowledge:

(a) the annual consolidated and separate financial statements which are presented on pages 20 to 168 (excluding pages 103 to 108):

(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 Amathus Public Limited and the businesses that are included in the consolidated financial statements as a total, 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	
Nicolas M. Lanitis, Σύμβουλος	
Costas Charitou, Director	
Marcos Christodoulou, Director	
Savvas Orfanides, Director	
Panicos Loizou, Director	

Responsible for the preparation of the financial statements

Name	**Position**	**Signature**
Panicos Sylikiotis	Financial Controller	

Limassol
29 June 2020

Amathus Public Limited

Consolidated Management Report

The Board of Directors presents its report together with the audited consolidated financial statements of the Group for the year ended 31 December 2019.

Principal activities and nature of operations of the Group

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

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

(i) Tourist and other activities

Provision of airline goods transportation services 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 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.

Collection of name usage rights and provision of service through the subsidiary Amathus(UK) Limited.

Sale of cruise packages and organised excursions abroad through the associate company Orange Travel (Cyprus) Limited.

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

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

Provision of air freight services through the affiliated company ANC Cargo Limited.

(ii) Holding of investments

Participation in the associate company Claridge Public Limited with a shareholding of 40.53% (2018: 40.53%), which has as principal activity the holding of investments.The company owns 100% of the share capital of Amathus Vacation Ownership Limited, which sells privately owned housing units and 30,87% of the share capital of Leisure Holding S.A.

Consolidated Management Report (continued)

Principal activities and nature of operations of the Group (continued)

(ii) Holding of investments (continued)

Participation in the affiliated company Leisure Holding S.A. with a percentage of 42,55% (2018: 31,22%) which owned the company Landa AXTE, owner of the Amathus Beach Hotel Rhodes, until 30 June 2017. From 1 July 2017, Leisure Holding S.A. does not have any operations.

Participation in the joint venture company Amathina Holdings Limited with a shareholding of 25% (2018: 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% (2018: 48%) which owns and operates the Olympic Lagoon Resort Paphos, a seaside luxury hotel of 276 rooms at the Kato Paphos Beach.

Participation in Hortitsa Trading Limited with a shareholding of 30% (2018: 30%) which owns 100% of Somerstown Trading Limited, which is the owner of Amavi Hotel, a seaside luxury hotel of 155 rooms at the Kato Paphos Beach. Amavi Hotel started its operations on 24 March 2019.

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

The Group's revenues, during 2019, amounted to €4.370.903 compared to €4.143.084 prior year, presenting an increase of 5,5%. The improvement in income is due to the increase in sales of travel packages abroad as well as the income from the organization of inbound tourism conferences.

Although the Group's revenues improved compared to the prior year, the percentage of gross profit decreased from 30,33% to 23,76%. The decrease in the percentage of gross profit is mainly due to the differentiation of the product sales mix of the Group. Specifically, in 2019,revenues from the sale of packages and the organization of conferences increased, which have a lower percentage of gross profit compared to revenues from sale of airline tickets.

The Group's profit before tax for the year 2019 amounted to €2.436.629 compared to a profit before tax of €1.789.148 the previous year.

The profits before tax of the Group for the year 2019 showed an improvement of €647.481 compared to the previous year. The increase in profitability is mainly due:

(i) The increase of the profit share by affiliated companies by €959.387. The improvement is due to the results of the affiliated company Hortitsa Trading Limited, which was profitable compared to a loss in the prior year. The company Hortitsa Trading Limited owns the Amavi Hotel in Paphos, which opened on 24 March 2019.

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

(ii) In 2018, a loss of €720.966 was recognized by the associate company Hortitsa Trading Limited, which related to previous years, due to the additional investment made in 2018 in relation to the Amavi Hotel under construction.

(iii) In the non- recurring profit that resulted in 2019 from the sale of an investment in an affiliated company amounting to €289.609.

(iv) The reduction of finance cost by €72.114.

(v) The negative goodwill of €90.153, resulting from the purchase of shares in the related company Leisure Holding S.A. by other shareholders.

During the year ended 31 December 2019, the Group invested the amount of € 115.665 in new improvements to buildings, facilities and equipment. As at 31 December 2019, the total assets of the Group were €52.401.483 (2018: €50.448.139 and its equity was €44.385.310 (2018: €40.188.183). The financial position development and performance of the Group as presented in the consolidated financial statements is considered satisfactory.

After the tax charge of €115.365 (2018: €8.999), the profit after tax for the year amounted to €2.321.264 compared to a profit of €1.780.149 in 2018.

The tax increase concerns a deferred tax charge of €109.092, which is described in Note 30 of the consolidated financial statements.

Principal risks and uncertainties

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

Such risks and uncertainties are:

- The seasonality of the activities,
- The economic environment of Cyprus and internationally which was formed after the developments and measures that have been taken and are being taken in relation to the spread of the coronavirus (Covid-19),
- The size and quality of tourist flow from and to Cyprus
- The growth of tourist units within Cyprus, and
- The opening up of the competitive tourism markets in the neighbouring countries.

The principal financial risks and uncertainties faced by the Group are disclosed in Note 1, 6 και 34 of the consolidated financial statements.

The Management of the Group monitors the domestic and international developments in relation to the spread of the Covid -19 virus and takes all the appropriate measures within its capabilities in order to mitigate the negative effects from the spread of the coronavirus.

Use of financial instruments by the Group

The Group's activities expose it to a variety of financial risks: market risk (including cash flow and fair value 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 financial assets that are measured at fair value through other comprehensive income 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 financial assets that are measured at fair value through other comprehensive income. The equity investments that are publicly traded in the Cyprus Stock Exchange at 31 December 2019 and 2018 are not significant.

Cash flow and Fair value 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. Interest bearing assets and borrowings issued at fixed rates expose the Group to fair value interest rate risk. The effect of the interest rates arising from the assets was not significant.

At 31 December 2018, if interest rates on Euro-denominated bank deposits had been 1% (2018: 1%) higher/lower with all other variables held constant, the impact on the Group's results for the year after tax would be €53.005 (2018: €68.522).

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, debt financial assets at amortized cost as well as credit exposures to customers and related parties, including outstanding receivables.

Credit risk (continued)

For banks and financial institutions, institutions with a minimum C rating are accepted. 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 6 of consolidated financial statements for further disclosure on credit risk.

Consolidated Management Report (continued)

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

With the recent and rapid progression of Coronavirus (Covid-19), the economy of Cyprus and the world economy have entered a period of unprecedented crisis which has already caused significant global disruption in business activities and daily life. The extent of this pandemic and its impact on the Group's financial situation cannot be predicted with certainty, but it is clear that drastic regulatory measures imposed by the authorities to reduce and mitigate the impact on citizens' health will have significant impact on the real economy, the hotel sector, the real estate sector and the construction industry. The Group expects a deterioration in its results, which at present and under the current circumstances cannot be predicted (Notes 1 and 34). Nevertheless, the Directors have considered the projected cash flows of the Group for at least 12 months and given the strong financial position from which it entered the period of crisis, they are satisfied that no significant uncertainties arise regarding the Group's ability to continue as an active module.

Results

The Group's results for the year are set out on pages 20 to 21. The profit for the year is transferred to reserves.

Dividends

At the Annual General Meeting of Shareholders, on 12 July 2019, the payment of a dividend from Company's profits for the year 2017 amounting to €1.084.891, was approved, which corresponds to €0,0087 per share. The dividend was paid to the shareholders on 9 August 2019.

Share capital

The changes in the share capital of the Company during the current year are presented in Note 26 of the consolidated financial statements.

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.

Consolidated Management Report (continued)

Board of Directors

The members of the Board of Directors at 31 December 2019 and at the date of this report are shown on page 1. All of them were members of the Board Directors for the entire year 2019, expect for Mr. Nicolas M. Lanitis, who was appointed on 12 July 2019 and Mr. Panicos Loizou who was appointed on 29 June 2020. Messrs Marios E. Lanitis and Constantinos Mitsides who were Directors at 1 January 2019, resigned on 12 Ιουλίου 2019 and Mr. Michalakis Hatzikyriakos who was a Director at 1 January 2019, resigned on 31 January 2020.

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 adopted the provisions of the Corporate Governance Code B3.1 which must be applied by all listed companies. Information regarding the remuneration of the members of the Board of Directors is presented in Note 32 (d) of the consolidated financial statements. The Group is not obliged to adopt the full 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 disproportionally higher than any anticipated benefits from its adoption. The full document of Corporate Governance code can be found on the website of the Cyprus Stock Exchange (www.cse.com.cy).

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

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

On 24 June 2020, the following shareholders held over 5% of the issued share capital of the Company:

	Percentage holding %
Lanitis E.C. Holdings Limited	51,12
Platon E Lanitis [(1)]	10,49
Costas E. Lanitis [(1)]	8,08
Nicolas M. Lanitis [(1)]	6,54
Unity Managers (Cyprus) Limited	5,37

[(1)] The total number of shares are presented, either directly or indirectly.

Consolidated Management Report (continued)

Corporate Governance Code (continued)

Directors’ interests in the Company’s share capital

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

The percentage of the total shares of the Company, Directors, their spouses, their children and companies in which the Directors hold directly or indirectly at least 20% of the shares with voting rights, on 31 December 2019 and on 24 June 2020 were as follows:

	Percentage holding	
	31 December 2019 %	24 June 2020 %
Platon E. Lanitis [(1)]	61,61	61,61
Costas E. Lanitis [(2)]	8,08	8,08
Nicolas M. Lanitis[(3)]	6,54	6,54
Savvas Orfanides [(4)]	5,37	5,37
Marcos Christodoulou	0,42	0,42
Costas Charitou	0,02	0,02
Panicos Loizou [(5)]	-	-

(1) The percentage holding of Mr Platon E. Lanitis includes the percentage of Lanitis E.C. Holdings Limited (51.12%), the percentage of Joanna Laniti (0,65%), the percentage of Tereza Laniti (0,65%) and the percentage of Antigoni Laniti (0,65%).

(2) The percentage holding of Mr Costas E. Lanitis, includes the percentage of Evagoras Lanitis (2,12%) and Iasonas Lanitis (2,12%).

(3) The percentage holding of Mr. Nicolas M. Lanitis, includes the percentage of Marios. E. Lanitis (6,41%) and Aiglis Lanitis (0,12%).

(4) The percentage of shares held by Mr. Savvas Orfanidis includes the percentage of the company Unity Managers (Cyprus) Limited (5,37%).

(5) Mr Panicos Loizou was appointed as Director at 29 June 2020 and did not hold any percentage in the share capital of the Company.

Consolidated Management Report (continued)

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 32 to the consolidated financial statements.

Other than what is stated in Note 32 to the consolidated financial statements, at 31 December 2019 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 re-election of the Directors is determined by Article 82 of the Company's Articles of Association. At the Annual General Meeting, all Directors retire and, being eligible, offer themselves for re-election.

The Board of Directors consists of 7 members and meetings are convened at regular intervals. The Board of Directors approves the Group's strategy and supervises the adoption and realisation of the Group's strategic development.

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

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.

Consolidated Management Report (continued)

Corporate Governance Code (continued)

Audit Committee

The Audit Committee consists of:

- Savvas Orfanides, Chairman, Non-executive – non-independent Director
- Panicos Loizou, Member, Non-executive – independent Director

Mr Konstantinos Mylonas is present at the Audit Committee with an advisory role.

The main tasks of the Audit Committee include, but are not limited to the following:

- Study and approval of the semi-annual and annual financial results and their presentation to the Board of Directors for final approval.
- Recommendation to the Board regarding appointment, remuneration and the termination of the services of the Group's independent auditors', the continuous inspection of the extent and effectiveness of their audit, as well as their independence and objectivity. Where the independent auditors provide to the Group significant non-audit services, the Commission monitors the nature and extent of such services aiming to strike a balance between maintaining the objectivity of their audit and the added value in providing non-audit services.
- Inspection of internal financial systems, such as internal control systems and risk management systems.

The Audit Committee shall meet whenever necessary. The Chairman of the Audit Committee shall ensure the convergence of the meetings.

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.

Consolidated Management Report (continued)

Independent auditors

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

By Order of the Board

P&D Secretarial Services Limited
Secretary

Limassol
29 June 2020

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 2019, 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 20 to 94 and comprise of:

- the consolidated balance sheet as at 31 December 2019;
- the consolidated income statement for the year then ended;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements

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 (including International Independence Standards) (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.

Key Audit Matter	How our audit addressed the Key Audit Matter
Investment in associated companies which were audited by auditors outside our network. Refer to Note 20 '' Investment in associates'' and Note 4 ''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 and Hortitsa Trading Limited, for which the audit is conducted by auditor outside the our network. The book value of the specific investment amounts to €17.788.965 as at the balance sheet and represents 34% 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 these investments. (ii) We have assessed specific information provided by the component auditors which are outside our network, who conducted their audit procedures based on the Group audit instructions sent by us. (iii) We have reviewed on a sample basis the audit procedures performed from the component auditors in relation to the audit of these investments with emphasis given to the significant risks communicated to component auditors through the Group audit instructions communicated by us. (iv) We have assessed the adequacy of disclosures of the Group in relation to the investment in the associate companies. The results of the above procedures were considered satisfactory for our audit purposes.

Key Audit Matter	How our audit addressed the Key Audit Matter
Effects of the COVID-19 virus on the basis of the preparation of financial statements Refer to Note 1 'General Information, Note 2'Basis of Preparation' and note 34 ' Events after the balance sheet date' of the consolidated financial statements. In preparing the financial statements the Board of Directors is responsible for assessing the ability of the Group to continue as a going concern and to adopt the principle of going concern for the preparation of the financial statements, unless it intends to either liquidate the Group or cease activities, or when it has no realistic alternative but to do so. Based on the relevant evaluation, the Board of Directors concluded that the principle of going concern is an appropriate basis for the preparation of the financial statements and that there are no significant uncertainties that will create significant doubt in this regard. In the evaluation the Board of Directors has considered a period of twelve months from the date of approval of the financial statements. In the context of the evaluation, the Management has examined the impact of the health crisis of the Covid-19 virus on the results of the Group and specifically on its cash flows. The outbreak of Covid-19 and the relevant restrictions adopted by the government have negatively affected the travel and tourism activities of the Group as well as the activities of associated and jointly controlled companies operating in the hotel sector. Management included in the calculation of future cash flows the consequences of Covid -19 and also examined the impact on the domestic economy. The impact of the Covid- 19 virus on the financial statement base is a hey audit matter due to the increased risk associated with this issue from the spread of the Covid-19 virus from the first quarter of 2020.	In assessing the appropriateness of the principle of going concern as a basis for the preparation of the consolidated financial statements: We assessed the expected impact of Covid-19 on future cash flows, including Management's analysis of the future liquidity needs. We discussed with the Management the main assumptions used and we evaluated the plans for additional actions in case these are needed. We received data on the underlying cash flow projections of the Group, evaluating them in relation to relevant external and internal sources, as deemed necessary. We compared estimated revenues and expenses based on historical information and assumptions used for the future. We also took into account the cash flows, cash reserves and banking facilities of the Group after the end of 2019 and until the evaluation date. We checked the mathematical accuracy of management's cash flow forecasts. We conducted an independent sensitivity analysis to assess the impact of the changes on the key assumptions on which cash flow projections are based. We examined the adequancy and appropriateness of the relevant disclosures of the Management in the financial statements. The results of our audit procedures were satisfactory.

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 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 14 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 29 June 2020 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 Company 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 Nicos A. Theodoulou.

Nicos A. Theodoulou
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

29 June 2020

Amathus Public Limited

Consolidated income statement for the year ended 31 December 2019

	Note	**2019** **€**	2018 €
Continuing operations			
Revenue	9	**4.370.903**	4.143.084
Cost of sales	12	**(3.332.325)**	(2.886.622)
Gross profit		**1.038.578**	1.256.462
Selling and marketing costs	12	**(68.428)**	(64.726)
Administrative expenses	12	**(1.762.730)**	(1.773.378)
Other income	10	**371.202**	320.366
Other losses – net	11	**279.376**	11.379
Operating Loss		**(142.002)**	(249.897)
Share of profit of associates	20	**2.454.746**	1.495.359
Negative Goodwill	20	**90.153**	-
Share of profit of joint venture	21	**295.886**	877.783
Operating Profit before finance costs		**2.698.783**	2.123.245
Finance costs	14	**(262.154)**	(334.268)
Profit before income tax		**2.436.629**	1.788.977
Income tax charge	15	**(115.365)**	(8.999)
Profit for the year from continuing operations		**2.321.264**	1.779.978
Discontinued operations			
Profit for the year from discontinued operations	25	**-**	171
Profit for the year		**2.321.264**	1.780.149
Attributable to:			
Owners of the Company		**2.311.557**	1.771.414
Non-controlling interest	28	**9.707**	8.735
		2.321.264	1.780.149
Profit per share from continuing operations (cent per share)			
- Basic and diluted	16	**1,91**	1,61
Profit per share attributable to the owners of the Company (cent per share)			
- Basic and diluted	16	**1,91**	1,60

The notes on pages 29 to 94 are an integral part of these consolidated financial statements.

Amathus Public Limited

Consolidated statement of comprehensive income for the year ended 31 December 2019

	Note	2019 €	2018 €
Profit for the year		**2.321.264**	1.780.149
Other comprehensive income:			
Items that will not be reclassified to profit or loss			
Profit from revaluation of land and buildings, after tax	27	**1.072.057**	-
Changes in the fair value of equity investments designated at fair value through other comprehensive income	22	**(117.052)**	119.583
Share of reserves of equity investments designated at fair value through other comprehensive income of associated companies	27	**4.512**	36.395
Items that will not be reclassified to profit or loss		**959.517**	155.978
Items that maybe subsequently reclassified to profit or loss			
Currency translation differences	27	**10.385**	(2.006)
Items that maybe subsequently reclassified to profit or loss		**10.385**	(2.006)
Other comprehensive income for the year, after tax		**969.902**	153.972
Total comprehensive income for the year		**3.291.166**	1.934.121
Attributable to:			
Owners of the Company		**3.293.193**	1.913.421
Non-controlling interest	28	**(2.027)**	20.700
		3.291.166	1.934.121
Total comprehensive income attributable to owners of the Company arises from:			
Continuing operations		**3.293.193**	1.913.250
Discontinued operations		**-**	171
		3.293.193	1.913.421
Total comprehensive profit per share from continuing operations(cent per share)			
- Basic and diluted	16	**2,72**	1,74
Total comprehensive profit per share attributable to owners of the Company (cent per share)			
- Basic and diluted	16	**2,72**	1,73

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 15.

The notes on pages 29 to 94 are an integral part of these consolidated financial statements.

Amathus Public Limited

Consolidated balance sheet at 31 December 2019

	Note	**2019 €**	2018 €
Assets			
Non-current assets			
Property, plant and equipment	17	**577.415**	4.632.624
Investment property	18	**5.493.155**	230.000
Investments in associates	20	**21.355.362**	21.387.776
Investments in joint venture	21	**19.257.105**	19.218.469
Financial assets at fair value through other comprehensive income	22 (c)	**609.042**	734.619
		47.292.079	46.203.488
Current assets			
Other non financial assets	23	**160.198**	184.123
Trade receivables	22 (a)	**1.757.927**	2.003.029
Financial assets at amortised costs	22 (b)	**531.951**	596.838
Cash and cash equivalents	24	**2.659.328**	1.405.123
		5.109.404	4.189.113
Assets held for sale	25	**-**	55.538
Total assets		**52.401.483**	50.448.139
Equity and liabilities			
Capital and reserves			
Share capital	26	**12.470.010**	11.084.453
Share premium	26	**614.995**	-
Capital reduction reserve	26	**19.944.866**	19.944.866
Other reserves	27	**2.356.952**	1.400.440
Retained earninngs		**8.920.725**	7.668.935
		44.307.548	40.098.694
Non-controlling interest	28	**77.762**	89.489
Total equity		**44.385.310**	40.188.183
Non-current liabilities			
Borrowings	29	**3.166.955**	4.050.385
Deferred tax liabilities	30	**919.025**	662.050
		4.085.980	4.712.435

Amathus Public Limited

Consolidated balance sheet
at 31 December 2019 (continued)

	Note	2019 €	2018 €
Current Liabilities			
Trade and other creditors	31	**942.676**	1.310.238
Contractual liabilities	9	**82.145**	63.184
Current tax liabilities		**151**	29.619
Borrowings	29	**2.905.221**	4.089.113
		3.930.193	5.492.154
Liabilities related to assets held for sale	25	**-**	55.367
Total liabilities		**8.016.173**	10.259.956
Total equity and liabilities		**52.401.483**	50.448.139

On 29 June 2020 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 94 are an integral part of these consolidated financial statements.

Amathus Public Limited

Consolidated statement of changes in equity for the year ended 31 December 2019

	Note	Share capital €	Share premiums [1] €	Capital reduction reserve €	Other reserves [2] €	Retained earnings [3] €	Total €	Non-controlling interest €	Total €
		Attributable to the owners of the Company							
Balance at 1 January 2018		37.687.140	-	-	1.281.562	(754.936)	38.213.766	76.389	38.290.155
Comprehensive profit									
Profit for the year		-	-	-	-	1.771.414	1.771.414	8.735	1.780.149
Other comprehensive income									
Land and buildings:									
Transfer of excess depreciation – after tax	27	-	-	-	(23.129)	23.129	-	-	-
Currency translation differences		-	-	-	(2.006)	-	(2.006)	-	(2.006)
Financial assets at fair value through other comprehensive income:									
Fair value gain	27,28	-	-	-	107.618	-	107.618	11.965	119.583
Share of fair value reserve of associates	27	-	-	-	36.395	-	36.395	-	36.395
Total other comprehensive income		-	-	-	118.878	23.129	142.007	11.965	153.972
Total profit for the year		-	-	-	118.878	1.794.543	1.913.421	20.700	1.934.121
Transactions with owners:									
Decrease in nominal value	26	(26.602.687)	-	19.944.866	-	6.657.821	-	-	-
Defense tax on deemed dividend distribution		-	-	-	-	(28.493)	(28.493)	-	(28.493)
Dividend paid		-	-	-	-	-	-	(7.600)	(7.600)
Total transaction with owners		(26.602.687)	-	19.944.866	-	6.629.328	(28.493)	(7.600)	(36.093)
Total comprehensive income for 2018		(26.602.687)	-	19.944.866	118.878	8.423.871	1.820.348	13.100	1.898.028
Balance at 31 December 2018		11.084.453	-	19.944.866	1.400.440	7.668.935	40.098.694	89.489	40.188.183

Amathus Public Limited

Consolidated statement of changes in equity for the year ended 31 December 2019 (continued)

		Attributable to the owners of the Company							
	Note	Share capital €	Share premium [1] €	Capital reduction reserve €	Other reserves [2] €	Retained earnings [3] €	Total €	Non-controlling interest €	Total €
Balance at 1 January 2019		11.084.453	-	19.944.866	1.400.440	7.668.935	40.098.694	89.489	40.188.183
Comprehensive profit									
Profit for the year		-	-	-	-	2.311.557	2.311.557	9.707	2.321.264
Other comprehensive income									
Land and buildings:									
Profit on revaluation – after tax	27	-	-	-	1.072.057	-	1.072.057	-	1.072.057
Transfer of excess depreciation – after tax	27	-	-	-	(25.124)	25.124	-	-	-
Currency translation differences	27	-	-	-	10.385	-	10.385	-	10.385
Financial assets at fair value through other comprehensive income:									
Fair value loss	27,28	-	-	-	(105.318)	-	(105.318)	(11.734)	(117.052)
Share of fair value reserve of associates	27	-	-	-	4.512	-	4.512	-	4.512
Total other comprehensive income		-	-	-	956.512	25.124	981.636	(11.734)	969.902
Total profit for the year		-	-	-	956.512	2.336.681	3.293.193	(2.027)	3.291.166
Transactions with owners:									
Increase of share capital	26	1.385.557	692.778	-	-	-	2.078.335	-	2.078.335
Issued share capital expenses	26		(77.783)	-	-	-	(77.783)	-	(77.783)
Dividend for the year 2017 paid in August 2019		-	-	-	-	(1.084.891)	(1.084.891)	(9.700)	(1.094.591)
Total transaction with owners		1.385.557	614.995	-	-	(1.084.891)	915.661	(9.700)	905.961
Total comprehensive income for 2019		1.385.557	614.995	-	956.512	1.251.790	4.208.854	(11.727)	4.197.127
Balance at 31 December 2019		12.471.010	614.995	19.944.866	2.356.952	8.920.725	44.307.548	77.762	44.385.310

Consolidated statement of changes in equity
for the year ended 31 December 2019 (continued)

(1) The share premium and the capital reduction reserve are not available for distribution in the form of a dividend.

(2) The other reserves, except the reserve 'Difference from conversion of share capital into Euro', are available for distribution.

(3) 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. The percentage of the special contribution for defence increased from 15% to 17% for profits for the tax year 2009 and to 20% for profits for the tax years 2010 and 2011 and decreased back to 17% for profits for the tax years 2012 and later. The amount of the estimated dividend distribution is reduced by any actual dividend already distributed for the year to which profits relate until the end of two years from the end of the tax year to which profits relate.This special contribution for defence is paid by the Company for the account of the shareholders.

The notes on pages 29 to 94 are an integral part of these consolidated financial statements.

Amathus Public Limited

Consolidated statement of cash flows for the year ended 31 December 2019

	Note	2019 €	2018 €
Cash flow from operations			
Profit before tax from continuing and discontinued operations		**2.436.629**	1.789.148
Adjustments for:			
Depreciation of property, plant and equipment	17	**81.250**	114.025
Depreciation on investment of property	18	**36.845**	-
Impairment of a financial asset that you measure at fair value through other comprehensive income	22	**2.208**	-
Loss/(profit) from the sale of property, plant and equipment	11	**9.564**	(1.379)
Fair value gain on investment property	11	**-**	(10.000)
Profit from the sale of an investment in a associate	11	**(289.609)**	-
Profit from the sale of an investment in a subsidiary	11	**(1.539)**	-
Interest income	10	**(15.069)**	(22.481)
Interest expense	14	**262.154**	334.268
Share of profit of associates and joint ventures	20,21	**(2.750.632)**	(2.373.142)
Negative goodwill	20	**(90.153)**	-
Dividend income	10	**(98.724)**	(122.524)
Currency translation differences		**10.385**	(2.006)
		(406.691)	(294.091)
Changes in working capital:			
Other non financial assets		**23.925**	-
Other receivables		**-**	739.958
Trade receivables		**262.456**	155.893
Financial assets at amortised costs		**93.146**	(809.220)
Trade and other payables		**(422.929)**	(217.638)
Contractual liablities		**18.961**	-
Cash used in operations		**(431.132)**	(425.098)
Income tax paid		**(35.741)**	(32.422)
Net cash used in operating activities		**(466.873)**	(457.520)
Cash flow from/(used in) investing activities			
Purchase of property, plant and equipment	17	**(115.665)**	(206.992)
Acquisition of investment in associates	20	**(392.020)**	(3.300.000)
Proceeds from the sale of financial assets at fair value through other comprehensive income	22	**13.647**	-
Proceeds from sale of property, plant and equipment	17	**-**	2.500
Proceeds from the sale of shares in associate companies	20	**375.792**	-
Proceeds from the sale of a subsidiary		**701**	-
Purchase of financial assets at fair value through other comprehensive income	22	**(7.330)**	(2.697)
Dividends received	10,20,21	**1.975.775**	1.531.427
Proceeds from capital reduction of an associate company	20	**1.268.699**	-
Interest received		**15.069**	22.481
Net cash generated from/(used in) investing activities		**3.134.668**	(1.953.281)

Amathus Public Limited

Consolidated statement of cash flows for the year ended 31 December 2019 (continued)

	Note	**2019** €	2018 €
Cash flows (used in)/from financing activities			
Receipts from bank borrowing		**-**	1.865.520
Long-term loan payments		**(615.312)**	(608.534)
Repayment of borrowings from related parties	32(f)	**(195.700)**	(119.336)
Finance lease receipts		**-**	35.059
Finance lease principal repayment		**(6.732)**	(2.940)
Interest paid		**(273.426)**	(322.545)
Dividends paid		**(1.084.891)**	-
Dividends paid to non controlling interest	28	**(9.700)**	(7.600)
Proceeds from capital increase		**1.088.335**	-
Share capital issue costs	26	**(77.783)**	-
Net cash (used in)/from financing activities		**(1.175.209)**	839.624
Net increase/(decrease) in cash and bank overdrafts		**1.492.586**	(1.571.177)
Cash and bank overdrafts at beginning of year		**(955.281)**	615.896
Cash and bank overdrafts at end of year	24	**537.305**	(955.281)
Cash and cash overdrafts at the end of the year include the following:			
Cash and bank overdrafts on the balance sheet	24	**537.305**	(965.206)
Cash flows related to assets held for sale	25	**-**	9.925
		537.305	(955.281)

Non- cash transactions

During the year 2019, part of the share capital increase (Note 26) was used to repay a loan of €990,000 granted by members of the Board of Directors (Note 32 (e)).

The notes on pages 29 to 94 are an integral part of these consolidated financial statements.

Amathus Public Limited

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 51,12% subsidiary of Lanitis E.C. Holdings Limited, also incorporated in Cyprus. Its registered office is at Akinita Amathus, Syntagmatos Street, 3036 Limassol, Cyprus.

Operating environment of the Company

With the recent and rapid development of coronavirus (Covid -19), the global economy has entered a period of unprecedented healthcare crisis, which has already caused significant global disruption to business and daily life. Many countries have adopted extraordinary and costly containment measures. Some countries have required companies to reduce or even suspend their normal business activities. Governments, including the Republic of Cyprus have imposed travel restrictions as well as strict quarantine measures (Note 34).

Industries such as tourism, hospitality and entertainment are expected to be immediately disrupted by these measure. Other industries such as construction are expected to be indirectly affected and their results also to be adversely affected.

The economic impact on the global economy and the Cypriot economy from the spread of the coronavirus (Covid-19) cannot be estimated with reasonable certainty at this stage due to the rate of escalation and the high level of uncertainty resulting from the inability to predict reliably the result.

The event is considered as a non-corrective event and therefore is not reflected in the recognition and measurement of assets and liabilities in the financial statements for the year ended 31 December 2019.

The Board of Directors expects that there will be a deterioration in the financial results of the Company, but at present and under the circumstances it is not reasonably able to predict the extent of the deterioration of the financial impact on the Group’s results that may lead to further spread of the coronavirus (Covid-19).

The Board of Directors of the Group closely monitors domestic and international developments and takes all appropriate measures within its capabilities in order to mitigate the negative effects of the spread of coronavirus (Covid -19).

Principal activities

The principal activities of Amathus Public Ltd, which are unchanged from last year are concentrated mainly in the tourist sector and holding of investments.

Specifically, the principal activities of the Group in the tourist sector and other activities are the following:

1 General information (continued)

Principal activities (continued)

(i) Tourist and other activities

Representation and handling of airline companies in Cyprus and sale of airline tickets, provision of airline goods transportation services 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 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.

Collection of name usage rights and provision of services through the subsidiary Amathus (UK) Limited.

Sale of cruise packages and organised excursions abroad through the associate company Orange Travel (Cyprus) Limited.

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

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

Provision of air freight services through the associate company ANC Cargo Limited.

(ii) Holding of investments

Participation in the associate company Claridge Public Limited with a shareholding of 40,53% (2018: 40,53%), which has as principal activity the holding of investments. The Company holds 100% of the share capital Amathus Vacation Ownership Limited, which deals with the sale of privately owned housing units and 30,87% of the share capital of Leisure Holding S.A..

Participation in the associate company Leisure Holding S.A. with a shareholding of 42,55% (2018: 31,22%), which owned 100% of Landa AXTE, which was the owner of Amathus Beach Hotel Rhodes until 30 June 2017. On 30 June 2017 the sale of the total shares of Landa AXTE held by Leisure Holding SA was completed. As of 1 July 2017, Leisure Holding S.A. does not have any activities.

Participation in the joint venture Amathina Holdings Limited with a shareholding of 25% (2018: 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% (2018: 48%) which owns and operates the Olympic Lagoon Resort Paphos, a seaside luxury hotel of 276 rooms at the Kato Paphos Beach.

Participation in Hortitsa Trading Limited with a shareholding of 30% (2018: 30%) which owns 100% of Somerstown Trading Limited, which is the owner of Amavi Hotel, a seaside luxury hotel of 155 rooms at the Kato Paphos Beach. Amavi Hotel started its operations on 24 March 2019.

2 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.

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 2019 have been adopted by the EU through the endorsement procedure established by the European Commission.

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

The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of land and buildings and of the financial assets at fair value through other comprehensive income.

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 7.

Going Concern

In assessing the Group's ability to continue as a going concern, the Board of Directors took into account the following factors:

- The results and the financial situation of the Group as well as the activities of associate and jointly controlled companies for 2019,
- The effects of the appearance of the new virus Covid-19 (Coronavirus) (Note 34),
- The financial condition of the Group at the beginning of the pandemic,
- Cash flow forecasts under possible financial senarios for a period of 12 months from the approval of the consolidated financial statements,
- The available liquidity through banking facilities,
- The support measures announced from time to time by the Ministry of Finance, to deal with the economic crisis following the expected spread of the new virus and
- reduction of operation costs.

Based on the above, the Board of Directors of the Company concluded that the consolidated financial statements have been correctly prepared on the basis of the principle of the going concern and the Group will continue as a going concern operating unit.

2 Basis of preparation (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 uses the accounting method of the market for the accounting treatment of business combinations. The consideration transferred for the acquisition of the subsidiary is the fair value of the assets granted, the liabilities arising for the previous owner of the acquired company and the equity securities issued by the Group. The consideration transferred included the fair value of any assets or liabilities arising out of any possible consideration.

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 IFRS 9 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 Basis of preparation (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.

Dividends received or are receivable from associates are recognised as a reduction in the carrying amount of the investment.

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 and its share of post-acquisition other comprehensive income is recognised in other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured 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.

2 Basis of preparation (continued)

Basis of consolidation (continued)

(b) Associates (continued)

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

(c) Joint arrangements

The Group applies IFRS 11 to all joint arrangements. Under IFRS 11 investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor. Joint operators have rights to assets and obligations for liabilities, so joint operations are accounted for by recognising the operator's relevant share of assets, liabilities, revenues and expenses. Where the investor has rights to net assets, the arrangement is a joint venture and is accounted for using equity accounting. Proportionate consolidation for joint ventures is no longer allowed.

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.

2 Basis of preparation (continued)

Basis of consolidation (continued)

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

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

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

3 Adoption of new or revised standards and interpretations

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 2019. This adoption did not have a material effect on the accounting policies of the Group.

4 Summary of significant accounting policies

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

Revenue

Recognition and measurement

Revenue represents the amount of consideration to which the Company expects to be entitled in exchange for transferring the promised goods or services to the customer, excluding amounts collected on behalf of third parties (for example, value-added taxes); the transaction price.

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 of the Group are recognised as follows:

4 Summary of significant accounting policies (continued)

Revenue (continued)

Recognition and measurement (continued)

(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) Income from commissions

Commission income is recognized when the Group's right to receive payment is established.

(d) Contract liabilities

In case if the payments made by a customer exceed the services rendered or goods transferred under the relevant contract, a contract liability is recognised.

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) 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:

4 Summary of significant accounting policies (continued)

Foreign currency translation(continued)

(b) Group companies (continued)

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

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

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

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

Current and deferred income tax

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

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

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

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

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

4 Summary of significant accounting policies (continued)

Dividend distribution

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

Property, plant and equipment

Land and buildings comprising mainly of 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 are presented 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 "retained earnings".

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

The annual depreciation rates are as follows:

	%
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.

4 Summary of significant accounting policies (continued)

Property, plant and equipment (continued)

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

Until 31 December 2018, leases of property, plant and equipment were classified as either finance leases or operating leases. In particular, leases of property, plant and equipment where the Company, as lessee, had substantially all the risks and rewards of ownership were classified as finance leases. Finance leases were capitalised at the inception of the lease at the lower of the fair value of the leased property and the present value of the minimum lease payments. Each lease payment was allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, were included in borrowings. The interest element of the finance cost was charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

The property, plant and equipment acquired under finance leases were depreciated on a straight-line basis over the shorter of the lease term and their useful economic life, unless there was reasonable certainty that the Company will obtain ownership by the end of the lease term, in which case the assets were depreciated over their estimated useful lives.

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

From 1 January 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company, with limited exceptions as set out below.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

• fixed payments (including in-substance fixed payments), less any lease incentives receivable;

• variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date;

• amounts expected to be payable by the lessee under residual value guarantees;

• the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and

4 Summary of significant accounting policies (continued)

Leases (continued)

• payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The Group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

• the amount of the initial measurement of lease liability;

• any lease payments made at or before the commencement date less any lease incentives received;

• any initial direct costs; and

• restoration costs.

Any remeasurement of the lease liability arising if the cash flows change based on the original terms and conditions of the lease results in a corresponding adjustment to the right-of-use asset. The adjustment can be positive or negative.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset’s useful life.

As an exception to the above, payments associated with short-term leases and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss.

The Group has chosen to let its office lease continue to be recognized on a straight- line basis as an expense in the income statement due to the fact that the leases are short-terms and /or low value.

Rental income

Rental income arising from operating leases is recognized in income on a straight-line basis over the term of the lease. The corresponding leased assets are included in the balance sheet based on their nature.

4 Summary of significant accounting policies (continued)

Investment property

Investment property, principally comprising office buildings, Cyprus residential properties under development and shopping malls, is held for long-term rental yields and is not occupied by the Group. Property investments are presented at cost less accumulated depreciation and less impairment. Investments in real estate are audited annually for impairment. An impairment loss is recognized in profit or loss to the extent that the carrying amount of the asset exceeds the recoverable amount. Recoverable amount is the greater of the asset's fiar value less costs to sell and its value in use.

The transfer of property, plant and equipment to property investments is at the fair value of the asset at the date of reclassification.

The plant is not depreciated. Depreciation of buildings is calculated using the straight-line method over their estimated useful lives. The annual depreciation rates are 3%-10%.

Investment property is derecognised from the balance sheet when it is sold and gains or losses on the disposal of investment property are determined by comparing proceeds with book value and are recognized in ‘' other gains/ (losses)- net'' in profit or loss.

Impairment of non-financial assets

Financial 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 an impairment are reviewed for possible reversal of the impairment at each reporting date.

Financial assets – Classification

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

- those to be measured subsequently at fair value through OCI, and
- those to be measured at amortised cost.

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

4 Summary of significant accounting policies (continued)

Financial assets – Classification (continued)

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

All other financial assets are classified at fair value through profit or loss. Financial assets are classified at fair value through profit or loss.

Financial assets - Recognition and derecognition

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

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

Financial assets – Measurement

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

Debt financial assets

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. The valuation categories in which the Group classifies debt assets are as follows:

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

4 Summary of significant accounting policies (continued)

Financial assets – Measurement (continued)

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment, any related balance within the FVOCI reserve is reclassified to retained earnings. The Group's policy is to designate equity investments as FVOCI when those investments are held for strategic purposes other than solely to generate investment returns. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Financial assets – impairment – credit loss allowance for ECL

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

The carrying amount of the financial assets is reduced through the use of an allowance account, and the amount of the loss is recognised in the income statement within "net impairment losses on financial and contractual assets". Subsequent recoveries of amounts for which loss allowance was previously recognised are credited against the same line item.

Subsequent recoveries of amounts for which loss allowance was previously recognised are credited against the same line item.

The impairment methodology applied by the Company for calculating expected credit losses depends on the type of financial asset assessed for impairment. Specifically:

For trade receivables, the Group applies the simplified approach permitted by IFRS 9, which uses lifetime expected losses to be recognised from initial recognition of the financial asset

Financial assets – impairment – credit loss allowance for ECL)

For all other financial asset that are subject to impairment under IFRS 9, the Group applies general approach – three stage model for impairment. The Group applies a three stage model for impairment, based on changes in credit quality since initial recognition. A financial instrument that is not credit-impaired on initial recognition is classified in Stage 1. Financial assets in Stage 1 have their ECL measured at an amount equal to the portion of lifetime ECL that results from default events possible within the next 12 months or until contractual maturity, if shorter ("12 Months ECL"). If the Group identifies a significant increase in credit risk ("SICR") since initial recognition, the asset is transferred to Stage 2 and its ECL is measured based on ECL on a lifetime basis, that is, up until contractual maturity but considering expected prepayments, if any ("Lifetime ECL"). Refer to Note 6, Credit risk section for a description of how the Group

4 Summary of significant accounting policies (continued)

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

determines when a SICR has occurred. If the Group determines that a financial asset is credit-impaired, the asset is transferred to Stage 3 and its ECL is measured as a Lifetime ECL. The Group's definition of credit impaired assets and definition of default is explained in Note 6, Credit risk section.

Financial assets – Reclassification

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

Financial assets – write-off

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

Financial assets – modification

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

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

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

4 Summary of significant accounting policies (continued)

Cash and cash equivalents

In the statement of cash flows, cash and cash equivalents includes cash in hand, deposits held at call with banks with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. In the balance sheet bank overdrafts are shown within borrowings in current liabilities. Cash and cash equivalents are carried at AC because: (i) they are held for collection of contractual cash flows and those cash flows represent SPPI, and (ii) they are not designated at FVTPL.

Classification- financial assets at amortised cost

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

Classification - Trade receivables

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

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

Trade receivables are also subject to the impairment requirements of IFRS 9. The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. See Note 6 Credit risk section.

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

Interest income

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

4 Summary of significant accounting policies (continued)

Dividend income

Dividends are received from financial assets measured at fair value through other comprehensive income (FVOCI). Dividends are recognised as “other income” in profit or loss when the Group’s right to receive payment is established. This applies even if they are paid out of pre-acquisition profits, unless the dividend clearly represents a recovery of part of the cost of an investment. In this case, the dividend is recognised in OCI if it relates to an investment measured at FVOCI.

Financial guarantee contracts

Financial guarantee contracts 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 debt instrument. Such financial guarantees are given to banks, financial institutions and others on behalf of customers to secure loans, overdrafts and other banking facilities.

Financial guarantees are recognised as a financial liability at the time the guarantee is issued. Financial guarantees are initially recognised at their fair value, which is normally evidenced by the amount of fees received. In the absence of fees received, the fair value of financial guarantees is determined based on the present value of the difference in cash flows between the contractual payments required under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

Financial liabilities-measurement categories

Financial liabilities (mainly payable to related party) recognised at fair value and classified as subsequently measured at amortised cost, except the financial guarantee contracts.

Borrowings

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

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent where 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 extinguished, cancelled or expires. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

4 Summary of significant accounting policies (continued)

Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade and other 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.

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 Group or the counterparty.

Share capital

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

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

The reserve from capital reduction reserve is a separate reserve resulting from the reduction of the nominal value of the Company's shares, which is treated in the same way as the share premium reserve as defined in Article 55 of the Companies Law of Cyprus, Chapter 113.

Discontinued operations

The discontinued operation is a component of the Group 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 and comparatives figures are reclassified.

4 Summary of significant accounting policies (continued)

Segment analysis

The segment analysis is presented according to the information provided to the Board of Directors for strategic decision purposes. The Board of Directors, which is responsible for evaluating the operating segments and allocating the Group's resources was recognized as the top management committee for strategic decision making. More details are presented in Note 8.

Comparatives amounts

Comparative figures have been adjusted to conform with changes in the presentation for the current year.

5 New accounting pronouncements

At the date of approval of these consolidated financial statements a number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 1 January 2019 and have not been applied in preparing these consolidated financial statements. None of these is expected to have a significant effect on the consolidated financial statements of the Group, except the following set out below:

- Amendments to IAS 1 and IAS 8: Definition of materiality (issued on 31 October 2018 and effective for annual periods beginning on or after 1 January 2020). The amendments clarify the definition of material and how it should be applied by including in the definition guidance that until now has featured elsewhere in IFRS. In addition, the explanations accompanying the definition have been improved. Finally, the amendments ensure that the definition of material is consistent across all IFRS Standards. Information is material if omitting, misstating or obscuring it could reasonably be expected to influence the decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.

- Amendments to the Conceptual Framework for Financial Reporting (issued on 29 March 2018 and effective for annual periods beginning on or after 1 January 2020).The revised Conceptual Framework includes a new chapter on measurement; guidance on reporting financial performance; improved definitions and guidance - in particular the definition of a liability; and clarifications in important areas, such as the roles of stewardship, prudence and measurement uncertainty in financial reporting.

The Group is currently assessing the impact of the amendments on its consolidated financial statements and as of the date of issue of these consolidated financial statements the impact of the amendments is not known.

** Denotes amendments which have not yet been endorsed by the European Union.*

6 Financial risk management

(i) Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including cash flow and fair value 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 is the risk that the value of financial assets measured at fair value through other comprehensive income 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 financial assets measured at fair value through other comprehensive income traded in the stock market. These assets consist mainly of shares in private companies and are recognized at value on the basis of their net financial position.

Cash flow interest rate risk

The Group's interest rate risk arises from interest-bearing assets and long-term borrowings. Interest-bearing assets and borrowings at variable rates expose the Group to cash flow interest rate risk. Interest bearing assets and borrowings issued at fixed rates expose the Group to fair value interest rate risk. The effect on interest rates on assets was not significant.

At 31 December 2019, if interest rates on Euro - denominated borrowings had been 1% (2018: 1%) higher/lower with all other variables held constant, impact on post-tax profit for the year would be €53.055 (2018: €68.522).

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

- **Credit risk**

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to meet an obligation. 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.

6 Financial risk management (continued)

(i) Financial risk factors (continued)

- **Credit risk (continued)**

(i) Impairment of financial assets

For banks and financial institutions, the Company has established policies whereby the majority of bank balances are held with independently rated parties with a minimum rating of C'.

If customers co-operating with the Group 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.

The Group has the following financial assets that are subject to the expected credit loss model:

- trade receivables
- financial assets at amortised cost and
- cash and cash equivalents.

The impairment methodology applied by the Company for calculating expected credit losses depends on the type of financial asset assessed for impairment. Specifically:

- For trade receivables the Company applies the simplified approach permitted by IFRS 9, which requires lifetime expected losses to be recognised from initial recognition of the financial assets.

- For all other financial assets that are subject to impairment under IFRS 9, the Company applies general approach – three stage model for impairment. The Company applies a three-stage model for impairment, based on changes in credit quality since initial recognition. A financial instrument that is not credit-impaired on initial recognition is classified in Stage 1. Financial assets in Stage 1 have their ECL measured at an amount equal to the portion of lifetime ECL that results from default events possible within the next 12 months or until contractual maturity, if shorter ("12 Months ECL"). If the Company identifies a significant increase in credit risk ("SICR") since initial recognition, the asset is transferred to Stage 2 and its ECL is measured based on ECL on a lifetime basis, that is, up until contractual maturity but considering expected prepayments, if any ("Lifetime ECL"). If the Company determines that a financial asset is credit-impaired, the asset is transferred to Stage 3 and its ECL is measured as a Lifetime ECL.

6 Financial risk management (continued)

(i) Financial risk factors (continued)

- **Credit risk (continued)**

(ii) Impairment of financial assets (continued)

Impairment losses are presented as [net impairment losses on financial and contract assets within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information.

Especially the following indicators are incorporated:

- internal credit rating
- external credit rating (as far as available)
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's/counterparty's ability to meet its obligations
- actual or expected significant changes in the operating results of the borrower/counterparty
- significant increases in credit risk on other financial instruments of the same borrower/counterparty
- significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements
- significant changes in the expected performance and behaviour of the borrower/counterparty, including changes in the payment status of counterparty in the group and changes in the operating results of the borrower/counterparty.

Macroeconomic information (such as market interest rates or growth rates) is incorporated as part of the internal rating model. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. No significant changes to estimation techniques or assumptions were made during the reporting period..

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making a contractual payment.

A default on a financial asset is when the counterparty fails to make contractual payments within 90 days of when they fall due.

6 Financial risk management (continued)

(i) Financial risk factors (continued)

- **Credit risk (continued)**

(ii) Impairment of financial assets (continued)

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group.

The Group has no financial assets which are subject to the impairment requirements of IFRS 9 and which have had modifications to their contractual cash flows.

The Group's exposure to credit risk for each asset/ subject to the expected credit loss model is set out below:

Trade receivables

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The Group has defined default as a situation in which a debtor has not made contractual payments within 90 days of the debt maturity date.

Financial assets at amortized cost

All of the entity's debt investments at amortised cost are considered to have low credit risk.

There were no debt investments at amortised cost that were written off during the year are still subject to enforcement activity.

6 Financial risk management (continued)

(i) Financial risk factors (continued)

- **Credit risk (continued)**

(ii) Impairment of financial assets (continued)

Financial assets (continued)

A summary of the assumptions underpinning the Group's expected credit loss model is as follows:

Category	**Group definition of category**	**Basis for recognition of expected credit loss provision**	**Basis for calculation of interest revenue**
Performing	Counterparties where credit risk is in line with original expectations	Stage 1: 12 month expected losses. Where the expected lifetime of an asset is less than 12 months, expected losses are measured at its expected lifetime.	Gross carrying amount
Underperforming	Counterparties for which a significant increase in credit risk has occurred compared to original expectations; a significant increase in credit risk is presumed if interest and/or principal repayments are 30 days past due (see above in more detail)	Stage 2: Lifetime expected losses	Gross carrying amount
Non-performing	Interest and/or principal repayments are 90 days past due e or it becomes probable a customer will enter bankruptcy	Stage 3: Lifetime expected losses	Amortised cost carrying amount (net of credit allowance)

The following tables contains an analysis of the credit risk exposure of each class of financial instruments for which an ECL allowance is recognised. The gross carrying amounts below represent the Company's maximum exposure to credit risk on these assets as at 31 December 2019 and 31 December 2018:

6 Financial risk management (continued)

(i) Financial risk factors (continued)

- **Credit risk (continued)**

(ii) Impairment of financial assets (continued)

Receivable from related parties and other receivables

internal credit rating	2019 €	2018 €
Underperforming – stage 2	**531.951**	596.838

Cash and cash equivalents

The Company assesses, on an individual basis, its exposure to credit risk arising from cash at bank. This assessment takes into account, ratings from external credit rating institutions and internal ratings, if external are not available.

	Rating	2019 €	2018 €
Moody's			
Performing	B3	**446.040**	-
Performing	Caa1	**2.102.001**	727.928
Performing	Caa2	**91.052**	570.799
Performing	Caa3	**-**	80.508
Total cash at bank [1]		**2.639.093**	1.379.235

[1] The rest of the balance sheet item 'cash and cash equivalents' is cash on.

All cash and bank balances were performing (Stage 1) as at 31 December 2019 and 31 December 2018.

- **Liquidity risk**

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

	Less than 1 year €	1 to 2 years €	2 to 5 years €	Over 5 years €
At 31 December 2018				
Borrowings (excluding finance lease liabilities)	4.379.608	879.019	2.634.442	1.026.785
Finance lease liabilities	6.732	8.017	19.706	-
Trade and other payables	1.310.238	-	-	-
Contractual liabilities	63.184	-	-	-
Corporate guarantees	-	437.014	-	15.810.000
	5.759.762	1.324.050	2.654.148	16.836.785

6 Financial risk management (continued)

(i) Liquidity risk (continued)

	Less than 1 year €	1 to 2 years €	2 to 5 years €	Over 5 years €
At 31 December 2019				
Borrowings (excluding finance lease liabilities)	3.112.310	873.444	2.121.169	430.942
Finance lease liabilities	7.001	8.017	11.690	-
Trade and other payables	942.676	-	-	-
Contractual liabilities	82.145	-	-	-
Corporate guarantees	-	437.314	-	18.675.000
	4.144.132	1.318.775	2.132.859	19.105.942

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 2019 and 2018 was as follows:

	2019 **€**	2018 €
Total borrowings (Note 29)	**6.072.176**	8.139.498
Less: Cash and cash equivalents (Note 24)	**(2.659.328)**	(1.405.123)
Net debt	**3.412.848**	6.734.375
Total equity	**44.385.310**	40.188.183
Total capital as defined by management	**47.798.158**	46.922.558
Gearing ratio	**7,14%**	14,35%

The decrease of the gearing ratio in 2019 was mainly a result of a share capital increase received during the year to repay the loan and to finance the Group's capital and working capital needs increase of the cash at bank resulting from dividends received and from the capital reduction received from an associate company and repayment of bank loans.

6 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 2019.

	Level 1 €	Level 2 €	Level 3 €	Total balance €
31 December 2019				
Assets				
Financial assets measured at fair value through other comprehensive income				
- Equity securities	924	585.020	23.098	609.042
Total financial assets measured at fair value	924	585.020	23.098	609.042

The following table presents the Group's financial assets that are measured at fair value at 31 December 2018.

	Level 1 €	Level 2 €	Level 3 €	Total balance €
31 December 2018				
Assets				
Financial assets measured at fair value through other comprehensive income				
- Equity securities	633	702.363	31.623	734.619
Total financial assets measured at fair value	633	702.363	31.623	734.619

There were no transfers between Levels 1 and 2 during the year.

6 Financial risk management (continued)

(iii) Fair value estimation (continued)

(a) Financial instruments in level 1

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price.

These instruments are included in Level 1. Instruments included in Level 1 comprise primarily Cyprus Stock Exchange equity investments, classified as financial assets at fair value through other comprehensive income.

(b) Financial instruments in level 2

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

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

Specific valuation techniques used to value financial instruments include:

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

7 Critical accounting estimates and judgements

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

7 Critical accounting estimates and judgements(continued)

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. The estimations and assumptions that are likely to cause material adjustments to the carry amount of assets and liabilities for the next financial year are set out below:

- **Impairment of financial assets**

  The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Details of the key assumptions and inputs used are disclosed in the Note 6 Credit risk section.

- **Property, plant and equipment / Investment property**

  Until 1 July 2019, part of the Group's property, plant and equipment was used during the year for lease under operating leases. Based on the Management's assessment, since the Group is not practically able to sell or rent under the finance lease scheme separately this particular part of the property, plant and equipment has not been transferred under the category of investment property, in accordance with IAS 40. On 1 July 2019 offices used for own use were made available for rent and therefore the percentage left and used for own use is negligible. As a result the building office complex was transferred on 1 July 2019 to the category of investment properties.

- **Contingent liabilities**

  The Group's Management assessed at the date of the balance sheet under IAS 37 "Provisions, contingent liabilities and contingent financial assets " and IFRS 9 "Financial Instruments" whether expected credit losses arise from the guarantees presented in Note 33. Based on the stage of completion of the arrangements at the date of consolidation, credit losses were not significant.

8 Segmental analysis

The Board of Directors monitors internal reports to assess the Group's performance and allocate 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, amortization (EBITDA), impairment and the results of various investments of the Group. 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.

8 Segmental analysis (continued)

Segmental analysis (continued)

	Tourist and other activities €	Total before results from associates and joint venture €	Results of associates €	Results of joint venture €	Total €
Year ended 31 December 2018					
Revenue	4.143.084	4.143.084	-	-	4.143.084
(Loss)/profit before interest, tax, depreciation and impairment charge	(135.872)	(135.872)	1.495.359	877.783	2.237.270
Year ended 31 December 2019					
Revenue	4.370.903	4.370.903	-	-	4.370.903
(Loss)/profit before interest, tax, depreciation and impairment charge	(312.847)	(312.847)	2.454.746	295.886	2.437.785

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

	2019 €	2018 €
Profit before interest, taxation, depreciation, amortisation	**2.437.785**	2.237.270
Depreciation of plant, property and equipment	**(81.250)**	(114.025)
Depreciation of investment property	**(36.845)**	-
Impairment charge	**(2.208)**	-
Negative goodwill	**90.153**	-
Profit from the sale of an investment in an associate company	**289.609**	-
Profit from the sale of an investment in an subsidiary company	**1.539**	-
Operating profit before finance costs	**2.698.783**	2.123.245
Finance costs	**(262.154)**	(334.268)
Profit before taxation	**2.436.629**	1.788.977
Interest charge	**(115.365)**	(8.999)
Profit after taxation from continuing operations	**2.321.264**	1.779.978

8 Segment analysis (continued)

Assets per segment

	Ownership of investment €	Tourist and other activities €	Total €
31 December 2019	**41.221.509**	**11.179.974**	**52.401.483**
31 December 2018	41.340.864	9.107.275	50.448.139

Liabilities per segment

	Ownership of investment €	Tourist and other activities €	Total €
31 December 2019	**3.924.766**	**3.268.400**	**7.193.166**
31 December 2018	5.737.050	3.831.237	9.568.287

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

	2019 €	2018 €
Total liabilities from operating reporting segments	**7.193.166**	9.568.287
Deferred tax liabilities	**822.856**	662.050
Current tax liabilities	**151**	29.619
Total liabilities per the consolidated balance sheet	**8.016.173**	10.259.956

9 Revenue

	2019 €	2018 €
Commissions from sales of air tickets	**1.107.890**	1.308.787
Sales of travel packages	**2.338.030**	2.012.633
Income from incoming tourism	**523.211**	398.643
Income from international cargo transfers	**261.883**	261.711
Other income	**139.889**	161.310
	4.370.903	4.143.084
Contractual liabilities		
Current contractual liabilities – prepayments from customers	**82.145**	63.184

10 Other income

	2019 €	2018 €
Interest income on bank balances	**15.069**	22.481
Rental income	**111.600**	94.200
Proceeds from written off debtors	**10.931**	-
Other income	**134.878**	81.161
Dividend income (Note 22 (c))	**98.724**	122.524
	371.202	320.366

11 Other profits – net

	2019 €	2018 €
(Loss)/Profit on sale of property, plant and equipment (Note 17)	**(9.564)**	1.379
Impairment charge on financial assets measured at fair value through other comprehensive income (Note 22)	**(2.208)**	-
Profit from the sale of an investment in an associate company	**289.609**	-
Profit from the sale of an investment in a subsidiary company	**1.539**	-
Investment property:		
Fair value gain (Note 18)	**-**	10.000
	279.376	11.379

12 Expenses by nature

	2019 €	2018 €
Depreciation of property, plant and equipment (Note 17)	**81.250**	114.025
Depreciation of investment property (Note 18)	**36.845**	-
Operating lease rental	**75.075**	73.472
Repairs and maintenance	**33.224**	23.947
Advertising and promotion	**68.428**	64.726
Management fees	**156.000**	156.000
Auditors' remuneration – audit services charged by the Company's statutory audit firm	**56.650**	56.650
Other auditors – assurance services	**4.068**	3.815
Trade receivables – impairment charge (Note 22)	**46.837**	40.366
Staff costs (Note 13)	**1.341.316**	1.335.134
Remuneration of Board of Directors' members (Note 32 (d))	**26.558**	27.678
Electricity and water	**25.524**	31.155
Expenses relating to incoming tourism	**421.233**	295.155
Direct expenses relating to hotel accommodation, travel packages and outgoing tourism	**2.252.670**	1.948.761
Other expenses	**537.805**	553.842
Total cost of goods and services sold, selling and marketing costs and administrative expenses	**5.163.483**	4.724.726

The total fees charged by the Company's statutory auditor for the statutory audit of the annual financial statements of the Company for the year ended 31 December 2019 amounted to €56.650 (2018: €56.650). The total fees charged by the Company's statutory auditor for the year ended 31 December 2019 for other assurance services amounted to €250 (2018: €1.950) and for other non-assurance services amounted to €nil (2018: €8.200).

13 Staff costs

	2019 €	2018 €
Salaries	**1.139.503**	1.163.212
Social insurance costs	**86.741**	90.470
Provident Fund contributions	**45.160**	38.769
Other funds contributions	**37.948**	29.177
Health Fund	**14.642**	13.506
Contributions for General Health System	**17.322**	-
	1.341.316	1.335.134
Average number of staff employed during the year	**41**	45

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.

14 Finance costs

	2019 €	2018 €
Interest expense:		
Bank borrowings	**211.676**	245.502
Borrowings from Board of Directors' members (Note 32 (e))	**4.852**	29.700
Borrowings from related parties (Note 32 (f))	**42.300**	57.664
Other interest	**3.326**	1.402
Total interest expense	**262.154**	334.268

15 Tax

	2019 €	2018 €
Current tax:		
Defence contribution	**7.248**	8.999
Defence contribution – prior years	**(975)**	-
Total current tax	**6.273**	8.999
Deferred taxation (Note 30):		
Origination and reversal of temporary differences	**109.092**	-
Total deferred tax	**109.092**	-
Tax charge	**115.365**	8.999

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:

15 Tax (continued)

	2019 €	2018 €
Profit before tax	**2.436.629**	1.789.148
Tax calculated at the applicable corporation tax rate	**296.995**	223.644
Tax effect of expenses not deductible for tax purposes	**159.455**	115.850
Tax effect of allowances and income not subject to tax	**(476.692)**	(339.472)
Reversal effect of deffered receivable for tax losses not expected to be used	**96.169**	-
Tax effect of losses for which no deffered tax was recognized	**33.165**	-
Special contribution for defence	**7.248**	8.999
Special contribution for defence – prior years	**(975)**	-
Tax charge	**115.365**	8.999

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% - 24% (2018: 12,5% - 29%).

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. At 31 December 2019, the Group had a tax loss of €1.265.612 (2018: €2.686.204). No deferred tax asset was recognised since no additional future tax profits are expected against which tax losses can be utilised. 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.

Until 31 December 2008, under certain conditions interest may be subject to a defence levy of 10%. In such cases 50% of this interest will be exempt from income tax and will therefore have a real tax rate of around 15%. 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 securities falling within the definition of bonds for tax purposes (including shares, securities, etc) are excluded from the Cyprus Corporate tax.

15 Tax (continued)

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

Tax effects of components of other comprehensive income

	Year ended 31 December					
	2019			2018		
	Before tax	**Tax (charge)/ credit**	**After tax**	Before tax	Tax (charge)/ credit	After tax
	€	**€**	**€**	€	€	€
Land and buildings:						
Surplus on revaluation of land and buildings	**1.219.940**	**(147.883)**	**1.072.057**	-	-	-
Financial assets measured at fair value, through other comprehensive income (Loss)/ profit fair value	**(117.052)**	**-**	**(117.052)**	119.583	-	119.583
Share of fair value reserve in associates	**4.512**	**-**	**4.512**	36.395	-	36.395
Currency translation differences	**10.385**	**-**	**10.385**	(2.006)	-	(2.006)
Other comprehensive income	**1.117.785**	**(147.883)**	**969.902**	153.972	-	153.972

16 Earnings per share

	2019	2018
Net profit from continuing operations (€)	**2.321.264**	1.779.978
Net profit attributable to the owners of the Company (€)	**2.311.557**	1.771.414
Total income from continuing operations attributable to the owners of the Company (€)	**3.291.166**	1.933.950
Comprehensive income attributable to the owners of the Company (€)	**3.293.193**	1.913.421
Weighted average number of ordinary shares in issue during the year	**121.236.205**	110.844.530
Basic and diluted comprehensive earnings from continuing operations per share (cent per share)	**1,91**	1,61
Basic and diluted earnings per share (cent per share)	**1,91**	1,60
Basic and diluted comprehensive earnings from continuing operations per share (cent per share)	**2,72**	1,74
Basic and diluted comprehensive earnings per share (cent per share)	**2,72**	1,73

17 Property, plant and equipment

	Land and Buildings [1] €	Leased property improvements €	Installations equipment and furniture and fittings €	Motor Vehicles €	Total €
At 1 January 2018					
Cost or valuation	4.370.390	545.847	2.100.770	220.564	7.237.571
Accumulated depreciation	(62.559)	(358.322)	(2.064.714)	(211.198)	(2.696.793)
Net book amount	4.307.831	187.525	36.056	9.366	4.540.778
Year ended 31 December 2018					
Opening net book amount	4.307.831	187.525	36.056	9.366	4.540.778
Additions	159.899	-	12.034	35.059	206.992
Disposal	-	-	(1.121)	-	(1.121)
Depreciation charge (Note 12)	(77.888)	-	(22.973)	(13.164)	(114.025)
Closing net book amount	4.389.842	187.525	23.996	31.261	4.632.624
At 31 December 2018					
Cost or valuation	4.530.289	545.847	1.876.320	175.373	7.127.829
Accumulated depreciation	(140.447)	(358.322)	(1.852.324)	(144.112)	(2.495.205)
Net book amount	4.389.842	187.525	23.996	31.261	4.632.624
Year ended 31 December 2019					
Opening net book amount	4.389.842	187.525	23.996	31.261	4.632.624
Additions	97.812	-	17.853	-	115.665
Disposal	(4.849)	-	(4.715)	-	(9.564)
Surplus on revaluation	1.219.940	-	-	-	1.219.940
Transfer to investment property (Note 18)	(5.300.000)	-	-	-	(5.300.000)
Depreciation charge (Note 12)	(44.855)	(21.027)	(8.356)	(7.012)	(81.250)
Depreciation charge (Note 12)	357.890	166.498	28.778	24.249	577.415
At 31 December 2019					
Cost or valuation	357.890	545.847	882.508	92.767	1.879.012
Accumulated depreciation	-	(379.349)	(853.730)	(68.518)	(1.301.597)
Net book amount	357.890	166.498	28.778	24.249	577.415

(1) The Group does not have free access to land which is recorded at a cost of €186.890 (2018: €186.890), because the land is situated in an 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.

Depreciation expense of €81.250 (2018: €114.025 has been charged in “administrative expenses”.

17 Property, plant and equipment (continued)

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

	2019 €	2018 €
Net book amount	**9.564**	1.121
(Loss)/Profit on sale of property, plant and equipment (Note 11)	**(9.564)**	1.379
Proceeds from sale of property, plant and equipment	**-**	2.500

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

	2019 €	2018 €
Cost	**314.811**	1.308.833
Accumulated depreciation	**(75.349)**	(686.288)
Net book amount	**239.462**	622.545

Bank borrowings and overdrafts are secured on the Group's land and buildings with a value amounting to €171.000 (2018: €4.000.000) (Note 29).

Operating lease rentals amounting to €75.075 (2018: €73.472) relating to the lease of property are included in the profit or loss (Note 12).

Fair value of land and buildings

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

An independent valuation of the Company's land and buildings was performed by valuers to determine the fair value of the land and buildings as at 1 July 2019 and 31 December 2019. The revaluation surplus net of applicable deferred income taxes was credited to other comprehensive income and is shown in "other reserves" in shareholders' equity (Note 27). 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).

17 Property, plant and equipment (continued)

Fair value of land and buildings (continued)

	Fair value measurements at 31 December 2019 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	-	-	171.000

	Fair value measurements at 31 December 2018 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	-	-	4.202.952

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

The Group's finance department includes a team that reviews the valuations performed by the independent valuers as well as study the real estate market for the purposes of financial reporting and the fair value at Level 3.

Discussions of valuation processes and results are held between the management of the Group and the Audit Committee at least once every year.

The external valuations of the Level 3 land and buildings have been performed using a sales comparison approach, similar to the Level 2 land and buildings. However, for office buildings and retail units in Cyprus there have been a limited number of similar sales in the local market and the valuations have been performed using unobservable inputs. The external valuers, in discussion with the Company's internal valuation team, have determined these inputs based on the size, age and condition of the land and buildings, the state of the local economy and comparable prices in the corresponding area.

17 Property, plant and equipment (continued)

Valuation processes (continued)

Information about fair value measurements for land and buildings using significant unobservable inputs (Level 3) – 31 December 2019

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	€1.555/ 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:	€162.450	€171.000	€179.550

Information about fair value measurements for land and buildings using significant unobservable inputs (Level 3) – 31 December 2018

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	€2.178/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:	€3.992.804	€4.202.952	€4.413.100

18 Investment property

	2019 **€**	2018 €
At beginning of year	**230.000**	220.000
Fair value gain (Note 11)	**-**	10.000
Transfer from plant, property and equipment (Note 17)	**5.300.000**	-
Depreciation for period	**(36.845)**	-
At the end of the year	**5.493.155**	230.000

18 Investement property (continued)

The property investments consist of an office building complex and a residential property in Cyprus. A large part of the building has been used for rent under an operating lease since 1 July 2019. Due to the change of use of the building, the Management of the Group re-evaluated the categorization of the property and decided to reclassify it from property, plant and equipment to investment properties. The transfer of the property in the category of Investment property was done at fair value, which was based on an assessment by an independently qualified valuer.

As of 31 December 2019, the estimated value of investment properties amounts to €5.630.000. The assessment was made by an independently qualified valuer.

Bank loans are secured on investment properties for €4.150.000 (2018: €150.000) (Note 29).

19 Investments in subsidiaries

At 31 December 2019, the Group had the following subsidiaries, all of which are unlisted:

Name	Principal activities	Country of incorporation	% interest held 2019	% interest held 2018
Direct participation				
Amathus Hotels Limited	Dormant	Cyprus	**100**	100
ANC Worldchoice Holidays T.E. MEPE	Sale of travel packages	Greece	**100**	100
Amathus Corporation Limited	Investment holding and tourist activities	Cyprus	**100**	100
Indirect participation				
Amathus (UK) Limited	Collection of trademark rights and provision of services	United Kingdom	**100**	100
Amathus Travel Limited	Travel agents	Cyprus	**100**	100
Amathus Maritime Limited (1)	Investment holding	Cyprus	**90**	90
ANC Cargo Limited (προηγουμένως Let's Go Tours Limited) (2)	Air cargo sale since November 2018	Cyprus	**-**	100
Pelagos Travel and Tours Limited	Dormant	Cyprus	**100**	100
Air Promotion Group Cyprus Limited	Airlines Representation	Cyprus	**100**	100
AMPM Travel Limited	Representation of airlines, sale of air tickets and cargo	Cyprus	**100**	100

(1) The Group directly owns 80% of the share capital of Amathus Maritime Limited through Amathus Corporation Limited and 10% indirectly through its associate company Amathus Aegeas Limited.

(2) H Amathus Corporation Limited based on agreement dated 12 March 2019, with Global GSA Eurasia Limited, which ended on 8 May 2019, sold 51% stake in ANC Cargo Limited (formerly Let's Go Tours Limited) for €872. The percentage of the Group decreased from 100% to 49%. From the sale resulted in a profit of €1.539.

20 Investments in associates

	2019 €	2018 €
At beginning of year	**21.387.776**	17.964.925
Additions (1), (2) (3) (4)	**392.020**	3.300.000
Sales (5)	**(86.183)**	-
Transfer from subsidiaries	**838**	-
Decrease capital	**(1.268.699)**	-
Share of profit after tax	**2.454.746**	1.495.359
Negative Goodwill(6)	**90.153**	-
Dividends received	**(1.619.801)**	(1.408.903)
Share of fair value reserve (Note 27)	**4.512**	36.395
At end of year	**21.355.362**	21.387.776

(1) On 23 April 2018, the Company purchased 3.300 additional shares of nominal value of €1 each issued at a share premium of €999 per share, in Hortitsa Trading Limited. There was no change of the Company's holding percentage in the share capital.

(2) On 20 March 2019, the Company purchased 15.274 additional shares in Leisure Holding S.A. from Osiris Limited for an amount of €209.805. The Company's percentage of participation in its share capital increased from 31,22% to 37,33%.

(3) On 9 August 2019, the Company purchased 13.052 additional shares in Leisure Holding S.A. from εταιρεία Strawdale Limited for an amount of €179.282. The Company's holding percentage in its share capital increased from 37.33% to 42,55%.

(4) On 15 May 2019, the Company purchased 1.785 additional shares for €1,71 each of ANC Cargo Limited (formerly Let's Go Tours Limited) for an amount of €2.933, due to an increase in its share capital. There was no change in the Company's holding percentage in the share capital of the associated company.

(5) On 22 August 2019, the Company signed an agreement for the sale of all the shares in Olympic Lagoon Hotels Ltd with Kanika Hotels Limited for the amount of €375.792. The transfer of shares was completed on 24 October 2019.

(6) The negative goodwill arise from the purchase of shares in the associate company Leisure Holding S.A. by other shareholders.

Set out below are the associates of the Group as at 31 December 2019 and as at 31 December 2018, which, in the opinion of the Board of Directors, are material to the Group. The associates listed below have share capital consisting solely of ordinary shares, which are held directly by the Group; the country of incorporation or registration is also their principal place of business.

20 Investments in associates (continued)

Nature of investments in associates in 2019 and 2018:

Name of entity	Place of business/country of incorporation	Nature of the relationship	% of ownership interest	
			2019	2018
Claridge Public Limited	Cyprus	Note 1	**40,53**	40,53
Leisure Holding S.A.	Luxembourg	Note 2	**42,55**	31,22
Amathus Hellas Touristiki A.E.	Greece	Note 3	**50,00**	50,00
Amathus Aegeas Limited	Cyprus	Note 4	**50,00**	50,00
Two Serve (Airport Services)	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 Hotels Limited	Cyprus	Note 9	**-**	21,60
Hortitsa Trading Limited	Cyprus	Note 10	**30,00**	30,00
APG Malta Limited	Malta	Note 11	**33,33**	33,33
ANC Cargo Limited	Cyprus	Note 12	**49,00**	-

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", until 30 June 2017. Since 1 July 2017, Leisure Holding S.A. does not have any activities.

Note 3: The associate company Amathus Hellas Touristiki A.E provides tourist services, such as sale of air and ferry tickets, organization of conferences and corporate events as well as organization of travel packages.

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 2019 and 2018.

Note 7: The associate company Oragne Travel (Cyprus) 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.

20 Investments in associates (continued)

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. On 22 August 2019, an agreement was signed for the sale of the shares held by the Company. The sale of the shares was completed on 24 October 2019.

Note 10: The associate company Hortitsa Trading Limited owns 100% of the share capital of Somerstown Trading Limited, which is the owner of the new Amavi Hotel, a seaside luxurious hotel of 155 rooms on the coast of Kato Paphos. The hotel started its operations on 24 March 2019.

Note 11: The associate company APG Malta Limited has as main activity the representation of airlines and sale of airline tickets in Malta.

Note 12: The associate company ANC Cargo Limited is engaged in the provision of fair freight.

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 2019 amounted to €1.052.133 (2018: €832.930). 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 Group.

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 as at 31 December 2019.

20 Investments in associates (continued)

Summarised balance sheet

	Claridge Public Ltd 31 December		Leisure Holding S.A. 31 December		K.A. Olympic Lagoon Resort Limited 31 December		Hortitsa Trading Limited 31 December		Total 31 December	
	2019	2018	**2019**	2018	**2019**	2018	**2019**	2018	**2019**	2018
	€	€	**€**	€	**€**	€	**€**	€	**€**	€
Current										
Cash and cash equivalents	**1.510.184**	230.088	**1.195.869**	4.258.140	**3.773.323**	3.023.971	**1.478.204**	1.924.276	**7.957.580**	9.436.475
Other current assets	**5.559.881**	6.322.726	**21.604**	4.815	**1.206.598**	2.430.289	**949.522**	1.579.543	**7.737.605**	10.337.373
Assets related to Discontinued operations	**321.600**	317.499	**-**	-	**-**	-	**-**	-	**321.600**	317.499
Total current assets	**7.391.665**	6.870.313	**1.217.473**	4.262.955	**4.982.921**	5.454.260	**2.427.726**	3.503.819	**16.019.785**	20.091.347
Financial liabilities (excluding trade payables)	**-**	-	-	-	**(2.090.153)**	(2.144.623)	**(2.065.191)**	(1.032.013)	**(4.155.344)**	(3.176.636)
Other current liabilities (including trade payables)	**(234.266)**	(251.387)	**(24.084)**	(30.170)	**(3.569.894)**	(5.132.515)	**(4.889.901)**	(7.167.278)	**(8.718.145)**	(12.581.350)
Liabilities associated with discontinued operations	**(2.873.085)**	(2.705.128)	-	-	**-**	-	**-**	-	**(2.873.085)**	(2.705.128)
Total current liabilities	**(3.107.351)**	(2.956.515)	**(24.084)**	(30.170)	**(5.660.047)**	(7.277.138)	**(6.955.092)**	(8.199.291)	**(15.746.574)**	(18.463.114)
Non- current										
Assets	**374.422**	1.320.141	**-**	-	**50.071.192**	50.981.587	**35.615.921**	20.009.856	**86.061.535**	72.311.584
Financial liabilities	**-**	-	**-**	-	**(16.602.826)**	(18.118.411)	**(22.388.242)**	(7.371.530)	**(38.991.068)**	(25.489.941)
Other liabilities	**-**	-	**-**	-	**(1.099.509)**	(923.070)	**(110.531)**	-	**(1.210.040)**	(923.070)
Total non- current liabilities	**-**	-	**-**	-	**(17.702.335)**	(19.041.481)	**(22.498.773)**	(7.371.530)	**(40.201.108)**	(26.413.011)
Net assets	**4.658.736**	5.233.939	**1.193.389**	4.232.785	**31.691.731**	30.117.228	**8.589.782**	7.942.854	**46.133.638**	47.526.806

20 Investments in associates (continued)

Summarised statement of comprehensive income

	Claridge Public Ltd		Leisure Holding S.A.		K.A. Olympic Lagoon Resort Limited		Hortitsa Trading Limited		Total	
	31 December		31 December		31 December		31 December		31 December	
	2019	2018	**2019**	2018	**2019**	2018	**2019**	2018	**2019**	2018
	€	€	**€**	€	**€**	€	**€**	€	**€**	€
Revenue	**1.037.500**	375.000	**-**	-	**15.396.289**	15.203.014	**7.588.623**	-	**24.022.412**	15.578.014
Depreciation	**-**	-	**-**	-	**(1.049.678)**	(1.013.482)	**(662.669)**	(18.214)	**(1.692.347)**	(1.031.696)
Interest income	**4.938**	25.943	**-**	-	**48.143**	68.302	**3.853**	-	**56.934**	94.245
Finance cost	**-**	(39.440)	**-**	-	**(518.079)**	(679.348)	**(501.589)**	(10.269)	**-**	(729.057)
Profit /(loss) before tax	**(532.282)**	(326.507)	**(57.521)**	(6.663)	**5.031.585**	4.925.316	**758.615**	(3.058.146)	**5.200.397**	1.534.000
Tax (charge)/credit	**-**	-	**-**	-	**(517.104)**	(508.024)	**(111.687)**	-	**(628.791)**	(508.024)
Profit/(loss) after tax from continuing operations	**(532.282)**	(326.507)	**(57.521)**	(6.663)	**4.514.481**	4.417.292 (3)	**646.928**	(3.058.146)	**4.571.606**	1.025.976
Profit/(loss) after tax from discontinued operations	**(42.280)**	(39.440)	**-**	-	**-**	-	**-**	-	**(42.280)**	(39.440)
Other comprehensive income	**(641)**	233	**-**	(70.098)	**-**	-	**-**	-	**(641)**	(69.865)
Total comprehensive income/ (loss) for the year	**(575.203)**	(365.714) (1)	**(57.521)**	(76.761) (2)	**4.514.481**	4.417.292 (3)	**646.928**	(3.058.146) (4)	**4.528.685**	916.671

(1) The share (40,53%) of loss allocated to the Group: €233.129 (2018: 40,53%, €148.224).

(2) The share (42,55%) of loss allocated to the Group: €24.473 (2018: 31,22%, €23.969).

(3) The share (48%) of profit allocated to the Group: €2.166.951 (2018: 48%, €2.120.300).

(4) The share (30%) of profit allocated to the Group: €194.078 (2018: 30%, ζημιά €917.444). The Group, due to its additional investment in 2018 in the associate Hortitsa Trading Limited regarding the construction of Amavi Hotel, recognized in 2018 a share of loss €196.478 for the year 2018 as well as a share of loss of €720.966 related to the previous years, in relation to the constructed hotel.

Amathus Public Limited

20 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		Hortitsa Trading Limited 31 December		Total 31 December	
	2019	2018	**2019**	2018	**2019**	2018	**2019**	2018	**2019**	2018
	€	€	**€**	€	**€**	€	**€**	€	**€**	€
Opening net assets 1 January	**5.233.939**	5.599.653	**4.232.785**	4.309.546	**30.117.228**	28.117.582	**7.942.854**	1.000	**47.526.806**	38.027.781
Profit/(loss) for the period	**(574.562)**	(365.947)	**(57.521)**	(6.663)	**4.514.481**	4.417.292	**646.928**	(3.058.146)	**4.529.326**	986.536
Dividend paid	**-**	-		-	**(2.939.978)**	(2.417.646)	**-**	-	**(2.939.978)**	(2.417.646)
Issue of share capital	**-**	-	**-**	-	**-**	-	**-**	11.000.000	**-**	11.000.000
Decrease capital	**-**	-	**(2.981.875)**	-	**-**	-	**-**	-	**(2.981.875)**	-
Other comprehensive income	**(641)**	233	**-**	(70.098)	**-**	-	**-**	-	**(641)**	(69.865)
Closing net assets	**4.658.736**	5.233.939	**1.193.389**	4.232.785	**31.691.731**	30.117.228	**8.589.782**	7.942.854	**46.133.638**	47.526.806
Shareholding in associates (40,53% (2018: 40,53%), 42,55% (2018: 31,22%), 48% (2018: 48%), 30% (2018: 30%)	**1.888.186**	2.121.315	**507.751**	1.321.683	**15.212.031**	14.456.269	**2.576.934**	2.382.856	**20.184.902**	20.282.123

20 Investments in associates (continued)

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

	2019 €	2018 €
Profit for the year	**351.060**	442.903
Other comprehensive income/(losses)	**4.771**	58.188
Total profit for the year	**355.831**	501.091
Total net assets	**1.170.460**	1.105.653

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.

21 Investments in joint venture

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

	2019 €	2018 €
At beginning of year	**19.218.469**	18.340.686
Share of profit after tax	**295.886**	877.783
Dividends received	**(257.250)**	-
At end of year	**19.257.105**	19.218.469

As at 31 December 2019 and 31 December 2018, the Group had the below investment in joint venture which is not listed in the Cyprus Stock Exchange:

Name	Principal Activities	% of ownership interest 2019	2018
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.

21 Investments in joint venture (continued)

Summarised financial information

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

Summarised balance sheet	Amathina Holdings Limited 31 December 2019 €	2018 €
Current		
Cash and cash equivalents	**1.226.861**	2.585.464
Other current assets	**1.764.601**	2.384.638
Total current assets	**2.991.462**	4.970.102
Financial liabilities (excluding trade payables)	**(1.485.938)**	(925.918)
Other current liabilities (including trade payables)	**(4.062.776)**	(3.287.561)
Total current liabilities	**(5.548.714)**	(4.213.479)
Non-current		
Assets	**96.057.658**	93.532.165
Financial liabilities	**(9.518.382)**	(10.526.419)
Other liabilities	**(6.953.602)**	(6.888.490)
Total non-current liabilities	**(16.471.984)**	(17.414.909)
Net assets	**77.028.422**	76.873.879

Summarised statement of comprehensive income

	2019 €	2018 €
Revenue	**20.645.036**	23.538.376
Depreciation and amortisation	**(2.368.460)**	(2.272.423)
Interest income	**-**	7
Finance cost	**(358.626)**	(419.672)
Profit before tax	**1.348.735**	3.999.999
Tax charge	**(165.192)**	(488.866)
Profit after tax	**1.183.543**	3.511.133
Total comprehensive income for the year	**1.183.543**	3.511.133
Dividends received from joint venture	**257.250**	-

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 Group and the joint venture.

21 Investments in joint venture (continued)

Reconciliation of summarised financial information

	Amathina Holdings Limited 31 December	
	2019	2018
Summarised financial information	**€**	€
Opening net assets		
1 January	**76.873.879**	73.362.746
Profit for the year	**1.183.543**	3.511.133
Profit for the period	**(1.029.000)**	-
Dividend paid	**77.028.422**	76.873.879
Share in investment in joint venture (25% respectively)	**19.257.105**	19.218.469

22 Financial assets

(a) Trade receivables

	2019	2018
	€	€
Trade receivables	**1.801.716**	2.003.029
Less: loss allowance of trade receivables	**(43.789)**	-
	1.757.927	2.003.029

(i) Fair value of trade receivables

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

(ii) Impairment and risk exposure

Information about the current year impairment of trade receivables and the Group's exposure to credit risk can be found in Note 6.

As of 31 December 2018, trade receivables of €46.837 (2018: €40.366 were impaired and provided for (Note 12).

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

	2019	2018
	€	€
Euro - functional and presentation currency	**1.745.768**	1.975.060
Pound sterling	**12.159**	27.969
	1.757.927	2.003.029

22 Financial assets (continued)

(b) Financial assets at amortised cost

Financial assets at amortised cost include the following debt investments:

	2019	2018
	€	€
Current		
Receivable from related parties (Note 32 (g))	**254.617**	191.120
Other receivables	**277.334**	405.718
	531.951	596.838

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

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

The maximum exposure to credit risk at the balance sheet date is the carrying value of each class of financial asset at amortised cost mentioned above. The Group does not hold any collateral as security, excluding an amount of €245.440 which is included in other receivables, for which the Group has secured equivalent value real estate
Note 6 sets out information about the impairment of financial assets and the Group's exposure to credit risk.

(c) Financial assets at fair value through other comprehensive income

Investments at FVOCI comprise the following individual investments:

	2019	2018
	€	€
Equity investments designated at FVOCI		
Listed equity securities:		
Cyprus Stock Exchange:		
Louis Plc	**315**	63
Top Kinisis Travel Public Ltd	**609**	570
Unlisted equity securities		
USC United Stevedoring Co Ltd	**-**	13.647
Lemissoler Shipping Co Ltd	**2.968**	5.176
Frontmarine Co Ltd	**585.020**	702.363
APG Inc.	**20.130**	12.800
	609.042	734.619

22 Financial assets (continued)

(c) Financial assets at fair value through other comprehensive income (continued)

During the current year, the Group acquired equity instruments measured at fair value through other comprehensive income amounting to €7.330 (2018: €2.697).

Equity investments were classified as available-for-sale

On disposal of these equity investments, any related balance within the FVOCI reserve is reclassified to retained earnings.

During the current year, the Group sold the shares it owned in USC United Stevedoring Co Ltd to the associate company Amathus Aegeas Limited for the amount of €13.647. The Group did not generate any profit from the sale.

Amounts recognised in profit or loss and other comprehensive income

During the current and previous year, the following gains were recognised in profit or loss and other comprehensive income:

	2019	2018
	€	€
(Loss)/ Gains recognised in other comprehensive income	**(117.052)**	119.583
Dividends from equity investments (Note 10)	**98.724**	122.524

Information about the methods and assumptions used in determining fair value are provided in Note 6.

Financial assets at FVOCI are denominated in following currencies:

	2019	2018
	€	€
Euro - functional and presentation currency	**24.022**	32.256
US Dollar	**585.020**	702.363
	609.042	734.619

The maximum exposure to credit risk at the balance sheet date is the carrying value of the debt securities classified as available-for-sale. None of the debt securities held in the available-for-sale financial assets category is either past due or impaired.

23 Other non- financial assets

	2019	2018
	€	€
Prepayments	**49.303**	79.496
VAT receivable	**110.895**	104.627
	160.198	184.123

24 Cash and cash equivalents

	2019 €	2018 €
Cash at bank and in hand	**2.659.328**	1.405.123

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

	2019 €	2018 €
Cash at bank and in hand	**2.659.328**	1.405.123
Less:		
Bank overdrafts (Note 29)	**(2.122.023)**	(2.370.329)
	537.305	(965.206)

Cash at bank and in hand are denominated in the following currencies:

	2019 €	2018 €
Euro - functional and presentation currency	**2.488.898**	1.244.632
Pound sterling	**170.430**	160.491
	2.659.328	1.405.123

Reconciliation of obligations arising from financing activities:

	Bank borrowing €	Loan from associate company €	Loans from Members of Board of Directors €	Finance lease liability €	Total lending arising from financing activities €
Balance at 1 January 2019	3.552.226	1.179.852	1.004.972	32.119	5.769.169
Cash transactions:					
Capital repayments	(615.312)	(195.700)	(990.000)	(6.732)	(1.807.744)
Interest paid	(128.688)	(42.300)	(19.824)	(1.284)	(192.096)
Interest expense	132.388	42.300	4.852	1.284	180.824
At 31 December 2019	2.940.614	984.152	-	25.387	3.950.153
Balance at 1 January 2018	2.291.540	1.299.188	996.949	-	4.587.677
Cash transactions:					
Receipts from borrowings	1.865.520	-	-	-	1.865.520
Capital repayments	(608.534)	(119.336)	-	(2.940)	(730.810)
Interest paid	(135.466)	(57.664)	(21.677)	(1.402)	(216.209)
Interest expense	139.166	57.664	29.700	1.402	227.932
Non-cash transactions:					
Additions	-	-	-	35.069	35.069
At 31 December 2018	3.552.226	1.179.852	1.004.972	32.119	5.769.169

25 Non-current assets held for sale and discounted operations

The assets and liabilities associated with the wholly owned subsidiary of ANC Cargo Limited (formerly Let's Go Tours Ltd) have been presented as assets and liabilities held for sale following the signing of a shareholder agreement, at 12 March 2019 between the subsidiary Amathus Corporation Limited and Global GSA Eurasia Limited, for the participation of Global GSA Eurasia Limited in the share capital of ANC Cargo Limited (formerly Let's Go Tours Limited) with 51% shareholding. The participation of Global GSA Eurasia Limited will be achieved through the increase of the share capital of ANC Cargo Limited (formerly Let's Go Tours Limited).

The date of transfer of the assets and liabilities associated with ANC Cargo Limited, as discontinued operations was 31 December 2018, which is the date on which the provisions of IFRS 5 “Non-current Assets Held to sale and discontinued operations” were fulfilled. There are no assets held for sale related to the sale of the Let's Go department”.

As a result, the assets and liabilities associated with ANC Cargo Limited (formerly Let's Go Tours Limited), have been recognised as held-for-sale assets and liabilities and have been recognised at the lower of book value or fair value less costs to sell.

The main categories of assets and liabilities held for sale as of 31 December 2019 are:

	2019	2018
	€	€
Assets		
Trade receivables	**-**	17.354
Financial assets at amortised cost	**-**	28.259
Cash and cash equivalents	**-**	9.925
Financial assets held for sale	**-**	55.538
Liabilities		
Trade and other payables	**-**	55.367

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

	2019	2018
	€	€
Income	**-**	4.065
Cost of Sales	**-**	-
Gross profit	**-**	4.065
Selling and marketing costs	**-**	(295)
Administrative expenses	**-**	(3.599)
Operating profit before tax	**-**	171
Tax charge	**-**	-
Profit for the year from discontinued operations	**-**	171

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

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

	2019	2018
	€	€
Cash flows from operations	**171**	9.925
Total cash flows	**171**	9.925

26 Share capital, share premium and capital reduction reserve

	Number of shares	Share capital €	Share premium €	Capital reduction reserve €	Total €
At 1 January 2018	110 844 530	37.687.140	-	-	37.687.140
Reduction of nominal value of a share:					
– transfer to reserve from capital reduction	-	(19.944.866)	-	19.944.866	-
– transfer to retained earnings	-	(6.657.821)	-	-	(6.657.821)
At 31 December 2018/1 January 2019		11.084.453	-	19.944.866	31.029.319
Issue of shares	13 855 566	1.385.557	692.778	-	2.078.335
Expenses for the issue of share capital	-	-	(77.783)	-	(77.783)
At 31 December 2019	**124 700 096**	**12.470.010**	**614.995**	**19.944.866**	**33.029.871**

The total authorised number of ordinary shares is 629 792 832 shares (2018: 629 742 832 shares) with a nominal value of €0,10 per share (2018: €0,10 per share). All issued shares have been paid in full.

At the Extraordinary General meeting on 10 January 2018, the shareholders approved the following:

(1) Reduction of the Company's share capital amounting to €62.974.283 divided into 185.218.480 shares of nominal value €0,34 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 €0,34 to €0,10 each, and that the amount resulting from the reduction of the nominal value of the 110.844.530 issued shares of the Company from €0,34 to €0,10 each, that is the amount of €26.602.687, out of which the amount of €6.657.821 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 and that the remaining amount of €19.944.866 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.

26 Share capital, share premium and capital reduction reserve (continued)

(2) Increase the Company's share capital from €18.521.848 divided into 185.218.480 shares of nominal value €0,10 each into €62.974.283 divided into 629.742.832 shares of nominal value €0,10 each, out of which 110.844.530 shares of nominal value €0,10 each have been issued.

The reduction in the nominal value of the shares has been upheld by a court order on 30 April 2018 and entered into force on the Cyprus Stock Exchange on 25 June 2018.

On 12 July 2018, the Board of Directors of the Company decided to issue a new capital to all shareholders of the Company in the form of Preference Rights (Rights). The Pre-emptive Rights (Rights), were offered to the shareholders of the Company who held ordinary shares on 7 February 2019 in proportion of (one) Pre-emptive Right for each (one) ordinary share. The exercise ratio of 110.884.530 Pre-emptive Rights in ordinary shares, was every eight (8) Pre-emptive Rights that would be exercised,would be converted into one (1) full paid new ordinary share with a nominal value of €0,10. The exercise price was €0,15 per new share.

On 18 March 2019, the increase of the Company's share capital was completed. From the exercise of the Premptive Rights and the disposal of shares corresponding to the non-exercised Premptive Rights, 13.855.566 new ordinary shares emerged, with nominal value of €0,10.

The new ordinary shares were listed on the Cyprus Stock Exchange for trading on 5 April 2019.

27 Other reserves

	Revaluation of land and buildings €	Currency translation differences €	Financial assets measured at fair value through other comprehensive income €	Currency translation difference reserve from the conversion of share capital in Euro €	Total €
At 1 January 2018	1.739.271	(415.555)	(128.510)	86.356	1.281.562
Land and buildings:					
Transfer of excess depreciation	(26.433)	-	-	-	(26.433)
Deferred tax on excess depreciation	3.304	-	-	-	3.304
Foreign exchange differences:					
Group	-	(2.006)		-	(2.006)
Financial assets measured at fair value through other comprehensive income					
Fair value gain	-	-	107.618	-	107.618
Share of reserve of financial assets measured at fair value through other comprehensive income of associated companies (Note 20)	-	-	36.395	-	36.395
At 31 December 2018	1.716.142	(417.561)	15.503	86.356	1.400.440
Land and buildings:					
Surplus on revaluation - gross (Note 17)	1.219.940	-	-	-	1.219.940
Surplus on revaluation - tax (Note 30)	(147.883)				(147.883)
Transfer of excess depreciation	(28.713)	-	-	-	(28.713)
Deferred tax on excess depreciation	3.589	-	-	-	3.589
Foreign exchange differences:					
Group	-	10.385	-	-	10.385
Financial assets measured at fair value through other comprehensive income					
Fair value loss	-	-	(105.318)	-	(105.318)
Share of reserve of financial assets measured at fair value through other comprehensive income of associated companies (Note 20)	-	-	4.512	-	4.512
At 31 December 2019	2.763.075	(407.176)	(85.303)	86.356	2.356.952

28 Non-controlling interest

	2019 €	2018 €
At beginning of year	**89.489**	76.389
Share of profit	**9.707**	8.735
Share of (loss)/profit from financial assets measured at fair value through other comprehensive income	**(11.734)**	11.965
Dividends received	**(9.700)**	(7.600)
At end of year	**77.762**	89.489

The non-controlling interest was created during the year 2011 from the disposal of the subsidiary company Amathus Maritime Services Limited to the related companies Amathus Corporation Limited and Amathus Aegeas Limited. 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. Loss amounting to €2.027 (2018: profit €20.700) included in the consolidated statement of total comprehensive income comprises of the share of profit amounting to €9.707 (2018: €8.735) and share of loss from financial assets at fair value through other comprehensive income amounting to €11.734 (2018: profit €11.965).

29 Borrowings

	2019 €	2018 €
Current		
Bank overdrafts (Note 24)	**2.122.023**	2.370.329
Bank borrowings	**641.083**	601.548
Borrowings from related parties (Note 32 (f))	**135.114**	105.532
Borrowing from members of Board of Directors (Note 32 (e))	**-**	1.004.972
Finance lease liabilities	**7.001**	6.732
	2.905.221	4.089.113
Non-current		
Bank borrowings	**2.299.531**	2.950.678
Borrowings from related parties (Note 32 (f))	**849.038**	1.074.320
Finance lease liabilities	**18.386**	25.387
	3.166.955	4.050.385
Total borrowings	**6.072.176**	8.139.498
Maturity of non-current borrowings (excluding finance lease liabilities):		
Between 1 and 2 years	**768.283**	722.471
Between 2 and 5 years	**1.973.870**	2.350.687
Over 5 years	**406.416**	951.840
	3.148.569	4.024.998

29 Borrowings (continued)

	2019 €	2018 €
Finance lease liabilities - minimum lease payments		
Not later than 1 year	**8.017**	8.017
Later than 1 year and not later than 5 years	**11.690**	19.706
	19.707	27.723
Future finance charges on finance lease liabilities	**(1.321)**	(2.336)
Present value of finance lease liabilities		
Future finance charges on finance lease liabilities	**18.386**	25.387
The present value of finance lease liabilities is as follows:		
No later than 1 year	**7.281**	7.001
Later than 1 year and no later than 5 years	**11.105**	18.386
	18.386	25.387

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 €171.000 (2018: €4.000.000) (Note 17).
(b) By mortgage on the investment properties of the Group amounting to €4.150.000 (2018: €150.000) (Note 18).
(c) By floating charges on the Group's assets amounting to €10.337.202 (2018: €10.337.202).
(d) By pledge of 43 838 885 (2018: 43 838 885) shares of Claridge Public Limited and 1 445 shares (2018: 1 445) of K.A. Olympic Lagoon Resort Limited and 3 600 shares (2018: 3 600) of Hortitsa Trading Limited (Note 20).
(e) 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:

	2019 %	2018 %
Bank borrowings	**3,75**	4,00
Bank overdrafts	**3,88**	4,47
Borrowings from related parties	**3,65**	4,46
Borrowings from members of the Board of Directors	**3,00**	3,00
Financial lease liabilities	**4,00**	4,00

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**.** Loans from members of the Board of Directors and financial leasing obligations are settled at fixed interest rate. For borrowings at fixed interest rates, the Group is exposed to fair value interest rate risk.

29 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:

	2019 €	2018 €
6 months or less	**6.046.789**	7.102.407

As of 31 December 2019, the Group had unused amount of financial facilities amounting to €702.977 (2018: €454.671).

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:

	2019 €	2018 €
Euro – functional and presentation currency	**6.072.176**	8.139.498

30 Deferred tax liabilities

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

	2019 €	2018 €
Deferred income tax assets:		
- Deferred tax assets to be recovered after more than 12 months	**-**	(96.169)
Deferred income tax liabilities:		
- Deferred tax liabilities to be settled after more than 12 months	**919.025**	758.219
Deferred tax liabilities - net	**919.025**	662.050

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:

30 Deffered tax liabilities (continued)

	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 2018 and 31 December 2018	139.956	604.806	13.457	(96.169)	662.050
Charged/(credited) to:					
Profit or loss (Note 15)	12.923	-	-	96.169	109.092
Other comprehensive income (Note 27)	-	147.883	-	-	147.883
At 31 December 2019	152.879	752.689	13.457	-	919.025

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 additional deferred tax asset due to the fact that no future tax profits are expected.

31 Trade and other payables

	2019 **€**	2018 €
Trade payables	**577.351**	751.554
Payable to related parties (Note 32 (g))	**108.006**	278.349
Other payables and accrued expenses	**257.319**	280.335
	942.676	1.310.238

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

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

32 Related party transactions

The Group is controlled by Lanitis E.C. Holdings Limited, incorporated in Cyprus, which owns 51,12% of the Company's shares and is the ultimate controlling party of the Group. The remaining 48,88% of the shares are widelly dispersed.

The final Holding company that prepares consolidated statements of the maximum number of companies of which the company is included therein as a subsidiary is Lanitis E.C. Holdings Ltd, registered in Cyprus, with registered office at 21 Archiepishop Kyprianos Street 1st floor, 3036 Limassol, and its consolidated financial statements are available at its registered office. The Company prepares the consolidated financial statements of the smallest group of companies to which it belongs.

The following transactions were carried out with related parties:

(a) Sale of goods and services

	2019	2018
	€	€
Sales of goods and services:		
Parent company	**1.851**	740
Associated companies	**183.019**	164.758
Companies under common control	**30.168**	31.136
	215.038	196.634

Sales represent mainly commission on sale of airline tickets, cargo services, management services, sale of travel packages, administration fees, redistribution of expenses and rentals.

(b) Purchase of goods and services

	2019	2018
	€	€
Purchases of goods and services:		
Parent company	**162.000**	161.000
Associated companies	**554.824**	494.439
Companies under common control	**9.132**	4.223
	725.956	659.662

Purchases represent administration expenses, travel packages, hotel accommodation expenses and redistribution 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:

	2019	2018
	€	€
Salaries and other short-term employee benefits	**351.586**	343.544
Provident fund contributions	**12.292**	10.389
	363.878	353.933

32 Related party transactions (continued)

(d) Director's remuneration

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

	2019	2018
	€	€
Fees	**26.078**	27.678
Contributions to the General Health System	**480**	-
	26.558	27.678

	Fees	**Contributions to the General Health System**	**Total 2019**	Total 2018
	€	€	**€**	€
Directors				
Platon E. Lanitis	3.417	63	**3.480**	3.417
Costas E. Lanitis	3.417	63	**3.480**	3.417
Marios E. Lanitis	1.807	33	**1.840**	3.417
Nicolas M. Lanitis	1.620	30	**1.650**	-
Costas Charitou	3.417	63	**3.480**	3.417
Savvas Orphanides	3.588	66	**3.654**	3.588
Markos Christodoulou	3.417	63	**3.480**	3.417
Constantinos Mitsides	1.807	33	**1.840**	3.417
Michalakis Hadjikiriakos	3.588	66	**3.654**	3.588
Total	26.078	480	**26.558**	27.678

(e) Loans from members of the Board of Directors

	2019	2018
	€	€
Loans from members of the Board of Directors:		
At beginning of year	**1.004.972**	996.949
Loan repaid during year	**(990.000)**	-
Interest charged	**4.852**	29.700
Interest paid	**(19.824)**	(21.677)
At end of year	**-**	1.004.972

The above loan was granted on 1 September 2017 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, the above loan bear annual interest of 3% and it would have been repaid within three years.

An amount of €986.711 from the above loan was repaid in March 2019, through the allocation of new ordinary shares resulting from the exercise of the Pre-emptive Rights issued by the Company in February 2019 (Note 26). The remaining amount of €23.113 was repaid in cash.

32 Related party transactions (continued)

(f) Borrowings from related parties

	2019	2018
	€	€
Borrowings from associated companies:		
At beginning of year	**1.179.852**	1.299.188
Borrowings repaid during year	**(238.000)**	(177.000)
Interest charged	**42.300**	57.664
At end of year (Note 29)	**984.152**	1.179.852

The above borrowing was provided with an interest of 3,9% (decreased to 3,25% on 1 June 2017 and to 2,90% on 6 September 2018 and to 2,5% from 22 March 2019, 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 on 21 January 2016. The loan is repayable by monthly instalments until June 2029.

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

	2019	2018
	€	€
Receivable from related parties (Note 22):		
Parent company	**74.777**	68.906
Associated Companies	**131.302**	101.440
Companies under common control	**48.538**	20.774
	254.617	191.120
Payable to related parties (Note 31):		
Associated Companies	**105.747**	262.552
Companies under common control	**1.452**	13.543
Joint venture	**807**	2.254
	108.006	278.349

The above balances are not interest bearing, they are not secued and are repayable on demand.

(h) Guarantess in favour of associated companies

As at 31 December 2019, the Group provided corporate guarantees in relation to bank borrowing facilities of associated companies which were provided to third parties amounting to €19.112.314 (2018: €16.247.014).

33 Contingent liabilities

As at 31 December 2019, the Group provided corporate guarantees in relation to bank borrowing facilities of associated companies which were provided to third parties amounting to €19.112.314 (2018: €16.247.014).

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 guarantee 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, until at 30 June 2023, while for non-institutional obligations it is four years, until at 30 June 2021. As for the court dispute over the Solounia 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 case the owners of the Solounia estate achieve an irrevocable court order against Landa AXTE, the Company's guarantee covers any amount awarded up to € 2,000,000, which is included in the maximum amount of the guarantee.

In July 2018, Leisure Holding S.A. entered into a settlement agreement with Mr Solounia. The Company, on 21 December 2018, announced that the acquiring company had released them from the guarantee in respect to this litigation.

The Company, in return for the guarantee, 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 of Leisure Holding S.A, in the year 2019, evaluating the risks that may arise from the guarantee granted to the buyer of the company Landa AXTE as well as the compromise of the court with Mr. Solounias that took place in 2018, considered that no significant losses will occur until the expiration of the guarantee and decided to proceed with the distribution to the shareholders, in the form of a capital reduction amounting to €2.981.875.

The Company due to the distribution of the amount of €2.981.875 to the shareholders of Leisure Holding SA, secured an additional corporate guarantee from the subsidiary of Claridge Public Limited, Amathus Vacation Ownership Limited, amounting to €920.000 which corresponds to the amount distributed to the company Claridge Public Limited.

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

34 Events after the balance sheet date

At the end of 2019, news from China about the Covid-19 virus (Coronavirus) appeared for the first time. By the end of the year a limited number of cases of unknown virus had been reported to the Global Health Organization. In the first months of 2020, the virus had spread worldwide and on 11 March 2020 the Global Health Organization declared the Covid-19 virus outbreak a pandemic. Many countries icluding Cyprus have implemented strict measures to curb the spread of the virus. These measures include: travel restrictions/prohibitions, border control or closure, and self-restraint/quarantine measures. The imposition of these measures has negatively affected both the economy of Cyprus and the Global economy.

Due to the restrictive measures implemented both by the Republic of Cyprus and by other countries, the travel and tourism activities of the Company as well as its investment activities in the hotel sector, have been negatively affected. The Company's Management considers the effects of the spread of this virus as a post-balance sheet event that does not require any adjustment of any assets at the end of the year. At this stage, the future effects of this evolving situation cannot be predicted. It is clear however that the drastic regulatory measures imposed by the authorities in order to reduce and mitigate the impact on citizens'health will have a significant negative impact on the Company's operations and results in 2020. Management will continue to monitor developments and will take all necessary measures to limit any adverse effects on its operations due to the Covid-19 pandemic.

Except for the matter referred to above, there were no other material events after the balance sheet date, which have a bearing on the understanding of the consolidated financial statements.

Independent auditor's report on the consolidated financial statements on 13 to 19.

Amathus Public Limited

Management Report on separate financial statements (continued).

The Board of Directors presents its report together with the audited financial statements of the Company for the year ended 31 December 2019.

Principal activities

The principal activities of the company, which are unchanged from last year, are concentrated mainly in the tourist sector as well as the holding of investments. Specifically, the Company's activities in the tourism sector are the representation of airlines in Cyprus, the sale of air tickets and the provision of air freight services.

Changes in Group

The Company during the year has sold all the shares it held in the assiocate company Olympic Lagoon Hotels Ltd and increased its stake in the associate company Leisure Holding S.A. from 31,22% to 40,55%.

Apart from the above, no other changes have been made to the structure of the Company's Group. The Company does not intend to make any acquisitions or mergers.

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

The Company's revenues, during 2019, amounted to €865.195 compared to €902.361 in prior year, presenting a decrease of 4%, which is due to the reduction of commissions received from the sale of airline tickets.

The profit before tax for the year amounted to €1.444.460 (2018: €427.042). After the tax charge of €20.171 (2018: €9.072), the net profit for the year amounted to €1.424.289 (2018: €417.970).

The improvement in results compared to the prior year is mainly due to the following:

(a) The increase of credit dividends by €478.236.

(b) The non- recurring profit from the sale of an investment in an associate company amounting to €375.576.

(c) The reduction of financial cost by €63.284.

(d) The write off of a credit balance with a subsidiary amounting to €114.173.

During the year ended 31 December 2019, the Company invested the amount of €97.812 in new improvements to buildings, facilities and equipment. As at 31 December 2019, the total assets of the Company were €45.166.655 (2018: €44.171.046) and its equity was €37.292.567 (2018: €33.880.269). The financial position development and performance of the Company as presented in the financial statements is considered satisfactory.

Principal risks and uncertainties

The activities of the Company 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 economic environment of Cyprus and internationally which was formed after the developments and measures that have been taken and are being taken in relation to the spread of the coronavirus (Covid-19),
- The size and quality of tourist flow from and to Cyprus
- The increased competition within Cyprus.

The principal financial risks and uncertainties faced by the Company are disclosed in Note 1, 6 and 28 of the consolidated financial statements.

The Management of the Company monitors the domestic and international developments in relation to the spread of the Covid -19 virus and takes all the appropriate measures within its capabilities in order to mitigate the negative effects from the spread of the coronavirus.

Use of financial instruments by the Company

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

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

Cash flow and fair value interest rate risk and fair value

The Company's interest rate risk arises from interest bearing assets and from long-term borrowings. Interest bearing assets and borrowing at floating rates expose the Company to cash flow interest rate risk. Interest bearing assets and borrowings issued at fixed rates expose the Company to fair value interest rate risk. The effect of the interest rates arising from the assets was not significant.

At 31 December 2019, if interest rates on Euro-denominated bank deposits had been 1% (2018: 1%) higher/lower with all other variables held constant, the impact on the results for the year after tax would be €35.613 (2018: €42.817).

The Company'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, debt financial assets at amortized cost as well as credit exposures to customers and related parties, including outstanding receivables.

For banks and financial institutions only independently rated organisations with a minimum C rating are accepted. 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, agreed arrangements 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 6 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 Company's liquidity risk.

Future developments of the Company

The Board of Directors of the company does not expect any significant changes or developments in the activities, the financial position and performance of the Company in the foreseeable future, unless as stated below.

With the recent and rapid progression of Coronavirus (Covid-19), the economy of Cyprus and the world economy have entered a period of unprecedented crisis which has already caused significant global disruption in business activities and daily life. The extent of this pandemic and its impact on the Company's financial situation cannot be predicted with certainty, but it is clear that drastic regulatory measures imposed by the authorities to reduce and mitigate the impact on citizens' health will be significant impact on the real economy, the hotel sector, the real estate sector and the construction industry. The Group expects a deterioration in its results, which at present and under the circumstances cannot be predicted (Notes 1 and 30).

Results

The results of the Company are presented on pages 109 and 110. The profit for the year is transferred to the reserves. Having evaluated both the availability of profits to be distributed and the liquidity of the Company, the shareholders approved the dividend payment as shown below.

Dividends

At the Annual General Meeting of Shareholders, on 12 July 2019, the payment of a dividend from Company's profits for the year 2017 amounting to €1.084.891, was approved, which corresponds to €0,0087 per share. The dividend was paid to the shareholders on 9 August 2019.

Share capital

The changes in the share capital of the Company during the current year are presented in Note 23.

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 2019 and at the date of this report are shown on page 1. All of them were members of the Board Directors for the entire year 2019, expect for Mr.Nicolas M. Lanitis, who was appointed on 12 July 2019 and Mr. Panicos Loizou who was appointed on 29 June 2020. Messrs Marios E. Lanitis and Constantinos Mitsides who were Directors at 1 January 2019, resigned on 12 Ιουλίου 2019 and Mr. Michalakis Hatzikyriakos who was Director at 1 January 2019, resigned on 31 January 2020.

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 Company has adopted the provisions of the Corporate Governance Code B3.1 which must be applied by all listed companies. Information regarding the remuneration of the members of the Board of Directors is presented in Note 29 (e) of the financial statements. The Company 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

Amathus Public Limited

Management Report separate financial statements(continued)

Corporate Governance Code (continued)

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

On 24 June 2020, the following shareholders held over 5% of the issued share capital of the Company:

	Percentage Holding %
Lanitis E.C. Holdings Limited	51,12
Platon E Lanitis [1]	10.49
Costas E. Lanitis [1]	8,08
Nicolas M. Lanitis [1]	6,54
Unity Managers (Cyprus) Limited	5,37

[1] The total number of shares are presented, either directly or indirectly.

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 2019 and on 24 June 2020 were as follows:

	Percentage holding	
	31 December 2019 %	31 December 2019 %
Platon E. Lanitis [1]	61,61	61,61
Costas E. Lanitis [2]	8,08	8,08
Nicolas M. Lanitis[3]	6,54	6,54
Savvas Orfanides [4]	5.37	5,37
Marcos Christodoulou	0,42	0,42
Costas Charitou	0,02	0,02
Panicos Loizou [5]	-	-

[1] The percentage holding of Mr Platon E. Lanitis includes the percentage of Lanitis E.C. Holdings Limited (51.12%), the percentage of Joanna Laniti (0,65%), the percentage of Tereza Laniti (0,65%) and the percentage of Antigoni Laniti (0,65%).

[2] The percentage holding of Mr Costas E. Lanitis, includes the percentage of Evagoras Lanitis (2,12%) and Iasonas Lanitis (2,12%).

[3] The percentage holding of Mr. Nicolas M. Lanitis, includes the percentage of Marios E. Lanitis (6,41%) and Aiglis Lanitis (0,12%).

[4] The percentage of shares held by Mr. Savvas Orfanidis includes the percentage of the company Unity Managers (Cyprus) Limited (5,37%).

[5] Mr Panicos Loizou was appointed as a Director on 29 June 2020 and did not hold any percentage in the share capital of the Company.

Corporate Governance Code (continued)

Contracts with Directors and connected persons

Contractual agreements on an arm's length basis exist between the Company and other related entities as stated in Note 29 to the financial statements.

Other than what is stated in Note 29, at 31 December 2019 there was no other significant contractual agreement with the Company, 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 re-election of the Directors is determined by Article 82 of the Company's Articles of Association. At the Annual General Meeting, all Directors retire and, being eligible, offer themselves for re-election.

The Board of Directors consists of 7 members and meetings are convened at regular intervals. The Board of Directors approves the Group's strategy and supervises the adoption and realisation of the Group's strategic development.

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

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 consists of:

- Savvas Orfanides, Chairman, Non-executive – non-independent Director
- Panicos Loizou, Member, Non-executive – independent Director

Mr Konstantinos Mylonas is present at the Audit Committee with an advisory role.

The main tasks of the Audit Committee include, but are not limited to the following:

- Study and approval of the semi-annual and annual financial results and their presentation to the Board of Directors for final approval.
- Recommendation to the Board regarding appointment, remuneration and the termination of the services of the Company's independent auditors', the continuous inspection of the extent and effectiveness of their audit, as well as their independence and objectivity. Where the independent auditors provide to the Company significant non-audit services, the Committee monitors the nature and extent of such services aiming to strike a balance between maintaining the objectivity of their audit and the added value in providing non-audit services.
- Inspection of internal financial systems, such as internal control systems and risk management systems.

The Audit Committee shall meet whenever necessary. The Chairman of the Audit Committee shall ensure the convergence of the meetings.

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 financial statements are disclosed in Note 30.

Branches

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

Amathus Public Limited

Independent auditors

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

By Order of the Board

P&D Secretarial Services Limited
Secretary

Limassol
29 June 2020

Independent auditor's report

To the Members of Amathus Public Limited

Report on the audit of the separate financial statements

Our opinion

In our opinion, the accompanying financial statements of Amathus Public Limited (the "Company") give a true and fair view of the financial position of the company as at 31 December 2019, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113.

What we have audited

We have audited the financial statements which are presented in pages 109 to 168 and comprise of:

- the balance sheet as at 31 December 2019;
- the income statement for the year then ended;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements.

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

Basis for opinion

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

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

Independence

We remained independent of the Company throughout the period of our appointment in accordance with the *International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code)* together with the ethical requirements that are relevant to our audit of the 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 financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters

Key Audit Matter	How our audit addressed the Key Audit Matter
Effects of the COVID-19 virus on the basis of the preparation of financial statements Refer to Note 1 'General Information, Note 2'Basis of Preparation' and Note 30 ' Events after the balance sheet date' of the financial statements. In preparing the financial statements the Board of Directors is responsible for assessing the ability of the Company to continue as a going concern and to adopt the principle of going concern for the preparation of the financial statements, unless it intends to either liquidate the Company or cease activities, or when it has no realistic alternative but to do so. Based on the relevant evaluation, the Board of Directors concluded that the principle of going concerrn is an appropriate basis for the preparation of the financial statements and that there are no significant uncertainties that will create significant doubt in this regard. In the evaluation the Board of Directors has considered a period of twelve months from the date of approval of the financial statements.	In assessing the appropriateness of the principle of going concern activity as a basis for the preparation of the financial statements: We assessed the expected impact of Covid-19 on future cash flows, including Management's analysis of the future liquidity needs. We discussed with management the main assumptions used and we evaluated the plans for additional actions in case these are needed. We received data on the underlying cash flow projections of the Company, evaluating them in relation to relevant external and internal sources, as deemed necessary. We compared estimated revenues and expenses based on historical information and assumptions used for the future. We also took into account the cash flows, cash reserves and banking facilities of the Company after the end of 2019 and until the evaluation date. We checked the mathematical accuracy of management's cash flow forecasts.

Key Audit Matter	How our audit addressed the Key Audit Matter
In the context of the evaluation, the Management has examined the impact of the health crisis of the Covid-19 virus on the results of the Company and specifically on its cash flows. The outbreak of Covid-19 and the relevant restrictions adopted by the government have negatively affected the travel and tourism activities of the Company as well as the activities of associated and jointly controlled companies operating in the hotel sector. Management included in the calculation of future cash flows the consequences of Covid -19 and also examined the impact on the domestic economy. The impact of the Covid- 19 virus on the financial statement base is a key audit matter due to the increased risk associated with this issue from the spread of the Covid-19 virus from the first quarter of 2020.	We contacted an independent sensitivity analysis to assess the impact of the change on the key assumptions on which cash flow projections are based. We examined the adequancy and appropriateness of the relevant disclosures of the Management in the financial statements. The results of our audit procedures were satisfactory.

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 and the statement of the members of the Board of Directors and the Chief Financial Officer of the Company for the preparation of the financial statements of the Company but does not include the financial statements and our auditor's report thereon.

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

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 14 years.

Consistency of the Additional Report to the Audit Committee

We confirm that our audit opinion on the financial statements expressed in this report is consistent with the additional report to the Audit Committee of the Company, which we issued on 29 June 2020 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 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 Management Report has been prepared in accordance with the requirements of the Cyprus Companies Law, Cap. 113, and the information given is consistent with the financial statements.

- In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the 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 management report, have been prepared in accordance with the requirements of the Cyprus Companies Law, Cap, 113, and is consistent with the financial statements.

- In light of the knowledge and understanding of the Company 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.

We have issued a separate report on the consolidated financial statements of the Company and its subsidiaries for the year ended 31 December 2019.

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

Nicos A. Theodoulou
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

29 June 2020

Amathus Public Limited

Income statement for the year ended 31 December 2019

	Note	**2019 €**	2018 €
Revenue	8	**865.195**	902.361
Cost of sales	11	**(237.795)**	(263.673)
Gross profit		**627.400**	638.688
Selling expenses and marketing costs	11	**(4.312)**	(2.241)
Administrative expenses	11	**(1.101.213)**	(1.123.012)
Other income	9	**1.881.572**	1.383.949
Other gains/(losses) – net	10	**229.081**	(218.990)
Operating profit		**1.632.528**	678.394
Finance costs	13	**(188.068)**	(251.352)
Profit before income tax		**1.444.460**	427.042
Income tax charge	14	**(20.171)**	(9.072)
Profit for the year		**1.424.289**	417.970

The notes on pages 117 to 168 are an integral part of these financial statements.

Amathus Public Limited

Statement of comprehensive income for the year ended 31 December 2019

	Note	**2019 €**	2018 €
Profit for the year		**1.424.289**	417.970
Other comprehensive income			
Items that will not be reclassified to profits or loss			
Profit from revaluation of land and buildings, after tax	24	**1.072.057**	-
Changes in the fair value of equity investments designated at fair value through other comprehensive income	24	**291**	(67)
Items that will not be reclassified to profit or loss		**1.072.348**	(67)
Total comprehensive income for the year		**2.496.637**	417.903

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 14.

The notes on pages 117 to 168 to are an integral part of these financial statements.

Amathus Public Limited

Balance sheet
at 31 December 2019

	Note	**2019 €**	2018 €
Assets			
Non-current assets			
Property, plant and equipment	15	**383.481**	4.428.414
Investment property	16	**5.263.155**	-
Investments in subsidiaries	17	**3.838.900**	3.856.875
Investments in associates	18	**15.665.647**	16.778.604
Investments in joint venture	19	**16.900.250**	16.900.250
Financial assets at fair value through other comprehensive income	20	**924**	14.279
		42.052.357	41.978.422
Current assets			
Other non-financial assets	21	**111.800**	135.819
Trade receivables	20	**165.791**	154.160
Financial assets at amortised cost	20	**687.557**	919.218
Cash and cash equivalents	22	**2.149.150**	983.427
		3.114.298	2.192.624
Total assets		**45.166.655**	44.171.046
Equity and liabilities			
Capital and reserves			
Share capital	23	**12.470.010**	11.084.453
Share premium	23	**614.995**	-
Capital reduction reserve	23	**19.944.866**	19.944.866
Other reserves	24	**2.552.577**	1.505.353
Retained earnings		**1.710.119**	1.345.597
Total equity		**37.292.567**	33.880.269
Non-current liabilities			
Borrowings	25	**3.166.955**	4.050.385
Deferred tax liabilities	26	**883.157**	722.351
		4.050.112	4.772.736
Non-current liabilities			
Trade and other payables	27	**2.912.160**	3.524.639
Deferred tax liabilities		**-**	28.493
Borrowings	25	**911.816**	1.964.909
		3.823.976	5.518.041
Total liabilities		**7.874.088**	10.290.777
Total equity and liabilities		**45.166.655**	44.171.046

On 29 June 2020 the Board of Directors of Amathus Public Limited authorised these financial statements for issue.

Platon E. Lanitis, Chairman

Costas E. Lanitis, Vice Chairman

The notes on pages 117 to 168 are an integral part of these financial statements.

Amathus Public Limited

Statement of changes in equity for the year ended 31 December 2019

	Note	Share capital €	Share premium [1] €	Capital – reduction reserve [1] €	Other reserves [2] €	Retained earnings [3] €	Total equity €
Balance at 1 January 2018		37.687.140	-	-	1.528.549	(5.724.830)	33.490.859
Comprehensive profit							
Profit for the year		-	-	-	-	417.970	417.970
Other comprehensive income							
Land and buildings:							
Transfer of depreciation, after tax	24	-	-	-	(23.129)	23.129	-
Financial assets at fair value through other comprehensive income							
Fair value loss	24	-	-	-	(67)	-	(67)
Total other comprehensive income		-	-	-	(23.196)	23.129	(67)
Total profit for the year		-	-	-	(23.196)	441.099	417.903
Transactions with owners:							
Decrease in nominal value of shares	23	(26.602.687)	-	19.944.866	-	6.657.821	-
Defence tax on deemed dividend distribution		-	-	-	-	(28.493)	(28.493)
Total transaction with owners		(26.602.687)	-	19.944.866	-	6.629.328	(28.493)
Total comprehensive income for 2018		(26.602.687)	-	19.944.866	(23.196)	7.070.427	389.410
Balance at 31 December 2018		11.084.453	-	19.944.866	1.505.353	1.345.597	33.880.269

Amathus Public Limited

Statement of changes in equity for the year ended 31 December 2019 (continued)

	Note	Share capital €	Share premium (1) €	Capital – reduction reserve (1) €	Other reserves (2) €	Retained earnings (3) €	Total equity €
Balance at 1 January 2019		11.084.453	-	19.944.866	1.505.353	1.345.597	33.880.269
Comprehensive profit							
Profit for the year		-		-	-	1.424.289	1.424.289
Other comprehensive income							
Land and buildings:							
Profit from revaluation – after tax	24	-	-	-	1.072.057	-	1.072.057
Transfer of depreciation- after tax	24	-	-	-	(25.124)	25.124	-
Financial assets at fair value through other comprehensive income							
Fair value gain	24	-	-	-	291	-	291
Total other comprehensive income		-	-	-	1.047.224	25.124	1.072.348
Total profit for the year		-	-	-	1.047.224	1.449.413	2.496.637
Transactions with owners:							
Increase in share capital	23	1.385.557	692.778	-	-	-	2.078.335
Issued capital expenses	23	-	(77.783)	-	-	-	(77.783)
Dividend for 2017 paid in August 2019		-	-	-	-	(1.084.891)	(1.084.891)
Total transaction with owners		1.385.557	614.995	-	-	(1.084.891)	915.661
Total comprehensive income for 2019		1.385.557	614.995	-	1.047.224	364.522	3.412.298
Balance at 31 December 2019		12.470.010	614.995	19.944.866	2.552.577	1.710.119	37.292.567

Statement of changes in equity
for the year ended 31 December 2019 (continued)

(1) The share premium and the capital reduction reserve are not available for distribution in the form of a dividend.

(2) The other reserves, except the reserve ‘Difference from conversion of share capital into Euro, are available for distribution.

(3) 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. The percentage of the special contribution for defence increased from 15% to 17% for profits for the tax year 2009 and to 20% for profits for the tax years 2010 and 2011 and decreased back to 17% for profits for the tax years 2012 and later. The amount of the estimated dividend distribution is reduced by any actual dividend already distributed for the year to which profits relate until the end of two years from the end of the tax year to which profits relate. This special contribution for defence is paid by the Company for the account of the shareholders

The notes on pages 117 to 168 are an integral part of these financial statements.

Amathus Public Limited

Statement of cash flows
for the year ended 31 December 2019

	Note	**2019**	2018
		€	€
Cash flow from operations			
Profit before tax		**1.444.460**	427.042
Adjustments for:			
Depreciation of property, plant and equipment	15	**53.121**	84.265
Depreciation of investment property	16	**36.845**	-
Impairment of investment in associates	18	**233.129**	220.369
Impairment of investment in subsidiaries	17	**17.975**	-
Profit from the sale of property in associates	10	**(375.576)**	-
Loss /(Profit) from the sale of property, plant and equipment	10	**9.564**	(1.379)
Dividend income	9	**(1.670.877)**	(1.192.641)
Interest income	9	**(15.069)**	(22.454)
Interest expense	13	**188.068**	251.352
		(78.360)	(233.446)
Changes in working capital:			
Other non-financial assets	21	**24.019**	-
Trade receivables	20	**(11.631)**	505.461
Other receivables	20	**-**	1.140.884
Financial assets at amortised costs	20	**231.661**	(1.055.037)
Trade and other payables	27	**(612.479)**	(411.250)
Cash used in operations		**(446.790)**	(53.388)
Income tax paid		**(35.741)**	(28.912)
Net cash used in operating activities		**(482.531)**	(82.300)
Cash flow from/(used in) investing activities			
Purchase of property, plant and equipment	15	**(97.812)**	(200.486)
Purchase shares in associates	18	**(389.087)**	(3.300.000)
Proceeds from sale of financial assets at fair value through other comprehensive income	20(c)	**13.646**	-
Proceeds from sale of property, plant and equipment	15	**-**	2.500
Proceeds from sale shares in associates	18	**375.792**	-
Purchase of financial assets at fair value through other comprehensive income		**-**	(2.697)
Dividends received		**1.670.877**	1.192.641
Proceeds from decrease capital in associates	18	**1.268.699**	-
Interest received		**15.069**	22.454
Net cash generated from/(used in) investing activities		**2.857.184**	(2.285.588)

Amathus Public Limited

Statement of cash flows
for the year ended 31 December 2019 (continued)

	Note	2019 €	2018 €
Cash flows/(used in)/from financing activities			
Proceeds from bank borrowing		**-**	1.865.520
Proceeds from financial leases		**-**	35.059
Repayments of long - term borrowing		**(615.312)**	(608.534)
Repayments from financial leases		**(6.732)**	(2.940)
Repayments of borrowing from related parties		**(195.700)**	(119.336)
Interest paid		**(199.340)**	(239.629)
Dividends paid		**(1.084.891)**	-
Proceeds from increase of share capital		**1.088.335**	-
Issued capital expenses		**(77.783)**	-
Net cash (used in)/from financing activities		**(1.091.423)**	930.140
Net increase /(decrease) in cash and cash equivalents		**1.283.230**	(1.437.748)
Cash, cash equivalents and bank overdrafts at beginning of year		**737.302**	2.175.050
Cash, cash equivalents and bank overdrafts at end of year	22	**2.020.532**	737.302

Non- cash transactions

During the year 2019, part of the share capital increase (Note 23) was used to repay a loan of € 990,000 granted by members of the Board of Directors (Note 29 (f)).

The notes on pages 117 to 168 are an integral part of these financial statements.

Notes to the financial statements

1 General information

The company was incorporated and domiciled in Cyprus on 20 February 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 51,12% subsidiary of Lanitis E.C. Holdings Limited, also incorporated in Cyprus. Its registered office is at Akinita Amathus, Syntagmatos Street, 3036 Limassol, Cyprus.

Operating environment of the Company

With the recent and rapid development of coronavirus (Covid -19), the global economy has entered a period of unprecedented healthcare crisis, which has already caused significant global disruption to business and daily life. Many countries have adopted extraordinary and costly containment measures. Some countries have required companies to reduce or even suspend their normal business activities. Governments, including the Republic of Cyprus have imposed travel restrictions as well as strict quarantine measures (Note 30).

Industries such as tourism, hospitality and leisure are expected to be immediately disrupted by these measures. Other industries such as construction are expected to be indirectly affected and their results also to be adversely affected.

The economic impact on the global economy and the Cypriot economy from the spread of the coronavirus (Covid-19) cannot be estimated with reasonable certainty at this stage due to the rate of escalation and the high level of uncertainty resulting from the inability to predict reliably the result.

The event is considered as a non-adjusting event and therefore is not reflected in the recognition and measurement of assets and liabilities in the financial statements for the year ended 31 December 2019.

The Board of Directors expects that there will be a deterioration in the financial results of the Company, but at present and under the circumstances it is not reasonably able to predict the extent of the deterioration of the financial impact on the Company’s results that may lead to further spread of the coronavirus (Covid-19).

The Board of Directors of the Company closely monitors domestic and international developments and takes all appropriate measures within its capabilities in order to mitigate the negative effects of the spread of coronavirus (Covid -19).

Principal activities

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

Specifically, the Company’s activities in the tourist area are the representation of airlines in Cyprus, the sale of air tickets and the provision of air freight services.

2 Basis of preparation

The financial statements of Amathus Public Ltd 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.

2 Basis of preparation(Continued)

The Company prepared the separate financial statements of the parent company for compliance with the of provisions of the Transparency (Securities for Trading on Regulated Markets) Laws of 2007 up to 2017 ("Law") and the requirements of the Cyprus Companies Law, Cap.113.

The company prepared consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the EU for the company and its subsidiaries (the Group). The financial statements can be obtained from the registered office of the company, Akinita Amathus, Syntagmatos Street, 3036, Limassol, Cyprus.

The users of these separate financial statements of the parent company should read them together with the consolidated financial statements of the Company for the year ended 31 December 2019 in order to obtain a better understanding of the financial position, financial performance and cash flows of the Company and of the Group.

As of the date of the authorisation of the financial statements, all International Financial Reporting Standards issued by the International Accounting Standards Board (IASB) that are effective as of 1 January 2019 have been adopted by the EU through the endorsement procedure established by the European Commission.

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

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of land and buildings and of the financial assets at fair value through other comprehensive income.

The preparation of 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 Company'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 7.

Going concern

In assessing the Company's ability to continue as a going concern, the Board of Directors took into account the following factors:

- The results and the financial situation of the Company as well as the activities of associate and jointly controlled companies for 2019,
- The effects of the appearance of the new virus Covid-19 (Coronavirus) (Note 30),
- The financial condition of the Company at the beginning of the pandemic,
- Cash flow forecasts under possible financial senarios for a period of 12 months from the approval of the consolidated financial statements,
- The available liquidity through banking facilities,
- The support measures announced from time to time by the Ministry of Finance, to deal with the economic crisis following the expected spread of the new virus and
- reduction of operating costs.

2 Basis of preparation (continued)

Continuance activity (continued)

Based on the above, the Board of Directors of the Company concluded that the financial statements have been correctly prepared on the basis of the principle of the going concern and the Company will continue as a going concern operating unit.

3 Adoption of new or revised standards and interpretations

During the current year the Company adopted all the new and revised International Financial Reporting Standards (IFRS) that are relevant to its operations and are effective for accounting periods beginning on 1 January 2019. This adoption did not have a material effect on the accounting policies of the Company.

4 Summary of significant accounting policies

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

Revenue

Recognition and measurement

Revenue represents the amount of consideration to which the Company expects to be entitled in exchange for transferring the promised goods or services to the customer, excluding amounts collected on behalf of third parties (for example, value-added taxes) the transaction price.

The Company 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 Company's activities as described below. The Company 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 of the Company are recognised as follows:

(a) 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.

(b) Income from commissions

Commission income is recognized when the Company's right to receive payment is established

4 Summary of significant accounting policies (continued)

Employee benefits

The Company and the employees contribute to the Government Social Insurance Fund based on employees' salaries. In addition, the Company 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 Company. The Company's contributions are expensed as incurred and are included in staff costs. The Company has no further payment obligations once the contributions have been paid. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Foreign currency translation

Functional and presentation currency

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

Current and deffered 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 Company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. If applicable tax regulation is subject to interpretation, it establishes provision where appropriate on the basis of amounts expected to be paid to the tax authorities.

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

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

Dividend distribution

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

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. Valuations are performed with sufficient regularity to ensure that the fair value of a revaluated asset does not differ materially from its carrying amount. 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 are presented 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 "retained earnings".

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.

4 Summary of significant accounting policies (continued)

Property, plant and equipment (continued)

The annual depreciation rates are as follows:

	%
Buildings	3 - 10
Plant, equipment, Furniture 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 Company and the cost of the item can be measured reliably.

Gains and losses on disposal of property, plant and equipment are determined by comparing proceeds with carrying amount and are recognised in "other 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

Until 31 December 2018, leases of property, plant and equipment were classified as either finance leases or operating leases. In particular, leases of property, plant and equipment where the Company, as lessee, had substantially all the risks and rewards of ownership were classified as finance leases. Finance leases were capitalised at the inception of the lease at the lower of the fair value of the leased property and the present value of the minimum lease payments. Each lease payment was allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, were included in borrowings. The interest element of the finance cost was charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

The property, plant and equipment acquired under finance leases were depreciated on a straight-line basis over the shorter of the lease term and their useful economic life, unless there was reasonable certainty that the Company will obtain ownership by the end of the lease term, in which case the assets were depreciated over their estimated useful lives.

4 Summary of significant accounting policies (continued)

Leases (continued)

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

From 1 January 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company, with limited exceptions as set out below.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the Company’s incremental borrowing rate is used, being the rate that the Company would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

The Company is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

4 Summary of significant accounting policies (continued)

Leases (continued)

Right-of-use assets are measured at cost comprising the following:

• the amount of the initial measurement of lease liability;
• any lease payments made at or before the commencement date less any lease incentives received;
• any initial direct costs; and
• restoration costs.

Any remeasurement of the lease liability arising if the cash flows change based on the original terms and conditions of the lease results in a corresponding adjustment to the right-of-use asset. The adjustment can be positive or negative.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

The Company has chosen to let its office lease continue to be recognized on a straight- line basis as an expense in the income statement due to the fact that the leases are short-terms and /or low value.

Rental income

Rental income arising from operating leases is recognized in income on a straight-line basis over the term of the lease. The corresponding leased assets are included in the balance sheet based on their nature.

Investment property

Investment property, principally comprising office buildings, Cyprus residential properties under development and shopping malls, is held for long-term rental yields and is not occupied by the Company. Property investments are presented at cost less accumulated depreciation and less impairment. Investments in real estate are audited annually for impairment. An impairment loss is recognized in profit or loss to the extent that the carrying amount of the asset exceeds the recoverable amount. Recoverable amount is the greater of the asset's fiar value less costs to sell and its value in use.

The transfer of property, plant and equipment to property investments is at the fair value of the asset at the date of reclassification.

4 Summary of significant accounting policies (continued)

Investment property (continued)

The land is not depreciated. Depreciation of buildings is calculated using the straight-line method over their estimated useful lives. The annual depreciation rates are 3%-10%.

Investment property is derecognised from the balance sheet when it is sold and gains or losses on the disposal of investment property are determined by comparing proceeds with book value and are recognized in ‘’ other gains/ (losses)- net’’ in profit or loss.

Impairment of non-financial assets

Financial 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 an impairment are reviewed for possible reversal of the impairment at each reporting date.

Financial assets – Classification

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

- those to be measured subsequently at fair value through OCI, and
- those to be measured at amortised cost.

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

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

All other financial assets are classified at fair value through profit or loss. Financial assets are classified at fair value through profit or loss.

4 Summary of significant accounting policies (continued)

Financial assets - Recognition and derecognition

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

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

Financial assets – Measurement

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

Debt financial assets

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. The valuation categories in which the Company classifies debt assets are as follows:

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

4 Summary of significant accounting policies (continued)

Financial assets-Measurement (continued)

Equity instruments

The Company subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment, any related balance within the FVOCI reserve is reclassified to retained earnings. The Company's policy is to designate equity investments as FVOCI when those investments are held for strategic purposes other than solely to generate investment returns. Dividends from such investments continue to be recognised in profit or loss as other income when the Company's right to receive payments is established.

Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Financial assets – impairment – credit loss allowance for ECL

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

The carrying amount of the financial assets is reduced through the use of an allowance account, and the amount of the loss is recognised in the income statement within "net impairment losses on financial and contractual assets". Subsequent recoveries of amounts for which loss allowance was previously recognised are credited against the same line item.

Subsequent recoveries of amounts for which loss allowance was previously recognised are credited against the same line item.

The impairment methodology applied by the Company for calculating expected credit losses depends on the type of financial asset assessed for impairment. Specifically:

For trade receivables, the Group applies the simplified approach permitted by IFRS 9, which uses lifetime expected losses to be recognised from initial recognition of the financial assets.

4 Summary of significant accounting policies (continued)

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

For all other financial asset that are subject to impairment under IFRS 9, the Company applies general approach – three stage model for impairment. The Company applies a three stage model for impairment, based on changes in credit quality since initial recognition. A financial instrument that is not credit-impaired on initial recognition is classified in Stage 1. Financial assets in Stage 1 have their ECL measured at an amount equal to the portion of lifetime ECL that results from default events possible within the next 12 months or until contractual maturity, if shorter (“12 Months ECL”). If the Company identifies a significant increase in credit risk (“SICR”) since initial recognition, the asset is transferred to Stage 2 and its ECL is measured based on ECL on a lifetime basis, that is, up until contractual maturity but considering expected prepayments, if any (“Lifetime ECL”). Refer to Note 6, Credit risk section for a description of how the Company determines when a SICR has occurred. If the Company determines that a financial asset is credit-impaired, the asset is transferred to Stage 3 and its ECL is measured as a Lifetime ECL. The Company’s definition of credit impaired assets and definition of default is explained in Note 6, Credit risk section.

Financial assets – Reclassification

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

Financial assets – write-off

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

Financial assets – modification

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

4 Summary of significant accounting policies (continued)

Financial assets – modification (continued)

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

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

Classifiaction - Cash and cash equivalents

In the statement of cash flows, cash and cash equivalents includes cash in hand, deposits held at call with banks with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. In the balance sheet bank overdrafts are shown within borrowings in current liabilities. Cash and cash equivalents are carried at AC because: (i) they are held for collection of contractual cash flows and those cash flows represent SPPI, and (ii) they are not designated at FVTPL.

Classification- financial assets at amortised cost

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

4 Summary of significant accounting policies (continued)

Classification - Trade receivables

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

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

Trade receivables are also subject to the impairment requirements of IFRS 9. The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. See Note 6 Credit risk section.

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

Interest income

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

Dividend income

Dividends are received from financial assets measured at fair value through other comprehensive income (FVOCI). Dividends are recognised as other income in profit or loss when the Company’s right to receive payment is established. This applies even if they are paid out of pre-acquisition profits, unless the dividend clearly represents a recovery of part of the cost of an investment. In this case, the dividend is recognised in OCI if it relates to an investment measured at FVOCI.

4 Summary of significant accounting policies (continued)

Financial guarantee contracts

Financial guarantee contracts are contracts that require the Company 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 debt instrument. Such financial guarantees are given to banks, financial institutions and others on behalf of customers to secure loans, overdrafts and other banking facilities.

Financial guarantees are recognised as a financial liability at the time the guarantee is issued. Financial guarantees are initially recognised at their fair value, which is normally evidenced by the amount of fees received. In the absence of fees received, the fair value of financial guarantees is determined based on the present value of the difference in cash flows between the contractual payments required under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

Financial liabilities-measurement categories

Financial liabilities (mainly payable to related party) recognised at fair value and classified as subsequently measured at amortised cost, except the financial guarantee contracts.

Borrowing

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

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

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent where 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 extinguished, cancelled or expires. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

4 Summary of significant accounting policies (continued)

Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade and other 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.

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.

Subsidiaries

Subsidiaries are all entities (including special purpose entities) in which the Company exercises control are dependent. The Company controls an entity when the Company is exposed or has the rights to variable returns arising from its involvement with the entity and has the ability to influence those returns through its control over the entity.

Investments in subsidiaries are valued at cost less impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable.

The impairment loss is recognized in profit or loss to the extent that the carrying amount of the assets exceeds its recoverable amount. Recoverable amount is the greater of the asset’s fair value less costs to sell and its value in use. Impairment losses recognized in previous years are reversed when there is a change in the assumptions used to determine the recoverable amount.

Associates

Associates are all entities over which the Company has significant influence and but not control generally accompanying a shareholding of between 20% and 50% of the voting rights.

Investments in associates are measured at cost less impairment. Investments in associates are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised through profit or loss for the amount by which the asset’s carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset’s fair value less costs to sell and value in use.

4 Summary of significant accounting policies (continued)

Associates (continued)

An impairment loss recognised in prior years is reversed where appropriate if there has been a change in the estimates used to determine the recoverable amount.

Joint Ventures

The Company applied the provision of IFRS 11 to investments in joint ventures. According to IFRS 11, investments in joint arrangements are classified as either common companies or joint ventures, depending on the contractual rights and obligations of each investor rather than their legal form. Joint ventures arise when the manager of a joint ventures has rights to the assets and liabilities relating to the settlement and therefore considers his interest in the assets, liabilities, incoma and expenses. Joint ventures arise when the joint venture manager has rights to net assets of the settlement.

The Company evaluated in the investments in joint ventures its holds and determined that it is a joint venture.

In the separate financial statements of the Company the joint ventures are valued at cost less impairment. Investments in joint ventures are tested for impairment when events of changes in circumstances indicate that the carrying amount may not be recoverable. Impairment loss is recognized in profir or loss to the extent that the carrying amount of the asset exceeds its recoverable amount. Recoverable amount is the greater of the asset’s fair value less costs to sell and its value in use. Impairment losses recognized in previous years are reversed when there is a change in the assumptions uses to determine the recoverable amount.

When the Company ceases to have control or exercise significant influence over an entity/ business, any interest that the Company continues to hold in the entity / enterprise is revalued to fair value on the date that control is lost, other than its carrying amount be recognized as a profit or loss. Fair value is used as the initail book value for the subsequent accounting of the share in a related company,joint ventures or financial asset. In additiona, any amount initially recognized in the other comprehensive income in relation to this investment is accounted for in the same way that it would be accounted for if the Company sold those assets and liabilities directly. This may mean that some amounts previously recognized in other comprehensive income are reclassified to profit or loss.

Share capital

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

Share premium is the difference between the fair value of the consideration receivable for the issue of shares and the nominal value of the shares. Share premium account can only be resorted to for limited purposes, which do not include the distribution of dividends, and is otherwise subject to the provisions of the Cyprus Companies Law, Chapter 113 on reduction of share capital.

4 Summary of significant accounting policies (continued)

Share capital (continued)

The reserve from capital reduction reserve is a separate reserve resulting from the reduction of the nominal value of the Company's shares, which is treated in the same way as the share premium reserve as defined in Article 55 of the Companies Law of Cyprus, Chapter 113.

Comparatives amounts

Comparative figures have been adjusted to conform with changes in the presentation for the current year.

5 New accounting pronouncements

At the date of approval of these consolidated financial statements a number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 1 January 2019 and have not been applied in preparing these consolidated financial statements. None of these is expected to have a significant effect on the financial statements of the Company, except the following set out below:

- Amendments to IAS 1 and IAS 8: Definition of materiality (issued on 31 October 2018 and effective for annual periods beginning on or after 1 January 2020). The amendments clarify the definition of material and how it should be applied by including in the definition guidance that until now has featured elsewhere in IFRS. In addition, the explanations accompanying the definition have been improved. Finally, the amendments ensure that the definition of material is consistent across all IFRS Standards. Information is material if omitting, misstating or obscuring it could reasonably be expected to influence the decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.

- Amendments to the Conceptual Framework for Financial Reporting (issued on 29 March 2018 and effective for annual periods beginning on or after 1 January 2020).The revised Conceptual Framework includes a new chapter on measurement; guidance on reporting financial performance; improved definitions and guidance - in particular the definition of a liability; and clarifications in important areas, such as the roles of stewardship, prudence and measurement uncertainty in financial reporting.

The Compnany is currently assessing the impact of the amendments on its consolidated financial statements and as of the date of issue of these consolidated financial statements the impact of the amendments is not known.

** Denotes amendments which have not yet been endorsed by the European Union.*

6 Financial risk managment

(i) Financial risk factors

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

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

- **Marker risk**

Cash flow and fair value interest rate risk

The Company's interest rate risk arises from interest-bearing assets and long-term borrowings. Interest-bearing assets and borrowings at variable rates expose the Company to cash flow interest rate risk. Interest bearing assets and borrowings issued at fixed rates expose the Company to fair value interest rate risk. The impact from interest bearing assets is immaterial.

At 31 December 2019, if interest rates on Euro - denominated borrowings had been 1% (2018: 1%) higher/lower with all other variables held constant, impact on post-tax profit for the year would be €35.613 (2018: €42.817).

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

- **Credit risk**

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to meet an obligation. 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.

(i) Risk management

For banks and financial institutions, the Company has established policies whereby the majority of bank balances are held with independently rated parties with a minimum rating of C'.

If customers co-operating with the Company 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.

6 Financial risk management (continued)

(i) Financial risk factors (continued)

- **Credit risk (continued)**

(ii) Impairment of financial assets

The Group has the three following financial assets that are subject to the expected credit loss model:

- trade receivables
- financial assets at amortised cost and
- cash and cash equivalents.

The impairment methodology applied by the Company for calculating expected credit losses depends on the type of financial asset assessed for impairment. Specifically:

- For trade receivables the Company applies the simplified approach permitted by IFRS 9, which requires lifetime expected losses to be recognised from initial recognition of the financial assets.

- For all other financial assets that are subject to impairment under IFRS 9, the Company applies general approach – three stage model for impairment. The Company applies a three-stage model for impairment, based on changes in credit quality since initial recognition. A financial instrument that is not credit-impaired on initial recognition is classified in Stage 1. Financial assets in Stage 1 have their ECL measured at an amount equal to the portion of lifetime ECL that results from default events possible within the next 12 months or until contractual maturity, if shorter ("12 Months ECL"). If the Company identifies a significant increase in credit risk ("SICR") since initial recognition, the asset is transferred to Stage 2 and its ECL is measured based on ECL on a lifetime basis, that is, up until contractual maturity but considering expected prepayments, if any ("Lifetime ECL"). If the Company determines that a financial asset is credit-impaired, the asset is transferred to Stage 3 and its ECL is measured as a Lifetime ECL.

Impairment losses are presented as [net impairment losses on financial and contract assets within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information.

6 Financial risk management (continued)

(i) Financial risk factors (continued)

• Credit risk (continued)

(ii) Impairment of financial assets (continued)

Especially the following indicators are incorporated:

- internal credit rating
- external credit rating (as far as available)
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's/counterparty's ability to meet its obligations
- actual or expected significant changes in the operating results of the borrower/counterparty
- significant increases in credit risk on other financial instruments of the same borrower/counterparty
- significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements
- significant changes in the expected performance and behavior of the borrower/counterparty, including changes in the payment status of counterparty in the group and changes in the operating results of the borrower/counterparty.

Macroeconomic information (such as market interest rates or growth rates) is incorporated as part of the internal rating model. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. No significant changes to estimation techniques or assumptions were made during the reporting period.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making a contractual payment.

A default on a financial asset is when the counterparty fails to make contractual payments within 90 days of when they fall due.

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Company.

The Company has no financial assets which are subject to the impairment requirements of IFRS 9 and which have had modifications to their contractual cash flows.

The Company's exposure to credit risk for each asset/ subject to the expected credit loss model is set out below:

6 Financial risk management (continued)

(i) Financial risk factors (continued)

- **Credit risk (continued)**

(ii) Impairment of financial assets (continued)

Trade receivables

The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due.

There were no trade receivables that were written off during the year are still subject to enforcement activity.

Financial assets at amortized cost

All of the entity’s debt investments at amortised cost are considered to have low credit risk.

There were no debt investments at amortised cost that were written off during the year are still subject to enforcement activity.

6 Financial risk management (continued)

(i) Financial risk factors (continued)

- **Credit risk (continued)**

(ii) Impairment of financial assets (continued)

Financial assets (continued)

A summary of the assumptions underpinning the Company's expected credit loss model is as follows:

Category	Group definition of category	Basis for recognition of expected credit loss provision	Basis for calculation of interest revenue
Performing	Counterparties where credit risk is in line with original expectations	Stage 1: 12 month expected losses. Where the expected lifetime of an asset is less than 12 months, expected losses are measured at its expected lifetime.	Gross carrying amount
Underperforming	Counterparties for which a significant increase in credit risk has occurred compared to original expectations; a significant increase in credit risk is presumed if interest and/or principal repayments are 30 days past due (see above in more detail)	Stage 2: Lifetime expected losses	Gross carrying amount
Non-performing	Interest and/or principal repayments are 90 days past due e or it becomes probable a customer will enter bankruptcy	Stage 3: Lifetime expected losses	Amortised cost carrying amount (net of credit allowance)

The following tables contains an analysis of the credit risk exposure of each class of financial instruments for which an ECL allowance is recognised. The gross carrying amounts below represent the Company's maximum exposure to credit risk on these assets as at 31 December 2019 and 31 December 2018:

6 Financial risk management (continued)

(i) Financial risk factors (continued)

• Credit risk (continued)

(ii) Impairment of financial assets (continued)

Receivable from related parties and other receivables

Internal credit rating	2019 €	2018 €
Underperforming – stage 2	687.557	919.218

Cash and cash equivalents

The Company assesses, on an individual basis, its exposure to credit risk arising from cash at bank. This assessment takes into account, ratings from external credit rating institutions and internal ratings, if external are not available.

	External credit rating	2019 €	2018 €
Moody's			
Performing	B3	185.954	-
Performing	Caa1	1.951.171	965.538
Total cash at bank [1]		2.137.125	965.538

[1] The remain of the balance sheet item 'cash and cash equivalents' is cash on hand.

All cash at bank were performing (Stage 1) as at 31 December 2019 and 31 December 2018.

• Liquidity risk

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

	Less than 1 year €	1 to 2 years €	2 to 5 years €	Over 5 years €
At 31 December 2018				
Borrowings (excluding finance lease liabilities)	2.162.864	879.019	2.634.442	1.026.785
Trade and other payables	3.524.639	-	-	-
Finance lease liabilities	6.732	8.017	19.706	-
Corporate guarantees	-	1.543.014	-	15.810.000
	5.694.235	2.424.050	2.654.148	16.836.785

6 Financial risk management (continued)

• Liquity risk (continued)

	Less than 1 year €	1 to 2 years €	2 to 5 years €	Over 5 years €
At 31 December 2019				
Borrowings (excluding finance lease liabilities)	1.042.938	873.444	2.121.169	430.942
Trade and other payables	2.912.160	-	-	-
Finance lease liabilities	7.001	8.017	11.690	-
Corporate guarantees	-	1.543.314	-	18.675.000
	3.962.099	2.424.775	2.132.859	19.105.942

(iii) Capital risk management

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

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

Gearing ratio for the year ended 31 December 2019 and 2018 was as follows:

	2019 €	2018 €
Total borrowings (Note 25)	**4.078.771**	6.015.294
Less: Cash and cash equivalents (Note 22)	**(2.149.150)**	(983.427)
Net borrowing	**1.929.621**	5.031.867
Total equity	**37.292.567**	33.880.269
Total capital as defined by management	**39.222.188**	38.912.136
Gearing ratio	**4,92%**	12,93%

The decrease of the gearing ratio in 2019 was mainly a result of a capital increase received during the year to repay the loan and to finance the Company’s capital and working capital needs, increase of the cash at bank resulting from dividends received and from the capital reduction received from an associate company and repayment of bank loans.

6 Financial risk management (continued)

(iv) 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 2019.

	Level 1 €	Level 3 €	Total balance €
31 December 2019			
Assets			
Financial assets measured at fair value through other comprehensive income:			
- Equity securities	924	-	924
Total financial assets measured at fair value	924	-	924

The following table presents the Group's financial assets that are measured at fair value at 31 December 2018.

	Level 1 €	Level 3 €	Total balance €
31 December 2018			
Assets			
Financial assets measured at fair value through other comprehensive income:			
- Equity securities	633	13.646	14.279
Total financial assets measured at fair value	633	13.646	14.279

There were no transfers between Levels 1 and 2 during the year.

6 Financial risk management (continued)

(iv) Fair value estimation (continued)

(a) Financial instruments in level 1

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Company is the current bid price.

These instruments are included in Level 1. Instruments included in Level 1 comprise primarily Cyprus Stock Exchange equity investments classified as financial assets at fair value through other comprehensive income and corporate debentures listed on the Cyprus Stock Exchange classified at FVTPL.

(b) Financial instruments in level 2

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

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

Specific valuation techniques used to value financial instruments include:

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

(v) Offsetting financial assets and liabilities

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

7 Critical accounting estimates and judgements

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

7 Critical accounting estimates and judgements (continued)

Critical accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimations and assumptions that are likely to cause material adjustments to the carry amount of assets and liabilities for the next financial year are set out below:

- **Impairment of financial assets**

  The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Details of the key assumptions and inputs used are disclosed in the Note 6 Credit risk section (see "Credit risk").

- **Estimated impairment of the investment in the associate company Leisure Holding S.A.**

  At 31 Decemeber 2019, the Company's Management did not recognize any impairment charge on the investment in the associate company Leisure Holding S.A. based on the net asset position of the investment as at 31 December 2019. The net position of the associated company is approximately its fair value.

- **Estimated impairment of the investment in the associate Claridge Public Limited**

  At 31 December 2019, the Company's management recognized an impairment charge for the investment in the associate company Claridge Public Limited on the basis of the net asset position of the investment as at 31 December 2019. On 31 December 2019, the Company recognized an impairment of €233.129 (Note 18). The net asset position of the associate company is apprximately its fair value.

- **Property, plant and equipment / Investment property**

  Until 1 July 2019, Part of the Company's property, plant and equipment was used during the year for lease under operating leases. Based on the Management's assessment, since the Company is not practically able to sell or rent under a finance lease scheme separately this particular part of the property, plant and equipment, this has not been transferred under the category of investment property, in accordance with IAS 40. On 1 July 2019 offices used for own use were made available for rent and therefore the percentage left and used for own use is negligible. As a result the building office complex was transferred on 1 July 2019 to the category of investment properties.

7 Critical accounting estimates and judgments (continued)

Critical accounting estimates and assumptions (continued)

- **Contigent liabilities**

  The Company's Management assessed at the date of the balance sheet under IAS 37 "Provisions, contingent liabilities and contingent financial assets " and IFRS 9 "Financial Instruments" whether expected credit losses arise from the guarantees presented in Note 28. Based on the stage of completion of the arrangements at the balance sheet date, expected credit losses were not significant.

8 Revenue

	2019	2018
	€	€
Commissions from sales of air tickets	**508.896**	547.248
Income from international cargo transfers	**254.085**	257.038
Other income	**102.204**	98.075
	865.195	902.361

9 Other income

	2019	2018
	€	€
Interest income on bank balances	**15.069**	22.454
Credit dividends	**1.670.877**	1.192.641
Rent	**121.200**	103.800
Other income	**74.426**	65.054
	1.881.572	1.383.949

Credit dividends included an amount of €1.670.877 (2018 €1.185.546) received from related parties (Note 29 (c)).

10 Other gains/ (losses) – net

	2019	2018
	€	€
Impairment charge of investment in associates (Notes 17 and 18)	**(251.104)**	(220.369)
Write off of a credit balance with a subsidiary Company	**114.173**	-
Profit from sale of investments in associates	**375.576**	-
(Loss)/ gain from sale of property, plant and equipment (Note 15)	**(9.564)**	1.379
Total other total gains/ (losses) - net	**229.081**	(218.990)

11 Expenses by nature

	2019 €	2018 €
Depreciation of property, plant and equipment (Note 15)	**53.121**	84.265
Depreciation of investment property (Note 16)	**36.845**	-
Operating lease rental	**70.875**	69.074
Repairs and maintenance	**23.054**	14.417
Advertising and promotion	**4.312**	2.241
Management fees (Note 29 (b))	**156.000**	156.000
Auditors' remuneration – audit services charged by the Company's statutory audit firm	**31.000**	31.000
Trade receivables – impairment charge (Note 20 (a))	**-**	14.388
Staff costs (Note 12)	**178.689**	167.956
Board of Directors remuneration (Note 29 (e))	**26.558**	27.678
Electricity and water	**28.970**	30.726
Other direct sales cost of tickets	**12.729**	15.671
Subscriptions and donations	**11.834**	6.874
Computer costs	**7.903**	9.684
Postal and telephone	**53.128**	49.355
Administrative expenses charged by related parties	**292.033**	322.915
Provision of services charged by related parties	**225.066**	248.002
Legal and other professional fees	**449**	19.665
Other expenses	**130.754**	124.291
Total cost of goods and services sold, selling and marketing costs and administrative expenses	**1.343.320**	1.388.926

The total fees charged by the Company's statutory auditor for the statutory audit of the annual financial statements of the Company for the year ended 31 December 2019 amounted to €31.000 (2018: €31.000). The total fees charged by the Company's statutory auditor for the year ended 31 December 2019 for other assurance services amounted to €250 (2018: €450) and for other non-assurance services amounted to €nil (2018: €8.000).

12 Staff costs

	2019 €	2018 €
Salaries	**154.433**	149.492
Social insurance costs	**8.237**	7.595
Provident Fund contributions	**6.808**	5.813
Other funds contributions	**4.777**	3.632
Health Fund	**1.933**	1.424
Contributions for General Health System	**2.501**	-
	178.689	167.956
Average number of staff employed during the year	**3**	3

The Company 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.

13 Finance costs

	2019	2018
	€	€
Interest expense:		
Bank overdrafts and loans	**133.832**	157.425
Loans from related parties (Note 29 (g))	**42.300**	57.664
Loans from Board of Directors' members (Note 29 (f))	**4.852**	29.700
Balances with related parties (Note 29 (h))	**3.759**	3.759
Other interest	**3.325**	1.402
Total interest expense	**188.068**	251.352

14 Tax

	2019	2018
	€	€
Current tax:		
Defence contribution	**7.248**	9.072
Deferred tax (Note 26)		
Origination and reversal of temporary differences	**12.923**	-
Tax charge	**20.171**	9.072

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

	2019	2018
	€	€
Profit before tax	**1.444.460**	427.042
Tax calculated at the applicable corporation tax rate of 12,5% (2018: 12,5%)	**180.558**	53.380
Tax effect of expenses not deductible for tax purposes	**100.181**	100.088
Tax effect of allowances and income not subject to tax	**(270.570)**	(153.468)
Transfer of tax losses to a company of the Group	**344**	-
Tax effect of losses for which no deffered tax was recognized	**2.410**	-
Defence contribution	**7.248**	9.072
Tax charge	**20.171**	9.072

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

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. At 31 December 2019, the Company had a tax loss of €485.548 (2018: €1.640.168). No deferred tax asset was recognised since no additional future taxable profits are expected against which tax losses can be utilised.

Until 31 December 2008, under certain conditions interest may be subject to a defence levy of 10%. In such cases 50% of this interest will be exempt from income tax and will therefore have a real tax rate of around 15%. 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.

14 Tax (continued)

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.

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					
	2019			2018		
	Before tax €	**Tax (charge)/ credit €**	**After tax €**	Before tax €	Tax (charge)/ credit €	After tax €
Land and buildings:						
Surplus on revaluation of Land and buildings	**1.219.940**	**(147.883)**	**1.072.057**	-	-	-
Financial assets measured at fair value, through other comprehensive income:						
Fair value profit/(loss)	**291**	**-**	**291**	(67)	-	(67)
Other comprehensive income/(losses)	**1.220.231**	**(147.883)**	**1.072.348**	(67)	-	(67)

15 Property, plant and equipment

	Land and Buildings €	Installations, equipment and furniture and fittings €	Motor Vehicles €	Total €
At 1 January 2018				
Cost or valuation [(1)]	4.370.390	1.049.662	107.159	5.527.211
Accumulated depreciation	(62.559)	(1.044.179)	(107.159)	(1.213.897)
Net book amount	4.307.831	5.483	-	4.313.314
Year ended 31 December 2018				
Opening net book amount	4.307.831	5.483	-	4.313.314
Additions	159.899	5.528	35.029	200.486
Disposal	-	(1.121)	-	(1.121)
Depreciation charge (Note 11)	(77.888)	(2.579)	(3.798)	(84.265)
Closing net book amount	4.389.842	7.311	31.261	4.428.414
At 31 December 2018				
Cost or valuation [(1)]	4.530.289	763.952	51.761	5.346.002
Accumulated depreciation	(140.447)	(756.641)	(20.500)	(917.588)
Net book amount	4.389.842	7.311	31.261	4.428.414

15 Property, plant and equipment (continued)

	Land and Buildings €	Furniture, fixtures, machinery and office equipment €	Motor Vehicles €	Total €
Year ended 31 December 2019				
Opening net book amount	4.389.842	7.311	31.261	4.428.414
Additions	97.812	-	-	97.812
Disposal	(4.849)	(4.715)	-	(9.564)
Surplus on revaluation	1.219.940	-	-	1.219.940
Transfer to investment property (Note16)	(5.300.000)	-	-	(5.300.000)
Impairment charge (Note 11)	(44.855)	(1.254)	(7.012)	(53.121)
Closing net book amount	357.890	1.342	24.249	383.481
At 31 December 2019				
Cost or valuation [1]	357.890	455.574	51.761	865.225
Accumulated depreciation	-	(454.232)	(27.512)	(481.744)
Net book amount	357.890	1.342	24.249	383.481

(1) The Company does not have free access to land which is recorded at a cost of €186.890 (2018: €186.890), because the land is situated in an 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.

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

	2019 €	2018 €
(Loss)/Profit on sale of property, plant and equipment (Note 10)	**(9.564)**	1.379
Net book amount	**9.564**	1.121
Proceeds from sale of property, plant and equipment	**-**	2.500

Depreciation expense of €53.121 (2018: €85.386) has been charged in "administrative expenses".

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

	2019 €	2018 €
Cost	**314.811**	1.308.833
Accumulated depreciation	**(75.349)**	(686.288)
Net book amount	**239.462**	622.545

Bank loans and overdrafts are secured on the Group's land and buildings with a value amounting to €171.000 (2018: €4.000.000) (Note 25).

Operating lease rentals amounting to €70.875 (2018: €69.074) relating to the lease of property are included in the profit or loss (Note 11).

15 Property, plant and equipment (continued)

Fair value of land and buldings

Company's land and buildings relate to: (i) Group's offices and (ii) land situated in areas occupied by Turkish military forces.

An independent valuation of the Company's land and buildings was performed by valuers to determine the fair value of the land and buildings as at 1 July 2019 and 31 December 2019. The revaluation surplus net of applicable deferred income taxes was credited to other comprehensive income and is shown in "other reserves" in shareholders' equity (Note 24).

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).

	Fair value measurements at 31 December 2019 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	-	-	171.000

	Fair value measurements at 31 December 2018 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	-	-	4.202.952

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

15 Property, plant and equipment (continued)

Valuation processes of the Company

The Company's finance department includes a team that reviews the valuations performed by the independent valuers as well as study the real estate market for the purposes of financial reporting and the fair value at Level 3.

Discussions of valuation processes and results are held between the management of the Company and the Audit Committee at least once every year.

The external valuations of the Level 3 land and buildings have been performed using a sales comparison approach, similar to the Level 2 land and buildings. However, for office buildings and retail units in Cyprus there have been a limited number of similar sales in the local market and the valuations have been performed using unobservable inputs. The external valuers, in discussion with the Company's internal valuation team, have determined these inputs based on the size, age and condition of the land and buildings, the state of the local economy and comparable prices in the corresponding area.

Information about fair value measurements for land and buildings using significant unobservable inputs (Level 3) – 31 December 2019

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	€1.555/ 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:		€162.450	€171.000	€179.550

Information about fair value measurements for land and buildings using significant unobservable inputs (Level 3) – 31 December 2018

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	€2.178/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:		€3.992.804	€4.202.952	€4.413.100

16 Investment property

	2019 €	2018 €
At beginning of year	**-**	-
Transfer from property, plant and equipment	**5.300.000**	-
Depreciation for period	**(36.845)**	
At the end of the year	**5.263.155**	-

The investment property consist of an office building complex in Cyprus. A large part of the building has been used for rent under an operating lease since 1 July 2019. Due to the change of use of the building, the Management of the Company re-evaluated the categorization of the property and decided to reclassify it from property, plant and equipment to investment properties. The transfer of the property in the category of Investment properties was done at fair value, which was based on an assessment by an independently qualified valuer.

As of 31 December 2019, the estimated value of investment properties amounted to €5.400.000. The assessment was made by an independently qualified valuer.

Bank loans are secured on investment properties for €4.000.000 (2018: €nil).

17 Investments in subsidiaries

	2019 €	2018 €
At beginning of year	**3.856.875**	3.856.875
Impairment charge (Note 10) (1)	**(17.975)**	-
At the end of the year	**3.838.900**	3.856.875

(1) The impairment charge relates to the investment in the company ANC Worldchoice Holidays T.E. MEPE.

At 31 December 2019 and 31 December 2018, the Company had the following subsidiaries, none of which is listed in a Stock exchange.

Name	Principal activities	Country of incorporation	% interest held 2019	% interest held 2018
Amathus Hotels Limited	Inactive	Cyprus	100	100
ANC Worldchoice Holidays T.E. ΜΕΠΕ	Sale of travel packages	Greece	100	100
Amathus Corporation Limited	Investment holding and tourist activities	Cyprus	100	100

18 Investments in associates

	2019 €	2018 €
At beginning of year	**16.778.604**	13.698.973
Additions (1), (2) (3)	**389.087**	3.300.000
Sales (4)	**(216)**	-
Impairment charge (Note 10) (5)	**(233.129)**	(220.369)
Reduction of capital	**(1.268.699)**	-
At end of year	**15.665.647**	16.778.604

18 Investments in associates (continued)

The recoverable amounts of these investments are disclosed in Note 20 of the financial statements.

(1) On 23 April 2018, the Company purchased 3.300 additional shares for €1.000 each, in Hortitsa Trading Limited, for an amount €3.300.000 after the share capital increase it made. The Company's holding percentage in its share capital remained 30%.

(2) On 20 March 2019, the Company purchased 15.274 additional shares in Leisure Holding S.A. from Osiris Limited for an amount of €209.805. The Company's participation percentage in its share capital increased from 31,22% to 37,33%.

(3) On 9 August 2019, the Company purchased 13.052 additional shares in Leisure Holding S.A. from the Company Strawdale Limited for an amount of €179.282. The Company's holding percentage in its share capital increased from 37.33% to 42,55%.

(4) On 22 August 2019, the Company signed an agreement for the sale of all the shares in Olympic Lagoon Hotels Ltd with Kanika Hotels Limited for the amount of €375.792. The transfer of shares was completed on 24 October 2019.

(5) The impairment charge relates to investments in Claridge Public Limited of €233.129 (2018: €196.400) and Leisure Holding S.A. of €nil (2018: €23.969), which was based on the net asset position of these investments.

On 31 December 2019 and 31 December 2018, the Company had the following associated companies:

Name of entity	**Place of business/country of incorporation**	**Nature of the relationship**	**Calculation Method**	**% of ownership interest**	
				2019	2018
Claridge Public Limited	Cyprus	Note 1	Cost	**40,53**	40,53
Leisure Holding S.A	Luxembourg	Note 2	Cost	**42,55**	31,22
K.A. Olympic Lagoon Resort Limited	Cyprus	Note 3	Cost	**48,00**	48,00
Olympic Lagoon Hotels Limited	Cyprus	Note 4	Cost	**-**	21,60
Hortitsa Trading Limited	Cyprus	Note 5	Cost	**30,00**	30,00
Amathus Hellas Touristiki A.E.	Greece	Note 6	Cost	**50,00**	50,00

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 Company 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", until 30 June 2017. Since 1 July 2017, Leisure Holding S.A. does not have any activities.

Note 3 : 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 4 : The associate company Olympic 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.

18 Investment in subsidiaries (continued)

Note 5 : The associate company Hortitsa Trading Limited owns 100% of the share capital of Somerstown Trading Limited, which is the owner of the new Amavi Hotel, a seaside luxurious hotel of 155 rooms on the coast of Kato Paphos. The hotel started its operations on 24 March 2019.

Note 6 : The associate company Amathus Hellas Touristiki A.E provides tourist services, such as sale of air and ferry tickets, organization of conferences and corporate events as well as organization of travel packages.

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 2019 amounted to €1.052.133 (2018: €832.930). 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. The recoverable amount of the investment in Claridge Public Limited was calculated based on its equity position which approximates its fair value.

19 Investements in joint venture

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

	2019	2018
	€	€
At beginning and at end of year	**16.900.250**	16.900.250

As at 31 December 2019 and 31 December 2018, the Group had the below investment in joint venture which is not listed in a Stock Exchange:

Name	**Principal Activities**	**% of ownership interest**	
		2019	2018
Amathina Holdings Limited	Σημείωση 1	**25%**	25%

Note 1: The joint venture company Amathina Holdings Limited owns 100% of the share capital of Amathina Luxury Hotels Limited, which is the owner of Amathus Beach Hotel Limassol, a luxurious seaside hotel of 239 rooms in Limassol.

20 Financial assets

(a) Trade receivables

	2019 **€**	2018 €
Trade receivables	**165.791**	154.160

(i) Fair value of trade receivables

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

(ii) Impairment and risk exposure

Information about the current year impairment of trade receivables and the Group's exposure to credit risk can be found in Note 6.

During the year, the Company did not write off any amount of trade receivables (2018: €14.388).

The carrying amounts of the Group's trade receivables are denominated in Euro.

(b) Financial assets at amortised cost

Financial assets at amortised cost include the following below financial assets:

	2019 **€**	2018 €
Current		
Receivable from related parties (Note 29 (h))	**683.073**	908.187
Other receivables	**4.484**	11.031
	687.557	919.218

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

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

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

Note 6 sets out information about the impairment of financial assets and the Company's exposure to credit risk.

20 Financial assets (continued)

(c) Financial assets at fair value through other comprehensive income

Investments at fair value through other comprehensive income comprise the following individual investments:

	2019 €	2018 €
Equity investments designated at fair value through other comprehensive income		
Listed equity securities:		
Cyprus Stock Exchange:		
Louis Plc	**315**	63
Top Kinisis Travel Public Ltd	**609**	570
Unlisted equity securities		
USC United Stevedoring Co Ltd	**-**	13.646
	924	14.279

Equity investments were classified as available-for-sale

On disposal of these equity investments, any related balance within the FVOCI reserve is reclassified to retained earnings.

During the current year, the Company sold holdings in USC United Stevedoring Co Ltd associate company to Amathus Aegeas Limited for the amount of €13.646. The Company did not generate any profit from the sale.

(i) Amounts recognised in profit or loss and other comprehensive income.

During the current and previous year, the following gains /(losses) were recognised in profit or loss and other comprehensive income.

	2019 €	2018 €
Gains/ (losses) recognised in other comprehensive income (Note 24)	**291**	(67)
Dividends from equity investments (Note 9)	**-**	7.095

(ii) *Fair value, impairment and control risk*

Information on the methods and assumptions used to determine the fair value and sensitivity of assets to price risk is provided in Note 6 and information on the forecast of loss recognized on debit financial assets at fair value through other comprehensive income provided in Note 6.

The debt financial assets at fair value through other comprehensive income are denominated in Euro.

21 Other non-financial assets

	2019 €	2018 €
Prepayments	**23.395**	57.496
VAT receivable	**88.405**	78.323
	111.800	135.819

22 Cash and cash equivalents

	2019 €	2018 €
Cash at bank and in hand	**2.149.150**	983.427
	2.149.150	983.427

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

	2019 €	2018 €
Cash at bank and in hand	**2.149.150**	983.427
Less:		
Bank overdrafts (Note 25)	**(128.618)**	(246.125)
	2.020.532	737.302

All cash and cash equivalents are denominated in Euro.

Reconciliation of obligations arising from financing activities:

	Bank borrowings €	Loan from associate company €	Loans from Members of Board of Directors €	Finance lease liability €	Total borrowings arising from financing activities €
At 1 January 2019	3.552.226	1.179.852	1.004.972	32.119	5.769.169
Cash transactions:					
Capital repayments	(615.312)	(195.700)	(990.000)	(6.732)	(1.807.744)
Interest paid	(128.688)	(42.300)	(19.824)	(1.284)	(192.096)
Interest expense	132.388	42.300	4.852	1.284	180.824
At 31 December 2019	2.940.614	984.152	-	25.387	3.950.153
At 1 January 2018	2.291.540	1.299.188	996.949	-	4.587.677
Cash transactions:					
Receipts from borrowing	1.865.520	-	-	-	1.865.520
Capital repayments	(608.534)	(119.336)	-	(2.940)	(730.810)
Interest paid	(135.466)	(57.664)	(21.677)	(1.402)	(216.209)
Interest expense	139.166	57.664	29.700	1.402	227.932
Non-cash transactions:					
Additions	-	-	-	35.059	35.059
At 31 December 2018	3.552.226	1.179.852	1.004.972	32.119	5.769.169

23 Share capital, share premium and capital reduction reserve

	Number of shares	Share capital €	Share premium €	Capital reduction reserve €	Total €
At 1 January 2018	110 844 530	37.687.140	-	-	37.687.140
Reduction of nominal value of a share:					
– transfer to reserve from capital reduction	-	(19.944.866)	-	19.944.866	-
– transfer to the retained earnings	-	(6.657.821)	-	-	(6.657.821)
At 31 December 2018/1 January 2019		11.084.453	-	19.944.866	31.029.319
Issued of shares	13 855 566	1.385.557	692.778	-	2.078.335
Expenses for the issue of share capital	-	-	(77.783)	-	(77.783)
At 31 December 2019	**124 700 096**	**12.470.010**	**614.995**	**19.944.866**	**33.029.871**

The total authorised number of ordinary shares is 629 792 832 shares (2018: 629 742 832 shares) with a nominal value of €0,10 per share (2018: €0,10 per share). All issued shares have been paid in full.

At the Extraordinary General meeting on 10 January 2018, the shareholders approved the following:

(1) Reduction of the Company's share capital amounting to €62.974.283 divided into 185.218.480 shares of nominal value €0,34 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 €0,34to €0,10 each, and that the amount resulting from the reduction of the nominal value of the 110.844.530 issued shares of the Company from €0,34 to €0,10 each, that is the amount of €26.602.687, out of which the amount of €6.657.821 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 and that the remaining amount of €19.944.866 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) Increase the Company's share capital from €18.521.848 divided into 185.218.480 shares of nominal value €0,10 each into €62.974.283 divided into 629.742.832 shares of nominal value €0,10 each, out of which 110.844.530 shares of nominal value €0,10 each have been issued.

The reduction in the nominal value of the shares has been upheld by a court order on 30 April 2018 and entered into force on the Cyprus Stock Exchange on 25 June 2018.

23 Share capital, share premium and capital reduction reserve

On 12 July 2018, the Board of Directors of the Company decided to issue a new capital to all shareholders of the Company in the form of Preference Rights (Rights). The Preference Rights (Rights), were offered to the shareholders of the Company who held ordinary shares on 7 February 2019 in proportion of (one)Preference Rights for each (one) ordinary share. The exercise ratio of 110.884.530 Pre-emptive Rights in ordinary shares, was every eight (8) Pre-emptive Rights that would be exercised,would be converted into one (1) full paid new ordinary share with a nominal value of €0,10. The exercise price was €0,15 per new share.

On 18 March 2019, the increase of the Company's share capital was completed. From the exercise of the Premptive Rights and the disposal of shares corresponding to the non-exercised Premptive Rights 13.855.566 new ordinary shares emerged, nominal value of €0,10.

The new ordinary shares were listed on the Cyprus Stock Exchange for trading on 5 April 2019.

24 Other reserves

	Revaluation of land and buildings €	Currency translation differences €	Financial assets measured at fair value through other comprehensive income €	Currency translation difference reserve from the conversion of share capital in Euro €	Total €
At 1 January 2018	1.739.270	(204.584)	(17.054)	10.917	1.528.549
Land and buildings:			-		
Transfer of excess depreciation	(26.433)	-	-	-	(26.433)
Deferred tax on excess depreciation	3.304	-		-	3.304
Financial assets measured at fair value through other comprehensive income					
Fair value loss	-	-	(67)	-	(67)
At 31 December 2018/ At 1 January 2019	1.716.141	(204.584)	(17.121)	10.917	1.505.353
Land and buildings:					
Surplus on revaluation - gross (Note 15)	1.219.940	-	-	-	1.219.940
Surplus on revaluation - tax (Note 26)	(147.883)	-	-	-	(147.883)
Transfer of excess depreciation	(28.713)	-	-	-	(28.713)
Deferred tax on excess depreciation	3.589	-	-	-	3.589
Financial assets measured at fair value through other comprehensive income					
Fair value gain	-	-	291	-	291
At 31 December 2019	2.763.074	(204.584)	(16.830)	10.917	2.552.577

25 Borrowings

	2019	2018
	€	€
Current		
Bank overdrafts (Note 22)	**128.618**	246.125
Bank borrowings	**641.083**	601.548
Borrowings from related parties (Note 29 (g))	**135.114**	105.532
Borrowing from members of Board of Directors (Note 29 (f))	**-**	1.004.972
Finance lease liabilities	**7.001**	6.732
	911.816	1.964.909
Non-current		
Bank borrowings	**2.299.531**	2.950.678
Borrowings from related parties (Note 29 (g))	**849.038**	1.074.320
Finance lease liabilities	**18.386**	25.387
	3.166.955	4.050.385
Total borrowings	**4.078.771**	6.015.294
Maturity of non-current borrowings (excluding finance lease liabilities):		
Between 1 and 2 years	**768.283**	722.471
Between 2 and 5 years	**1.973.870**	2.350.687
Over 5 years	**406.416**	951.840
	3.148.569	4.024.998
Finance lease liabilities - minimum lease payments		
Not later than 1 year	**8.017**	8.017
Later than 1 year and not later than 5 years	**11.690**	19.706
	19.707	27.723
Future finance charges on finance lease liabilities	**(1.321)**	(2.336)
Present value of finance lease liabilities	**18.386**	25.387
The present value of finance lease liabilities is as follows:		
No later than 1 year	**7.281**	7.001
Later than 1 year and no later than 5 years	**11.105**	18.386
	18.386	25.387

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

25 Borrowings (continued)

The bank loans and overdrafts are secured as follows:

(a) By mortgage on the land and buildings of the Company amounting to €171.000 (2018: €4.000.000) (Note 15).
(b) By mortgage on the investment properties of the Company amounting to €4.000.000 (2018: €nil) (Note 16).
(c) By floating charges on the Company's assets amounting to €7.417.202 (2018: €7.417.202).
(d) By pledge of 43 838 885 (2018: 43 838 885) shares of Claridge Public Limited and 1 445 shares (2018: 1 445) of K.A. Olympic Lagoon Resort Limited and 3 600 shares (2018: 3 600) of Hortitsa Trading Limited (Note 18).
(e) 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:

	2019	2018
	%	%
Bank borrowings	**3,75**	4,00
Bank overdrafts	**4,95**	5,45
Borrowings from related parties	**3,65**	4,46
Borrowings from members of the Board of Directors	**3,00**	3,00
Financial lease liabilities	**4,00**	4,00

The Company'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 Company to cash flow interest rate risk. Loans from members of the Board of Directors and financial leasing obligations are settled at fixed interest rate. For borrowings at fixed interest rates, the Company is exposed to fair value interest rate risk.

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

	2019	2018
	€	€
6 months or less	**4.053.384**	4.978.203

As of 31 December 2019, the Company had unused amount of financial facilities amounting to €496.382 (2018: €378.875).

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:

	2019	2018
	€	€
Euro – functional and presentation currency	**4.078.771**	6.015.294

26 Deffered tax liabilities

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

	2019 €	2018 €
Deferred income tax liabilities:		
- Deferred tax liabilities to be settled after more than 12 months	**883.157**	722.351

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

	Difference between depreciation and wear and tear allowances	Revaluation of land and buildings	Total
	€	€	€
At 1 January 2018 and 31 December 2018	117.545	604.806	722.351
Charged/(credited):			
Profit or loss (Note 14)	12.923	-	12.923
Other comprehensive income (Note 24)	-	147.883	147.883
At 31 December 2019	130.468	752.689	883.157

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 Company did not recognise additional deferred tax asset due to the fact that no future tax profits are expected.

27 Trade and other payables

	2019 €	2018 €
Trade payables	**30.783**	60.702
Payable to related parties (Note 29 (h))	**2.772.346**	3.362.707
Other payables and accrued expenses	**109.031**	101.230
	2.912.160	3.524.639

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.

28 Contingent liabilities

As at 31 December 2019, the Companies provided corporate guarantees in relation to bank borrowing facilities of associated Companies which were provided to third parties amounting to €20.218.314 (2018: €17.353.014).

During 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 guarantee 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, until at 30 June 2023, while for non-institutional obligations it is four years, until at 30 June 2021. As for the court dispute over the Solounia 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 case the owners of the Solounia estate achieve an irrevocable court order against Landa AXTE, the Company's guarantee covers any amount awarded up to € 2,000,000, which is included in the maximum amount of the guarantee.

In July 2018, Leisure Holding S.A. entered into a settlement agreement with Mr Solounia. The Company, on 21 December 2018, announced that the acquiring company had released them from the guarantee in respect to this litigation.

The Company, in return for the guarantee, 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 of Leisure Holding S.A, in the year 2019, evaluating the risks that may arise from the guarantee granted to the buyer of the company Landa AXTE as well as the compromise of the court with Mr. Solounias that took place in 2018, considered that no significant losses will occur until the expiration of the guarantee and decided to proceed with the distribution to the shareholders, in the form of a capital reduction amounting to €2.981.875.

The Company due to the distribution of the amount of €2.981.875 to the shareholders of Leisure Holding SA, secured an additional corporate guarantee from the subsidiary of Claridge Public Limited, Amathus Vacation Ownership Limited, amounting to €920.000 which corresponds to the amount distributed to the company Claridge Public Limited.

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.

29 Related party transactions

The Company is controlled by Lanitis E.C. Holdings Limited, incorporated in Cyprus, which owns 51,12% of the Company's shares and is the ultimate controlling party of the Group. The remaining 48,88% of the shares are widelly dispersed.

The final holding company that prepares consolidated statements of the maxium number of companies of which the company is a subsidiary is Lanitis E.C. Holdings Ltd, registered in Cyprus, with registered office 21 Archiepishop Kyprianos Street, 1st floor, 3036 Limassol, and its consolidated financial statements are available at its registered office. The Company prepares the consolidated financial statements of the smallest group of companies to which it belongs.

The following transactions were carried out with related parties:

(a) Sale of goods and services

	2019	2018
	€	€
Sales of goods and services:		
Subsidiaries	**79.486**	89.776
Associates	**44.469**	38.076
Companies under common control	**25.007**	25.000
	148.962	152.852

Sales represent mainly commissions, sale of airline tickets, cargo services, management services, administration fees, redistribution of expenses and rentals.

(b) Purchase of goods and services

	2019	2018
	€	€
Purchases of goods and services:		
Parent fees company	**156.000**	156.000
Subsidiaries	**525.232**	582.157
Associates	**3.443**	1.230
Companies under common control	**5.344**	2.068
	690.019	741.515

Purchases represent administration expenses, travel packages, hotel accommodation expenses and redistribution of expenses.

(c) Dividends receivable from related parties

	2019	2018
	€	€
Subsidiaries	**2.438**	1.564
Associates	**1.668.439**	1.183.982
	1.670.877	1.185.546

29 Related party transactions (continued)

(d) Key management personnel compensation

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

	2019	2018
	€	€
Salaries and other short-term employee benefits	**132.808**	129.678
Provident fund contributions	**4.600**	3.923
	137.408	133.601

(e) Director's remuneration

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

	2019	2018
	€	€
Fees	**26.078**	27.678
Contributions to the General Health System	**480**	-
	26.558	27.678

	Fees	**Contributions to the General Health System**	**Total 2019**	Total 2018
	€	€	**€**	€
Directors				
Platon E. Lanitis	3.417	63	**3.480**	3.417
Costas E. Lanitis	3.417	63	**3.480**	3.417
Marios E. Lanitis	1.807	33	**1.840**	3.417
Nicolas M. Lanitis	1.620	30	**1.650**	-
Costas Charitou	3.417	63	**3.480**	3.417
Savvas Orphanides	3.588	66	**3.654**	3.588
Markos Christodoulou	3.417	63	**3.480**	3.417
Constantinos Mitsides	1.807	33	**1.840**	3.417
Michalakis Hadjikiriakos	3.588	66	**3.654**	3.588
Total	26.078	480	**26.558**	27.678

(f) Loans from members of the Board of Directors

	2019	2018
	€	€
Loans from members of the Board of Directors		
At beginning of year	**1.004.972**	996.949
Loan advanced during year	**(990.000)**	-
Interest charged	**4.852**	29.700
Interest paid	**(19.824)**	(21.677)
At end of year	**-**	1.004.972

29 Related party transactions (continued)

(f) Loans from B.O.D. memebrs (continued)

The above loan was granted on 1 September 2017 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, the above loan bear annual interest of 3% and it would have been repaid within three years.

An amount of €986.711 from the above loan was repaid in March 2019, through the allocation of new ordinary shares resulting from the exercise of the Pre-emptive Rights issued by the Company in February 2019 (Note 23). The remaining amount of €23.113 was repaid in cash.

(g) Borrowings from related parties

	2019	2018
	€	€
Borrowings from associates Companies:		
At beginning of year	**1.179.852**	1.299.918
Borrowings repaid during year	**(238.000)**	(177.000)
Interest charged	**42.300**	57.664
At end of year (Note 25)	**984.152**	1.179.852

The above borrowing was provided with an interest 3,9% (decreased to 3,25% on 1 June 2017 and to 2,90% on 6 September 2018 and to 2,5% from 22 March 2019, 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 on 21 January 2016. The loan is repayable by monthly instalments until June 2029.

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

	2019	2018
	€	€
Receivable from related parties (Note 20):		
Parent company	**74.777**	68.906
Subsidiaries	**580.280**	809.292
Associated companies	**25.126**	28.059
Joint venture	**2.890**	1.930
	683.073	908.187
Payable to related parties (Note 27):		
Subsidiaries	**2.719.922**	3.191.609
Associated companies	**52.424**	171.098
	2.772.346	3.362.707

29 Related party transactions (continued)

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

Expect for an amount payable to a subsidiary of financial nature amounting to €93.973 (2018: €93.973) which bears an annual interest of 4% (2018: 4%), the above balances bear no interest. The interest charged in 2019 amounted to €3.759 (2018: €3.759). All other balances are not secured and are repayable on demand.

(i) Guarantess in favour of subsidiaries and associates

As at 31 December 2019, the Company provided corporate guarantees in relation to bank borrowing facilities of subsidiaries and associates which were provided to third parties amounting to €20.218.314 (2018: €17.353.014).

30 Events after the balance sheet date

At the end of 2019, news from China about the Covid-19 virus (Coronavirus) appeared for the first time. By the end of the year a limited number of cases of unknown virus had been reported to the Global Health Organization. In the first months of 2020, the virus had spread worldwide and on 11 March 2020 the Global Health Organization declared the Covid-19 virus outbreak a pandemic. Many countries icluding Cyprus have implemented strict measures to curb the spread of the virus. These measures include: travel restrictions/prohibitions, border control or closure, and self-restraint/quarantine measures. The imposition of these measures has negatively affected both the economy of Cyprus and the Global economy. Due to the restrictive measures implemented both by the Republic of Cyprus and by other countries, the travel and tourism activities of the Company as well as its investment activities in the hotel sector, have been negatively affected. The Company's Management considers the effects of the spread of this virus as a post-balance sheet event that does not require any adjustment of any assets at the end of the year. At this stage, the future effects of this evolving situation cannot be predicted. It is clear however that the drastic regulatory measures imposed by the authorities in order to reduce and mitigate the impact on citizens'health will have a significant negative impact on the Company's operations and results in 2020. Management will continue to monitor developments and will take all necessary measures to limit any adverse effects on its operations due to the Covid-19 pandemic.

Expect for the matter referred to above, there were no other material events after the balance sheet date, which have a bearing on the understanding of the financial statements.

Independent auditor's report on the separate financial statements on
103 to 108.