The Cyprus Cement Public Company Limited

Report and financial statements
31 December 2013

Contents

The Cyprus Cement Public Company Limited

Board of Directors and other officers

Board of Directors

George St. Galatariotis (Executive Chairman)
Thomas M. Schmidheiny (Vice-Chairman)
Costas St. Galatariotis (Executive Director)
Stavros G. St. Galatariotis (Executive Director)
Vassos G. Lazarides (Finance Director)
Tasos Anastasiou (Executive Director)
Michalis Moushouttas (Director)
Antonis Antoniou Latouros (Director)

Company Secretary

C.C.C. Secretarial Limited
197 Makariou III Avenue
Gala Tower
CY-3030 Limassol
Cyprus

Registered office

Moni
CY-4525 Limassol
Cyprus

The Cyprus Cement Public Company Limited

Declaration of Directors and other responsible officers of the Company for the preparation of the financial statements

In accordance with Article 9 sections 3 (c) and (7) of the Transparency Requirements (Traded Securities in Regulated Markets) Law 2007 ("Law") we, the members of the Board of Directors and the Company officials responsible for the drafting of the consolidated and separate financial statements of The Cyprus Cement Public Company Limited for the year ended 31 December 2013, we confirm that, to the best of our knowledge:

(a) the annual consolidated and separate financial statements which are presented on pages 11 to 91:

(i) were prepared in accordance with the applicable 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 Cyprus Cement Public Company Limited and the businesses that are included in the consolidated accounts as a total, and

(b) the Board of Directors Report gives a fair review of the developments and the performance of the business as well as the financial position of The Cyprus Cement Public Company Limited and the businesses that are included in the consolidated accounts as a total, together with a description of the main risks and uncertainties they are facing.

Members of the Board of Directors

Name and surname	Signature
George St. Galatariotis (Executive Chairman)	
Thomas M. Schmidheiny (Vice-Chairman)	
Costas St. Galatariotis (Executive Director)	
Stavros G. St. Galatariotis (Executive Director)	
Vassos G. Lazarides (Finance Director)	
Tasos Anastasiou (Executive Director)	
Michalis Moushouttas (Director)	
Antonis Antoniou Latouros (Director)	

Responsible for the preparation of the financial statements

Name and surname	Signature
Elena Stylianou (Financial Controller)	

Limassol
29 April 2014

The Cyprus Cement Public Company Limited

Report of the Board of Directors

1 The Board of Directors of The Cyprus Cement Public Company Limited (the “Company”), its subsidiaries and its associate, collectively referred to as the “Group”, presents its report together with the audited consolidated financial statements and the audited separate financial statements of the Company for the year ended 31 December 2013.

Principal activities

2 The principal activities of the Company and the Group are the development/exploitation of land and the undertaking of strategic investments in companies operating in hotel and tourism industry and in the production and sale of cement and related business.

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

3 The net loss of the Group for the year ended 31 December 2013 amounted to €10.923.216 (2012 restated loss: €12.223.349). On 31 December 2013 the total assets of the Group were €427.104.212 (2012 restated: €451.647.306) and the net assets were €273.548.154 (2012 restated: €301.046.642). The net loss of the Company for the year amounted to €17.265.555 (2012: loss €10.786.724). On 31 December 2013 the total assets of the Company were €342.882.461 (2012: €357.572.428) and the net assets were €268.809.280 (2012: €286.074.835).

4 In the annual consolidated financial statements for the year ended 31 December 2012, the investment of the subsidiary company C.C.C. Tourist Enterprises Public Company Limited in the joint venture "L 'Union Branded Residences" was accounted for using the proportionate consolidation method. Due to the early adoption of IFRS 11 "Joint Arrangements" by the Group, the investment in the joint venture was accounted for under the equity method in the consolidated financial statements for the year ended 31 December 2013, in accordance with the transitional provisions of the new standard. Therefore, the comparative figures for the year ended 31 December 2012 have been restated. The restatement had no impact on the Group's results for the year ended 31 December 2012.

5 The financial position, development and performance of the Company and the Group as presented in these financial statements are as expected.

Principal risks and uncertainties

6 The activities of the Company and the Group are influenced by various risks and uncertainties related to the construction and tourist industries in general. These activities are influenced by a number of factors which include, but are not limited to, the following:

- The operating environment of Cyprus and the conditions created after the Eurogroup decisions on 25 March 2013 (Notes 1 and 2).
- National and international economic and geopolitical factors.
- The global financial crisis which affected the tourism, the construction industry and real estate sector.
- The impact of war, terrorist acts, deceases and epidemics which are likely to influence tourists’ arrivals on the island.

Principal risks and uncertainties (continued)

- Increased competition within Cyprus and the neighbouring countries.
- Increases in labour and energy costs.

7 The Group monitors these risks through various mechanisms and revises its strategy in order to mitigate, to the extent this is possible, the impact of such risks.

8 The principal financial risks and uncertainties faced by the Company and the Group are outlined in Notes 1, 2, 3 and 4 of the financial statements.

Future developments of the Company and the Group

Issue of share capital in subsidiary L' Union Nationale (Tourism and Sea Resorts) Ltd and change in its shareholding structure

9 On 23 October 2013, the subsidiary C.C.C. Tourist Enterprises Public Company Limited signed an agreement ("Agreement and Plan of Subscription") with Emerald Coast Properties Ltd ("Investor"), according to which the company's subsidiary, L' Union Nationale (Tourism and Sea Resorts) Ltd, would issue at par 20.000.000 shares of a new class, with a nominal value of €1 each, to be subscribed by the Investor, with the Company waiving its pre-emption rights. The completion of the transaction was subject to fulfillment of certain conditions and to the results of a due diligence investigation from the Investor.

10 On 31 January 2014, all conditions of the above agreement (the "Agreement") have been satisfied and the subsidiary company by a special resolution on the same day issued and allotted 20.000.000 shares with nominal value of €1 each, to the Investor for the subscription price of €20.000.000. After the issue of the said new shares, C.C.C. Tourist Enterprises Public Company Limited and the Investor each have 50% share in L' Union Nationale (Tourism and Sea Resorts) Ltd and therefore, as from the year ended 31 December 2014 the investment of C.C.C. Tourist Enterprises Public Company Limited in L' Union Nationale (Tourism and Sea Resorts) Ltd will be accounted for under the equity method in accordance with IFRS 11 "Joint Arrangements".

11 The new funds will be primarily used for the renovation of the Le Meridien Limassol Spa and Resort which is expected to take place in 2014, as well as for the strengthening of the subsidiary's working capital. The Group expects to recognise a loss of €1,4m in 2014 from the transaction described above, being the difference between the book value of the assets attributable to the subsidiary before and after the completion of the Agreement (Note 34).

Group reorganisation

12 During the year 2013, the Company obtained the necessary approvals for the restructuring of the Group and will proceed to its implementation within 2014. In accordance with the reorganization plan, the land held by the Company is transferred to a wholly owned subsidiary company, whose principal activity is the development of this land.

13 The Board of Directors does not expect any other significant changes in the activities of the Company and the Group in the foreseeable future.

Report of the Board of Directors (continued)

Results

14 The Group's results for the year are set out on pages 11 and 12 and the respective results of the Company are presented on page 13. The net loss for the year is transferred to retained earnings.

15 The final results of the Group for 2013 amounted to a loss of €10.923.216 while the indicative results for the year as announced on 25 February 2013 amounted to a loss of €11.113.000. The difference of €189.784 is mainly due to a difference in the final results of the associated company, Vassiliko Cement Works Public Company Limited.

Share capital

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

Board of Directors

17 The members of the Board of Directors at 31 December 2013 and at the date of this report are shown on page 1. All of them were members of the Board throughout the year 2013.

18 In accordance with the Company's Articles of Association Messrs Costas St. Galatariotis, Michalis Moushouttas, Antonis Antoniou and Thomas M. Schmidheiny retire at the next Annual General Meeting and, being eligible, offer themselves for re-election, except for Mr Thomas M. Schmidheiny, who wishes to retire.

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

Corporate Governance Code

20 The Board of Directors has not adopted the provisions of the Corporate Governance Code. The Company is not obliged to adopt the provisions of the Code as its titles are traded in the Alternative Market of the Cyprus Stock Exchange. The main reason for the non adoption of the Corporate Governance Code is that the Board of Directors expects that the costs to be incurred for the adoption of the Code would be disproportionately higher than any anticipated benefits that may be derived from its adoption.

21 The Board of Directors is responsible for the establishment of adequate internal control procedures and risks control mechanisms, for the drafting, preparation, content and publication of all periodical information that is required of listed companies. The responsible person for the preparation of the financial statements is the Financial Controller.

22 The Board of Directors has not established an Audit Committee pursuant to the requirements of the Auditors and Statutory Audits of Annual and Consolidated Accounts Laws of 2009 and 2013. According to Article 46 of the Laws, the Company has assigned the tasks of the Audit Committee to the Board of Directors as a body.

Report of the Board of Directors (continued)

Corporate Governance Code (continued)

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

23 The shareholders who held at least 5% of the issued share capital of the Company on 29 April 2014 is as follows:

C.C.C. Holdings & Investments Public Company Limited *	23,04%
K+G Complex Public Company Limited *	32,08%
George S. Galatariotis & Sons Limited*	13,47%

* Included in the interest of George St. Galatariotis under Directors' interests as presented in the Directors' interest below.

24 The Company has not issued any titles with special control rights and there are no restrictions on voting rights.

25 The appointment and replacement of the members of the Board of Directors is done by the Company at its Annual General Meeting in accordance with the provisions of the Company's Articles of Association. The Company's Articles of Association provides that the Board of Directors has the power to appoint, at any time, any person as Director and such person that is appointed by the Board of Directors will hold his office until the next Annual General Meeting of the Company.

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

27 The Board of Directors, subject to approval by the Company's shareholders, may issue or repurchase Company's shares. The issue of any new shares is further subject to the provisions of the Company's Articles of Association, the prevailing law and the principle of fair treatment to all existing shareholders.

28 The Board of Directors consists of 8 members and meetings are convened at regular intervals. The Board of Directors approves the Company's strategy and supervises the adoption and realization of the Company's and Group's strategic development.

Report of the Board of Directors (continued)

Corporate Governance Code (continued)

Directors' interest in the Company's share capital

29 The beneficial interest in the Company's share capital held by each Director, their spouse, children and companies in which they hold directly or indirectly at least 20% of the shares with voting rights in a general meeting, at 31 December 2013 and on 29 April 2014 was as follows:

	At 29 April 2014 %	At 31 December 2013 %
George St. Galatariotis (1)	69,97	69,97
Thomas M. Schmidheiny	-	-
Costas St. Galatariotis (1)	-	-
Stavros G. St. Galatariotis (1)	-	-
Michalis Moushouttas	-	-
Antonis Antoniou Latouros	0,05	0,05
Vassos G. Lazarides	-	-
Tasos Anastasiou	-	-

(1) The total interest held by Mr. George St. Galatariotis includes his indirect participation resulting from family relationships between himself and Stavros G. St. Galatariotis and Costas St. Galatariotis, their direct and indirect interest through companies which they control.

Contracts with Directors and related parties

30 Other than the transactions and the balances with Directors and related parties referred to in Note 33 of the financial statements, there were no other significant contracts with the Company, or its subsidiaries as at 31 December 2013 in which the Directors or related parties had a material interest. Related persons include the spouse, minor children and companies in which Directors hold directly or indirectly at least 20% of the voting rights in a general meeting.

Events after the balance sheet date

31 The material post balance sheet events, which have a bearing on the understanding of the financial statements are presented in Note 36.

Branches

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

Report of the Board of Directors (continued)

Independent auditors

33 The independent auditors, PricewaterhouseCoopers Limited, have expressed their willingness to continue in office. A resolution for their appointment and authorizing the Board of Directors to fix their remuneration will be submitted at the Annual General Meeting.

By Order of the Board

C.C.C. Secretarial Limited
Secretary

Limassol, 29 April 2014

Independent auditor's report

To the members of The Cyprus Cement Public Company Limited

Report on the consolidated and separate financial statements of The Cyprus Cement Public Company Limited

We have audited the accompanying consolidated financial statements of The Cyprus Cement Public Company Limited (the "Company") and its subsidiaries (the "Group"), and the separate financial statements of The Cyprus Cement Public Company Limited (the "Company"), which comprise the consolidated statement of financial position and the statement of financial position of the Company as at 31 December 2013, and the consolidated statements of income, comprehensive income, changes in equity and cash flows, and the statements of comprehensive income, changes in equity and cash flows of the Company for the year then ended, and a summary of significant accounting policies and other explanatory information.

Board of Directors' responsibility for the financial statements

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

Auditor's responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the consolidated and separate financial statements of the Company that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors, as well as evaluating the overall presentation of the consolidated and separate financial statements of the Company.

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

Opinion

In our opinion, the consolidated financial statements and separate financial statements give a true and fair view of the financial position of the Group and the Company as at 31 December 2013, and of their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113.

Report on other legal and regulatory requirements

Pursuant to the additional requirements of the Auditors and Statutory Audits of Annual and Consolidated Accounts Laws of 2009 and 2013, we report the following:

- We have obtained all the information and explanations we considered necessary for the purposes of our audit.
- In our opinion, proper books of account have been kept by the Company, so far as appears from our examination of those books.
- The consolidated and separate financial statements are in agreement with the books of account.
- In our opinion and to the best of our information and according to the explanations given to us, the consolidated and the separate financial statements give the information required by the Cyprus Companies Law, Cap. 113, in the manner so required.
- In our opinion, the information given in the report of the Board of Directors is consistent with the consolidated and the separate financial statements.

Pursuant to the requirements of the Directive DI190-2007-04 of the Cyprus Securities and Exchange Commission, we report that a corporate governance statement has been made for the information relating to paragraphs (a), (b), (c), (f) and (g) of Article 5 of the said Directive, and it forms a special part of the Report of the Board of Directors.

Other matter

This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 34 of the Auditors and Statutory Audits of Annual and Consolidated Accounts Laws of 2009 and 2013 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whose knowledge this report may come to.

Yiangos Kaponides
Certified Public Accountant and Registered Auditor

For and on behalf of
PricewaterhouseCoopers Limited
Certified Public Accountants and Registered Auditors

Limassol, Cyprus
29 April 2014

The Cyprus Cement Public Company Limited

Consolidated income statement for the year ended 31 December 2013

	Note	2013 €	As restated (Note 31) 2012 €
Revenue	5	**16.446.050**	21.499.178
Cost of food and beverages		**(1.895.557)**	(2.408.089)
Other operating and administrative expenses	8	**(14.344.468)**	(17.343.899)
Depreciation	16	**(1.916.124)**	(1.916.043)
Other income	7	**500**	508.926
Other losses	6	**(15.807)**	(198.539)
Impairment of goodwill	18	**-**	(2.564.749)
Operating loss		**(1.725.406)**	(2.423.215)
Finance costs	11	**(4.953.119)**	(4.396.467)
Foreign exchange income/(loss)	11	**75.111**	(103.832)
Share of loss of associates	19	**(2.783.253)**	(124.476)
Share of loss of joint venture	21	**(110.446)**	(9.872)
Loss before tax		**(9.497.113)**	(7.057.862)
Taxation	12	**(1.426.103)**	(5.165.487)
Loss for the year		**(10.923.216)**	(12.223.349)
Attributable to:			
Owners of the parent		**(8.955.473)**	(9.916.804)
Non-controlling interest		**(1.967.743)**	(2.306.545)
		(10.923.216)	(12.223.349)
Loss per share attributable to the shareholders of the Company based on the weighted average number of ordinary shares (cent per share):			
- Basic and fully diluted	13	**(6,51)**	(7,21)

The notes on pages 24 to 91 are an integral part of these financial statements.

The Cyprus Cement Public Company Limited

Consolidated statement of comprehensive income for the year ended 31 December 2013

	Note	2013 €	As restated (Note 31) 2012 €
Loss for the year		**(10.923.216)**	(12.223.349)
Other comprehensive income:			
Items that can not be reclassified in profit and loss			
Deferred tax adjustment	28	**3.997.139**	4.285.467
Share of reserves of associated companies	19	**(440.220)**	3.355.539
Reversal of revaluation gain of land and buildings	16	**(20.131.724)**	(23.155.210)
Other comprehensive loss for the year, net of tax		**(16.574.805)**	(15.514.204)
Total comprehensive loss for the year		**(27.498.021)**	(27.737.553)
Attributable to:			
Owners of the parent		**(20.252.655)**	(19.259.168)
Non-controlling interest		**(7.245.366)**	(8.478.385)
Total comprehensive loss for the year		**(27.498.021)**	(27.737.553)

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

The notes on pages 24 to 91 are an integral part of these financial statements.

The Cyprus Cement Public Company Limited

Company’s statement of comprehensive income for the year ended 31 December 2013

	Note	**2013** **€**	2012 €
Other income	7	**500**	945.972
Depreciation	16	**-**	(16.683)
Other operating and administrative expenses	8	**(344.940)**	(562.021)
Other losses	6	**(1.040.500)**	(1.094.981)
Impairment of investment in subsidiary	20	**(14.866.880)**	(8.800.000)
		(16.251.820)	(9.527.713)
Finance costs	11	**(1.013.735)**	(849.180)
Loss before tax		**(17.265.555)**	(10.376.893)
Income tax	12	**-**	(409.831)
Total comprehensive loss for the year		**(17.265.555)**	(10.786.724)

The notes on pages 24 to 91 are an integral part of these financial statements.

The Cyprus Cement Public Company Limited

Consolidated balance sheet
at 31 December 2013

	Note	2013 €	As restated (Note 31) 2012 €
Assets			
Non-current assets			
Property, plant and equipment	16	**97.557.876**	119.033.558
Investment property	17	**271.968.351**	271.903.351
Investments in associates	19	**52.575.658**	55.799.131
Investment in joint venture	21	**1.150.396**	1.257.583
Available for sale financial assets	22	**2.848**	2.848
		423.255.129	447.996.471
Current assets			
Land under development and inventories	23	**1.542.387**	1.639.456
Trade and other receivables	24	**2.107.822**	1.940.288
Cash and cash equivalents	25	**198.874**	71.091
		3.849.083	3.650.835
Total assets		**427.104.212**	451.647.306
Equity and liabilities			
Equity attributable to owners of the parent			
Share capital	26	**59.172.679**	59.172.679
Share premium	26	**848.729**	848.729
Fair value reserve		**115.279.747**	126.576.929
Revenue reserve		**17.235.700**	17.235.700
Other reserves		**(15.032)**	(15.032)
Retained earnings		**73.194.557**	82.150.280
		265.716.380	285.969.285
Non-controlling interest		**7.831.774**	15.077.357
Total equity		**273.548.154**	301.046.642
Non-current liabilities			
Deferred tax liabilities	28	**63.598.833**	66.215.116
Borrowings	27	**68.465.908**	59.679.209
		132.064.741	125.894.325

The Cyprus Cement Public Company Limited

Consolidated balance sheet
at 31 December 2013 (continued)

	Note	2013 €	As restated (Note 31) 2012 €
Current liabilities			
Provisions	30	**391.215**	1.181.653
Trade and other payables	29	**4.602.979**	4.737.665
Current tax liabilities		**9.811**	27.053
Borrowings	27	**16.487.313**	18.759.968
		21.491.318	24.706.339
Total liabilities		**153.556.074**	150.600.664
Total equity and liabilities		**427.104.212**	451.647.306

On 29 April 2014 the Board of Directors of The Cyprus Cement Public Company Limited authorised these financial statements for issue.

George St. Galatariotis, Executive Chairman

Vassos G. Lazarides, Finance Director

The notes on pages 24 to 91 are an integral part of these financial statements.

The Cyprus Cement Public Company Limited

Company's balance sheet at 31 December 2013

	Note	2013 €	2012 €
Assets			
Non-current assets			
Investment property	17	**836.950**	270.500.000
Investments in subsidiaries	20	**282.948.274**	30.983.682
Investments in associates	19	**52.597.405**	52.597.405
		336.382.629	354.081.087
Current assets			
Trade and other receivables	24	**6.499.615**	3.490.804
Cash and cash equivalents	25	**217**	537
		6.499.832	3.491.341
Total assets		**342.882.461**	357.572.428
Equity and liabilities			
Capital and reserves			
Share capital	26	**59.172.679**	59.172.679
Share premium		**910.103**	910.103
Fair value reserve		**-**	113.967.992
Revenue reserve		**17.282.506**	17.282.506
Retained earnings		**191.443.992**	94.741.555
		268.809.280	286.074.835
Non-current liabilities			
Borrowings	27	**14.735.266**	11.981.625
Deferred tax liabilities	28	**53.565.714**	53.565.714
		68.300.980	65.547.339
Current liabilities			
Provisions	30	**391.215**	1.181.653
Trade and other payables	29	**512.062**	256.739
Current tax liabilities		**-**	2.320
Borrowings	27	**4.862.220**	4.509.542
		5.772.201	5.950.254
Total liabilities		**74.073.181**	71.497.593
Total equity and liabilities		**342.882.461**	357.572.428

On 29 April 2014 the Board of Directors of The Cyprus Cement Public Company Limited authorised these financial statements for issue.

George St. Galatariotis
Executive Chairman

Vassos G. Lazarides
Finance Director

The notes on pages 24 to 91 are an integral part of these financial statements.

The Cyprus Cement Public Company Limited

Consolidated statement of changes in equity for the year ended 31 December 2013

	Attributable to owners of the Company								
	Share capital	Share premium(2)	Fair value reserve (2)	Other reserves (2)	Revenue reserve	Retained earnings(1)	Total equity	Non-controlling interest	Total
	€	€	€	€	€	€	€	€	€
Balance at 1 January 2012	59.172.679	848.729	136.242.341	(15.032)	17.235.700	92.523.470	306.007.887	23.836.824	329.844.711
Comprehensive income									
Loss for the year	-	-	-	-	-	(9.916.804)	(9.916.804)	(2.306.545)	(12.223.349)
Other comprehensive income									
Share of fair value and other reserves of associated companies (Note 19)	-	-	3.355.539	-	-	-	3.355.539	-	3.355.539
Deferred tax adjustment (Note 28)	-	-	2.883.691	-	-	-	2.883.691	1.401.776	4.285.467
Reversal of revaluation gain of land and buildings/ Transfer of excess depreciation to retained earnings	-	-	(15.904.642)	-	-	323.048	(15.581.594)	(7.573.616)	(23.155.210)
Total other comprehensive income	-	-	(9.665.412)	-	-	323.048	(9.342.364)	(6.171.840)	(15.514.204)
Total comprehensive income for the year 2012	-	-	(9.665.412)	-	-	(9.593.756)	(19.259.168)	(8.478.385)	(27.737.553)
Transactions with owners									
Defence on deemed dividend distribution	-	-	-	-	-	(276)	(276)	(240)	(516)
Acquisition of minority interest	-	-	-	-	-	(779.158)	(779.158)	(280.842)	(1.060.000)
Total transactions with owners	-	-	-	-	-	(779.434)	(779.434)	(281.082)	(1.060.516)
Balance at 31 December 2012	59.172.679	848.729	126.576.929	(15.032)	17.235.700	82.150.280	285.969.285	15.077.357	301.046.642

The Cyprus Cement Public Company Limited

Consolidated statement of changes in equity for the year ended 31 December 2013 (continued)

	Attributable to owners of the Company								
	Share capital	Share premium[(2)]	Fair value reserve [(2)]	Other reserves [(2)]	Revenue reserve	Retained earnings[(1)]	Total equity	Non-controlling interest	Total
	€	€	€	€	€	€	€	€	€
Balance at 1 January 2013	59.172.679	848.729	126.576.929	(15.032)	17.235.700	82.150.280	285.969.285	15.077.357	301.046.642
Comprehensive income									
Loss for the year	-	-	-	-	-	(8.955.473)	(8.955.473)	(1.967.743)	(10.923.216)
Other comprehensive income									
Share of fair value and other reserves of associated companies (Note 19)	-	-	(440.220)	-	-	-	(440.220)	-	(440.220)
Deferred tax adjustment (Note 28)	-	-	2.689.675	-	-	-	2.689.675	1.307.464	3.997.139
Reversal of revaluation gain of land and buildings	-	-	(13.546.637)	-	-	-	(13.546.637)	(6.585.087)	(20.131.724)
Total other comprehensive income	-	-	(11.297.182)	-	-	-	(11.297.182)	(5.277.623)	(16.574.805)
Total comprehensive income for the year 2013	-	-	(11.297.182)	-	-	(8.955.473)	(20.252.655)	(7.245.366)	(27.498.021)
Transactions with owners									
Defence on deemed dividend distribution	-	-	-	-	-	(250)	(250)	(217)	(467)
Total transactions with owners	-	-	-	-	-	(250)	(250)	(217)	(467)
Balance at 31 December 2013	59.172.679	848.729	115.279.747	(15.032)	17.235.700	73.194.557	265.716.380	7.831.774	273.548.154

Consolidated statement of changes in equity for the year ended 31 December 2013 (continued)

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

(2) The share premium reserve, the fair value reserve and other reserves are not available for distribution in the form of dividends.

The notes on pages 24 to 91 are an integral part of these financial statements.

The Cyprus Cement Public Company Limited

Company's statement of changes in equity for the year ended 31 December 2013

	Share capital €	Share premium (2) €	Fair value reserve (2) €	Revenue reserve €	Retained earnings (1) €	Total €
Balance at 1 January 2012	59.172.679	910.103	113.967.992	17.282.506	105.528.279	296.861.559
Comprehensive income						
Loss for the year	-	-	-	-	(10.786.724)	(10.786.724)
Total comprehensive income for the year 2012	-	-	-	-	(10.786.724)	(10.786.724)
Balance at 31 December 2012/ 1 January 2013	59.172.679	910.103	113.967.992	17.282.506	94.741.555	286.074.835
Comprehensive income						
Loss for the year	-	-	-	-	(17.265.555)	(17.265.555)
Transfer of fair value reserve due to the reorganisation (Note 35)	-	-	(113.967.992)	-	113.967.992	-
Total other comprehensive income for the year	-	-	(113.967.992)	-	113.967.992	-
Total comprehensive income for the year 2013	-	-	(113.967.992)	-	96.702.437	(17.265.555)
Balance at 31 December 2013	59.172.679	910.103	-	17.282.506	191.443.992	268.809.280

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

(2) The share premium reserve and the fair value reserve are not available for distribution in the form of dividends.

The notes on pages 24 to 91 are an integral part of these financial statements.

The Cyprus Cement Public Company Limited

Consolidated statement of cash flows for the year ended 31 December 2013

	Note	2013 €	As restated (Note 31) 2012 €
Cash flows from operating activities			
Loss before tax		**(9.497.113)**	(7.057.862)
Adjustments for:			
Depreciation of property, plant and equipment	16	**1.916.124**	1.916.043
Loss on sale of property, plant and equipment	6	**15.807**	38.539
Impairment of goodwill	18	**-**	2.564.749
Adjustment of provision for the dismantling of machinery and equipment	30	**-**	(479.762)
Provision for bad debts	24	**13.607**	27.726
Reversal of impairment loss on trade receivables	24	**(11.292)**	(16.661)
Interest income	7	**-**	(17.462)
Interest expense	11	**4.953.119**	4.396.467
Share of loss of associates	19	**2.783.253**	124.476
Share of loss of joint ventures	21	**110.446**	9.872
Exchange (gains)/losses on borrowings	11	**(75.111)**	103.832
Fair value losses of investment property	6	**-**	160.000
		208.840	1.769.957
Changes in working capital:			
Inventories		**97.069**	77.646
Trade and other receivables		**(178.165)**	(506.282)
Trade and other payables		**(925.109)**	(1.485.919)
Cash used in operations		**(797.365)**	(144.598)
Tax paid		**(62.492)**	(34.780)
Net cash used in operating activities		**(859.857)**	(179.378)
Cash flows from investing activities			
Purchases of property, plant and equipment	16	**(591.475)**	(740.880)
Interest received		**-**	17.462
Additional contributions to the joint venture	21	**(3.259)**	(95.488)
Proceeds from sale of property, plant and equipment	16	**3.502**	94.078
Additions in investment property	17	**(65.000)**	(103.021)
Net cash used in investing activities		**(656.232)**	(827.849)

The Cyprus Cement Public Company Limited

Consolidated statement of cash flows for the year ended 31 December 2013 (continued)

	Note	**2013** **€**	As restated (Note 31) 2012 €
Cash flows from financing activities			
Repayments of bank borrowings		**(51.286.258)**	(2.860.778)
Proceeds from new borrowings		**54.078.581**	7.773.473
Proceeds from loans from related parties		**2.738.509**	-
Repayments of loans from related parties		**(4.068)**	-
Defence contribution on dividends paid		**(467)**	
Interest paid		**(4.319.344)**	(4.265.803)
Net cash from financing activities		**1.206.953**	646.892
Net decrease in cash, cash equivalents and bank overdrafts		**(309.136)**	(360.427)
Cash, cash equivalents and bank overdrafts at beginning of year		**(11.787.526)**	(11.427.191)
Cash, cash equivalents and bank overdrafts at end of year	25	**(12.096.662)**	(11.787.526)

The notes on pages 24 to 91 are an integral part of these financial statements.

The Cyprus Cement Public Company Limited

Company's statement of cash flows for the year ended 31 December 2013

	Note	**2013** **€**	2012 €
Cash flows from operating activities			
Loss profit before tax		**(17.265.555)**	(10.376.893)
Adjustments for:			
Depreciation of property, plant and equipment	16	**-**	16.683
Dividend income	7	**-**	(272.997)
Interest income	7	**-**	(185.633)
Profit on sale of property, plant and equipment	6	**(3.500)**	-
Interest expense	11	**1.013.735**	849.180
Fair value losses of investment property	17	**-**	1.094.981
Impairment of investment in subsidiary	20	**14.866.880**	8.800.000
Adjustment of provision for dismantling of machinery and equipment	30	**-**	(479.762)
Write off balance with related company	6	**1.044.000**	-
		(344.440)	(554.441)
Changes in working capital:			
Trade and other receivables		**(319.667)**	(362.922)
Trade and other payables		**(535.115)**	(113.712)
Cash used in operations		**(1.199.222)**	(1.031.075)
Tax (paid)/refunded		**(2.320)**	16.866
Net cash used in operating activities		**(1.201.542)**	(1.014.209)
Cash flows from investing activities			
Additions in investment property	17	**(906.391)**	(814.651)
Proceeds from sale of property, plant and equipment	16	**3.500**	-
Interest received	7	**-**	185.633
Repayment of borrowings to related parties	21	**-**	534.845
Net cash used in investing activities		**(902.891)**	(94.173)
Cash flows from financing activities			
Repayments of bank borrowings		**(87.157)**	(460.658)
Proceeds from new borrowings		**2.960.090**	4.273.473
Interest paid	11	**(775.523)**	(849.180)
Net cash used from financing activities		**2.097.408**	2.963.635
Net (decrease)/increase in cash, cash equivalents and bank overdrafts		**(7.025)**	1.855.253
Cash, cash equivalents and bank overdrafts at beginning of year		**(1.685.005)**	(3.540.258)
Cash, cash equivalents and bank overdrafts at end of year	25	**(1.692.030)**	(1.685.005)

The notes on pages 24 to 91 are an integral part of these financial statements.

Notes to the financial statements

1 General information

Country of incorporation

The Cyprus Cement Public Company Limited (the "Company") was incorporated in Cyprus in 1951, as a private limited liability company in accordance with the provisions of the Cyprus Companies Law, Cap. 113 and later became a public company. The Company is listed on the Cyprus Stock Exchange. The registered office of the Company is at Moni, 4525 Limassol, Cyprus.

Principal activities

The principal activities of the Company and the Group, are the development/exploitation of land and the undertaking of strategic investments in companies operating in hotel and tourism industry and in the manufacturing and sale of cement and related business.

Operating environment of the Group and the Company

(a) Operating environment of the Group and the Company

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

Following the positive outcome of the first and second quarterly reviews of Cyprus's economic programme by the European Commission, the European Central Bank and the International Monetary Fund during 2013, the Eurogroup endorsed the disbursement of the scheduled tranches of financial assistance to Cyprus.

The uncertain economic conditions in Cyprus, the unavailability of financing, the restructuring of the banking sector through the use of a "bail in" for Laiki Bank and Bank of Cyprus and the imposition of capital controls together with the current instability of the banking system and the continuing overall economic recession, could affect (1) the ability of the Group and the Company to obtain new borrowings or re-finance its existing borrowings at terms and conditions similar to those applied to earlier transactions, (2) the ability of the Group's and the Company's trade and other debtors to repay the amounts due to the Group and the Company (3) the ability of the Group and the Company to sell its existing inventories or enter into contracts for the development of new (property) units / the ability of the Group and the Company to generate sufficient turnover, to sell its existing inventories and offer its services to customers, and (4) the cash flow forecasts of the Group's and the Company's management in relation to the impairment assessment for financial and non-financial assets.

1 General information (continued)

Operating environment of the Group and the Company (continued)

(a) Operating environment of the Group and the Company (continued)

The economic conditions described above, together with the impact of the Eurogroup decision of 25 March 2013 on Cyprus, may have an adverse impact on the Group's and the Company's debtors (inability to meet their obligations towards the Company and the Group), suppliers (inability to continue trading), real estate valuation, bankers (inability to provide adequate finance), and revenue (decreased demand for the Group's products or services due to decreased purchasing power of consumers).

The management of the Company and the Group has assessed:

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

(2) Whether the net realizable value for the Group's inventory exceeds cost. Where net realizable value is below cost, the excess should be charged to the profit or loss for the year. The demand for many types of real estate properties has been significantly affected and transactions are less frequent, therefore the estimated selling price is highly judgmental.

(3) The fair value of investment property owned (Note 4).

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

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

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

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

(b) Disclosure of general events

The negotiations of the Cyprus Government with the European Commission, the European Central Bank and the International Monetary Fund (the "Troika"), in order to obtain financial support, resulted in an agreement and decision of the Eurogroup on 25 March 2013 on the key elements necessary for a future macroeconomic adjustment programme which includes the provision of financial assistance to the Republic of Cyprus of up to €10 billion. The programme aims to address the exceptional economic challenges that Cyprus is facing, and to restore the viability of the financial sector, with a view to restoring sustainable economic growth and sound public finances in the coming years.

1 General information (continued)

Operating environment of the Group and the Company (continued)

(b) Disclosure of general events (continued)

The Eurogroup decision on Cyprus includes plans for the restructuring of the financial sector and safeguards deposits below €100.000 in accordance with European Union legislation. In addition, the Cypriot authorities have reaffirmed their commitment to step up efforts in the areas of fiscal consolidation, structural reforms and privatizations.

On 12 April 2013 the Eurogroup welcomed the agreement that was reached between Cyprus and the Troika institutions regarding the macroeconomic adjustment programme for Cyprus. Subsequently all the necessary procedures for the formal approval of the Board of Directors of the European Stability Mechanism were completed, as well as the ratification by Eurozone member states. Following the completion of the above procedures, the first tranche of the financing of the Republic of Cyprus was released in line with the provisions of the Memorandum.

On 22 March 2013 legislation was enacted by the House of Representatives concerning restrictive measures in respect of transactions executed through the banking institutions operating in Cyprus. The extent and duration of the restrictive measures are decided by the Minister of Finance and the Governor of the Central Bank of Cyprus and were enforced on 28 March 2013. The temporary restrictive measures, with respect to banking and cash transactions include restrictions on cash withdrawals, the cashing of cheques and transfers of funds to other credit institutions in Cyprus and abroad. They also provide for the compulsory partial renewal of certain maturing deposits.

On 29 March 2013 the Central Bank of Cyprus issued decrees relating to Laiki Bank and Bank of Cyprus, implementing measures for these two banks under the Resolution of Credit and Other Institutions Law of 2013.

On the basis of the relevant decrees, Laiki Bank was placed into resolution. What remains in Laiki Bank are mainly the uninsured deposits and assets outside Cyprus. The assets of Laiki Bank in Cyprus, the insured deposits and the Eurosystem financing have been transferred to Bank of Cyprus, with compensation for the value of the net assets transferred, the issue of shares by Bank of Cyprus to Laiki Bank.

The recapitalization process for the Bank of Cyprus was completed in accordance with the relevant decrees of the Resolution Authority through “bail-in”, that is through the partial conversion of uninsured deposits into shares. In addition, the holders of shares and debt instruments in Bank of Cyprus on 29 March 2013 have contributed to the recapitalization of Bank of Cyprus through the absorption of losses.

On 18 April 2013 legislation was enacted by the House of Representatives to increase the corporate tax from 10% to 12.5% with effect from 1 January 2013. Furthermore, legislation was enacted to increase the rate of special defense contribution from 20% to 30% on interest which does not arise from the ordinary course of business or is closely linked to it with effect from 29 April 2013.

Following the positive outcome of the first and second quarterly reviews of Cyprus’s economic programme by the European Commission, the European Central Bank and the International Monetary Fund during 2013, the Eurogroup endorsed the disbursement of the scheduled tranches of financial assistance to Cyprus.

2 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 years presented in these financial statements unless otherwise stated.

Basis of preparation

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

As of the date of the 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 2013 have been adopted by the EU through the endorsement procedure established by the European Commission, with the exception of certain provisions of IAS 39 “Financial Instruments: Recognition and Measurement” relating to portfolio hedge accounting.

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

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

Going concern

During the year ended 31 December 2013, the Group incurred a loss of €10.923.216 (2012: €12.223.349) and as at 31 December 2013, its current liabilities exceeded its current assets by €17.642.234 (2012: €21.055.504). The availability and accessibility of liquid assets (cash) that will allow the Group to repay its liabilities promptly are important factors in the assessment of the Group to apply the going concern basis for the preparation of the consolidated financial statements.

The financial conditions described in Note 1, together with the effects of the results of the Eurogroup decision taken on 25 March 2013 for Cyprus, could have adverse impact on the valuation of the Group's property, on its ability to secure adequate liquidity or financing, and on the revenue due to a potential decrease in demand for products and services offered by the Group due to reduced consumer purchasing power. The deterioration in operating conditions could also have an impact on the cash flow forecasts of the Group’s management and their assessment for the impairment of financial and non-financial assets.

The consolidated and separate financial statements have been prepared on a going concern basis, which provides the realization of assets and fulfilment of liabilities in the normal course of business. Therefore, the financial statements do not include any adjustments relating to the recovery of assets and the amount and classification of liabilities or any other adjustments that may be necessary.

2 Summary of significant accounting policies (continued)

Going concern (continued)

The Board of Directors of the Company believes that the preparation of these consolidated financial statements and separate financial statements on a going concern basis is appropriate for the following reasons:

(i) During the year 2013, the management of the subsidiary company agreed with its main bankers to be granted a new bank loan in the amount of €52.500.000, which was used to repay all existing bank loans of the subsidiary company with the said banking institution. Under the terms of the new loan the previously applicable repayment terms are extended and the interest rate is reduced. The first installment (relating to interest) of the amount of €1,3 million will be made on 31 December 2014. In 2015 total payments will be €2,8 million and thereafter the subsidiary company will pay €274,5 thousand per month until 2044 with two bullet payments of €3.000.000 up to 2018 and €7.000.000 up to 2025.

(ii) As described in Note 34, the subsidiary C.C.C. Tourist Enterprises Public Company Limited reached an agreement with Emerald Coast Properties Ltd ("Investor"), according to which the company's subsidiary, L' Union Nationale (Tourism and Sea Resorts) Ltd, would issue at par 20.000.000 (twenty million) shares of a new class, with a nominal value of €1 each, to be subscribed by the Investor. The new funds will be primarily used for the renovation of the Le Meridien Limassol Spa and Resort, as well as for the strengthening of the subsidiary's working capital. During the year 2014, the company's subsidiary issued the above shares and the related €20.000.000 have been paid in the subsidiary. An amount of €6,6 million from these funds have been used to reduce the overdraft of the subsidiary company, €0,9 million were used to repay other debts, €0,5 million have been used for working capital needs and the remaining €12.000.000 have been deposited in a bank account.

(iii) Historically, the Group was able to raise the necessary liquidity from financial institutions in Cyprus. Based on a valuation conducted from independent professional valuers in February 2014, the market value of the immovable property held, exceeds the levels of the Group's borrowings and the Group's management is of the opinion that it will be able to secure liquidity in the future, if necessary.

Adoption of new and revised IFRSs

During the current year the Company and 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 2013. This adoption did not have a material effect on the accounting policies of the Company and the Group, with the exception of the following:

- Amendment to IAS 1 "Financial Statements Presentation" on Presentation of Items of Other Comprehensive Income". As a result of the adoption of this amendment, the Company groups items presented in 'other comprehensive income' (OCI) on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments).

2 Summary of significant accounting policies (continued)

Adoption of new and revised IFRSs (continued)

- IFRS 13, “Fair Value Measurement” aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. The requirements do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards. The Standard resulted in additional disclosures in these financial statements. Refer to Notes 16 and 17.

- Amendment to IAS 12, “Income Taxes” on deferred tax introduced a rebuttable presumption that an investment property carried at fair value is recovered entirely through sale. This presumption is rebutted if the investment property is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale. SIC-21, Income Taxes - Recovery of Revalued Non-Depreciable Assets, which addresses similar issues involving non-depreciable assets measured using the revaluation model in IAS 16, Property, Plant and Equipment, was incorporated into IAS 12 after excluding from its scope investment properties measured at fair value.

The Board of Directors decided to early adopt the following accounting standards:

- IFRS 10, Consolidated financial statements’. IFRS 10 builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company. The standard provides additional guidance to assist in the determination of control where this is difficult to assess. The adoption of the standard is not mandatory for the Group until 1 January 2014, however, the Group has decided its early adoption by 1 January 2013. There was no significant effect on the financial statements of the Company and the Group.

- IFRS 11, “Joint Arrangements”. IFRS 11 is a more realistic reflection of joint arrangements by focusing on the rights and obligations of the arrangement rather than its legal form. There are two types of joint arrangement: joint operations and joint ventures. Joint operations arise where a joint operator has rights to the assets and obligations relating to the arrangement and hence accounts for its interest in assets, liabilities, revenue and expenses. Joint ventures arise where the joint operator has rights to the net assets of the arrangement and hence equity accounts for its interest. Proportional consolidation of joint ventures is no longer allowed. The adoption of the standard is not mandatory for the Group until 1 January 2014, however, the Group has decided its early adoption by 1 January 2013. The effect of adopting the new standard on the financial statements is described below:

2 Summary of significant accounting policies (continued)

Adoption of new and revised IFRSs (continued)

Under IFRS 11, investments in joint arrangements are classified either as joint operations or joint ventures, depending on the contractual rights and obligations each investor has rather than the legal structure of the joint arrangement. Joint operations arise where a joint operator has rights to the assets and obligations relating to the arrangement and therefore accounts for its share of assets, liabilities, revenue and expenses. Joint ventures arise where the joint venturer has rights to the net assets of the arrangement and therefore equity accounts for its interest. Proportional consolidation of joint ventures is no longer allowed.

Before 1 January 2012, the Group’s interest in its jointly controlled entity L' Union Branded Residences was accounted for using the proportionate consolidation method. Under IFRS 11, the jointly controlled entity has been assessed to be a joint operation and the Group has applied the new policy for its interest in the joint operation in accordance with the transition provisions of IFRS 11.

The Group recognised its investment in the joint venture at the beginning of the earliest period presented (1 January 2012), as the total of the carrying amount of the assets and liabilities, which previously were proportionately consolidated. This is the deemed cost of the investments in the joint venture for applying equity accounting.

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. The change in accounting policy has been applied as from 1 January 2012. There is no impact on the net assets of the periods presented.

The effects of the change in accounting policies on the financial position and the comprehensive income of the Group at 31 December 2012 are presented in Note 31. The change in accounting policy has had no impact on loss per share.

- IFRS 12, “Disclosures of Interests in Other Entities”. IFRS 12 includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles. The adoption of the standard is not mandatory for the Group until 1 January 2014, however, the Group has decided its early adoption by 1 January 2013. The additional disclosures are presented in Notes 19, 20 and 21.

2 Summary of significant accounting policies (continued)

Adoption of new and revised IFRSs (continued)

- IAS 27 “Separate Financial Statements” (effective for annual periods beginning on or after 1 January 2013 (EU: 1 January 2014)). This adoption did not have any effect on the financial statements.

- IAS 28 “Investments in Associates and Joint Ventures” (effective for annual periods beginning on or after 1 January 2013 (EU: 1 January 2014)). This adoption did not have any material effect on the financial statements of the Company, other than the effect of the early adoption of IFRS 11 as described above.

At the date of approval of these financial statements a number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 1 January 2013, and have not been applied in preparing these financial statements. None of these is expected to have a significant effect on the financial statements of the Company and the Group, except the following set out below:

- IFRS 9 “Financial Instruments: Classification and Measurement”. Key features of the standard issued in November 2009 and amended in October 2010, December 2011 and November 2013 are:

    - Financial assets are required to be classified into two measurement categories: those to be measured subsequently at fair value, and those to be measured subsequently at amortised cost. The decision is to be made at initial recognition. The classification depends on the entity’s business model for managing its financial instruments and the contractual cash flow characteristics of the instrument.
    - An instrument is subsequently measured at amortised cost only if it is a debt instrument and both (i) the objective of the entity’s business model is to hold the asset to collect the contractual cash flows, and (ii) the asset’s contractual cash flows represent payments of principal and interest only (that is, it has only “basic loan features”). All other debt instruments are to be measured at fair value through profit or loss.
    - All equity instruments are to be measured subsequently at fair value. Equity instruments that are held for trading will be measured at fair value through profit or loss. For all other equity investments, an irrevocable election can be made at initial recognition, to recognise unrealised and realised fair value gains and losses through other comprehensive income rather than profit or loss. There is to be no recycling of fair value gains and losses to profit or loss. This election may be made on an instrument-by-instrument basis. Dividends are to be presented in profit or loss, as long as they represent a return on investment.

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

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

2 Summary of significant accounting policies (continued)

Adoption of new and revised IFRSs (continued)

The amendments made to IFRS 9 in November 2013 removed its mandatory effective date, thus making application of the standard voluntary. The Company and the Group do not intend to adopt the existing version of IFRS 9 until this is enclosed by the European Union. The Company and the Group has not yet assessed the impact of the adoption of IFRS9 in its financial statements.

Consolidated financial statements

The consolidated financial statements include the financial statements of The Cyprus Cement Public Company Limited (the “Company”), its subsidiary companies and its associated company, which are collectively referred to as the “Group”.

(1) Subsidiaries

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

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquire 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 fair value of the Group’s previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IAS 39 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not remeasured, 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 identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the income statement.

2 Summary of significant accounting policies (continued)

Consolidated financial statements (continued)

(1) Subsidiaries (continued)

Inter-company transactions, balances, income and expenses on transactions between Group companies are eliminated. Profit and losses resulting from inter-company transactions that are recognised in assets are also eliminated. When necessary, accounting policies of subsidiaries have been changed to ensure consistency with the policies adopted by the Group.

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 recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

(2) Transactions with non-controlling interests

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. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(3) 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 identified on acquisition net of any accumulated impairment losses.

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

The Group's share of post-acquisition profits or losses is recognised in the income statement and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to 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 legal or constructive 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 Summary of significant accounting policies (continued)

Consolidated financial statements (continued)

(3) 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 by comparing its recoverable amount with its carrying amount whenever there is an indication of impairment and recognizes the amount adjacent to 'share of profit/(loss)' of associates in the profit or loss.

(4) Joint arrangements

The group has applied IFRS 11 to all joint arrangements as of 1 January 2013. Under IFRS 11 investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations each investor. A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets and liabilities of the joint arrangement and, therefore, account for their interest in the assets, liabilities, income and expenses. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement and hence, calculate their interest using the equity method. The proportionate consolidation of joint ventures is no longer allowed.

The Group has assessed the nature of its joint arrangements are 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 ventures.

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

The change in accounting policy has been applied as from 1 January 2012.

Separate financial statements of the Company

(1) 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.

2 Summary of significant accounting policies (continued)

Separate financial statements of the Company (continued)

(1) Subsidiaries (continued)

Investments in subsidiaries are measured at cost less impairment. Investments in subsidiaries 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. 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.

(2) Associates

Associates are all entities over which the Company has significant influence 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. 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.

Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Board of Directors of the Group (the chief operating decision-maker). The Board of Directors, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the steering committee that makes strategic decisions.

Revenue recognition

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

The Group and the Company recognise 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 and Company's activities as described below. The Company and the Group base their estimate of return on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement. Revenues earned by the Group and the Company are recognised on the following bases:

2 Summary of significant accounting policies (continued)

Revenue recognition (continued)

(i) Sales of goods

Sales of goods are recognized when significant risks and rewards of ownership of the goods have been transferred to the customer. This is usually when the Group and the Company has sold or delivered goods to the customer, the customer has accepted the goods and collectability of the related receivable is reasonably assured. The sale of food and beverages from the restaurants and bars of the hotels are recognised at the time the invoice is issued to the customer which involves the delivery of goods and their acceptance by the customer.

(ii) Sales of services

Sales of services relate mostly to the accommodation services in the hotel of the Group and they are recognized in the accounting period that the services are offered. A transaction that relates to an accommodation services in a hotel is assumed to be completed at the end of each chargeable night and is recognized on a daily basis. Other sale of services are recognized in the accounting period in which the services are rendered, by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided.

(iii) Interest income

Interest income is recognised using the effective interest method. When a loan or receivable is impaired, the Company/Group reduces the carrying amount to its recoverable amount, being the estimated future cash flows discounted at the original effective interest rate of the instrument and continues unwinding the discount as interest income. Interest income on impaired loans and receivables are recognised using the original effective interest rate.

(iv) Rental income

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

(v) Dividend income

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

Employee benefits

(i) Social insurance contributions

The Group and the employees contribute to the Government Social Insurance Fund based on employees' salaries. The scheme is 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 recognized as an asset to the extent that a cash refund or a reduction in the future payments is available.

2 Summary of significant accounting policies (continued)

Employee benefit (continued)

(ii) Defined contributions plans

A defined contribution plan is a post employment benefit plan under which an entity pays fixed contributions into a separate entity and has no legal or constructive obligation to pay further amounts. The Group contributed to the Provident Fund of its employees and to the Provident Fund of its management team which are defined contribution plans. Obligations for contributions to defined contribution plans are recognized as an employee benefit expense in profit or loss when they are due. During the year the Provident Fund of the management team was dissolved. The subsidiary company also contributes to the Hotel Industry Employees Provident Fund for its eligible employees. This is a defined contribution scheme in which both the employees and subsidiary company make contributions.

Foreign currency translation

(i) Functional and presentation currency

Items included in the Group’s and Company's financial statements are measured using the currency of the primary economic environment in which the Group and Company operate (“the functional currency”). The financial statements are presented in Euro (€), which is the Group’s and Company's functional and presentation currency.

(ii) Transactions and balances

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

Foreign exchange gains and losses that relate to borrowings are presented in profit or loss within “finance costs”. All other foreign exchange gains and losses are presented in profit or loss within “other (losses)/gains – net”.

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

2 Summary of significant accounting policies (continued)

Current and deferred income tax (continued)

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

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

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

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

No deferred tax is recognised for investments in subsidiaries and associates as the profits on sale of securities are not taxable.

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 authorised and are no longer at the discretion of the Company. More specifically, interim dividends are recognised as a liability in the period in which these are authorised by the Board of Directors and in the case of final dividends, these are recognised in the period in which these are approved by the Company's shareholders.

Property, plant and equipment

Land and buildings comprising mainly of a hotel, 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. Revaluations are carried out with sufficient regularity to ensure that the carrying amount at the balance sheet date does not differ materially from that which would be determined using fair value at the balance sheet date. All other property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of property, plant and equipment.

Increases in the carrying amount arising on revaluation of land and buildings are recognised in other comprehensive income and credited to other reserves in shareholders’ equity. Decreases that offset previous increases of the same asset are charged 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 “fair value reserves” to “retained earnings”.

2 Summary of significant accounting policies (continued)

Property, plant and equipment (continued)

Buildings and equipment developed on leased land are depreciated over the shorter of their estimated useful lives and the lease period.

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	25 to 50 years
Plant and machinery	10 to 20 years
Motor vehicles	5 to 8 years
Furniture and fittings	3 to 20 years
Cutlery and linen	4 years

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 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 asset will flow to the Group/Company and the cost of the asset can be measured reliably.

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

When revalued assets are sold, the amounts included in the other reserves are transferred to retained earnings.

Leases

Leases of property, plant and equipment where the Company/the Group has substantially all the risks and rewards of ownership are classified as finance leases.

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

Investment property

Investment property, principally comprising land, is held for capital appreciation. Investment property is carried at fair value, representing open market value determined annually by external valuers.

2 Summary of significant accounting policies (continued)

Goodwill

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

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

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

Impairment of non financial assets

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

Financial assets

(i) Classification

The Company and the Group classify their financial assets in the following categories: available for sale financial assets and loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of financial assets at initial recognition.

- **Loans and receivables**

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

2 Summary of significant accounting policies (continued)

Financial assets (continued)

(i) Classification (continued)

- **Available for sale financial assets**

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

(ii) Recognition and measurement

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

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

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

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

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

(iii) Impairment of financial assets

The Group and the Company assess at the balance sheet date whether there is objective evidence that a financial asset or group of financial assets is impaired.

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

2 Summary of significant accounting policies (continued)

Financial assets (continued)

(iii) Impairment of financial assets (continued)

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

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

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

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

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average cost method. It excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business less applicable variable selling expenses.

Properties under development

Properties under development comprise of land under development and is stated at the lower of cost and net realisable value.

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 realise the asset and settle the liability simultaneously.

2 Summary of significant accounting policies (continued)

Trade receivables

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

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Company/the Group will not be able to collect all amounts due according to the original terms of receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or delinquency in payments (more than 120 days overdue) are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the carrying amount and the recoverable amount, being the present value of estimated future cash flows, discounted at the effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in profit or loss within ‘selling and marketing costs’. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against ‘selling and marketing costs’ in 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 on reduction of share capital.

Provisions

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

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

2 Summary of significant accounting policies (continued)

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.

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

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

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

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

Trade payables

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

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

Cash and cash equivalents

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

Comparatives

Comparative figures have been adjusted to conform with changes in the presentation for the current year. Details of the prior year adjustments are disclosed in Note 31.

3 Financial risk management

(i) Financial risk factors

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

The risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance. Risk management is carried out by the Board of Directors.

- **Market risk**

Foreign exchange risk

Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the Group's and Company's functional currency.

The Company is not exposed to foreign exchange risk as there were no transactions or balances in foreign currency.

The Group was exposed to foreign exchange risk arising from transactions or balances denominated mainly in Swiss Francs. Foreign exchange risk arose mainly from the Group's borrowings.

During the year, the subsidiary company repaid the loan in Swiss Francs, realising an exchange gain of € 75.111.

Cash flow interest rate risk

The Group and the Company have interest bearing assets, which mainly represent cash held at bank and receivables from related companies. These balances bear interest at market variable rates. Any changes in market rates would not have significant effect to the loss for the year.

The Group's and Company's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the Company and the Group to cash flow interest rate risk. The Board of Directors monitors the interest rate fluctuations on a continuous basis and acts accordingly.

At 31 December 2013, if interest rates on Euro and Swiss Francs denominated borrowings fluctuated as described below, with all other variables held constant, the post tax loss for the year would have been affected as presented in the table below:

3 Financial risk management (continued)

(i) Financial risk factors (continued)

- **Market risk (continued)**

Cash flow interest rate risk (continued)

	The Group		The Company	
	Interest rate higher/lower	**Effect on loss for the year**	**Interest rate higher/lower**	**Effect on loss for the year**
	%		%	
2013				
Euro	0,5	€371.670 higher/lower	0,5	€85.768 higher/lower
2012				
Euro	0,5	€322.342 higher/lower	0,5	€74.210 higher/lower
Swiss franc	0,5	€18.713 higher/lower	0,5	€- higher/lower

The effect on loss for the year is a result of higher/lower interest expense on floating rate borrowings.

- **Credit risk**

Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables and committed transactions.

For banks and financial institutions, only independently rated parties are accepted. See Note 15 for further disclosures on credit risk.

The management does not expect any losses from non-performance by these counterparties.

- **Liquidity risk**

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. The Board of Directors maintains flexibility in funding by maintaining availability under committed credit lines.

The Board of Directors monitors rolling forecasts of the Company's and Group's liquidity reserve (comprises undrawn borrowing facility (Note 27) and cash and cash equivalents (Note 25)) on the basis of expected cash flow.

The table below analyses the Group's and 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.

3 Financial risk management (continued)

(i) Financial risk factors (continued)

- **Liquidity risk (continued)**

The Group

	Less than 1 year €	1 to 2 years €	2 to 5 years €	Over 5 years €
At 31 December 2013	18.522.979	11.180.439	18.791.425	78.949.737
Borrowings	4.602.994	-	-	-
Trade and other payables				
	23.125.973	11.180.439	18.791.425	78.947.737
At 31 December 2012 (as restated (Note 31))				
Borrowings	25.785.416	16.730.659	24.235.618	27.026.000
Trade and other payables	4.737.665	-	-	-
	30.523.081	16.730.659	24.235.618	27.026.000

The Company

	Less than 1 year €	1 to 2 years €	2 to 5 years €	Over 5 years €
At 31 December 2013				
Borrowings	5.549.128	8.120.790	5.122.030	3.959.737
Trade and other payables	512.062	-	-	-
	6.061.190	8.120.790	5.122.030	3.959.737
At 31 December 2012				
Borrowings	7.526.979	2.597.545	8.881.184	-
Trade and other payables	256.739	-	-	-
	7.783.718	2.597.545	8.881.184	-

The liquidity risk arising from corporate guarantees to related parties is disclosed in Note 33 (viii) and in the event of default, the minimum period which they can be called for repayment is within one year.

(ii) Capital risk management

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

3 Financial risk management (continued)

(ii) Capital risk management (continued)

Consistent with others in the industry, the Company/the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the balance sheet) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the balance sheet plus net debt.

The gearing ratios at 31 December 2013 and 2012 were as follows:

	The Group		The Company	
		As restated (Note 31)		
	2013	2012	**2013**	2012
	€	€	**€**	€
Total borrowings (Note 27)	**84.953.221**	78.439.177	**19.604.190**	16.491.167
Less: cash and cash equivalents (Note 25)	**(198.874)**	(71.091)	**(217)**	(537)
Net debt	**84.754.347**	78.368.086	**19.603.973**	16.490.630
Total equity	**273.548.138**	301.046.642	**268.245.440**	286.074.835
Total capital as defined by management	**358.302.485**	379.414.728	**287.849.413**	302.565.465
Gearing ratio	**24%**	21%	**7%**	5%

The increase in the gearing ratios during 2013 was mainly due to borrowings received during the year for financing the working capital needs of the Group and the Company.

(iii) Fair value estimation

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Company/Group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance sheet date. The Company/Group uses mainly estimated discounted cash flow models to determine the fair value for the financial instruments which are not traded in an active market.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group/Company for similar financial instruments.

(iv) Offsetting financial assets and liabilities

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

4 Critical accounting estimates and judgements

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

(i) Critical accounting estimates and assumptions

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

- **Fair value of property, plant and equipment**

  The fair value of property, plant and equipment is based on valuations carried out by external, independent professional valuers, who hold recognised and relevant professional qualifications, and have recent experience of the location and segment of the property being valued. The best evidence of fair value is the current price in an active market for similar assets. In the absence of such information, the Group determines the fair value with reasonable fair value estimates. In making its judgements, the management of the Group considers information from a variety of sources including the prices of recent transactions of comparable assets, the capitalisation of profit method which is based on the net annual profits of the hotel and the fair value method based on gross operating profit (G.O.P) (Note 16).

  If the gross operating profit of the hotel was 10% lower than the estimates of the management, then an additional impairment of property, plant and equipment amounting to €9.676.384 should be recognised in the fair value reserve.

- **Fair value of investment property**

  The fair value of investment property is based on valuations carried out by external, independent professional valuers, who hold recognised and relevant professional qualifications, and have relevant experience of the location and segment of the investment property being valued. The estimates were based primarily on comparable sale prices from recent transactions for similar assets adjusted to reflect the special nature and the uniqueness of the investment property and its urban planning characteristics.

  The key assumptions used for estimating the fair value of investment property include:

  - Implementation of the provisions of the Local Development Plan and the provision of the increased building coefficient for the development of large-scale properties.

  - Estimates for the net buildable square meters for the implementation of infrastructure works.

4 Critical accounting estimates and judgements (continued)

(i) Critical accounting estimates and assumptions (continued)

- **Fair value of investment property (continued)**

  The economic crisis and the uncertain economic conditions had a significant impact on the real estate sector. The unavailability of financing and the instability of the market, and hence the unavailability of adequate comparable sales, combined with other unpredictable economic, political and legal factors, have impacted the degree of accuracy of property valuations. Therefore, the management considers that the valuation of investment property is subject to significant critical judgment and there is a high likelihood the value of the property to be lower.

  Any negative changes in the above key assumptions would lead to a significant decrease in the fair value of the investment property (Note 17).

(ii) Critical accounting estimates and judgements

Loss of control of subsidiary

As disclosed in Note 34, on 31 January 2014 the Group, after the increase of the share capital of the subsidiary L'Union National (Tourism and Sea Resorts) Ltd, retained 50% shareholding and therefore, as from that date, the investment in L'Union National (Tourism and Sea Resorts) Ltd will be accounted for in the consolidated financial statements of The Cyprus Cement Public Company Limited and the financial statements of the holding company C.C.C. Tourist Enterprises Public Company Limited under the equity method.

The original agreement, which was signed on 23 October 2013, required certain conditions to be met. Over and above the usual and procedural conditions and the completion of due diligence investigation, there were conditions outside the control of the Group which as of 31 December 2013 could potentially not be able to be fulfilled.

Based on the above, the Board of Directors has assessed that the subsidiary does not meet the conditions under IFRS 5 to be classified as held for sale / discontinued operations on 31 December 2013. The effect of the loss of control of the subsidiary in the financial statements of the Group, which will be accounted for in 2014, is disclosed in Note 34.

5 Segment information

As per management approach in relation to IFRS 8, the operating segments are presented in accordance with the internal reporting provided to the Board of Directors (the chief operating decision-maker), which is responsible for allocating resources and assessing performance of the operating segment. All operating segments used by the Group, meet the definition of a reportable segment as per IFRS 8.

5 Segment information (continued)

The basic operating segments of the Group for which segment information is presented are as follows:

(1) Investment property

(2) Hotel and tourism

(3) Cement - strategic investment in Vassiliko Cement Work Public Company Limited

The segment “other” activities of the Group relates mainly to secretarial and management services provided to related companies of the Group.

The Board of Directors of the Group assesses the performance of the operating segments based on a measure of earnings before interest, taxes, depreciation and amortisation (EBITDA). This measurement basis excludes the effects of non-recurring expenditure from the operating segments such as restructuring costs and impairments when the impairment is the result of an isolated, non-recurring event. Interest income and expenditure are not allocated to segments. Other information presented, is accounted as per the financial statements.

The segment information provided to the management of the Group for the reportable segments is as follows:

For the year ended 31 December 2013

	Hotel and Tourism €	Investment property €	Cement €	Other €	Total €
Segment revenue	15.766.089	-	-	679.961	16.446.050
Earnings before interest, taxes, depreciation and amortisation	1.068.559	(344.440)	-	(533.401)	190.718
Depreciation, impairment and fair value losses	1.883.502	-	-	32.622	1.916.124
Income tax charge	(1.385.265)	-	-	(40.838)	(1.426.103)
Share of loss from associates	-	-	(2.783.253)	-	(2.783.253)
Share of loss from joint ventures	(110.446)	-	-	-	(110.446)
Total segment assets	101.627.078	271.968.351	52.575.658	930.277	427.101.364
Total assets includes: Investments in associates	-	-	52.575.658	-	52.575.658
Investment in joint venture	1.150.396	-	-	-	1.150.396
Additions to non-current assets	586.213	65.000	-	8.521	659.734
Total segment liabilities	77.511.175	73.923.856	-	2.111.232	153.546.263

The Cyprus Cement Public Company Limited

5 Segment information (continued)

For the year ended 31 December 2012 (as restated)

	Hotel and Tourism €	Investment property €	Cement €	Other €	Total €
Segment revenue	20.771.799	-	-	727.379	21.499.178
Earnings before interest, taxes, depreciation and amortisation	3.070.966	383.953	-	(1.254.804)	2.200.115
Depreciation, impairment and fair value losses	1.859.533	160.000	-	56.510	2.076.043
Income tax charge	(4.755.253)	(375.679)	-	(34.555)	(5.165.487)
Share of loss from associates	-	-	(124.476)	-	(124.476)
Share of loss from joint ventures	(9.872)	-	-	-	(9.872)
Total segment assets	122.736.009	271.903.351	55.799.131	1.208.815	451.647.306
Total assets includes: Investments in associates	-	-	55.799.131	-	55.799.131
Investment in joint venture	1.257.583	-	-	-	1.257.583
Additions to non-current assets	757.923	103.022	-	78.445	939.390
Total segment liabilities	76.636.911	71.489.055	-	2.447.645	150.573.611

Reconciliation of segment results

A reconciliation of earnings before interest, taxes, depreciation and amortisation to loss before tax is as follows:

	2013 €	As restated (Note 31) 2012 €
Earnings before interest, taxes depreciation and amortisation	**190.718**	2.200.115
Depreciation, impairment and fair value losses	**(1.916.124)**	(2.076.043)
Interest income (Note 7)	**-**	17.462
Impairment of goodwill (Note 18)	**-**	(2.564.749)
Operating loss	**(1.725.406)**	(2.423.215)
Finance costs and foreign exchange losses (Note 11)	**(4.878.008)**	(4.500.299)
Share of loss of associate (Note 19)	**(2.783.253)**	(124.476)
Share of loss of joint venture (Note 21)	**(110.446)**	(9.872)
Loss before tax	**(9.497.113)**	(7.057.862)

5 Segment information (continued)

Reconciliation of segment assets and liabilities

Reportable segments' assets are reconciled to total assets as follows:

	2013 €	As restated (Note 31) 2012 €
Segment assets for reportable segments	**427.101.364**	451.644.458
Unallocated assets:		
Available-for-sale financial assets	**2.848**	2.848
Total assets as per consolidated balance sheet	**427.104.212**	451.647.306

Reportable segments' liabilities are reconciled to total liabilities as follows:

	2013 €	As restated (Note 31) 2012 €
Segment liabilities for reportable segments	**153.546.263**	150.573.611
Unallocated liabilities:		
Current tax liabilities	**9.811**	27.053
Total liabilities as per consolidated balance sheet	**153.556.074**	150.600.664

6 Other losses

	The Group		The Company	
	2013 €	2012 €	**2013 €**	2012 €
Property, plant and equipment:				
Loss on sale (Note 16)	**(15.807)**	(38.539)	**3.500**	-
Investment property:				
Fair value losses (Note 17)	**-**	(160.000)	**-**	(1.094.981)
Balances with related parties:				
Write off balance with subsidiary (Note 33 (v))	**-**	-	**(1.044.000)**	-
	(15.807)	(198.539)	**(1.040.500)**	(1.094.981)

7 Other income

	The Group		The Company	
	2013	2012	**2013**	2012
	€	€	**€**	€
Interest income:				
Bank balances	**-**	17.462	**-**	-
Balances with related parties (Note 33 (iii))	**-**	-	**-**	185.633
	-	17.462	**-**	185.633
Dividend income (Note 19)	**-**	-	**-**	272.997
Adjustment of provision for dismantling of machinery and equipment (Note 30)	**-**	479.762	**-**	479.762
Other income	**500**	11.702	**500**	7.580
	500	508.926	**500**	945.972

8 Operating and administrative expenses

The Group

	2013	As restated (Note 31) 2012
	€	€
Staff costs (Note 9)	**7.276.629**	8.408.332
Electricity and fuel	**1.930.594**	2.336.603
Advertising and promotion	**960.750**	1.514.921
Repairs and maintenance	**686.673**	942.785
Other administration and related costs	**545.512**	812.424
Other operating costs	**2.944.310**	3.328.834
	14.344.468	17.343.899

The Company

	2013	2012
	€	€
Other administration and related costs	**186.715**	312.623
Other operating costs	**158.225**	249.398
	344.940	562.021

9 Staff costs

	The Group		The Company	
	2013	2012	**2013**	2012
	€	€	**€**	€
Wages and other contributions	**6.642.316**	7.378.994	**-**	-
Provident fund contributions	**157.163**	517.893	**-**	-
Social insurance contributions	**477.150**	511.445	**-**	-
	7.276.629	8.408.332	**-**	-

The Group operates a defined contributions scheme which is funded separately and prepares its own financial statements from which the employees are entitled to payments of certain benefits on retirement or premature termination of services. During the year the Provident Fund of the management team was dissolved. In addition the subsidiary company contributes to the Hotel Employees Industry Provident Fund for their employees who are members of the above mentioned fund, based on defined contributions scheme funded by payments from employees and by the employer.

10 Operating loss

The following expenses have been included in operating loss:

	The Group		The Company	
	2013	2012	**2013**	2012
	€	€	**€**	€
Statutory auditor's remuneration for audit services	**43.300**	48.100	**36.600**	40.600
Statutory auditor's remuneration for tax services	**6.840**	21.500	**6.250**	21.500
Statutory auditor's remuneration for advisory services	**-**	6.000	**-**	6.000
Directors' remuneration/key management remuneration (Note 33 (iv))	**743.886**	940.966	**8.000**	8.000

11 Finance costs and foreign exchange loss

	The Group		The Company	
		As restated (Note 31)		
	2013	2012	**2013**	2012
	€	€	**€**	€
Interest expense:				
Bank borrowings and overdraft	**4.769.722**	4.263.467	**873.549**	758.542
Interest on balances with related parties (Note 33 (iii))	**173.898**	132.228	**140.186**	90.638
Other finance costs	**5.880**	772	**-**	-
Overdue taxation	**3.619**	-	**-**	-
	4.953.119	4.396.467	**1.013.735**	849.180
Net foreign exchange (gain)/loss on financing activities	**(75.111)**	103.832	**-**	-
	4.878.008	4.500.299	**1.013.735**	849.180

12 Taxation

	The Group		The Company	
	2013	2012	**2013**	2012
	€	€	**€**	€
Current tax charge:				
Corporation tax	**20.359**	27.146	**-**	2.320
Defence contribution	**24.888**	49.969	**-**	-
Tax from previous years:				
Corporation tax	**-**	320.829	**-**	313.480
Defence contribution	**-**	(239)	**-**	-
	45.247	397.705	**-**	315.800
Deferred tax (Note 28)				
Origination and reversal of temporary differences	**1.380.856**	4.767.782	**-**	94.031
Total	**1.426.103**	5.165.487	**-**	409.831
Tax charge	**1.426.103**	5.165.487	**-**	409.831

12 Taxation (continued)

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

	The Group		The Company	
	2013	2012	**2013**	2012
	€	€	**€**	€
Loss before tax	**(9.497.113)**	(7.057.862)	**(17.265.555)**	(10.376.893)
Tax calculated at the applicable corporation tax rate of 12,5% (2012: 10%)	**(1.187.139)**	(705.786)	**(2.158.194)**	(1.037.689)
Tax effect of expenses not deductible for tax purposes	**907.214**	803.233	**1.994.762**	1.105.252
Tax effect of allowances and income not subject to tax	**(597.325)**	(410.633)	**(450)**	(52.010)
Tax effect of losses for which no deferred tax asset has been recognised	**896.967**	353.921	**163.882**	-
Additional tax arising from the difference in the applicable corporation tax rates and the capital gains tax rates	**-**	169.341	**-**	94.031
Deferred tax arising from the change in regulation	**1.380.853**	4.598.441	**-**	-
Group relief	**-**	(6.827)	**-**	(6.827)
Tax effect of utilization of tax losses brought forward	**-**	(9.140)	**-**	(6.617)
Tax of previous years	**-**	320.829	**-**	313.480
Defence contribution	**24.888**	49.730	**-**	-
Additional tax	**695**	2.378	**-**	211
Income tax charge	**1.426.103**	5.165.487	**-**	409.831

The Company and the Group are subject to income tax on taxable profits at the rate of 10% up to 31 December 2012, and at the rate of 12,5% as from 1 January 2013.

As from tax year 2012 brought forward losses of only five years may be utilised. Due to this amendment, the Group's management wrote off deferred tax asset relating to taxable losses of prior years amounting to €4.598.441 during the year 2012.

On 31 December 2013 the Group's tax losses that were available to be carried forward to be offset with future taxable profits in the next five years amounted to €28.373.793 (2012: €23.620.878). Deferred tax assets are recognized to the extent that the related tax benefit may result.

From 1 January 2009 onwards, 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% from 1 January 2012 to 31 December 2013.

According to Income Tax Law, the Company and its subsidiaries where the company controls, directly or indirectly, at least 75% of the issued share capital, constitute a "group" for tax purposes. A "group" company would be entitled to transfer losses and offset them against profits among the companies of the group.

12 Taxation (continued)

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

Tax effects of components of other comprehensive income

The Group

	Year ended 31 December					
	2013			2012		
	Before tax €	**Tax (charge)/ credit €**	**After tax €**	Before tax €	Tax (charge)/ credit €	After tax €
Property, plant and equipment:						
Reversal of fair value gain	**(20.131.724)**	**3.997.139**	**(16.134.585)**	(23.155.210)	4.285.467	(18.869.743)
Associated companies:						
Changes in equity	**(440.220)**	**-**	**(440.220)**	3.355.539	-	3.355.539
Other comprehensive Income	**(20.571.944)**	**3.997.139**	**(16.574.805)**	(19.799.671)	4.285.467	(15.514.204)

13 Loss per share

Loss per share is calculated by dividing the loss attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

Basic and fully diluted

	31 December 2013	31 December 2012
Loss attributable to equity holders of the Company - €	**(8.955.473)**	(9.916.804)
Weighted average number of ordinary shares in issue	**137.610.833**	137.610.833
Loss per share - basic and fully diluted (cent per share)	**(6,51)**	(7,21)

14 Financial instruments by category

The Group

	Loans and receivables €	**Available for sale €**	**Total €**
31 December 2013			
Assets as per consolidated balance sheet			
Available for sale financial assets	-	2.848	2.848
Trade and other receivables	2.107.822	-	2.107.822
Cash and bank balances	198.874	-	198.874
Total	2.306.696	2.848	2.309.544

14 Financial instruments by category (continued)

The Group (continued)

	Other financial liabilities €	Total €
Liabilities as per consolidated balance sheet		
Borrowings	84.953.221	84.953.221
Trade and other payables	4.602.994	4.602.994
Total	89.556.215	89.556.215

	Loans and receivables €	Available for sale €	Total €
31 December 2012			
Assets as per consolidated balance sheet (as restated)			
Available for sale financial assets	-	2.848	2.848
Trade and other receivables	1.940.288	-	1.940.288
Cash and bank balances	71.091	-	71.091
Total	2.011.379	2.848	2.014.227

	Other financial liabilities €	Total €
Liabilities as per consolidated balance sheet (as restated)		
Borrowings	78.439.177	78.439.177
Trade and other payables	4.737.665	4.737.665
Total	83.176.842	83.176.842

The Company

	Loans and receivables €	Total €
31 December 2013		
Assets as per balance sheet		
Trade and other receivables	6.499.515	6.499.615
Cash and bank balances	217	217
	6.499.832	6.499.832
Total		

	Other financial liabilities €	Total €
Liabilities as per balance sheet		
Borrowings	19.604.190	19.604.190
Trade and other payables	512.062	512.062
Total	20.116.252	20.116.252

14 Financial instruments by category (continued)

The Company (continued)

	Loans and receivables €	Total €
31 December 2012		
Assets as per balance sheet		
Trade and other receivables	3.490.804	3.490.804
Cash and bank balances	537	217
Total	3.491.341	3.491.341

	Other financial liabilities €	Total €
Liabilities as per balance sheet		
Borrowings	16.491.167	16.491.167
Trade and other payables	256.739	256.739
Total	16.747.906	16.747.906

15 Credit quality of financial assets

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates:

	The Group		The Company	
	2013 €	As restated 2012 €	**2013 €**	2012 €
Trade receivables				
Counterparties without external credit rating				
Group 1	**1.007.530**	345.893	**-**	-
	1.007.530	345.893	**-**	-
Other receivables				
Group 2	**131.311**	496.482	**3.473.199**	2.890.768
Group 3	**902.524**	781.609	**750.247**	600.036
	1.033.835	1.278.091	**4.223.446**	3.490.804
Cash at bank and short term bank deposits				
Ca	**198.657**	-	**-**	-
Caa1	**-**	287	**-**	287
Caa2	**-**	250	**-**	250
Caa3	**217**	70.554	**217**	-
	198.874	71.091	**217**	537

Group 1 – existing customers with no defaults in the past.
Group 2 – companies within the group, common control companies, associates and companies with significant influence with no defaults in the past.
Group 3 – other receivables.

None of the financial assets that are fully performing or impaired has been renegotiated in the last year.

16 Property, plant and equipment

The Group

	Land and buildings €	Machinery and equipment €	Motor vehicles €	Furniture and fittings €	Cutlery and linen €	Total €
At 1 January 2012						
Cost or valuation	145.532.664	8.422.347	384.677	8.389.280	1.702.059	164.431.027
Accumulated depreciation	(7.668.970)	(6.433.822)	(353.838)	(6.479.233)	-	(20.395.863)
Net book amount	137.863.694	1.988.525	30.839	1.910.047	1.702.059	143.495.164
Year ended 31 December 2012						
Opening net book amount	137.863.694	1.988.525	30.839	1.910.047	1.702.059	143.495.164
Additions	45.644	364.796	47.700	71.242	211.498	740.880
Depreciation charge	(593.756)	(440.632)	(28.174)	(399.440)	(454.041)	(1.916.043)
Disposals	-	(125.161)	-	(7.456)	-	(132.617)
Impairment charge	(23.635.967)	-	-	-	-	(23.635.967)
Write off of depreciation due to impairment	482.141	-	-	-	-	482.141
Closing net book amount	114.161.756	1.787.528	50.365	1.574.393	1.459.516	119.033.558
At 31 December 2012						
Cost or valuation	121.942.341	7.190.339	426.337	8.213.735	1.913.557	139.686.309
Accumulated depreciation	(7.780.585)	(5.402.811)	(375.972)	(6.639.342)	(454.041)	(20.652.751)
Net book amount	114.161.756	1.787.528	50.365	1.574.393	1.459.516	119.033.558

16 Property, plant and equipment (continued)

	Land and buildings €	Machinery and equipment €	Motor Vehicles €	Furniture and fittings €	Cutlery and linen €	Total €
Year ended 31 December 2013						
Opening net book amount	114.161.756	1.787.528	50.365	1.574.393	1.459.516	119.033.558
Additions	170.097	86.714	-	124.873	209.791	591.475
Depreciation charge	(585.424)	(411.351)	(18.120)	(388.532)	(512.697)	(1.916.124)
Disposals	-	(10.661)	(133)	(4.262)	(4.253)	(19.309)
Impairment charge	(20.131.724)	-	-	-	-	(20.131.724)
Closing net book amount	93.614.705	1.452.230	32.112	1.306.472	1.152.357	97.557.876
At 31 December 2013						
Cost or valuation	101.816.322	7.236.820	425.200	8.321.233	2.116.484	119.916.059
Accumulated depreciation	(8.201.617)	(5.784.590)	(393.088)	(7.014.761)	(964.127)	(22.358.183)
Net book amount	93.614.705	1.452.230	32.112	1.306.472	1.152.357	97.557.876

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

	2013 €	2012 €
Net book amount	**19.309**	132.617
Loss on sale of property, plant and equipment (Note 6)	**(15.807)**	(38.539)
Proceeds from sale of property, plant and equipment	**3.502**	94.078

16 Property, plant and equipment (continued)

The Group's fair value reserve includes an amount of €113.967.992 in relation to the revaluation gain of property, which was included in property, plant and equipment up to 2008 and after the termination of cement production operations was transferred to investment property. During the year 2013 , the Company transferred the property to the fully owned subsidiary C.C.C. Real Estate Limited as part of the reorganization of the Group and therefore, the revaluation reserve was transferred to retained earnings in the balance sheet of the Company.

If the land and buildings were stated on the historical cost basis, the book value of land and buildings would be €68.768.956 (2012: €69.184.283).

Bank borrowings are secured on land and buildings of the Group as disclosed in Note 27.

As at 31 December 2013, the net book value of the bungalows which are subject to commitment agreements, as described in Note 32(iii), amounted to €1.519.972 (2012: €1.519.972).

Fair values of land and buildings

An independent valuation of the Group's land and buildings was performed by valuers to determine the fair value of the land and buildings as at 31 December 2013 and 2012. The revaluation deficit net of applicable deferred income taxes was charged to other comprehensive income and is shown in "fair value reserve" in equity. 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 using significant unobservable inputs (Level 3)

	31 December 2013
	€
Recurring fair value measurements	
- Hotel Complex – Cyprus [(1)]	97.500.000
	97.500.000

(1) The valuation was based on hotel complex as a whole, including other property, plant and equipment which are accounted for at historical cost. The value allocated to land and buildings amounts to €93.614.705. The sensitivity analysis was based on the total Hotel Complex, since the value of other items of property are not affected by changes in unobservable inputs.

16 Property, plant and equipment (continued)

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

Fair value measurements using significant unobservable inputs (Level 3)

	Hotel Complex €
Opening balance	118.951.446
Transfers to/ (from) Level 3	-
Additions	582.954
Disposals	(19.174)
Losses recognised in other comprehensive income	(20.131.724)
Depreciation charge	(1.883.502)
Closing balance	97.500.000

Valuation processes of the Group

The Board of Directors of the Group includes a team that performs the valuations of land and buildings required for financial reporting purposes, including Level 3 fair values.

On an annual basis, the Group engages external, independent and qualified valuers to determine the fair value of the Group's hotel complex.

On 31 December 2013, the Group's management received a report of the market value of the hotel Complex of subsidiary C.C.C. Tourist Enterprises Public Company Limited prepared by the independent professional valuer. The professional valuer holds a recognised relevant professional qualification and has recent experience in the locations and segments of the specific property, valued.The professional valuer has used various techniques, including the market value of recent transactions of comparable data, the capitalization of profits method based on the annual net profits of the hotel complex and the fair value method based on the gross operating profit (G.O.P). The professional valuer has selected the G.O.P. method as the most suitable approach to assess the value of the hotel complex, taking into account discussions with the Gorup's management and probable alternative uses, or possible increase of the G.O.P., based on the natural and legal characteristics of the property. Given the current conditions of the Cyprus property market, together with the current instability and uncertainty, there is no availability of formal comparable data. Therefore, the valuation of the property is categorised as Level 3 valuation.

On the basis of the above report, the Group's management reduced the value of the hotel complex by €20,1 million. The above reduction was recognised in equity since it reverses the revaluation surplus of the hotel complex recognised in previous years.

16 Property, plant and equipment (continued)

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

Description	Fair value at 31 December 2013 €	Valuation technique	Unobservable inputs	Range of unobservable inputs (probability – weighted average)	Relationship of unobservable inputs to fair values
Hotel complex - Cyprus	97.500.000	Fair value method based on the gross operating profit (G.O.P)	Gross operating profit	€6.350.000	The higher the gross operating profit, the higher the fair value

The Company

	Land and buildings €	Motor vehicles €	Furniture and fittings €	Total €
At 1 January 2012				
Cost	164.392	202.813	978	368.183
Accumulated depreciation	(157.817)	(193.026)	(657)	(351.500)
Net book amount	6.575	9.787	321	16.683
Year ended 31 December 2012				
Opening net book amount	6.575	9.787	321	16.683
Depreciation charge	(6.575)	(9.787)	(321)	(16.683)
Closing net book amount	-	-	-	-
At 31 December 2012				
Cost	164.392	202.813	978	368.183
Accumulated depreciation	(164.392)	(202.813)	(978)	(368.183)
Net book amount	-	-	-	-
Year ended 31 December 2013				
Opening net book amount	-	-	-	-
Depreciation charge	-	-	-	-
Closing net book amount	-	-	-	-
At 31 December 2013				
Cost	-	118.237	978	119.215
Accumulated depreciation	-	(118.237)	(978)	(119.215)
Net book amount	-	-	-	-

16 Property, plant and equipment (continued)

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

	2013	2012
	€	€
Net book amount	**-**	-
Profit on sale of property, plant and equipment (Note 6)	**3.500**	-
Proceeds from sale of property, plant and equipment	**3.500**	-

At 31 December 2013, the Company had property, plant and equipment with cost of €119.215 (2012: €368.183) which were fully depreciated but are still in use by the Company.

Property, plant and equipment which were used as security for Company's bank borrowings are disclosed in Note 27.

17 Investment property

The Group

Country	**Land for development in Cyprus**	**2013**	2012
	€	**€**	€
Fair Value at 1 January	**271.903.351**	**271.903.351**	271.960.330
Additions	**65.000**	**65.000**	103.021
Net loss from fair value adjustments on investment property (Note 6)	**-**	**-**	(160.000)
Fair value at 31 December	**271.968.351**	**271.968.351**	271.903.351

The Company

Country	**Land for development in Cyprus**	**2013**	2012
	€	**€**	€
Fair Value at 1 January	**270.500.000**	**270.500.000**	270.780.330
Additions	**906.391**	**906.391**	814.651
Net loss from fair value adjustments on investment property (Note 6)	**-**	**-**	(1.094.981)
Transfer to subsidiary due to reorganisation (Note 35)	**(270.569.441)**	**(270.569.441)**	-
Fair value at 31 December	**836.950**	**836.950**	270.500.000

The Company's/Group's investment property is measured at fair value. The Company/Group holds only one class of investment property being land in Cyprus.

The Company's policy is to recognise transfers into and out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer. There were no transfers in and out of levels during the year.

Investment property which was used as security for bank borrowings obtained by the Group and the Company are disclosed in Note 27.

17 Investment property (continued)

Valuation processes

The Company's investment properties were valued at 31 December 2013 by independent professionally qualified valuers who hold a recognised relevant professional qualification and have recent experience in the locations and segments of the investment properties valued. For all investment properties, their current use equates to the highest and best use. The investment properties were valued by an independent valuer based on the comparable method of valuation. Given the current conditions of Cyprus property market and the unavailability of adequate comparable data, the valuation of the investment properties is categorised as Level 3 valuation.

The Group’s/Company's finance department includes a team that review the valuations performed by the independent valuers for financial reporting purposes. This team reports directly to the chief financial officer (CFO) and the Board of Directors. At each financial year end the finance department:

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

Changes in Level 2 and 3 fair values are analysed at each reporting date during the quarterly valuation discussions between the CFO, the Board of Directors and the valuation team. As part of this discussion, the team presents a report that explains the reasons for the fair value movements.

The comparable prices used for the determination of the fair value of the property were adjusted to reflect the physical characteristics and urban data of the property (planning zones and building coefficient) as well as the market and financial trends and the prospects of the property.

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

Property	Valuation	Valuation technique	Unobservable inputs	Admission	Variation
Group					
Land for development in Cyprus	271.968.351	Comparable method	Price per square meter €230	Variation in market value of land + / - 15%	+/- €40.579.555
			Building coefficient 25%	Reduction in building coefficient (27.5% -35%)	€14.600.000 - €41.000.000 decrease
Company					
Land	836.950	Comparable method	Price per square meter €230	Variation in market value of land + / - 15%	+/- €125.543

18 Intangible assets

	Goodwill €	Total €
At 1 January 2012		
Cost	2.564.749	2.564.749
Impairment	-	-
Net book amount	2.564.749	2.564.749
Year ended 31 December 2012		
Opening and closing net book amount	2.564.749	2.564.749
Impairment charge	(2.564.749)	(2.564.749)
Closing net book amount	-	-
At 31 December 2012		
Cost	2.564.749	2.564.749
Impairment	(2.564.749)	(2.564.749)
Net book amount	-	-
Year ended 31 December 2013		
Opening net book amount	**-**	**-**
Closing net book amount	**-**	**-**
At 31 December 2013		
Cost	**2.564.749**	**2.564.749**
Impairment	**(2.564.749)**	**(2.564.749)**
Net book amount	**-**	**-**

Impairment test for goodwill

Goodwill included in the financial statements of the Group, comprises of goodwill which arose on the acquisition of the subsidiary company C.C.C. Tourist Enterprises Public Company Limited. The goodwill has been fully impaired during the year 2012.

19 Investments in associates

	The Group		**The Company**	
	2013 €	2012 €	**2013 €**	2012 €
At beginning of year	**55.799.131**	52.841.065	**52.597.405**	52.597.405
Share of loss after tax	**(2.783.253)**	(124.476)	**-**	-
Share of changes in equity	**(440.220)**	3.355.539	**-**	-
Dividends (Note 7)	**-**	(272.997)	**-**	-
At end of year	**52.575.658**	55.799.131	**52.597.405**	52.597.405

Investment in associate is accounted for in accordance with the Group's accounting policy under the equity method. The associated company is a significant strategic investment for the financial position and performance of the Company and the Group.

19 Investments in associates (continued)

The investment in associate is as follows:

	Country	Principal activities	% interest held
2013			
Vassiliko Cement Works Public Company Limited	Cyprus	Production and sale of cement	25,3%
2012			
Vassiliko Cement Works Public Company Limited	Cyprus	Production and sale of cement	25,3%

The associated company Vassiliko Cement Works Public Company Limited is listed on the Cyprus Stock Exchange. On 31 December 2013, the fair value of the investment in associate company based on the market price was €9.827.889 (2012: € 7.989.710). The fair value of shares held in the associate company based on the market price is not representative since they are not traded in an active market.

There are no contingent liabilities relating to the Group's / Company's investments in associates.

Set out below are the summarised financial information of the associate company:

Summarised balance sheet

	2013 **€**	2012 €
Current assets	**34.336.000**	46.600.000
Non-current assets	**278.471.000**	295.278.000
Current liabilities	**(19.396.000)**	(24.200.000)
Non-current liabilities	**(85.602.000)**	(97.128.000)
Net assets [(1)]	**207.809.000**	220.550.000

Summarised statement of comprehensive income

	2013 **€**	2012 €
Revenue	**79.594.000**	69.475.000
Loss for the year	**(11.001.000)**	(1.354.000)
Other comprehensive (losses)/ income	**(1.740.000)**	13.461.000
Total comprehensive (loss)/ income for the year	**(12.741.000)**	12.107.000

The information stated above reflect the amounts presented in the consolidated financial statements of the associate company.

19 Investments in associates (continued)

Consolidated summary of financial information

Reconciliation of the summarised financial information presented to the carrying amount of its interest in associate is as follows:

	2013	2012
	€	€
Summarised financial information		
Net assets at 1 January [1]	**220.550.000**	208.443.000
Loss of the year	**(11.001.000)**	(1.354.000)
Other comprehensive (losses)/income for the year	**(1.740.000)**	13.461.000
Net assets at 31 December	**207.809.000**	220.550.000
Share of the investment in associate – 25,3%	**52.575.658**	55.799.131
Carrying value	**52.575.658**	55.799.131

(1) Non-current assets and net assets have been adjusted in order to consider fair value adjustments arising on the acquisition of the associated company.

20 Investments in subsidiaries

	The Company	
	2013	2012
	€	€
At beginning of year	**30.983.682**	39.783.182
Additions [1]	**266.831.472**	-
Impairment of investment in subsidiary [2]	**(14.866.880)**	(8.800.000)
At end of year	**282.948.274**	30.983.682

(1) Additions in 2013 relate to acquisition of 999 998 shares in the subsidiary company C.C.C. Real Estate Limited with nominal value of €1 each for €266.831.472, as part of the restructuring of the Group (Note 35).

(2) At the end of year, following an impairment assessment of the subsidiary company C.C.C. Tourist Enterprises Public Company Limited the Company recognised impairment charge of €14.866.880. The calculation of the impairment charge was based on the fair value of the net assets of the subsidiary company and on the transaction disclosed in Note 34.

20 Investments in subsidiaries (continued)

Name	Country of incorporation	Principal activities	% interest held 31 December 2013 %	31 December 2012 %
CCC Laundries Limited	Cyprus	Industrial laundry and dry cleaning services - dormant	100,00	100,00
C.C.C. Tourist Enterprises Public Company Limited	Cyprus	Holding of investments in hotel and tourism industry - listed in CSE	67,29	67,29
C.C.C. Secretarial Limited	Cyprus	Secretarial and administration services	53,46	53,46
C.C.C. Real Estate Limited	Cyprus	Holding and development of investment property	100,00	-
Subsidiaries of CCC Laundries Limited				
White Linen (Famagusta) Limited	Cyprus	Dormant	**63,00**	63,00
CCC Laundries (Paphos) Limited	Cyprus	Dormant	**100,00**	100,00
Subsidiary of C.C.C. Tourist Enterprises Public Company Limited				
L'Union Nationale (Tourism and Sea Resorts) Limited	Cyprus	Hotel and tourism	**67,29**	67,29

The total non-controlling interest as at 31 December 2013 amounted to €7.831.774 and is mainly attributed to C.C.C. Tourist Enterprises Public Company Limited, with non-controlling interest of €7.834.000. The percentage non-controlling interest in C.C.C. Tourist Enterprises Public Company Limited is 32,71%. The share of loss for the year ended 31 December 2013 attributed to the non-controlling interest of C.C.C. Tourist Enterprises Public Company Limited was €1.967.743.

Summarised financial information on subsidiaries with material non-controlling interests

Summarised balance sheet (as restated)

	C.C.C. Tourist Enterprises Public Company Limited 2013 €	2012 €
Current assets	**2.971.539**	2.521.252
Current liabilities	**(14.849.467)**	(16.732.755)
Net current liabilities	**(11.877.928)**	(14.211.503)
Non-current assets	**98.655.539**	120.214.757
Non-current liabilities	**(62.827.753)**	(59.904.156)
Net non-current assets	**35.827.786**	60.310.601
Net assets	**23.949.858**	46.099.098

20 Investments in subsidiaries (continued)

Summarised financial information on subsidiaries with material non-controlling interests (continued)

Summarised income statement (as restated)

	C.C.C. Tourist Enterprises Public Company Limited	
	2013	2012
	€	€
Revenue	**15.766.089**	20.771.799
Loss before tax	**(4.629.390)**	(2.284.263)
Net loss	**(6.014.655)**	(7.039.516)
Other comprehensive loss	**(16.134.585)**	(18.868.359)
Total comprehensive loss	**(22.149.240)**	(25.907.875)
Total comprehensive loss attributed to non-controlling interest	**(7.245.066)**	(8.478.385)

Summarised cash flows (as restated)

	C.C.C. Tourist Enterprises Public Company Limited	
	2013	2012
	€	€
Cash flows from operating activities		
Cash generated from operations	**709.083**	2.957.128
Income tax paid	**(2.662)**	(47.350)
Net cash generated from operating activities	**706.421**	2.909.778
Net cash used in investing activities	**(586.213)**	(762.291)
Net cash used in financing activities	**(1.189.528)**	(2.672.945)
Net decrease in cash, cash equivalents and bank overdrafts	**(1.069.320)**	(525.458)
Cash, cash equivalents and bank overdrafts at beginning of year	**(8.860.013)**	(8.334.555)
Cash, cash equivalents and bank overdrafts at end of year	**(9.929.333)**	(8.860.013)

The information above is the amount before inter-company eliminations.

21 Investment in joint venture

The Group has the following investment in joint venture, which is unlisted:

Name of entity	Country of incorporation	Principal activities	% of ownership interest 31 December 2013 %	 31 December 2012 %
L'Union Branded Residences	Cyprus	Development and sale of up-market residential properties	**50**	50

The movement of investments in joint venture is analysed as follows:

	2013 €	As restated 2012 €
Land used in partnership	**1.171.967**	1.171.967
Balance 1 January	**85.616**	-
Contributions during the year	**3.259**	95.488
Share of loss for the year	**(110.446)**	(9.872)
Balance 31 December	**(21.571)**	85.616
Total investment in joint venture	**1.150.396**	1.257.583

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

	2013 €	2012 €
Available for sale financial assets	**58.699**	-
Other financial assets – restricted deposits	**200.998**	-
Land and buildings under construction– inventories	**3.135.638**	2.859.388
Trade and other receivables	**13.165**	19.726
Cash and cash equivalents	**8.360**	874.480
Trade and other payables	**(2.253.299)**	(1.238.428)
Total	**2.300.792**	2.515.166
Group's share of net assets	**1.150.396**	1.257.583
Group's share of total revenue	**-**	-
Group's share of total loss for the year	**(110.446)**	(9.872)

All assets and liabilities are classified as current. There are no contingent liabilities relating to the group's interest in the joint venture.

22 Available-for-sale financial assets

	The Group		The Company	
	2013	2012	**2013**	2012
	€	€	**€**	€
At the beginning and end of year	**2.848**	2.848	**-**	-
	2.848	2.848	**-**	-

The available for sale financial assets which are not listed are analysed as follows:

	The Group		The Company	
	2013	2012	**2013**	2012
	€	€	**€**	€
Euro - functional and presentation currency	**2.848**	2.848	**-**	-

23 Land under development and inventories

	The Group		The Company	
		As restated (Note 31)		
	2013	2012	**2013**	2012
	€	€	**€**	€
Raw materials, spare parts and other consumables	**199.795**	224.642	**-**	-
Food and beverage	**183.895**	236.021	**-**	-
Spa and health club supplies	**94.627**	120.989	**-**	-
Cleaning supplies	**273.737**	267.471	**-**	-
Land under development[(1)]	**790.333**	790.333	**-**	-
	1.542.387	1.639.456	**-**	-

(1) The land under development will be used for the construction and subsequent sale of luxury villas.

24 Trade and other receivables

	The Group		The Company	
		As restated (Note 31)		
	2013	2012	**2013**	2012
	€	€	**€**	€
Trade receivables	**1.158.822**	744.717	**-**	-
Less: Provision for impairment of trade receivables	**(84.835)**	(82.520)	**-**	-
Trade receivables- net	**1.073.987**	662.197	**-**	-
Receivables from related parties (Note 33 (v))	**131.311**	496.482	**5.749.368**	2.890.768
Other receivables	**959.317**	838.402	**807.040**	656.829
Less: provision for impairment – other receivables	**(56.793)**	(56.793)	**(56.793)**	(56.793)
	2.107.822	1.940.288	**6.499.615**	3.490.804

24 Trade and other receivables (continued)

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

The Company

As of 31 December 2013, receivables of €4.223.446 (2012: €3.490.804) were fully performing.

Receivables from related parties of €2.276.169 were past due but not impaired.

As of 31 December 2013, other receivables of €56.793 (2012: €56.793) were impaired and provided for.

The Group

As of 31 December 2013, trade receivables of €1.007.530 (2012: €345.893) were fully performing.

Trade receivables that are less than four months past due are not considered impaired. As of 31 December 2013, trade receivables of €66.457 (2012: €316.304) were past due but not impaired. The ageing analysis of these trade receivables is as follows:

	The Group	
	2013	2012
	€	€
Over 6 months	**66.457**	316.304

As of 31 December 2013, trade receivables of €141.628 (2012: €139.313) were impaired and provided for. The amount of the provision was €141.628 as of 31 December 2013 2012: €139.313).

The ageing of the receivables that were provided for is as follows:

	The Group		The Company	
	2013	2012	**2013**	2012
	€	€	**€**	€
Over 6 months	**141.628**	139.413	**56.793**	56.793

Movements in the Company's/Group's provision for impairment of trade receivables are as follows:

	The Group		The Company	
	2013	2012	**2013**	2012
	€	€	**€**	€
At 1 January	**139.313**	197.169	**56.793**	106.152
Provision for receivables impairment	**13.607**	27.726		-
Receivables written off during the year as uncollectible	**-**	(68.921)	**-**	(49.359)
Unused amounts reversed	**(11.292)**	(16.661)	**-**	-
At 31 December	**141.628**	139.313	**56.793**	56.793

24 Trade and other receivables (continued)

The Group (continued)

The creation and release of provision for impaired receivables have been included in 'administrative expenses' in profit or loss (Note 8). Amounts charged to the provision account are generally written off, when there is no expectation of recovering additional cash.

The maximum exposure to credit risk at the balance sheet date is the carrying value of each class of receivables mentioned above.

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

	The Group		The Company	
	2013	2012	**2013**	2012
	€	€	**€**	€
Euro	**2.107.822**	1.940.288	**6.777.166**	3.490.804

25 Cash and cash equivalents

	The Group		The Company	
		Restated (Note 31)		
	2013	2012	**2013**	2012
	€	€	**€**	€
Cash at bank and in hand	**198.874**	71.091	**217**	537
	198.874	71.091	**217**	537

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

	The Group		The Company	
		Restated (Note 31)		
	2013	2012	**2013**	2012
	€	€	**€**	€
Cash and cash equivalents	**198.874**	71.091	**217**	537
Bank overdrafts (Note 27)	**(12.295.536)**	(11.858.617)	**(1.692.247)**	(1.685.542)
	(12.096.662)	(11.787.526)	**(1.692.030)**	(1.685.005)

26 Share capital and share premium

	31 December 2013			31 December 2012		
	Number of shares	**Ordinary share capital €**	**Share premium €**	Number of shares	Ordinary share capital €	Share premium €
Issued and fully paid						
At beginning of year	**137.610.883**	**59.172.679**	**848.729**	137.610.883	59.172.679	848.729
At end of year	**137.610.883**	**59.172.679**	**848.729**	137.610.883	59.172.679	848.729

The total authorised number of ordinary shares is 200 000 000 shares (2012: 200 000 000 shares) with a nominal value of €0,43 per share (2012: nominal value of €0,43 per share). All issued shares are fully paid.

27 Borrowings

	The Group		The Company	
	2013 €	2012 €	**2013 €**	2012 €
Current				
Bank overdrafts (Note 25)	**12.295.536**	11.858.617	**1.692.247**	1.685.542
Bank borrowings	**3.334.777**	6.901.351	**3.176.677**	2.824.000
Borrowings from related companies (Note 33 (vi))	**857.000**	-	**-**	-
	16.487.313	18.759.968	**4.862.220**	4.509.542
Non-current				
Bank borrowings	**64.598.446**	57.821.792	**10.902.753**	10.165.982
Borrowings from related companies (Note 33 (vi))	**3.867.462**	1.857.417	**3.832.513**	1.815.643
	68.465.908	59.679.209	**14.735.266**	11.981.625
Total borrowings	**84.953.221**	78.439.177	**19.604.190**	16.491.167

The bank loans are repayable by monthly and six monthly instalments by 2020. The bank loans and overdrafts are secured as follows:

The Group

(i) By mortgage of Group's land and buildings included in property, plant and equipment for the amount of €35,1 million (2012 :€ 35,16 million).

(ii) By mortgage of Group's land included in investment property for the amount of €34,3 million (2012 :€ 25,8 million).

(iii) By fixed and floating charge on Group's assets for €11,9 million (2012: €11,9 million).

(iv) By corporate guarantees of Group companies for the amount of €55 million (2012: €20 million).

(v) By personal guarantees of the Directors for the amount of €4,1 millions (Note 33 (ix)).

(vi) By negative pledge of subsidiary company not to proceed with mortgage on the assets without the banks prior approval.

27 Borrowings (continued)

The Company

(i) By mortgage of the land transferred to the subsidiary company due to restructuring (Note 35) for the amount of €19,5 million (2012: €19,5 million). This land was included in investment property in 2012.
(ii) By floating charge on the company's assets for the amount of €5,1 million (2012: €5,1 million).
(iii) By personal guarantees of the Directors for the amount of €4,1 millions (Note 33 (ix)).

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

	2013	2012
	%	%
Bank overdrafts (Euro)	**7,62**	7,13
Bank borrowings (Euro)	**5,50**	6,28
Bank borrowings (Swiss Francs)	**-**	4,52
Borrowings from related parties	**6,50**	6,50

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

The carrying amounts of short-term bank overdrafts and bank loans approximate their fair value.

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

	The Group		**The Company**	
	2013	2012	**2013**	2012
	€	€	**€**	€
Euro	**84.953.221**	74.089.429	**19.604.190**	16.491.167
Swiss Francs	**-**	4.349.748	**-**	-
	84.953.221	78.439.177	**19.604.190**	16.491.167

The exposure of the borrowings to interest rate changes and the contractual repricing dates at the balance sheet date is as follows:

	The Group		**The Company**	
	2013	2012	**2013**	2012
	€	€	**€**	€
6 months or less	**84.953.221**	78.439.177	**19.604.190**	16.491.167

27 Borrowings (continued)

The Company/Group has the following undrawn borrowing facilities:

	The Group		The Company	
	2013	2012	**2013**	2012
	€	€	**€**	€
Floating rate:				
Expiring within one year	**550.378**	285.327	**158.239**	53.835

The facilities expiring within one year are annual facilities subject to review at various dates during 2014.

28 Deferred income tax liabilities

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

	The Group		The Company	
	2013	2012	**2013**	2012
	€	€	**€**	€
Deferred income tax liabilities				
Deferred tax liabilities to be recovered after more than twelve months	**63.598.833**	66.215.116	**53.565.714**	53.565.714
Deferred income tax liabilities - net	**63.598.833**	66.215.116	**53.565.714**	53.565.714

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

	The Group		The Company	
	2013	2012	**2013**	2012
	€	€	**€**	€
At the beginning of the year	**66.215.116**	65.732.801	**53.565.714**	53.471.683
Charge to profit or loss (Note 12)	**1.380.856**	4.767.782	**-**	94.031
Tax credit relating to components of other comprehensive income	**(3.997.139)**	(4.285.467)	**-**	-
At end of year	**63.598.833**	66.215.116	**53.565.714**	53.565.714

28 Deferred income tax liabilities (continued)

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

The Group

	Difference between depreciation and wear and tear allowance €	Revaluation of property, plant and equipment €	Investment property €	Tax losses €	Total €
At 1 January 2012	4.598.442	12.128.911	53.603.889	(4.598.441)	65.732.801
Chaged/(credited) to:					
Profit or loss (Note 12)	107.310	-	62.031	4.598.441	4.767.782
Statement of changes in equity:					
Other comprehensive income	-	(4.285.467)	-	-	(4.285.467)
At 31 December 2012	4.705.752	7.483.444	53.665.920	-	66.215.116
At 1 January 2013	4.705.752	7.483.444	53.665.920	-	66.215.116
Chaged/(credited) to:					
Profit or loss (Note 12)	1.380.856	-	-	-	1.380.856
Statement of changes in equity:					
Other comprehensive income	-	(3.997.139)	-	-	(3.997.139)
At 31 December 2013	6.086.608	3.846.305	53.665.920	-	63.598.833

The Company

	Investment property €	Investment in subsidiary companies €	Total €
At 1 January 2012	53.471.683	-	53.471.683
Charged:			
Profit or loss (Note 12)	94.031	-	94.031
At 31 December 2012	53.565.714	-	53.565.714
At 1 January 2013	53.565.714	-	53.565.714
Transfer due to restructuring[1]	(53.565.714)	53.565.714	-
At 31 December 2013	-	53.565.714	53.565.714

(1) The tax based on the investment in subsidiary is the same as the tax base of the investment property transferred to the subsidiary due to restructuring (Note 35).

28 Deferred income tax liabilities (continued)

Deferred tax

(i) Due to the increase of the corporate tax rate from 10% to 12,5% with effect from 1 January 2013 the deferred tax liability relating to accelerated capital allowances was increased by € 1,2 million.

(ii) Deferred tax was calculated using tax rate at 12,5%, while the share of temporary differences arising from the revaluation of land was calculated using tax rate of 20% which is the current rate of taxation on capital gains, taking into account indexation.

(iii) The offsetting of deferred tax assets and liabilities is considered appropriate as it relates to taxes imposed within the same tax jurisdiction.

29 Trade and other payables

	The Group		The Company	
	2013 **€**	As restated (Note 31) 2012 €	**2013** **€**	2012 €
Trade payables	**2.196.186**	3.948.735	**100.846**	85.600
Payables to related parties (Note 33 (v))	**386.333**	464.740	**253.653**	8.648
Other payables and accrued expenses	**2.020.475**	324.190	**157.849**	162.491
	4.602.994	4.737.665	**512.062**	256.739

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

30 Provisions

	The Group		The Company	
	2013 **€**	2012 €	**2013** **€**	2012 €
Provision for dismantling of machinery and equipment:				
At the beginning of the year	**1.181.653**	1.904.762	**1.181.653**	1.904.762
Charged/(credited) to profit or loss:				
Adjustment of provision (Note 7)	**-**	(479.762)	**-**	(479.762)
Dismantling expenses incurred	**(790.438)**	(243.347)	**(790.438)**	(243.347)
	391.215	1.181.653	**391.215**	1.181.653

	The Group		The Company	
	2013 **€**	2012 €	**2013** **€**	2012 €
Current	**391.215**	1.181.653	**391.215**	1.181.653
	391.215	1.181.653	**391.215**	1.181.653

31 Prior year adjustment

The Group has early adopted the International Financial Reporting Standard 11 “Joint Arrangements” (IFRS 11) which replaces the International Accounting Standard 31 “Interests in joint ventures” (IAS 31). This resulted in the change of accounting policy for joint ventures.

In accordance with IFRS 11 the use of equity method is compulsory in contrast to IAS 31 which allowed the proportionate consolidation method, which was the method used by the Group on the date of the incorporation of the joint venture L’ Union Branded Residences in 2011. As a result the comparative figures of the consolidated statement of comprehensive income and the consolidated balance sheet have been restated to conform with the application of the equity method of accounting which is used as from 1 January 2013.

Following the above, the consolidated statement of comprehensive income and the consolidated balance sheet as at 31 December 2012 and for the period ended 31 December 2012 respectively, have been restated.

The change in accounting policy did not have any impact on the net assets of the periods presented. The effects of the change in accounting policies on the consolidated income statement, statement of comprehensive income and the cash flows of the Group are summarised below. The change in accounting policy has had no impact on earnings per share.

Effect on the consolidated balance sheet

	31 December 2012		
	As previously stated	**Restatements and reclassifications**	**As restated**
	€	**€**	**€**
Land under development and inventories	3.069.150	(1.429.694)	1.639.456
Trade and other receivables	1.950.151	(9.863)	1.940.288
Investment in joint venture	-	1.257.583	1.257.583
Cash and cash equivalents	508.331	(437.240)	71.091
Trade and other payables	(5.356.879)	619.214	(4.737.665)
	170.753	-	170.753

	1 January 2012		
	As previously stated	**Restatements and reclassifications**	**As restated**
	€	**€**	**€**
Land under development and inventories	3.136.933	(1.147.174)	1.989.759
Trade and other receivables	1.689.198	(24.793)	1.664.405
Investment in joint venture	-	1.171.967	1.171.967
Cash and cash equivalents	1.720.146	-	1.720.146
Trade and other payables	(5.508.846)	-	(5.508.846)
	1.037.431	-	1.037.431

31 Prior year adjustment (continued)

Effect on the consolidated statement of comprehensive income

	Year ended 31 December 2012		
	As previously stated	**Restatements and reclassifications**	**As restated**
	€	**€**	**€**
Operating and administrative expenses	(9.836.996)	9.781	(9.827.215)
Finance costs	(4.396.558)	91	(4.396.467)
Share of loss of joint venture	-	(9.872)	(9.872)
	(14.233.554)	-	(14.233.554)

The remaining elements of the consolidated balance sheet and the consolidated statement of comprehensive income were not affected.

Effect on the consolidated statement of cashflows

	Year ended 31 December 2012		
	As previously stated	**Restatements and reclassifications**	**As restated**
	€	**€**	**€**
Net cash generated from/(used in) operating activities	162.466	(361.826)	(199.360)
Net cash used in investing activities	(732.361)	(75.414)	(807.775)
Net increase/(decrease) in cash, cash equivalents and bank overdrafts	76.905	(437.240)	(360.335)

The Management has not presented a third balance sheet as at 1 January 2012. Management considered materiality and concluded that there was no significant impact on the consolidated balance sheet t the beginning of the prior year and sufficient disclosures are presented in the Notes to the consolidated financial statements. The omission of the notes to the additional opening balance sheet is, therefore, in management's view, not material.

32 Contingencies and commitments

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

The Company leases land from the Cyprus Republic at an annual rental of €8.692, which is included in other operating expenses.

In addition to the lease above which is made by the Company, the subsidiary company L'Union Nationale (Tourism and Sea Resorts) Limited leases from the the Cyprus Republic an area of 17.308 sq.m. of beach land at an annual rental fee of €110.897 which has been included in other operating expenses in profit or loss. The lease expires on 17 January 2019 and the subsidiary has the right to renew it for two consecutive additional periods of 33 years each.

As per the lease agreement the annual rental fee is subject to revision every five years.

32 Contingencies and commitments (continued)

(i) Operating lease commitments – where the Group is the lessee (continued)

In addition to the above, the Group through its subsidiary CCC Laundries Limited, has obligations relating to leases of industrial plots, numbers 8 and 9, located in the Limassol Industrial Area.

The lease relating to the industrial plot number 8 expired on 30 April 2009 and was renewed for an additional period of 33 years. The subsidiary company has the right to renew it for one more consecutive additional period of 33 years. Lease rent is reviewed every five years. Lease rent for the years ended 2013 and 2012 was €917 per annum.

The lease relating to the industrial plot number 9 ended on 31 January 2010 and was renewed for an additional period of 33 years. The subsidiary has the right to renew it for one more consecutive additional period of 33 years. Lease rent is reviewed every five years. Lease rent for the years ended 31 December 2013 and 2012 was €536,94 per annum.

On the basis of the above, at the end of the year, the future minimum amounts payable under the leases, assuming the leases are renewed for the additional two consecutive 33 years' periods based on the current annual rental fees, are as follows:

On the basis of the above, at the end of the year, the future minimum amounts payable under the leases, assuming the leases are renewed for the additional two consecutive 33 years' periods based on the current annual rental fees, are as follows:

	2013	2012
	€	€
Within 1 year	**110.897**	110.897
Between 2 to 5 years	**443.587**	443.587
Later than 5 years	**7.319.186**	7.430.083
	7.873.670	7.984.567

(ii) Capital commitments

Dismantling of machinery and equipment

Capital expenditure for which contracts have been signed during the balance sheet date but not yet completed amounted to €391.215 (2012: €1.181.653), and relate to a contract for the dismantling of machinery and equipment on the investment property

Construction contracts

The subsidiary company L'Union National (Tourism and Sea Resorts) Ltd holds a 50% interest in the partnership L' Union Branded Residences (the "Partnership") which was created to develop up-market luxury residential properties. For this purpose, the "partnership" signed a contract with a specific contractor for the construction of these properties. The total amount of the contract is €4.200.000 and is expected to be completed by May 2014.

32 Contingencies and commitments (continued)

(ii) Capital commitments (continued)

The total cost of construction carried out until 31 December 2013 amounts to €1.602.572 and is part of the property under construction of the Partnership. The difference of €2.597.428 represents the balance of the contract that the Partnership is committed to pay for the completion of the project.

Pursuant to the provisions of the contract the partnership may at any time terminate the contract and pay to the contractor only the amount of work that has been completed by that time as well as any other materials paid by the contractor.

(iii) Long-term commitment for the use of bungalows

The subsidiary company L'Union National (Tourism and Sea Resorts) Ltd entered into agreements with third parties and committed for the use of 23 bungalows for a period of around thirty-three years.

(iv) Other contingent liabilities of the Company

The Company has guaranteed bank overdrafts and loans of related companies as described in Note 33(vii)). No obligations are expected to arise for the Company with respect to these guarantees.

33 Related party transactions

The Company is controlled by C.C.C. Holdings & Investments Public Company Limited (holding company), which is registered in Cyprus. The ultimate holding company is George S. Galatariotis & Sons Limited, also registered in Cyprus.

The related companies are companies under common control, companies controlled by the Directors of the Company and companies exercising significant influence to the Group and the Company.

The following transactions were carried out with related parties:

(i) Purchases of services

	The Group		The Company	
	2013	2012	**2013**	2012
	€	€	**€**	€
Related companies:				
Secretarial and administration services [1]	**-**	-	**685.000**	884.980
Rent	**201.794**	209.628	**-**	-
	201.794	209.628	**685.000**	884.980

[1] During 2013, an amount of €563.840 (2012: €711.630) related to services charged for the future development of land included in investment property. This amount was capitalized within investment property in the separate financial statements of the Company.

33 Related party transactions (continued)

(ii) Sales of services

	The Group		The Company	
	2013	2012	**2013**	2012
	€	€	**€**	€
Secretarial and administration services:				
Holding company	**50.000**	54.960	**-**	-
Related companies	**566.061**	620.542	**-**	-
Ultimate holding company	**63.900**	51.877	**-**	-
	679.961	727.379	**-**	-

(iii) Interest on balances with related parties

	The Group		The Company	
	2013	2012	**2013**	2012
	€	€	**€**	€
Subsidiary companies	**-**	-	**-**	185.633
Interest payable (Note 11):				
Holding company	**6.367**	7.868	**-**	-
Subsidiary companies	**-**	-	**4.825**	-
Related company	**167.531**	124.360	**135.361**	90.638
	173.898	132.228	**140.186**	90.638

(iv) Key management personnel and Directors' compensation

The total remuneration of key management personnel (including also Directors' remuneration) was as follows:

	The Group		The Company	
	2013	2012	**2013**	2012
	€	€	**€**	€
Director fees	**12.900**	12.900	**8.000**	8.000
Director emoluments	**537.861**	696.768	**-**	-
Total Directors	**550.761**	709.668	**8.000**	8.000
Remuneration of key management personnel	**193.125**	231.298	**-**	-
	743.886	940.966	**8.000**	8.000

33 Related party transactions (continued)

(iv) Key management personnel and Directors' compensation (continued)

The Group

Year ended 31 December 2012	Fees €	Salaries and employer contributions €	Employer's contribution to provident fund €	Total €
Executive Directors				
George St. Galatariotis	1.400	135.203	16.267	152.870
Costas St. Galatariotis	1.400	236.405	27.436	265.241
Stavros G. St. Galatariotis	1.400	84.913	9.705	96.018
Tasos Anastasiou	1.400	81.597	9.274	92.271
Vassos G. Lazarides	3.100	86.108	9.860	99.068
	8.700	624.226	72.542	705.468
Non-executive Directors				
Thomas M. Schmidheiny	1.400	-	-	1.400
Michalis Moushouttas	1.400	-	-	1.400
Antonis Antoniou	1.400	-	-	1.400
	4.200	-	-	4.200
Total	**12.900**	**624.226**	**72.542**	**709.668**

Year ended 31 December 2013	Fees €	Salaries and employer contributions €	Employer's contribution to provident fund €	Total €
Executive Directors				
George St. Galatariotis	1.400	115.172	3.046	119.618
Costas St. Galatariotis	1.400	202.960	5.690	210.050
Stavros G. St. Galatariotis	1.400	74.089	1.890	77.379
Tasos Anastasiou	1.400	70.684	1.814	73.898
Vassos G. Lazarides	3.100	75.180	1.342	79.622
	8.700	538.085	13.782	560.567
Non-executive Directors				
Thomas M. Schmidheiny	1.400	-	-	1.400
Michalis Moushouttas	1.400	-	-	1.400
Antonis Antoniou	1.400	-	-	1.400
	4.200	-	-	4.200
Total	**12.900**	**538.085**	**13.782**	**564.767**

33 Related party transactions (continued)

(iv) Key management personnel and Directors' compensation (continued)

The Company

	Fees €	Salaries and employer contributions €	Employer's contribution to provident fund €	Total €
Years ended 31 December 2012 and 2013				
Executive Directors				
George St. Galatariotis	1.000	-	-	1.000
Costas St. Galatariotis	1.000	-	-	1.000
Stavros G. St. Galatariotis	1.000	-	-	1.000
Tasos Anastasiou	1.000	-	-	1.000
Vassos G. Lazarides	1.000	-	-	1.000
	5.000	-	-	5.000
Non-executive Directors				
Thomas M. Schmidheiny	1.000	-	-	1.000
Michalis Moushouttas	1.000	-	-	1.000
Antonis Antoniou	1.000	-	-	1.000
	3.000	-	-	3.000
Total	**8.000**	**-**	**-**	**8.000**

(v) Year end balances

	The Group		The Company	
	2013 €	2012 €	**2013 €**	2012 €
Receivable from related parties (Note 24):				
Related companies	**131.311**	223.485	**12.781**	12.539
Associated companies	**-**	272.997	**-**	272.997
Subsidiary companies [1]	**-**	-	**5.736.587**	2.605.232
	131.311	496.482	**5.749.368**	2.890.768
Payable to related parties (Note 29):				
Subsidiary companies	**-**	-	**149.375**	8.516
Other related companies	**82.749**	17.893	**-**	132
Holding company	**104.328**	97.960	**104.328**	-
Company exercising significant influence to the Group	**199.256**	348.887	**-**	-
	386.333	464.740	**253.703**	8.648

(1) Receivable balance from subsidiary companies amounting to of €2.276.169 is from financing facilities and does not bear interest (2012: bore interest at 6,5%). During the year the Company waived part of the receivable from the subsidiary company amounting to €1.044.000, which was considered as non-recoverable. Receivable from the subsidiary C.C.C. Real Estate Limited amounting to €3.410.418 arose due to the time needed from the bank for the transfer of the bank loan as per the provisions of the restructuring plan (Note 35).

33 Related party transactions (continued)

(v) Year end balances (continued)

Receivable from related and associated companies arose from sales/purchases of services and do not bear interest.

Payables to related parties arose from purchases/sales of services, bear average annual interest at 6,5% (2012: 7%) and are repayable on demand.

(vi) Loans from related companies

	The Group		The Company	
	2013	2012	**2013**	2012
	€	€	**€**	€
Loans from company which exercises significant influence on the Group:				
At beginning of year	**1.857.417**	1.190.005	**1.815.643**	1.190.005
Loans advanced during year	**2.728.509**	583.000	**1.881.509**	535.000
Repayments during year	**(9.540)**	(9.540)	**-**	-
Interest paid (Note 33 (iii))	**138.076**	93.952	**135.361**	90.638
At end of year (Note 27)	**4.714.462**	1.857.417	**3.832.513**	1.815.643

The loan from the company that exercises significant influence on the Group bears interest at Euribor +2% (average annual interest 6,5%) and is unsecured. Loan amounting to €857.000 is repayable within one year and the remaining loan is repayable between 3 and 8 years.

(viii) Guarantees for loans provided to related companies

The Company/the Group has guaranteed bank loans and overdrafts of related parties as follows:

	2013		2012	
	Guarantees on investment roperty	**Corporate guarantees**	Guarantees on investment property	Corporate guarantees
	€	**€**	€	€
Subsidiary companies	**8.500.000**	**55.037.000**	2.500.000	20.000.000
Ultimate holding company	**4.800.000**	**4.800.000**	-	-
Holding company	**9.250.000**	**9.250.000**	-	-
Other related companies under common control	**1.770.000**	**1.770.000**	-	-
	15.820.000	**15.820.000**	-	-
	24.320.000	**70.857.000**	2.500.000	20.000.000

33 Related party transactions (continued)

(ix) Personal guarantees of Directors

Bank borrowings and overdrafts of the Company and the Group are secured by personal guarantees of the Directors for the amount of €4,1 millions (Note 27).

34 Loss of control in the subsidiary company L 'Union Nationale (Tourism and Sea Resorts) Ltd

On 23 October 2013, the subsidiary company C.C.C. Tourist Enterprises Public Company Limited signed an “Agreement and plan of Subscription” with Emerald Coast Properties Ltd, “Investor”, according to which the its subsidiary company, L’ Union Nationale (Tourism and Sea Resorts) Ltd, would issue at par 20.000.000 shares of a new class, with a nominal value of €1 each, to be subscribed by the Investor, with C.C.C. Tourist Enterprises Public Company Limited waiving its pre-emption rights. The conclusion of the transaction was subject to completion of certain conditions and the results of due diligence from the investor.

On 31 January 2014, all conditions of the above agreement (the “Agreement”) have been satisfied and the subsidiary company by a special Resolution on the same day issued and allotted 20.000.000 shares with nominal value of €1 each, to the Investor for the subscription price of €20.000.000. After the issue of the said new shares, C.C.C. Tourist Enterprises Public Company Limited and the Investor each have 50% share in L’ Union Nationale (Tourism and Sea Resorts) Ltd and therefore as from the year ended 31 December 2014 the investment of the Company in L’ Union Nationale will be accounted for under the equity method in accordance with IFRS 11, “Joint Arrangements”.

The new funds will be primarily used for the renovation of the Le Meridien Limassol Spa and Resort which is expected to take place in 2014, as well as for the strengthening of the subsidiary’s working capital.

The Group expects to recognise a loss of €1,4m in 2014 from the transaction described above, being the difference between the book value of the assets attributable to the subsidiary before and after the completion of the Agreement.

The assets, liabilities, results and cashflows of L’ Union Nationale (Tourism and Sea Resorts) Ltd for the years ended 31 December 2013 and 2012 are presented below:

Assets of L’ Union Nationale (Tourism and Sea Resorts) Ltd

	2013	2012
	€	€
Property, plant and equipment	**97.500.000**	118.951.446
Investment in joint venture	**1.155.539**	1.263.311
Land under development	**790.333**	790.333
Inventories	**752.054**	849.123
Trade and other receivables	**1.187.732**	807.242
Cash and cash equivalents	**92.095**	70.554
Total assets	**101.477.753**	122.732.009

34 Loss of control of the subsidiary company L 'Union Nationale (Tourism & Sea Resorts) Ltd (continued)

Liabilities of L' Union Nationale (Tourism and Sea Resorts) Ltd

	2013	2012
	€	€
Deferred tax liabilities	**9.932.909**	12.549.195
Borrowings – Non -current	**52.894.844**	47.354.961
Borrowings - Current	**10.895.954**	12.834.572
Trade and other payables	**3.895.226**	3.868.083
Total liabilities	**77.618.933**	76.606.811

Analysis of loss of L' Union Nationale (Tourism and Sea Resorts) Ltd

	2013	2012
	€	€
Revenue	**15.766.089**	20.771.799
Expenses	**(20.226.006)**	(23.011.632)
Share of loss of associated company and joint venture	**(110.446)**	(9.872)
Loss before tax	**(4.570.363)**	(2.249.705)
Taxation	**(1.383.515)**	(4.708.405)
Net loss of the year	**(5.953.878)**	(6.958.110)

Cashflows of L' Union Nationale (Tourism and Sea Resorts) Ltd

	2013	2012
	€	€
Cash flows from operating activities	**706.421**	2.885.336
Cash flows from investing activities	**(586.213)**	(737.849)
Cash flows from financing activities	**(1.189.528)**	(2.672.945)
Total cashflows	**(1.069.320)**	(525.458)

35 Restructuring of the Group

In October 2013 the Company implemented a restructuring of the Group, according to which, the investment property held by the Company in Moni was transferred to the newly incorporated wholly owned subsidiary C.C.C. Real Estate Limited at the fair value of €270.569.441. According to the restructuring plan, the Company will transfer bank borrowings amounting to €3.737.969 when the required approvals are obtained from the Bank. The consideration for the restructuring amounted to €266.831.472, which was settled with the issue 999 998 shares of C.C.C. Real Estate Limited to the Company.

36 Events after the balance sheet date

On 31 January 2014 the Group lost the control of its subsidiary L' Union Nationale (Tourism and Sea Resorts) Limited, as described in Note 34.

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

Independent auditor's report on pages 9 to 10.