True translation into English from the original set of financial statements which was prepared and audited in Greek and signed off on 28 April 2017.

In the event that the Greek version of this set of financial statements and a translation of it into a language other than Greek differ, the Greek version shall prevail.

The Cyprus Cement Public Company Limited

Report and financial statements
31 December 2016

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The Cyprus Cement Public Company Limited

Board of Directors and other officers

Board of Directors

George St. Galatariotis (Executive Chairman)
Costas St. Galatariotis (Executive Director)
Stavros G. St. Galatariotis (Executive Director)
Tasos Anastasiou (Executive Director)
Michalis Moushouttas (Director)
Antonis Antoniou Latouros (Director)

Financial Manager

Elena Stylianou

Company Secretary

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

Auditors

PriceWaterhouseCoopers Ltd
City House
Karaiskaki 6
3032 Limassol, Cyprus

Registered office

197 Makariou III Avenue
Gala Tower
CY-3030 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 of 2007 to 2014 ("Laws") 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 2016, we confirm that, to the best of our knowledge:

(a) the annual consolidated and separate financial statements which are presented on pages 18 to 92:

(i) were prepared in accordance with 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 Management 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)	
Costas St. Galatariotis (Executive Director)	
Stavros G. St. Galatariotis (Executive 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 Manager)	

Limassol, 28 April 2017

The Cyprus Cement Public Company Limited

Management Report

1 The Board of Directors of The Cyprus Cement Public Company Limited (the "Company"), its subsidiaries, collectively referred to as the "Group", presents its report together with the audited consolidated financial statements of the Group and the audited separate financial statements of the Company for the year ended 31 December 2016.

Principal activities

2 The principal activities of 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.

Changes in the Group

3 There has been no change in the structure of the Company's Group during the year. The Company / Group does not intend to make any redemption or merger.

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

4 The net profit of the Group for the year ended 31 December 2016 amounted to €7.203 thousand compared to €739 thousand in 2015. The net profit of the Group for the year is significantly improved compared to 2015 due to the significantly improved results from the associated company Vassiliko Cement Works Public Company Limited and the profit from the valuation of Group's Investment Property at fair value. On 31 December 2016 the total assets of the Group were €353.149 thousand (2015: €347.875) and the total equity were €277.129 thousand (2015: €269.972 thousand).

5 The net profit of the Company for the year ended 31 December 2016 amounted to €1.097 thousand (2015: loss €3.544 thousand). The Company's net profit for the year is significantly improved compared to 2015 due to increased losses resulted in 2015 from the impairment of investment in the subsidiary company and the impairment of due balances with the subsidiaries companies. On 31 December 2016 the total assets of the Company were €354.523 thousand (2015: €335.436) and the total equity were €266.004 thousand (2015: €264.907 thousand).

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

Non-financial information's

7 The Company / Group takes into account and complies with all health, safety and environmental regulations that affect the operations in which the Company / Group operates. In this context, the Board of Directors monitors on an ongoing basis non-financial Key Performance Indicators in relation to health, safety and environmental regulations. Until now, the Company / Group has not violated any of the aforementioned regulations. The Company / Group is not involved in any legal, governmental or arbitral proceedings that will result in any material obligations to the Company / Group. This is in line with the general culture and vision of the Company / Group.

Management Report (continued)

Principal risks and uncertainties

8 The principal risks and uncertainties faced by the Group and the Company are disclosed in Notes 1, 3 , 4 and 27 of the financial statements. The activities of the Company / Group are influenced by various risks and uncertainties related to the construction and tourist industry as well as the economic crisis that has prevailed over the last three years in Cyprus. These activities are influenced by a number of factors which include, but are not limited to, the following:

- The operating environment of Cyprus (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, diseases and epidemics which may impact tourists' arrivals on the island.
- Increased competition within Cyprus and the neighbouring countries.
- Increases in labour and energy costs.

9 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.

Use of financial instruments by the Group and the Company

10 The Group's / Company's operations expose it to a variety of financial risks: market risk (including cash flow risk), credit risk and liquidity risk.

11 The Company's and the Group's risk management program focuses on the unpredictability of the financial markets and aims to reduce the potential adverse effects on the financial performance of the Company and the Group. Risk management is conducted by the Management.

Interest rate risk associated with cash flow

12 The interest rate risk of the Group / Company is derived from interest-bearing and long-term borrowings. Floating rate assets and borrowings expose the Group / Company to cash flow interest rate risk.

13 At December 31, 2016, the Group's liabilities bearing a floating rate amounted to €21.685. The Company's liabilities bearing a floating rate at 31 December 2016 amounted to €14.921. The Group's / Company's management monitors the fluctuations in interest rates on a continuous basis and acts accordingly. The Group / Company does not apply hedge accounting for cash flow interest rate risk.

Credit risk

14 Credit risk arises from deposits with banks and financial institutions as well as from exposure to credits from sales to customers and balances with related companies, including outstanding receivables and binding transactions. The Management does not expect any damages from non-fulfilment of obligations on behalf of these parties.

Management Report (continued)

15 For banks and financial institutions, only organizations that are rated by independent parties are accepted. The Management estimates the customer's credit quality, taking into account his financial situation, past experience and other factors.

16 The Group's / Company's credit risk at 31 December 2016 arises from other receivables amounting of €859 thousand / €- thousand, receivables from related companies amounting to €35 thousand / €197 thousand and bank balances of €1 thousand / €- thousand. At 31 December 2016, the Group's and Company's receivables amounting to €58 thousand (2015: € 58 thousand) were impaired and provision was made. The provision amount was €58 thousand at 31 December 2016 (2015: €58 thousand).

Liquidity risk

17 The Management controls current liquidity on the basis of expected cash flows. Prudent liquidity risk management involves the management of sufficient cash and the availability of finance through a sufficient amount of blocked credit facilities. The Group / Company Management believes that it is successful in managing the Group / Company exposure to liquidity risk.

Expected development of the Company and the Group

18 The Board of Directors does not expect any other significant changes in the operations of the Company and the Group except of the developments described in “Review of developments, position and performance of the Group’s and the Company’s business.

Results

19 The Group's results for the year are set out on pages 17 and 18 and the respective results of the Company are presented on page 19. The net profit of the Group and the Company for the year are transferred to retained earnings.

Share capital

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

Board of Directors

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

22 In accordance with the Company's Articles of Association Messrs. Stavros G. St. Galatariotis and Antonis Antoniou Latouros retire at the next Annual General Meeting and, being eligible, offer themselves for re-election.

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

Management Report (continued)

Corporate Governance Code

24 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 Corporate Governance Code would be disproportionately higher than any anticipated benefits that may be derived from its adoption.

25 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 Manager.

26 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 until 2016. 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.

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

27 The shareholders who held at least 5% of the issued share capital of the Company on 28 April 2017 are as follows:

C.C.C. Holdings & Investments Limited *	23,04%
K+G Complex Public Company Limited *	32,07%
George S. Galatariotis & Sons Limited*	13,47%

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

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

29 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.

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

31 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.

Management Report (continued)

32 The Board of Directors consists of 6 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.

Corporate Governance Code (continued)

Directors' interest in the Company's share capital

33 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 2016 and on 28 April 2017 was as follows:

	At 28 April 2017 %	At 31 December 2016 %
George St. Galatariotis (1)	69,97	69,97
Costas St. Galatariotis (1)	-	-
Stavros G. St. Galatariotis (1)	-	-
Michalis Moushouttas	-	-
Antonis Antoniou Latouros	0,05	0,05
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

34 Other than the transactions and the balances with Directors and related parties referred to in Note 31 of the financial statements, there were no other significant contracts with the Company, or its subsidiaries as at 31 December 2016 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

35 The material post balance sheet events, which have a bearing on the understanding of the financial statements are presented in Note 29.

Branches

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

Management Report (continued)

Independent auditors

37 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, 28 April 2017

Independent auditor's report

To the Members of The Cyprus Cement Public Company Limited

Report on the audit of the consolidated and separate financial statements

Our opinion

In our opinion, the accompanying consolidated financial statements of The Cyprus Cement Public Company Limited ("the Company") and its subsidiaries (together "the Group") and the separate financial statements of the Company give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2016, and of the consolidated and separate financial performance and the consolidated and separate cash flows of the Group and the Company respectively for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113.

What we have audited

We have audited the consolidated and separate financial statements which are presented in pages 18 to 92 which comprise:

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

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

Basis for opinion

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

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

Independence

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

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Our audit approach

Overview

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated and separate financial statements. In particular, we considered where the Board of Directors made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we considered the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Overall group materiality: €3.500.000

Overall materiality for the audit of the separate financial statements: €3.300.000

- We audited the complete financial information of the Company and of the components which have been assessed as significant.
- In addition, for components not assessed as significant, audit work over specific financial statement lines and review procedures were performed.

We have identified the following key audit matters (KAMs) in relation to the audit of the consolidated financial statements of the Group:

- Fair value of land for development
- Fair value of investments in available for sale financial assets

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the consolidated and separate financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated and separate financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall materiality for the consolidated and separate financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the consolidated and separate financial statements as a whole.

Overall group materiality	€ 3.500.000 for the audit of the consolidated financial statements and € 3.300.000 for the audit of the separate financial statements
How we determined it	1% of total assets
Rationale for the materiality benchmark applied	We have selected total assets as the benchmark, because in our view, it is the benchmark against which the performance of the Group is most commonly measured by the users and it is a generally accepted benchmark.

We agreed with those charged with governance that we would report to them individual misstatements identified during our audit above €175.000 for the audit of the consolidated financial statements and € 165.000 for the audit of the separate financial statements as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

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

Considering our ultimate responsibility for the opinion on the Group financial statements we are responsible for the direction, supervision and performance of the group audit. In this context, we tailored the scope of our audit and determined the nature and extent of the audit procedures for the components of the Group to ensure that we perform sufficient work to enable us to provide an opinion on the consolidated the financial statements as a whole, taking into account the structure of the Group, the significance and/or risk profile of the group entities or activities, the accounting processes and controls, and the industry in which the Group operates.

The Group’s operations are made up of operating businesses situated in Cyprus. For financial reporting purposes, the Group is structured into reporting units, comprising the Company and its subsidiaries.

In establishing the overall approach to the group audit, we determined the scope of work that needed to be performed for each reporting unit and whether this would be performed by us, as the group engagement team, or component auditors from other non-network firms, operating under our instructions. Accordingly, for the material reporting units which were selected either due to their size, or their risk characteristics, we performed an audit of the complete financial information. For the remaining reporting units of the Group, specified procedures over specific financial statement lines were performed so as to ensure we obtain sufficient audit evidence on individual financial statement line items.

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

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. There were no key Audit Matters in our audit of the separate financial statements of the Company.

Key Audit Matter	**How our audit addressed the Key Audit Matter**
Fair value of land under development For more information, please refer to Notes 4 and 16 of the financial statements. We focused on this matter due to the size of the fair value of the land under development of €274.808 thousands as at 31 December 2016 and due to the complexity and the high degree of subjectivity in the management's assessment for the fair value of the property. The fair value of the land under development was estimated by the Group's management on the basis of the comparative method, taking into account the sale price of part of the property within the framework of the restructuring of the Group's credit facilities and other related companies (Note 29), which was adjusted by dividing the property into notional zones to represent the fair value of the entire property based on the current market conditions.	We discussed with Management and evaluated the data, assumptions, valuation methodology and calculations performed by the Group's Management for the estimation of the fair value of the property. Internal experts of our network, with the required knowledge and skills, have been involved to support us in our assessment of the fair value of the property as calculated by Management, which is based on data and assumptions of high degree of subjectivity, particularly in relation to the separation of the property in notional zones. More specifically, with the support of the internal experts of our network, we examined the calculations made by the Group's Management and the technical and mathematical accuracy of the valuation model. We also assessed the reasonableness of the significant assumptions made by the Management by comparing them with observable market data. In addition, we evaluated the Management's sensitivity analysis in relation to the effect on the fair value of the property on profit or loss from the change in the separation of the property in the notional zones.

Key Audit Matter	How our audit addressed the Key Audit Matter
The division of the land under development to the different notional zones by the Management was done to take into account the lack of homogeneity and geographic advantages of each zone based on the Board of Directors' judgement. As a result, the Group recognized a gain from adjustments to the fair value of the property of € 4.475 thousands in the consolidated income statement for the year ended 31 December 2016.	Finally, we evaluated the adequacy of the disclosures made in Note 16 of the financial statements relating to the data, key assumptions and sensitivity analysis of these key assumptions.
Fair value of available-for-sale financial assets For more information refer to Notes 4 and 19 of the financial statements. We focused on this matter because of the size of the fair value of available-for-sale financial assets of € 20.703 thousands at 31 December 2016 and because of the complexity and high degree of subjectivity involved in the management's measurement of the fair value of the investment. The fair value of the investment was estimated by the Group's management on the basis of the discounted cash flow method for the valuation of the residential apartment building and the EBITDA multiple method for the valuation of the hotel complex. As a result, the fair value of the investment was estimated by the Management at €20.703 thousands as at 31 December 2016.	We discussed with Management and evaluated the data, assumptions, valuation methodology and calculations made by the Group's Management to estimate the fair value of the available-for-sale financial assets. Internal experts of our network, with the required knowledge and skills, have been involved to support us in our assessment of the fair value assessment of the investment as performed by the Management, which is based on data and assumptions of high degree of subjectivity. More specifically, with the support of internal experts of our network, we examined the calculations performed by the Group's Management and the technical and mathematical accuracy of the valuation model. We also assessed the reasonableness of the significant assumptions made by the Management by comparing them with observable market data. In addition, we assessed the Management's sensitivity analysis in relation to the effect on the fair value of the investment in other comprehensive income from the change in the key significant assumptions. Finally, we assessed the adequacy of the disclosures made in Note 19 of the financial statements on the data, key assumptions and sensitivity analysis of these key assumptions.

Other information

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

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

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

Responsibilities of the Board of Directors for the consolidated and separate financial statements

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated and separate financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal requirements

Pursuant to the additional requirements of the Auditors and Statutory Audits of Annual and Consolidated Accounts Laws of 2009 to 2016, we report the following:

- We have obtained all the information and explanations we considered necessary for the purposes of our audit.
- In our opinion, proper books of account have been kept by the Company, so far as appears from our examination of these books.
- The Company's consolidated 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 separate financial statements give the information required by the Cyprus Companies Law, Cap. 113, in the manner so required.
- In our opinion, the management report, whose preparation is the responsibility of the Board of Directors, has been prepared in accordance with the requirements of the Cyprus Companies Law, Cap 113, and the information given is consistent with the consolidated and separate financial statements.
- In our opinion, and in the light of the knowledge and understanding of the Group and its environment obtained in the course of the audit, we have not identified material misstatements in the management report.
- In our opinion, the information included in the corporate governance statement in accordance with the requirements of subparagraphs (iv) and (v) of paragraph 2(a) of Article 151 of the Cyprus Companies Law, Cap. 113, and which is included as a specific section of the management report, have been prepared in accordance with the requirements of the Cyprus Companies Law, Cap, 113, and is consistent with the financial statements.
- In our opinion, and in the light of the knowledge and understanding of the Group and its environment obtained in the course of the audit, we have not identified material misstatements in the corporate governance statement in relation to the information disclosed for items (iv) and (v) of subparagraph 2(a) of Article 151 of the Cyprus Companies Law, Cap. 113.
- In our opinion, the corporate governance statement includes all information referred to in subparagraphs (i), (ii), (iii) and (vi) of paragraph 2(a) of Article 151 of the Cyprus Companies Law, Cap. 113.

Other matter

This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 34 of the Auditors and Statutory Audits of Annual and Consolidated Accounts Laws of 2009 to 2016 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whose knowledge this report may come to.

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

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

PricewaterhouseCoopers Limited
Certified Public Accountants and Registered Auditors

Limassol, 28 April 2017

The Cyprus Cement Public Company Limited

Consolidated income statement
for the year ended 31 December 2016

	Note	**2016**	2015
		€000	€000
Revenue	5	**627**	576
Operating and administrative expenses		**(1.457)**	(1.549)
Other income	7	**-**	2
Other gain/(losses)	6	**4.479**	(343)
Operating profit/(loss)		**3.649**	(1.314)
Finance costs	10	**(1.080)**	(1.193)
Share of profit from investments accounted for using equity method	17	**5.198**	3.250
Profit before tax		**7.767**	743
Taxation	12	**(564)**	(4)
Profit for the year		**7.203**	739
Profit for the year attributable to:			
Owners of the Company		**7.215**	753
Non-controlling interest		**(12)**	(14)
		7.203	739
Profit per share attributable to the shareholders of the Company (cent per share):			
- Basic and fully diluted	12	**5,24**	0,55

The notes on pages 31 to 92 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 2016

	Note	**2016 €000**	2015 €000
Profit for the year		**7.203**	739
Other comprehensive income:			
Items that cannot be reclassified in profit or loss:			
Share of reserves of investments accounted for using equity method	17	**(46)**	52
Items that may be subsequently reclassified to profit or loss:			
Change in the fair value of available-for-sale financial assets	19	**-**	(2.997)
Other comprehensive loss for the year		**(46)**	(2.945)
Total comprehensive income/(loss) for the year		**7.157**	(2.206)
Total comprehensive income/(loss) for the year attributable to:			
Owners of the parent		**7.169**	(1.212)
Non-controlling interest		**(12)**	(994)
		7.157	(2.206)

The items in the above statement are disclosed net of tax. The tax related to each component of other comprehensive income is disclosed in Note 11.

The notes on pages 31 to 92 are an integral part of these financial statements.

Company's income statement and statement of comprehensive income for the year ended 31 December 2016

	Note	**2016 €000**	2015 €000
Other income	7	**2.912**	2.184
Operating and administrative expenses		**(154)**	(242)
Other losses	6	**(932)**	(4.718)
Operating Profit/(Loss)		**1.826**	(2.776)
Finance costs	10	**(729)**	(768)
Profit/(Loss) before tax		**1.097**	(3.544)
Tax charge	12	**-**	-
Total Profit/(Loss) and total comprehensive Profit/(Loss) for the year		**1.097**	(3.544)

The notes on pages 31 to 92 are an integral part of these financial statements.

Consolidated balance sheet at 31 December 2016

	Note	2016 €000	2015 €000
Assets			
Non-current assets			
Property, plant and equipment	15	**51**	28
Investment property	16	**274.808**	270.858
Investments accounted for using the equity method	17	**56.692**	54.452
Available-for-sale financial assets	19	**20.703**	20.703
		352.254	346.041
Current assets			
Trade and other receivables	20	**894**	802
Cash and cash equivalents	21	**1**	1.032
		895	1.834
Total assets		**353.149**	347.875
Equity and liabilities			
Equity attributable to owners of the parent			
Share capital	22	**59.173**	59.173
Share premium	22	**910**	910
Fair value reserve		**101.392**	101.438
Revenue reserve		**17.236**	17.236
Other reserves		**(15)**	(15)
Retained earnings		**91.635**	84.420
		270.331	263.162
Non-controlling interest		**6.798**	6.810
Total equity		**277.129**	269.972
Non-current liabilities			
Deferred tax liabilities	24	**54.125**	53.566
Borrowings	23	**18.909**	21.891
		73.034	75.457

Consolidated balance sheet at 31 December 2016 (continued)

	Note	2016 €000	2015 €000
Current liabilities			
Trade and other payables	25	**209**	173
Current tax liabilities		**1**	1
Borrowings	23	**2.776**	2.272
		2.986	2.446
Total liabilities		**76.020**	77.903
Total equity and liabilities		**353.149**	347.875

On 28 April 2017 the Board of Directors of The Cyprus Cement Public Company Limited authorised these financial statements for issue.

George St. Galatariotis, Executive Chairman

Costas St. Galatariotis, Executive Director

The notes on pages 31 to 92 are an integral part of these financial statements.

The Cyprus Cement Public Company Limited

Company's balance sheet
at 31 December 2016

	Note	2016 €000	2015 €000
Assets			
Non-current assets			
Property, plant and equipment	15	**37**	-
Investment property	16	**837**	837
Investments in subsidiaries	18	**280.855**	280.855
Investments in associates	17	**52.597**	52.597
		334.326	334.289
Current assets			
Trade and other receivables	20	**197**	119
Cash and cash equivalents	21	**-**	1.028
		197	1.147
Total assets		**334.523**	335.436
Equity and liabilities			
Capital and reserves			
Share capital	22	**59.173**	59.173
Share premium	22	**910**	910
Revenue reserve		**17.283**	17.283
Retained earnings		**188.638**	187.541
		266.004	264.907
Non-current liabilities			
Borrowings	23	**13.644**	15.738
Deferred tax liabilities	24	**53.566**	53.566
		67.210	69.304
Current liabilities			
Trade and other payables	25	**32**	847
Borrowings	23	**1.277**	378
		1.309	1.225
Total liabilities		**68.519**	70.529
Total equity and liabilities		**334.523**	335.436

On 28 April 2017 the Board of Directors of The Cyprus Cement Public Company Limited authorised these financial statements for issue.

George St. Galatariotis
Executive Chairman

Costas St. Galatariotis
Executive Director

The notes on pages 31 to 92 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 2016

	Attributable to owners of the Company								
	Share capital	Share premium[2]	Fair value reserve [2]	Other reserves [2]	Revenue reserve	Retained earnings[1]	Total	Non-controlling interest	Total equity
	€000	€000	€000	€000	€000	€000	€000	€000	€000
Balance at 1 January 2015	59.173	910	106.367	(15)	17.236	80.704	264.373	7.805	272.178
Profit for the year	-	-	-	-	-	753	753	(14)	739
Other comprehensive income									
Share of fair value and other reserves of associated companies (Note 17)	-	-	52	-	-	-	52	-	52
Transfer due to loss of significant influence in associate entity (Note 19)	-	-	(2.964)	-	-	2.964	-	-	-
Change in the fair value of available-for-sale financial assets (Note 19)	-	-	(2.017)	-	-	-	(2.017)	(980)	(2.997)
Total other comprehensive income	-	-	(4.929)	-	-	2.964	(1.965)	(980)	(2.945)
Total comprehensive income for the year 2015	-	-	(4.929)	-	-	3.716	(1.212)	(994)	(2.206)
Balance at 31 December 2015	59.173	910	101.438	(15)	17.236	84.420	263.162	6.810	269.972

The Cyprus Cement Public Company Limited

Consolidated statement of changes in equity for the year ended 31 December 2016 (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	Non-controlling interest	Total equity
	€000	€000	€000	€000	€000	€000	€000	€000	€000
Balance at 1 January 2016	59.173	910	101.438	(15)	17.236	84.420	263.162	6.810	269.972
Profit for the year	-	-	-	-	-	7.215	7.215	(12)	7.203
Other comprehensive income									
Share of fair value and other reserves of associated companies (Note 17)	-	-	(46)	-	-	-	(46)	-	(46)
Total other comprehensive income	-	-	(46)	-	-	-	(46)	-	(46)
Total comprehensive income for the year 2016	-	-	(46)	-	-	7.215	7.169	(12)	7.157
Transactions with owners									
Defence tax on deemed dividend distribution	-	-	-	-	-	(1)	(1)	-	(1)
Total transactions with owners	-	-	-	-	-	(1)	(1)	-	(1)
Balance at 31 December 2016	59.173	910	101.392	(15)	17.236	91.635	270.331	6.798	277.129

Consolidated statement of changes in equity for the year ended 31 December 2016 (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 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 from 15% 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, the fair value reserve and other reserves are not available for distribution in the form of dividends.

The notes on pages 31 to 92 are an integral part of these financial statements.

Company's statement of changes in equity for the year ended 31 December 2016

	Share capital €000	Share premium [2] €000	Revenue reserve €000	Retained earnings [1] €000	Total €000
Balance at 1 January 2015	59.173	910	17.283	191.086	268.451
Loss for the year	-	-	-	(3.544)	(3.544)
Total comprehensive loss for the year 2015	-	-	-	(3.544)	(3.544)
Balance at 31 December 2015/1 January 2016	**59.173**	**910**	**17.283**	**187.541**	**264.907**
Profit for the year	-	-	-	1.097	1.097
Total comprehensive loss for the year 2016	-	-	-	1.097	1.097
Balance at 31 December 2016	**59.173**	**910**	**17.283**	**188.638**	**266.004**

(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 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 from 15% 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 is not available for distribution in the form of dividends.

The notes on pages 31 to 92 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 2016

	Note	**2016** **€000**	2015 €000
Cash flows from operating activities			
Profit before tax		**7.767**	743
Adjustments for:			
Depreciation of property, plant and equipment	15	**25**	17
Profit from disposal of property, plant and equipment	6	**(4)**	-
Interest income	7	**-**	(2)
Interest expense	10	**1.080**	1.193
Share of profit of investments accounted for using the equity method	17	**(5.198)**	(3.250)
Reversal of provision for dismantling machinery and equipment	6	**-**	(162)
Fair value profit/(losses) of investment property	6	**(4.475)**	505
		(806)	(957)
Changes in working capital:			
Trade and other receivables		**(91)**	127
Trade and other payables and provisions		**41**	(476)
Cash used in operations		**(856)**	(1.307)
Tax paid		**(4)**	(4)
Net cash used in operating activities		**(860)**	(1.311)
Cash flows from investing activities			
Purchases of property, plant and equipment	15	**(48)**	(4)
Interest received		**-**	2
Proceeds from disposal property, plant and equipment	15	**4**	-
Additions in investment property	16	**(25)**	(22)
Proceeds from dividends received		**2.912**	2.184
Proceeds from disposal of investment property		**550**	-
Net cash from investing activities		**3.393**	2.160

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

	Note	**2016 €000**	2015 €000
Cash flows from financing activities			
Repayments of bank borrowings		**(1.622)**	(510)
Proceeds from new borrowings		**730**	3.913
Repayments of loans from related parties	28 (vi)	**(1.884)**	(418)
Interest paid		**(610)**	(933)
Net cash (used in) / from financing activities		**(3.386)**	2.051
Net (decrease)/increase in cash, cash equivalents and bank overdrafts		**(853)**	2.901
Cash, cash equivalents and bank overdrafts at beginning of year		**568**	(2.333)
Cash, cash equivalents and bank overdrafts at end of year	21	**(285)**	568

The notes on pages 31 to 92 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 2016

	Note	**2016 €000**	2015 €000
Cash flows from operating activities			
Profit/(Loss) before tax		**1.097**	(3.544)
Adjustments for:			
Dividend income	7	**(2.912)**	(2.184)
Profit from disposal of property, plant and equipment	6	**(4)**	-
Depreciation	15	**9**	-
Interest expense	10	**729**	768
Impairment of investment in subsidiary	6	**-**	2.093
Impairment of receivable with related party	6	**936**	2.625
		(145)	(242)
Changes in working capital:			
Trade and other receivables		**(78)**	(269)
Trade and other payables		**(814)**	(1.455)
Cash used in operations		**(1.037)**	(1.965)
Tax paid		**-**	-
Net cash used in operating activities		**(1.037**	(1.965)
Cash flows from investing activities			
Purchases of property, plant and equipment	15	**(46)**	-
Proceeds from disposal of property, plant and equipment	15	**4**	-
Proceeds from dividends received	28 (ix)	**2.912**	2.184
Loans to related parties	28 (ix)	**(936)**	-
Net cash from investing activities		**1.934**	2.184
Cash flows from financing activities			
Repayments of bank borrowings		**(215)**	-
Repayments of loans from related parties	28 (vi)	**(1.865)**	(409)
Proceeds from new borrowings		**730**	2.991
Interest paid		**(487)**	(459)
Net cash (used in)/from financing activities		**(1.837)**	2.124
Net (decrease)/increase in cash, cash equivalents and bank overdrafts		**(940)**	2.342
Cash, cash equivalents and bank overdrafts at beginning of year		**764**	(1.578)
Cash, cash equivalents and bank overdrafts at end of year	24	**(176)**	764

The notes on pages 31 to 92 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 197 Makariou III Avenue, Gala Tower, CY-3030 Limassol, Cyprus.

Principal activities

The principal activities of 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

After a long and relatively deep economic recession, the Cyprus economy has recorded a positive growth rate in 2015, which accelerated in 2016. The restrictive measures and capital controls which were in place since March 2013 were lifted in April 2015. Building on the dynamics of economic performance and the strong implementation of the required measures and reforms, Cyprus has left the economic adjustment program in March 2016. Recognizing of the progress achieved on the fiscal front and the economic recovery, as well as the enactment of the foreclosure and insolvency framework, the international credit rating agencies have upgraded the creditworthiness of the Republic of Cyprus and although the assessment is still a "non-investment grade ", the Cypriot government has regained access to capital markets. Prospects for the Cyprus economy remain positive in the medium term, however, there are downside risks to growth forecasts resulting from high levels of non-performing positions, uncertainty in real estate markets, and the likely deterioration of Cyprus's external environment, including the continuation of the Recession in Russia due to the prolonged decline in oil prices of weaker than expected growth in the Eurozone as a result of the deterioration in global economic conditions, slower growth in the United Kingdom and the weakening of the Sterling as a result of uncertainty about the outcome of the referendum on exit The United Kingdom by the European Union, as well as the political uncertainty in Europe with a view to the UK's exit from the European Union and Stressfulness.

This operating environment, could affect (1) the ability of the Company/ the Group to obtain new borrowings or re-finance its existing borrowings at terms and conditions similar to those applied to earlier transactions, (2) the ability of the Company's/ Group's trade and other debtors to repay the amounts due to the Company/ the Group (3) the cash flow forecasts of the Company's/ Group'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)

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

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

The Group's and the Company's Board of Directors 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 deemed 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.

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 (together the "Group") 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 2016 have been adopted by the EU through the endorsement procedure established by the European Commission, with the exception of certain provisions of IAS 39 "Financial Instruments: Recognition and Measurement" relating to portfolio hedge accounting.

2 Summary of significant accounting policies (continued)

Basis of preparation (continued)

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 2016, the Group/Company incurred a profit of €7.203 thousand/€1.907 thousand and as at 31 December 2016, its current liabilities exceeded its current assets by €2.091 thousand/€1.112 thousand. 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, 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.

The Board of Directors of the Company/Group 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) The Group/Company was able to raise the necessary liquidity to fund its operations for at least 12 months from the balance sheet date from financial institutions. Additionally, based on a valuation conducted during the year ended 31 December 2016, the market value of the immovable property exceeds significantly the levels of the Group's borrowings and the Group's management believes that it will be able to ensure additional liquidity in the future, if necessary.

(ii) During 2017 the Group/Company has agreed with financial institutions for the rescheduling of bank loans (Note 29).

2 Summary of significant accounting policies (continued)

Adoption of new and revised IFRSs

During the current year the Company adopted all the new and revised International Financial Reporting Standards (IFRS) that are relevant to its operations and are effective for accounting periods beginning on 1 January 2016. This adoption did not have a material effect on the accounting policies of the Company/ the Group, except the following set out below:

- Annual Improvements to IFRSs 2012. The improvements consist of changes to seven standards as detailed below:

    - IFRS 8 was amended to require (1) disclosure of the judgements made by management in aggregating operating segments, including a description of the segments which have been aggregated and the economic indicators which have been assessed in determining that the aggregated segments share similar economic characteristics, and (2) a reconciliation of segment assets to the entity's assets when segment assets are reported.

    - The basis for conclusions on IFRS 13 was amended to clarify that deletion of certain paragraphs in IAS 39 upon publishing of IFRS 13 was not made with an intention to remove the ability to measure short-term receivables and payables at invoice amount where the impact of discounting is immaterial. This amendment did not result in any changes in the Group's/ Company's financial statements.

    - IAS 16 and IAS 38 were amended to clarify how the gross carrying amount and the accumulated depreciation are treated where an entity uses the revaluation model. This amendment did not result in any changes in the Group's/ Company's financial statements.

    - IAS 24 was amended to include, as a related party, an entity that provides key management personnel services to the reporting entity or to the parent of the reporting entity ('the management entity'), and to require to disclose the amounts charged to the reporting entity by the management entity for services provided. This amendment did not result in any changes in the Group's/ Company's financial statements.

    - Clarification of Acceptable Methods of Depreciation and Amortisation - Amendments to IAS 16 and IAS 38. In this amendment, the IASB has clarified that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset. This amendment did not result in any changes in the Group's/ Company's financial statements.

2 Summary of significant accounting policies (continued)

Adoption of new and revised IFRSs (continued)

- Annual Improvements to IFRSs 2014. The amendments impact the following standards as follows:

  - ➢ Disclosure Initiative Amendments to IAS 1. The Standard was amended to clarify the concept of materiality and explain that an entity need not provide a specific disclosure required by an IFRS if the information resulting from that disclosure is not material, even if the IFRS contains a list of specific requirements or describes them as minimum requirements. The Standard also provides new guidance on subtotals in financial statements, in particular, such subtotals (a) should be comprised of line items made up of amounts recognized and measured in accordance with IFRS; (b) be presented and labelled in a manner that makes the line items that constitute the subtotal clear and understandable; (c) be consistent from period to period; and (d) not be displayed with more prominence than the subtotals and totals required by IFRS. As a result of this disclosure initiative, the Company/ the Group has applied the concept of materiality in disclosures in the financial statements.

At the date of approval of these financial statements a number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 1 January 2016, and have not been applied in preparing these financial statements. None of these is expected to have a significant effect on the financial statements of the Group/ the Company, except the following set out below:

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

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

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

2 Summary of significant accounting policies (continued)

Adoption of new and revised IFRSs (continued)

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

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

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

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

- IFRS 15, Revenue from Contracts with Customers (issued on 28 May 2014 and effective for the periods beginning on or after 1 January 2018). The new standard introduces the core principle that revenue must be recognised when the goods or services are transferred to the customer, at the transaction price. Any bundled goods or services that are distinct must be separately recognised, and any discounts or rebates on the contract price must generally be allocated to the separate elements. When the consideration varies for any reason, minimum amounts must be recognised if they are not at significant risk of reversal. Costs incurred to secure contracts with customers have to be capitalised and amortised over the period when the benefits of the contract are consumed.

2 Summary of significant accounting policies (continued)

Adoption of new and revised IFRSs (continued)

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

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

- Disclosure Initiative - Amendments to IAS 7 (issued on 29 January 2016 and effective for annual periods beginning on or after 1 January 2017)*. The amended IAS 7 will require disclosure of a reconciliation of movements in liabilities arising from financing activities.

- Amendments to IFRS 15, Revenue from Contracts with Customers (issued on 12 April 2016 and effective for annual periods beginning on or after 1 January 2018)*. The amendments do not change the underlying principles of the Standard but clarify how those principles should be applied. The amendments clarify how to identify a performance obligation (the promise to transfer a good or a service to a customer) in a contract; how to determine whether a company is a principal (the provider of a good or service) or an agent (responsible for arranging for the good or service to be provided); and how to determine whether the revenue from granting a license should be recognised at a point in time or over time. In addition to the clarifications, the amendments include two additional reliefs to reduce cost and complexity for a company when it first applies the new Standard.

The Company and the Group at this stage assess the impact of amendments, new standards and interpretations on the financial statements.

2 Summary of significant accounting policies (continued)

Consolidated financial statements

The consolidated financial statements include the financial statements of The Cyprus Cement Public Company Limited (the "Company"), its subsidiary companies, 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 to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the following;

- fair values of the assets transferred
- liabilities incurred to the former owners of the acquired business
- equity interests issued by the Group
- fair value of any asset or liability resulting from a contingent consideration arrangement
- fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The group recognizes any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquired entity and the fair value of any previous equity interest in the acquired entity at the acquisition date over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the subsidiary acquired, the difference is recognized directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognized in profit or loss.

If the business combination is achieved in stages, the carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognized in profit or loss.

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.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated balance sheet.

When the Group ceases to have control over an entity, 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) Investments in 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.

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

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

2 Summary of significant accounting policies (continued)

Consolidated financial statements (continued)

(3) Investments in associates (continued)

The Group's share of post-acquisition profits or losses of associates is recognised in the income statement and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. The cumulative post acquisition movements are adjusted against the carrying amount of the investment. When the Group’s share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

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

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.

The Group ceases to equity account from the date that it loses significant influence over the associate or from the date the investment is classified as held for sale.

When the group ceases to exercise significant influence over an associate, any retained interest in the entity is remeasured to its fair value. In addition, the Group recognizes in profit or loss any difference between (i) the fair value of the retained interest and any income from the sale of the share in the associate and (ii) the carrying amount of the investment on the date that the Group lost significant influence over the associate.

When an entity ceases to be recognised as an associate and it is afterwards recognised as a financial asset in accordance with IAS 39 “Financial Instruments: Recognition and Measurement”, the fair value of the retained interest in the associate is considered to be the fair value of the financial asset on initial recognition.

Any gain or loss previously recognised in the statement of comprehensive income, in respect of the investment in the associate, is transferred to the profit or loss on the date the Group loses significant influence over the associate.

2 Summary of significant accounting policies (continued)

Separate financial statements of the Company

(1) Investments in subsidiaries

Subsidiaries are all entities (including structured entities) over which the Company has control. The Company controls an entity when the Company 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.

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) Investments in 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 services

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

(ii) 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.

(iii) Dividend income

Dividend income is recognised when the right of the Company/Group to receive payment is established. However the investment may need to be tested for impairment as a consequence.

Employee benefits

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)

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

2 Summary of significant accounting policies (continued)

Current and deferred income tax (continued)

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

The deferred tax liability in relation to investment property that is measured at fair value is determined assuming the property will be recovered entirely through sale.

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

Dividend distribution

Dividend distribution to the Group’s shareholders is recognised as a liability in the Group's financial statements in the year in which the dividends are appropriately authorised and are no longer at the discretion of the Group. 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 Group’s shareholders.

Property, plant and equipment

All items of property, plant and equipment are stated at historical cost less depreciation. Historical costs include costs directly related to the acquisition of property, plant and equipment.

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:

Motor vehicles	5 to 8 years
Furniture and fittings	3 to 20 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.

2 Summary of significant accounting policies (continued)

Property, plant and equipment (continued)

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

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.

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.

Offsetting financial instruments

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

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.

2 Summary of significant accounting policies (continued)

Trade receivables (continued)

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 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. 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 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.

Profit per share

Basic earnings per share are calculated as follows; The profits attributable to the Company's shareholders are divided by the weighted average number of ordinary shares issued during the year.

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.

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

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.

Financial guarantees

Financial guarantees are recognized as a financial liability when the guarantee is issued. The liability is initially measured at its fair value and subsequently greater than the amount determined in accordance with IAS 37 "Provisions, Contingent Liabilities and Contingent Assets" and the amount initially recognized less accumulated depreciation, as appropriate.

The fair value of the financial guarantees is determined as the present value of the difference between the net cash flows between the contractual payments under the loan agreement and the payments that would be required without the guarantee or the estimate of the amount that would be payable to third parties for the Of the obligations.

2 Summary of significant accounting policies (continued)

Trade payables

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

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

Cash and cash equivalents

In the statement of 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.

Transactions with related parties

The Company engages in transactions with related parties in the ordinary course of business. Based on IAS 39, the initial recognition of financial instruments is based on their fair value. Receivables from and liabilities to related parties are presented in their transaction value and are receivable / payable on demand. The Board of Directors estimates that their fair value is approximately the same as their transaction value.

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 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**

  Cash flow interest rate risk

  The Group and the Company have interest bearing assets, which mainly represent cash held at bank. These balances bear interest at market variable rates. Any changes in market rates would not have significant effect on the profit/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.

3 Financial risk management (continued)

(i) Financial risk factors (continued)

- **Market risk (continued)**

Cash flow interest rate risk (continued)

At 31 December 2016 and 2015, if interest rates on Euro denominated borrowings fluctuated as described below, with all other variables held constant, the post tax profit/loss for the year would have been affected as presented in the table below:

	The Group		The Company	
	Interest rate higher/lower	**Effect on Profit/loss for the year**	**Interest rate higher/lower**	**Effect on loss for the year**
	%		%	
2016				
Euro	0,5	€108 thousand Lower/higher	0,5	€75 thousand Lower/higher
2015				
Euro	0,5	€121 thousand Lower/higher	0,5	€81 thousand Higher/lower

The effect on profit/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 14 for further disclosures on credit risk.

The Board of Directors 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 20) and cash and cash equivalents (Note 23) on the basis of expected cash flow.

3 Financial risk management (continued)

(i) Financial risk factors (continued)

- **Liquidity risk (continued)**

The Company / Group has the following unused borrowing facilities:

	The Group		The Company	
	2016	2015	**2016**	2015
	€000	€000	**€000**	€000
Floating charge				
Expires within one year	**1.629**	5.348	**1.604**	5.259

Facilities that expire within one year are annual facilities that are subject to revision at different dates.

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.

The Group

	Less than 1 year €000	**1 to 2 years €000**	**2 to 5 years €000**	**Over 5 years €000**
At 31 December 2016				
Borrowings	3.672	5.312	7.485	9.509
Trade and other payables	209	-	-	-
Guarantees	31.590	-	-	-
	35.471	5.312	7.485	9.509
At 31 December 2015				
Borrowings	3.613	4.610	12.706	10.667
Trade and other payables	173	-	-	-
Guarantees	31.590	-	-	-
	35.376	4.610	12.706	10.667

3 Financial risk management (continued)

(i) Financial risk factors (continued)

- **Liquidity risk (continued)**

The Company

	Less than 1 year €000	1 to 2 years €000	2 to 5 years €000	Over 5 years €000
At 31 December 2016				
Borrowings	1.883	4.473	4.483	7.122
Trade and other payables	32	-	-	-
Guarantees	19.170	-	-	-
	21.085	4.473	4.483	7.122
At 31 December 2015				
Borrowings	1.359	2.943	9.833	7.418
Trade and other payables	847	-	-	-
Guarantees	19.170	-	-	-
	21.376	2.943	9.833	7.418

The liquidity risk arising from corporate guarantees for related parties is disclosed in Note 28 (vii) 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.

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.

3 Financial risk management (continued)

(ii) Capital risk management (continued)

The gearing ratios at 31 December 2016 and 2015 were as follows:

	The Group		The Company	
	2016	2015	**2016**	2015
	€000	€000	**€000**	€000
Total borrowings (Note 23)	**21.685**	24.163	**14.921**	16.117
Less: cash and cash equivalents	**(1)**	(1.032)	**-**	(1.028)
Net debt	**21.684**	23.131	**14.921**	15.089
Total equity	**277.129**	269.972	**266.004**	264.907
Total capital as defined by management	**298.813**	293.103	**280.925**	279.996
Gearing ratio	7%	8%	**5%**	5%

(iii) Fair value estimation

The table below analyses financial instruments 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 or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

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

	Level 3	Total
	€000	€000
At 31 December 2016		
Assets		
Available-for-sale financial assets:		
- Equity securities	20.703	20.703
Total financial assets measured at fair value	20.703	20.703

The following table presents the Group's financial assets that are measured at fair value at 31 December 2015.

3 Financial risk management (continued)

(iii) Fair value estimation (continued)

	Level 3 €000	Total €000
At 31 December 2015		
Assets		
Available-for-sale financial assets:		
- Equity securities	20.703	20.703
Total financial assets measured at fair value	20.703	20.703

The following table presents the changes in Level 3 investments for the year ended 31 December 2015 and 31 December 2016:

	Equity Securities 2016 €000	Equity Securities 2015 €000
Opening balance 1 January	20.703	-
Transfer from investment in associates (Note 17)	-	23.700
Fair value loss transferred to other comprehensive income	-	(2.997)
At 31 December	20.703	20.703

The carrying value less provision for impairment 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 available to the Company / the Group for similar financial instruments.

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 investment property (2016: €273.971 thousand, 2015: 269.471 thousand)**

  The fair value of the investment property is based on observable comparable information, including expected selling prices. Where observable comparable information are not available, the fair values are determined by independent professional qualified valuers who hold a recognised relevant professional qualification and have recent experience in the locations and segments of the investment properties valued.

4 Critical accounting estimates and judgements (continued)

(i) Critical accounting estimates and assumptions (continued)

- **Fair value of investment property (2016: €273.971 thousand, 2015: 269.471 thousand) (continued)**

  At 31 December 2015, the valuation of the Company's management was based on the discounted cash flows which incorporated the proposed development plan of the land.

  At 31 December 2016, the valuation of the Company's management was based on valuation techniques which incorporate comparable prices, where available, adjusted to reflect the uniqueness of the properties and their specific physical characteristics.

  For the purpose of the comparative method performed by the Company's management for the valuation of the land, the land has been divided into three notional zones considering the physical characteristics of each zone. Due to the high degree of subjectivity in the division of the land into the notional zones, the Company's management presents a sensitivity analysis on the allocation of the total surface of the land to the different zones in Note 16.

  The main assumptions used for the valuation of the investment property are disclosed in Note 16.

  Any negative changes in the above keys assumptions would lead to a significant decrease in the fair value of the investment property (Note 16).

- **Fair value of available-for-sale financial assets**

  The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Group uses its judgment to select a variety of methods and make assumptions that are mainly based on market conditions existing at each reporting date.

  The fair value of the available for sale available for sale investment, has been determined by using the expected operating profit (known as “EBITDA”) and the discounted cash flow method (DCF). The Company's management used the discounted cash flow method to measure the value of the residential apartments and the fair value method based on the expected operating profit (Earnings Before Interest and Depreciation, known as EBITDA) for the valuation of the hotel complex.

  The Company's management assessed the different techniques and selected the fair value method which was based on the operational profit (EBITDA multiple), as the most appropriate taking into account the characteristics and particularities of the investment, the available information and the maximization of the observable data used in the estimation.

  In estimating future cash flows and operating profitability, the Group should make assumptions about future cash flows and expected operating profitability. These assumptions are based on historical trends as well as on future expectations. Although the Management believes that the assumptions used to calculate the fair value of the investment are reasonable and appropriate, these assumptions may be largely subjective. The principal assumptions used to estimate the fair value of financial assets and the sensitivity analysis of these key assumptions are disclosed in Note 19 of the financial statements.

4 Critical accounting estimates and judgements (continued)

(ii) Significant estimates in the application of accounting policies

- **Impairment of available-for-sale financial assets**

  The Group follows the instructions of IAS 39 to decide when an available-for-sale investment has been impaired. This decision requires considerable judgment. In exercising this judgment, the Group assesses, along with other factors, the amount and the extent to which the fair value of an investment is below cost and the financial viability and short-term business future of the investment, including factors such as the performance of the tourism industry and The expected operating and financial cash flows.

  If the fair value decrease below the cost of the financial assets was considered significant or significant, the Group would have been subject to an impairment charge of € 2.997 thousand in the consolidated income statement in 2015.

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.

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

(1) Investment property

(2) Hotel and tourism – strategic investment in L' Union Nationale (Tourism and Sea Resorts) Ltd

(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:

5 Segment information (continued)

For the year ended 31 December 2016

	Hotel and Tourism €000	Investment property €000	Cement €000	Other €000	Total €000
Revenue	-	-	-	627	627
Loss before interest, taxes, depreciation and amortisation	-	(76)	-	(724)	(801)
Total segment assets	20.703	274.808	56.692	946	353.149
Total assets includes: Investments in associates	-	-	56.692	-	56.692
Investments in available-for-sale financial assets	20.703	-	-	-	20.703
Additions to non-current assets	-	25	-	48	73
Total segment liabilities	-	60.963	-	15.056	76.019

For the year ended 31 December 2015

	Hotel and Tourism €000	Investment property €000	Cement €000	Other €000	Total €000
Revenue	-	-	-	576	576
Loss before interest, taxes, depreciation and amortisation	-	(100)	-	(695)	(695)
Total segment assets	20.703	270.858	54.452	1.862	347.875
Total assets includes: Investments in associates	-	-	54.452	-	54.452
Investments in available-for-sale financial assets	20.703	-	-	-	2.703
Additions to non-current assets	-	22	-	4	26
Total segment liabilities	-	60.116	-	17.786	77.902

5 Segment information (continued)

Reconciliation of segment results

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

	2016 €000	2015 €000
Loss before interest, taxes depreciation and impairment	**(801)**	(795)
Depreciation, impairment	**(25)**	(17)
Gain/(losses) fair value (Note 6)	**4.475**	(505)
Interest income (Note 7)	**-**	2
Operating profit/(loss)	**3.649**	(1.315)
Finance costs (Note 10)	**(1.080)**	(1.193)
Share of loss of investments accounted for using the equity method (Note 17)	**5.198**	3.250
Profit before tax	**7.767**	743

Reconciliation of segment assets and liabilities

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

	2016 €000	2015 €000
Assets for reportable segments	**353.149**	347.875
Total assets as per consolidated balance sheet	**353.149**	347.875

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

	2016 €000	2015 €000
Liabilities for reportable segments	**76.019**	77.902
Unallocated liabilities:		
Current tax liabilities	**1**	1
Total liabilities as per consolidated balance sheet	**76.020**	77.903

6 Other gains/(losses) - net

	The Group		The Company	
	2016	2015	**2016**	2015
	€000	€000	**€000**	€000
Property, plant and equipment:				
Profit from disposal of sale (Note 15)	**4**	-	**4**	-
Investment property:				
Fair value gain/(losses) (Note 16)	**4.475**	(505)	**-**	-
Investments in subsidiaries:				
Impairment charge (Note 18)	**-**	-	**-**	(2.093)
Balances with related parties:				
Impairment charge of receivable from subsidiary (Note 28 (ix))	**-**	-	**(936)**	(2.625)
Reversal of provision for dismantling machinery and equipment (Note 26)	**-**	162	**-**	-
	4.479	(343)	**(932)**	(4.718)

7 Other income

	The Group		The Company	
	2016	2015	**2016**	2015
	€000	€000	**€000**	€000
Interest income:				
Bank balances	**-**	-	**-**	-
Dividend income (Note 17)	**-**	-	**2.912**	2.184
Other income	**-**	2	**-**	-
	-	2	**2.912**	2.184

8 Operating and administrative expenses

The Group

	2016	2015
	€000	€000
Staff costs (Note 9)	**878**	893
Auditors remuneration	**39**	39
Electricity and fuel costs	**14**	16
Legal and other costs	**47**	48
Repairs and maintenance costs	**12**	14
Depreciation (Note 15)	**25**	17
Rents (Note 28 (i))	**174**	175
Insurance	**36**	35
Other administrative and operating costs	**140**	228
Other expenses	**92**	84
	1.457	1.549

The Company

	2016	2015
	€000	€000
Auditors remuneration	**28**	28
Legal and other costs	**14**	16
Electricity and fuel costs	**3**	4
Depreciation (Note 15)	**9**	-
Insurance	**7**	7
Other administration and operating costs	**28**	45
Other expenses	**65**	142
	154	242

The total fees charged by the statutory audit firm for the statutory audit of the annual financial statements of the Group for the year ended December 31, 2016 amounted to €39 thousand / €28 thousand (2015: €39 thousand / €28 thousand) . The total fees charged by the statutory audit firm of the Group for the year ended 31 December 2016 for tax advisers services amounted to €20 thousand (2015: €10 thousand) and for other non-audit services amounted to €8 thousand (2015: €7 thousand).

9 Staff costs

	The Group		**The Company**	
	2016	2015	**2016**	2015
	€000	€000	**€000**	€000
Salaries	**807**	820	**-**	-
Contributions to social insurance	**71**	73	**-**	-
	878	893	**-**	-
Average number of staff	**14**	14	**-**	-

10 Finance costs

	The Group		The Company	
	2016	2015	**2016**	2015
	€000	€000	**€000**	€000
Interest expense:				
Bank borrowings and overdraft	**935**	965	**584**	542
Interest on balances with related parties (Note 28 (iii))	**145**	228	**145**	226
	1.080	1.193	**729**	768

11 Taxation

	The Group		The Company	
	2016	2015	**2016**	2015
	€000	€000	**€000**	€000
Current tax charge:				
Income tax	**5**	4	**-**	**-**
Deferred tax (Note 24)				
Origination and reversal of temporary Differences	**559**	-	**-**	**-**
Tax charge	**564**	4	**-**	-

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

	The Group		The Company	
	2016	2015	**2016**	2015
	€000	€000	**€000**	€000
Profit/(Loss) before tax	**7.767**	743	**1.097**	(3.544)
Tax calculated at the applicable corporation tax rate of 12,5%	**971**	93	**137**	(443)
Tax effect of expenses not deductible for tax purposes	**66**	371	**128**	706
Tax effect of allowances and income not subject to tax	**(650)**	(476)	**(364)**	(273)
Tax effect of losses for which no deferred tax asset has been recognised	**177**	16	**99**	10
Tax charge	**564**	4	**0**	0

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

As from tax year 2012 brought forward losses of only five years may be utilised. 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% as from 1 January 2012; reduced to 17% as from 1 January 2015. In certain cases dividends received from 1 January 2012 onwards from other Cyprus tax resident companies may also be subject to special contribution for defence.

11 Taxation (continued)

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

In accordance with the Income Tax Law, the Company and its subsidiaries, over which the Company controls directly or indirectly of the 75% of their issued share capital, are considered to be a "group" for tax purposes. A company of the "group" may transfer losses and offset them against profits elsewhere in the group.

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					
	2016			2015		
	Before tax €000	**Tax (charge)/ credit €000**	**After tax €000**	Before tax €000	Tax (debit)/ credit €000	After tax €000
Associated companies:						
Changes in equity	**(46)**	**-**	**(46)**	**52**	**-**	**52**
Available for sale financial assets						
Loss on fair value	**-**	**-**	**-**	**(2.997)**	**-**	**(2.997)**
Other comprehensive Income/(losses)	**(46)**	**-**	**(46)**	**(2.945)**	**-**	**(2.945)**

12 Earnings per share

Earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the period.

Basic and fully diluted

	31 December 2016	31 December 2015
Profit attributable to equity holders of the Company- €000	**7.203**	753
Weighted average number of ordinary shares in issue	**137.610.883**	137.610.883
Profit per share - basic and fully diluted (cent per share)	**5,24**	0,55

13 Financial instruments by category

The Group

	Loans and receivables €000	Available-for-sale €000	Total €000
31 December 2016			
Assets			
Available-for-sale financial assets	-	20.703	20.703
Trade and other receivables	402	-	402
Cash and bank balances	1	-	1
Total	403	20.703	21.106

	Other financial liabilities €000	Total €000
Liabilities		
Borrowings	21.685	21.685
Trade and other payables	209	209
Total	21.894	21.894

	Loans and receivables €000	Available-for-sale €000	Total €000
31 December 2015			
Assets			
Available-for-sale financial assets	-	20.703	20.703
Trade and other receivables	424	-	424
Cash and bank balances	1.032	-	1.032
Total	1.456	20.703	22.159

	Other financial liabilities €000	Total €000
Liabilities		
Borrowings	24.163	24.163
Trade and other payables	173	173
Total	24.336	24.336

13 Financial instruments by category (continued)

The Company

	Loans and Receivables €000	Total €000
31 December 2016		
Assets		
Trade and other receivables	197	197
Total	197	197

	Other financial Liabilities €000	Total €000
Liabilities		
Borrowings	14.921	14.921
Trade and other payables	32	32
Total	14.953	14.953

	Loans and receivables €000	Total €000
31 December 2015		
Assets		
Trade and other receivables	119	119
Cash and bank balances	1.028	1.028
	1.147	1.147
Total		

	Other financial liabilities €000	Total €000
Liabilities		
Borrowings	16.117	16.117
Trade and other payables	847	947
Total	16.964	16.964

14 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	
	2016	2015	**2016**	2015
	€000	€000	**€000**	€000
Other receivables				
Group 1	**35**	37	**197**	119
Group 2	**367**	387	**-**	-
	402	424	**197**	119
Cash at bank and short term bank Deposits (1)				
Caa2	**-**	6	**-**	5
Caa3	**1**	1.026	**-**	1.023
	1	1.032	**-**	1.028

(1) The remaining balance of “cash and cash equivalents” as per the balance sheet relates to cash in hand.

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

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

None of the receivables from related parties is overdue or impaired.

15 Property, plant and equipment

The Group

	Machinery and equipment €000	Motor Vehicles €000	Furniture and fittings €000	Total €000
At 01 January 2015				
Net book amount at the beginning of the year	9	19	12	41
Additions	2	-	2	4
Depreciation charge (Note 8)	(4)	(10)	(3)	(17)
Net book amount at the end of the year	7	10	11	28
At 31 December 2015				
Cost	194	167	195	556
Accumulated depreciation	(187)	(157)	(184)	(528)
Net book amount	7	10	11	28
Year ended 31 December 2016				
Opening net book amount	7	10	11	28
Additions	1	46	1	48
Depreciation charge (Note 8)	(3)	(19)	(3)	(25)
Write off cost	-	(118)	-	-
Write off accumulated depreciation	-	118	-	-
Net book amount at the end of the year	5	37	9	51
At 31 December 2016				
Cost	195	95	196	487
Accumulated depreciation	(190)	(58)	(188)	(436)
Net book amount	5	37	9	51

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

	2016 €000	2015 €000
Net book amount	**-**	-
Profit on sale of property, plant and equipment (Note 6)	**4**	-
Proceeds from sale of property, plant and equipment	**4**	-

- Sales of Property, plant and equipment for the year 2016 relate to motor vehicles that have been written off from previous years.
- Depreciation charge of €25 thousand (2015: €17 thousand) was charges to Administrative Expenses.

15 Property, plant and equipment (continued)

The Company

	Motor vehicles €000	Furniture and fittings €000	Total €000
At 1 January 2015			
Cost	118	1	119
Accumulated depreciation	(118)	(1)	(119)
Net book value	-	-	-
Year ended 31 December 2015			
Opening net book amount	-	-	-
Depreciation charge	-	-	-
Net book amount at the end of the year	-	-	-
At 31 December 2015			
Cost	118	-	118
Accumulated depreciation	(118)	-	(118)
Net book amount	-	-	-
Year ended 31 December 2016			
Additions	46	-	46
Depreciation charge	(9)	-	(9)
Write off cost	(118)	-	(118)
Write off accumulated depreciation	118	-	118
Net book amount at the end of the year	37	-	37
At 31 December 2016			
Cost	46	-	46
Accumulated depreciation	(9)	-	(9)
Net book amount	37	-	37

- Depreciation charge of €9 thousand (2015: €-) was charges to Administrative Expenses.

At 31 December 2015, the Company had property, plant and equipment with cost of €118 thousand which were fully depreciated but are still in use by the Company.

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

	2016 €000	2015 €000
Net book amount	**-**	-
Profit on sale of property, plant and equipment (Note 6)	**4**	-
Proceeds from sale of property, plant and equipment	**4**	-

16 Investment property

The Group

	Land for development in Cyprus 2016 €000	2015 €000
Fair Value at 1 January	**270.858**	271.341
Additions	**25**	22
Gain/(losses) on fair value adjustments on investment property (Note 6)	**4.475**	(505)
Disposal of property	**(550)**	-
Fair value at 31 December	**274.808**	270.858

The Company

	Land in Cyprus 2016 €000	Land in Cyprus 2015 €000
Fair Value at 1 January/31 December	**837**	837

The Company's/Group's investment property is measured at fair value. Changes in fair values are presented in profit or loss. The Company/Group holds only one class of investment property being land in Cyprus.

The bank loans of the Company and the Group are secure with investment property (Note 23).

(i) Valuation method and key assumptions

The investment property is valued by the Company's management who has the relevant expertise, knowledge and recent experience in the locations and segments of the investment property valued.

At 31 December 2015, the valuation of the Company's management was based on the discounted cash flows which incorporated the proposed development plan of the land. The main assumptions used were as follows;

Average selling price of residential units	€7.650 per s.m.
Sales velocity of residential units	12 years, 87 annual sales
Average cost of construction of residential units	€2.000 per s.m.
Discount factor	12%

In 2016, the Company changed its valuation method for the investment property. The valuation of the Company's management for the investment property was based on the comparative method taking into consideration the selling price of part of the investment property as this was determined under the loan restructuring agreement entered by (the Company after the year end (Note 29) as this was adjusted to represent the fair value of the whole investment property based on the current market conditions. The Company's management proceeded with the change of the valuation technique as it considers that the comparative method is more suitable considering the characteristics of the investment property.

16 Investment property (continued)

(i) Valuation method and key assumptions

For the purpose of the comparative method performed by the Company's management for the valuation of the land, the land has been divided into three notional zones considering the physical characteristics of each zone. As a result, the comparative method is based on observable prices for Zone A on which Zone B's and Zone C's prices have been determined.

The area of each notional zone and the price per square meter has been determined by the Company's management as follows;

Notional Zone	Area (square meters '000/ %)	Price per square meter (€)
Zone A	240 / 21%	479
Zone B	135 / 11%	240 (1/2 of Zone A's price)
Zone C	801 / 68%	160 (1/3 of Zone A's price)

The valuation of the Group's investment property has been classified as level 3 valuation since the valuation techniques used incorporate unobservable inputs.

(ii) Estimates of fair value using material that are not observable Data (Level 3) and sensitivity

The table below shows the possible impact of the fair value of the investment property in the Group's / Company's total income due to a change in the non-observable inputs (Level 3).

Information in respect of valuation of investment property using non-observable inputs (Level 3) – 31 December 2015

Property	Valuation (€000)	Valuation method	Non-observable inputs	Change in input	Sensitivity
Land for development	269.471	Discounted cash flow method	Average selling price of residential units	Variation in selling price +/- 5%	+ €11.249 thousands/ - € 37.338 thousands
			Sales velocity of residential units	Variation in sales velocity of residential units by +/- 1 year	- €3.804 thousands - €23.161 thousands
			Average cost of construction of residential units	Variation of average cost +/- 10%	- €37.783 thousands + €11.694 thousands
			Discount factor (WACC)	Increase by 0,5%	- €13.044 thousands

16 Investment property (continued)

(ii) Estimates of fair value using material that are not observable Data (Level 3) and sensitivity (continued)

Information in respect of valuation of investment property using non-observable inputs (Level 3) – 31 December 2016

Property	Valuation (€000)	Valuation method	Non-observable inputs	Change in input	Sensitivity
Land for development	273.971	Comparative method	Area allocation into notional zones ('000/ %)	Zone A – 176/ 15% Zone B – 176/ 15% Zone C – 824/ 70%	€16.998 thousands decrease
				Zone A – 706/ 60% Zone B – 470/ 40%	€8.736 thousands decrease

17 Investments accounted for using the equity method

	The Group		The Company	
	2016	2015	**2016**	2015
	€000	€000	**€000**	€000
At beginning of year	**54.452**	77.034	**52.597**	52.597
Transfer to available-for-sale financial Assets [(1)]	**-**	(23.700)	**-**	-
Share of profit after tax	**5.198**	3.250	**-**	-
Share of changes in equity	**(46)**	52	**-**	-
Dividends (Note 7)	**(2.912)**	(2.184)	**-**	-
At end of year	**56.692**	54.451	**52.597**	52.597

(1) Investment in L' Union Nationale (Tourism & Sea Resorts) Ltd has been transferred from investment accounted for using the equity method to available-for-sale financial assets due to the fact that the Group has ceased to exercise significant influence over L' Union Nationale (Tourism & Sea Resorts) Ltd during the year ended 31 December 2015 (Note 19).

The Group

The investment of Group in associated companies are as follows:

	Country	Principal activities	% interest held	Measurement Method
2016				
Vassiliko Cement Works Public Company Limited	Cyprus	Production and sale of cement	25,3%	Equity Method
2015				
Vassiliko Cement Works Public Company Limited	Cyprus	Production and sale of cement	25,3%	Equity Method

The associated company Vassiliko Cement Works Public Company Limited is listed on the Cyprus Stock Exchange. On 31 December 2016, the fair value of the investment in associate based on the market price was €50.049 thousand (2015: €23.739 thousand). The market price listed on the stock exchange is not representative since these shares are not traded in an active market.

17 Investments accounted for using the equity method (continued)

Important restrictions

There are no significant restrictions as a result of borrowing, regulatory or contractual arrangements between investors with significant influence on affiliated companies in relation to the ability of affiliated companies to transfer money to the Group in the form of cash dividends or to repay loans or advances made From the Group.

Contingent Liabilities and Commitments

(a) Operating lease commitments – where the investment in associate undertakings are lessees

Non-cancellable lease payments are as follows:

	Vassiliko Cement Works Public Company Limited	
	2016	2015
	€000	€000
Within 1 year	**136**	108
Between 2 to 5 years	**512**	127
Later than 5 years	**72**	91
	720	326

(b) Operating lease commitments – where the investment in associate undertakings are lessors

Minimum non-cancellable lease payments are as follows:

	Vassiliko Cement Works Public Company Limited	
	2016	2015
	€000	€000
Within 1 year	**95**	130
Between 2 to 5 years	**74**	578
Later than 5 years	**62**	142
	231	850

17 Investments accounted for using the equity method (continued)

(c) Capital Commitments

On 31 December 2015 and 2016, there were no capital commitments in respect of the associated company Vassiliko Cement Works Public Company Limited.

Set out below are the summarised financial information of the associated companies:

Summarised balance sheet

	Vassiliko Cement Works Public Company Limited	
	2016	2015
	€000	€000
Current assets	**34.624**	34.961
Non-current assets	**263.298**	265.410
Current Liabilities	**(14.518)**	(12.511)
Non-current Liabilities	**(49.433)**	(62.745)
Net assets	**233.971**	225.115

Summarised statement of comprehensive income

	Vassiliko Cement Works Public Company Limited	
	2016	2015
	€000	€000
Revenue	**94.744**	90.035
Loss for the year	**20.546**	13.380
Other Comprehensive income/ (losses)	**(180)**	206
Total comprehensive (loss)/ income for the year	**20.366**	13.586

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

17 Investments accounted for using the equity method (continued)

Summarised reconciliation of financial information

The reconciliation of the summarised financial information is presented to the carrying value of the Investment in associate is as follows:

	Vassiliko Cement Works Public Company Limited	
	2016	2015
	€000	€000
Summarised financial information		
Net assets at 1 January	**215.227**	210.273
Profit for the year	**20.546**	13.380
Other comprehensive income for the year	**(180)**	206
Dividends	**(11.510)**	(8.632)
Net assets at 31 December	**224.083**	215.227
Share of the investment in associate – 25,3%	**56.692**	54.452
Carrying value	**56.692**	54.452

The Company

Investment in associated company is set out below:

	Country	Principal activities	% interest held	Measurement Method
2016				
Vassiliko Cement Works Public Company Limited	Cyprus	Production and sale of cement	25,3%	Cost Method
2015				
Vassiliko Cement Works Public Company Limited	Cyprus	Production and sale of cement	25,3%	Cost Method

18 Investments in subsidiaries

	2016	2015
	€000	€000
At the beginning of the year	**280.855**	282.948
Impairment (Note 6)	**-**	(2.093)
At the end of the year	**280.855**	280.855

18 Investments in subsidiaries (continued)

Set out below are all the significant subsidiaries registered in Cyprus:

			% interest held	
Name	**Country of incorporation**	**Principal activities**	**31 December 2016**	31 December 2015
			%	%
CCC Laundries Limited	Cyprus	Dormant	**100,00**	100,00
C.C.C. Tourist Enterprises Public Company Limited	Cyprus	Holding of investments in hotel and tourism industry	**67,29**	67,29
C.C.C. Secretarial Limited	Cyprus	Secretarial and administration services	**53,46**	53,46
C.C.C. Real Estate Company Limited	Cyprus	Holding and development of investment property	**100,00**	100,00
Subsidiaries of CCC Laundries Limited				
White Linen (Famagusta) Limited	Cyprus	Dormant	**63,00**	63,00

The minority interest in subsidiary companies on 31 December 2016 was €6.798 thousand (2015: €6.810 thousand) and it mainly relates to the minority interest of C.C.C. Tourist Enterprises Public Company Limited of €6.800 thousand (2015: €6.814 thousand). The minority interest's percentage of C.C.C. Tourist Enterprises Public Company Limited is 32,71%. The share of loss for the year ended 31 December 2016 attributable to the minority interest of C.C.C. Tourist Enterprises Public Company Limited was €13 thousand (2015: €14 thousand).

Summarised financial information on subsidiaries with material non-controlling interests

Summarised consolidated balance sheet

	C.C.C. Tourist Enterprises Public Company Limited	
	2016	2015
	€000	€000
Current assets	**142**	163
Current liabilities	**(63)**	(43)
Net current liabilities	**79**	120
Non-current assets	**20.710**	20.710
Net non-current assets	**20.710**	20.710
Net assets	**20.789**	20.830

18 Investments in subsidiaries (continued)

Summarised consolidated income statement

	C.C.C. Tourist Enterprises Public Company Limited	
	2016	2015
	€000	€000
Loss from continued operations	**(40)**	(43)
Other comprehensive loss	**-**	(2.997)
Total comprehensive loss	**(40)**	(3.040)

Summarised consolidated cash flows

	C.C.C. Tourist Enterprises Public Company Limited	
	2016	2015
	€000	€000
Cash flows from operating activities		
Cash generated from operations	**(39)**	(39)
Interest paid	**(2)**	(2)
Net cash used in operating activities	**(41)**	(41)
Net cash from investing activities	**36**	45
Net (decrease)/increase in cash, cash equivalents and bank overdrafts	**(5)**	4
Cash, cash equivalents and bank overdrafts at beginning of year	**(28)**	(32)
Cash, cash equivalents and bank overdrafts at end of year	**(33)**	(28)

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

19 Available-for-sale financial assets

	The Group		The Company	
	2016	2015	**2016**	2015
	€000	€000	**€000**	€000
At the beginning of the year)	**20.703**	-	-	-
Transfer from investments accounted for under equity method (Note 17)	-	23.700	-	-
Fair value loss transferred to other comprehensive income	-	(2.997)	-	-
	20.703	20.703	-	-

The Group holds 24,98% in the total issued share capital of L' Union Nationale (Tourism and Sea Resorts) Ltd (2015: 24,98%).

From 01 January 2016, the Board of Directors of the Group has decided to reclassify the investment in L' Union Nationale (Tourism & Sea Resorts) from "Investments accounted for under the equity method" to "Available-for-sale financial assets" (Note 4). The Board of Directors of the Group believes that this classification better reflects the economic substance in accordance with the degree of influence the Group has over the financial and corporate decisions made by L'Union Nationale (Tourism & Sea Resorts) through the Group's representation on the entity's Board of Directors.

As a result, during the date of the Group's loss of significant influence over L' Union Nationale (Tourism & Sea Resorts), the investment is valued at fair value, in accordance with IAS 39 "Financial Instruments: Recognition and Measurement".

(i) Valuation technique and key assumptions

The valuation of the investment in L' Union as at 31 December 2015 was prepared by the Company's Management and used the discounted cash flow method. In 2016, the Company's management changed the method of valuation of the investment, taking into account the characteristics and particularities of the investment, the available information and the maximization of the observable data used in the estimation. More specific in 2016, the Company's management used the discounted cash flow method to measure the value of the residential apartments and the fair value method based on the expected operating profit (Earnings Before Interest and Depreciation, known as EBITDA) for the valuation of the hotel complex.

Information in respect of valuation of fair value using non-observable inputs (Level 3)

Description 31 December 2016	**Fair value method**	**Non – observable data**	**Connection between non – observable data and fair value**
Hotel operations	Fair value method based on operating profit (EBITDA multiple)	Multiplier: 16 Expected operating profit: €9,6 million	The higher are the multiplier and the expected operating profit, the higher the fair value
Development and sale of luxury apartments	Discounted cash flow method	Expected sale price of residential apartments €10.000 per square meter Discount rate: *7,08%*	The higher the sale price per square meter is, the greater the fair value.

19 Available-for-sale financial assets (continued)

(i) Valuation technique and key assumptions (continued)

31 December 2015

Hotel operations and development and sale of luxury apartments	Discounted cash flow method	Discount rate: *10%* Projection period: 10 years Annual growth rate in revenue: *2% - 3%* Terminal growth rate: *3%*	The higher the sale price per square meter or the higher the annual growth rate is, the higher the fair value.

Sensitivity

The table below shows the possible impact on the fair value of the investment in L' Union in other comprehensive income, from the change in significant assumptions. The positive amount reflects the net possible profit and the negative amount the net possible loss to other comprehensive income.

Change in assumptions	**Impact in other comprehensive income 2016 €000**
Operating profit method (Hotel complex)	
Increase by *10%* in the expected operating profit	3.837
Decrease by *10%* in the expected operating profit	(3.837)
Increase by *1* unit in the multiplier	2.398
Decrease by *1* unit in the multiplier	(2.398)
Discounted cash flow method (Luxury apartments)	
Increase by *10%* in expected sale price	1.376
Decrease by *10%* in expected sale price	(1.376)

Change in assumptions	**Impact in other comprehensive income 2015 €000**
Increase by *10%* of EBITDA	1.331
Decrease by *10%* of EBITDA	(1.331)
Increase by *0,5* percentage points of the discount rate	(2.048)
Decrease by *0,5* percentage points of the discount rate	2.356

The fair value of the investment is included in level 3 (Note 3 (iii)) since the valuation technique is based on unobservable inputs.

19 Available-for-sale financial assets (continued)

(i) Valuation technique and key assumptions (continued)

Sensitivity (continued)

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

	The Group		The Company	
	2016	2015	**2016**	2015
	€000	€000	**€000**	€000
Euro - functional and presentation currency	**20.703**	20.703	**-**	-

20 Trade and other receivables

	The Group		The Company	
	2016	2015	**2016**	2015
	€000	€000	**€000**	€000
Trade receivables	**58**	58	**58**	58
Less: Provision for impairment of trade receivables	**(58)**	(58)	**(58)**	(58)
Trade receivables- net	**-**	-	**-**	-
Receivables from related parties (Note 28 (v))	**35**	37	**197**	119
Other receivables	**859**	765	**-**	-
	894	802	**197**	119

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 2016, trade receivables of €197 thousand (2015: €119 thousand) were fully performing.

As of 31 December 2016, trade receivables of €58 thousand were impaired and provided for (2015: €58 thousand). The impairment provision was €58 thousand on 31 December 2016 (2015: €58 thousand).

The Group

As of 31 December 2016, trade receivables of €58 thousand (2015: €58 thousand) were impaired and provided for. The impairment provision was €58 thousand on 31 December 2016 (2015: €58 thousand).

As of 31 December 2016, receivables from related parties of €35 thousand (2015: €37 thousand) and other receivables of €859 thousand were fully performing.

20 Trade and other receivables (continued)

The Group (continued)

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

	The Group		The Company	
	2016	2015	**2016**	2015
	€000	€000	**€000**	€000
Over 6 months	**58**	58	**58**	58

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

	The Group		The Company	
	2016	2015	**2016**	2015
	€000	€000	**€000**	€000
At 1 January/31 December	**58**	58	**58**	58

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 Company's trade and other receivables are denominated in the following currencies:

	The Group		The Company	
	2016	2015	**2016**	2015
	€000	€000	**€000**	€000
Euro	**894**	802	**197**	119

21 Cash and cash equivalents

	The Group		The Company	
	2016	2015	**2016**	2015
	€000	€000	**€000**	€000
Cash at bank and in hand	**1**	1.032	**-**	1.028
	1	1.032	**-**	1.028

21 Cash and cash equivalents (continued)

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

	The Group		The Company	
	2016	2015	**2016**	2015
	€000	€000	**€000**	€000
Cash at bank and in hand	**1**	1.032	**-**	1.028
Bank overdrafts (Note 23)	**(286)**	(463)	**(176)**	(264)
	(285)	568	**(176)**	764

The carrying amounts of the Group's and Company's cash and cash equivalents are denominated in the following currencies:

	The Group		The Company	
	2016	2015	**2016**	2015
	€000	€000	**€000**	€000
Euro	**1**	1.032	**-**	1.028

22 Share capital and share premium

	31 December 2016			31 December 2015		
	Number of shares	**Ordinary share capital**	**Share premium**	Number of shares	Ordinary share capital	Share premium
		€000	**€000**		€000	€000
Issued and fully paid						
At beginning of year	**137.610.883**	**59.173**	**910**	137.610.883	59.173	910
At end of year	**137.610.883**	**59.173**	**910**	137.610.883	59.173	910

The total authorised number of ordinary shares is 200 000 000 shares (2015: 200 000 000 shares) with a nominal value of €0,43 per share (2015: nominal value of €0,43 per share). All issued shares are fully paid.

23 Borrowings

	The Group		The Company	
	2016	2015	**2016**	2015
	€000	€000	**€000**	€000
Current				
Bank overdrafts (Note 21)	**286**	463	**176**	264
Bank borrowings	**2.490**	1.790	**1.101**	114
Borrowings from related companies (Note 28 (vi))	**-**	19	**-**	-
	2.776	2.272	**1.277**	378
Non-current				
Bank borrowings	**16.116**	17.386	**10.851**	11.233
Borrowings from related companies (Note 28 (vi))	**2.793**	4.505	**2.793**	4.505
	18.909	21.891	**13.644**	15.738
Total borrowings	**21.685**	24.163	**14.921**	16.116
Maturity of non-current borrowings				
Between 1 and 2 years	**4.531**	3.372	**3.906**	2.009
Between 2 and 5 years	**6.031**	9.512	**3.470**	7.446
Over 5 years	**8.347**	9.006	**6.268**	6.283
	18.909	21.891	**13.644**	15.738

The Company

During the year ended 31 December 2015, the Company reached to an agreement with the financing bank for the restructuring of bank loans of €8.286 thousand in order to expand the repayment date of the loan (original repayment date, 2021) to a later date (2027).

Additionally, during the year 2015, the Company reached to an agreement with the financing bank for the provision of an additional loan of €7.000 thousand which will be provided in tranches based on the Company's financing needs. During the year 2015, the amount of €2.991 thousand has been provided to the Company by the financing bank. During the year 2016, the amount of €730 thousand has been provided by the finance bank.

The bank loans are repayable as follows:

Bank loans of €8.152 thousand and €3.800 thousand are repayable by quarterly instalments up until 2027 and by half-yearly instalments up until 2023, respectively.

The bank loans are secured as follows:

(i) By floating charge on the Company's assets.
(ii) By corporate guarantees of the Company's related parties of €32.120 thousand (2015: €32.120 thousand).
(iii) By personal guarantees of the Directors Messrs. Costas Galatariotis and George Galatariotis of €16.908 thousand (2015: €16.908 thousand (Note 28 (viii)).
(iv) By mortgage of Group's land included in investment property for the amount of €23.000 thousand (2015: €23.000 thousand) (Note. 16).

23 Borrowings (continued)

The Company (continued)

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

	2016 **%**	2015 %
Bank overdrafts	**4,83%**	5,73
Bank borrowings	**4,16%**	4,84
Borrowings from related parties	**4,70%**	4,75

The Group

During the year 2015, the Group reached to an agreement with the financing bank for the restructuring of bank loans of €11.506 thousand in order to expand the repayment date of the loan (original repayment date, 2021) to a later date (2027).

Additionally, in year 2015, the Group reached to an agreement with another financing bank for the restructuring of bank loans of €3.301 thousand in order to expand the repayment date of the loan to a later date (2020).

Additionally, in year 2015, the Company reached to an agreement with the financing bank for the provision of an additional loan of €7.000 thousand which will be provided in tranches based on the Company's financing needs. During the year 2015, the amount of €2.991 thousand has been provided to the Company by the financing bank. During the year 2016, the amount of €730 thousand has been provided by the finance bank.

The bank loans are repayable as follows:

Bank loans of €3.800 thousand, €11.323 thousand and €3.483 thousand are repayable by half-yearly installments up until 2023, by quarterly instalments up until 2027, by half-yearly instalments up until 2020, respectively.

The bank loans are secured as follows:

(i) By mortgage of Group's land included in investment property for the amount of €31.500 thousand (2015: €31.500 thousand) (Note. 16).
(ii) By floating charge on Group's assets.
(iii) By corporate guarantees of the Group's related parties for the amount of €12.000 thousand (2015: €12.000 thousand).
(iv) By personal guarantees of the Directors Messrs. Costas Galatariotis and George Galatariotis for the amount of €23.528 thousand (2015: €23.528 thousand) (Note 28 (viii)).

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

	2016 **%**	2015 %
Bank overdrafts	**4,83%**	5,10
Bank borrowings	**4,21%**	4,84
Borrowings from related parties	**4,70%**	4,75

23 Borrowings (continued)

The Company and the Group

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 the borrowings are denominated in the following currencies:

	The Group		The Company	
	2016	2015	**2016**	2015
	€000	€000	**€000**	€000
Euro	**21.685**	24.163	**14.921**	16.117
	21.685	24.163	**14.921**	16.117

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	
	2016	2015	**2016**	2015
	€000	€000	**€000**	€000
6 months or less	**21.685**	24.163	**14.921**	16.117

The Company/Group has the following undrawn borrowing facilities:

	The Group		The Company	
	2016	2015	**2016**	2015
	€000	€000	**€000**	€000
Floating rate:				
Expiring within one year	**1.629**	5.348	**1.604**	5.259

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

24 Deferred income tax liabilities

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

	The Group		The Company	
	2016	2015	**2016**	2015
	€000	€000	**€000**	€000
At the beginning of the year	**53.566**	53.566	**53.566**	53.566
Charge to profit or loss (Note 11)	**559**	-	**-**	-
At end of year	**54.125**	53.566	**53.566**	53.566

24 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

	Profit fair value €000	Total €000
At 1 January 2015	53.566	53.566
At 31 December 2015	53.566	53.566

	Profit fair value €000	Total €000
At 1 January 2016	**53.566**	**53.566**
Charge to profit or loss	**559**	**559**
At 31 December 2016	**54.125**	**54.125**

The Company

	Investment in subsidiary companies €000	Total €000
At 1 January 2015/ 31 December 2015	53.566	53.566
At 1 January 2016/ 31 December 2016	**53.566**	**53.566**

25 Trade and other payables

	The Group		The Company	
	2016 €000	2015 €000	**2016 €000**	2015 €000
Payables to related parties (Note 28 (v))	**33**	-	**-**	814
Other payables and accrued expenses	**176**	173	**32**	33
	209	173	**32**	847

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

26 Provisions

	The Group		The Company	
	2016	2015	**2016**	2015
	€000	€000	**€000**	€000
Provision for dismantling of machinery and equipment:				
At the beginning of the year	**-**	298.000	**-**	**-**
Charged to profit or loss:				
Dismantling expenses incurred				
Transfer to subsidiary due to reorganization	**-**	(136)	**-**	**-**
Credited to profit or loss:				
Reversal of provision (Note 6)	**-**	(162)	**-**	**-**
	-	-	**-**	-

27 Contingencies and commitments

Other contingent liabilities of the Company/Group

The Company and the Group guaranteed bank overdrafts and loans of related companies as described in Note 28 (vii)). No significant expenses are expected to arise for the Company/Group with respect to these guarantees.

28 Related party transactions

The Company is controlled by C.C.C. Holdings & Investments Limited (parent 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	
	2016	2015	**2016**	2015
	€000	€000	**€000**	€000
Related companies:				
Secretarial and administration services	**-**	7	**36**	43
Rent (Note 8)	**174**	175	**-**	-
	174	182	**36**	43

28 Related party transactions (continued)

(ii) Sales of services

	The Group		The Company	
	2016	2015	**2016**	2015
	€000	€000	**€000**	€000
Secretarial and administration services:				
Parent company	**5**	5	-	-
Related companies	**597**	546	-	-
Ultimate holding company	**25**	25	-	-
	627	576	-	-

(iii) Interest on balances with related parties

	The Group		The Company	
	2016	2015	**2016**	2015
	€000	€000	**€000**	€000
Interest payable (Note 10):				
Related company	**145**	228	**145**	226
	145	228	**145**	226

(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	
	2016	2015	**2016**	2015
	€000	€000	**€000**	€000
Director fees	**6**	6	**6**	6
Director emoluments	**301**	305	**-**	-
Total Directors	**307**	311	**6**	6
Remuneration of key management personnel	**78**	78	**-**	-
	385	389	**6**	6

28 Related party transactions (continued)

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

The Group

	Fees €000	Salaries and employer contributions €000	Total €000
Year ended 31 December 2016			
Executive Directors			
George St. Galatariotis	1	75	76
Costas St. Galatariotis	1	101	102
Stavros G. St. Galatariotis	1	53	54
Tasos Anastasiou	1	72	73
	4	301	305
Non-executive Directors			
Michalis Moushouttas	1	-	1
Antonis Antoniou	1	-	1
	2	-	2
Total	**6**	**301**	**307**

	Fees €000	Salaries and employer Contributions €000	Total €000
Year ended 31 December 2015			
Executive Directors			
George St. Galatariotis	1	76	77
Costas St. Galatariotis	1	101	102
Stavros G. St. Galatariotis	1	57	58
Tasos Anastasiou	1	72	73
Vassos G. Lazarides			
	4	306	310
Non-executive Directors			
Michalis Moushouttas	1	-	1
Antonis Antoniou	1	-	1
	2	-	2
Total	**6**	**306**	**312**

28 Related party transactions (continued)

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

The Company

	Fees €000	Salaries and employer contributions €000	Total €000
Year ended 31 December 2016			
Executive Directors			
George St. Galatariotis	1	-	1
Costas St. Galatariotis	1	-	1
Stavros G. St. Galatariotis	1	-	1
Tasos Anastasiou	1	-	1
	4	-	4
Non-executive Directors			
Michalis Moushouttas	1	-	1
Antonis Antoniou	1	-	1
	2	-	2
Total	**6**	**-**	**6**

	Fees €000	Salaries and employer contributions €000	Total €000
Year ended 31 December 2015			
Executive Directors			
George St. Galatariotis	1	-	1
Costas St. Galatariotis	1	-	1
Stavros G. St. Galatariotis	1	-	1
Tasos Anastasiou	1	-	1
	4	-	4
Non-executive Directors			
Michalis Moushouttas	1	-	1
Antonis Antoniou	1	-	1
	2	-	2
Total	**6**	**-**	**6**

28 Related party transactions (continued)

(v) Year end balances

	The Group		The Company	
	2016	2015	**2016**	2015
	€000	€000	**€000**	€000
Receivable from related parties (Note 20):				
Related companies	**18**	15	**-**	-
Associated companies	**-**	1	**-**	1
Subsidiary companies [(1)]	**-**	-	**197**	118
Ultimate parent company	**17**	21	**-**	-
	35	37	**197**	119
Payable to related parties (Note 25):				
Subsidiary companies	**-**	-	**-**	814
Company exercising significant influence to the Group	**33**	-	**-**	-
	33	-	**-**	814

(1) During the year 2015, the Company recognised an impairment charge against the receivable from its subsidiary entity of €2.625 thousand, since the Company does not expect that this receivable amount is recoverable (Note 6).

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

(vi) Loans from related companies

	The Group		The Company	
	2016	2015	**2016**	**2015**
	€000	€000	**€000**	**€000**
Loans from company which exercises significant influence on the Group/Company:				
At beginning of year	**4.524**	4.868	**4.505**	4.840
Repayments during year	**(1.884)**	(418)	**(1.865)**	(409)
Loans transferred to related parties	**-**	(167)	**-**	(167)
Balance transferred from related company	**9**	13	**8**	15
Interest paid (Note 28 (iii))	**145**	228	**145**	226
At end of year (Note 23)	**2.793**	4.524	**2.793**	4.505

The loan from the Company that exercises significant influence on the Group/Company bears average annual interest at 4,70% (2015: 4,75%) and is unsecured. Loans mentioned above are repayable between 2 and 7 years.

28 Related party transactions (continued)

(vii) Guarantees for loans provided to related companies

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

	2016		2015	
	Guarantees on investment property €000	**Corporate guarantees €000**	Guarantees on investment property €000	Corporate guarantees €000
Ultimate parent company	**4.800**	**9.600**	4.800	9.600
Parent company	**13.750**	**18.500**	13.750	18.500
Other related companies under common control	**1.770**	**3.490**	1.770	3.490
	20.320	**31.590**	20.320	31.590

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

	2016	2015
	Corporate guarantees €000	Corporate guarantees €000
Ultimate parent company	**4.800**	4.800
Parent company	**9.250**	9.250
Subsidiary company	**3.400**	3.400
Other related companies under common control	**1.720**	1.720
	19.170	19.170

(viii) Personal guarantees of Directors

Bank borrowings and overdrafts of the Company and the Group are secured by personal guarantees of the Directors Messrs. Costas Galatariotis and George Galatariotis for the amount of €16.908 thousand and €23.528 thousand respectively (2015: €16.908 thousand and €23.528 thousand) (Note 23).

(ix) Loans to related parties

	The Group		**The Company**	
	2016 €000	2015 €000	**2016 €000**	2015 €000
Loans granted to subsidiary companies	-	-	936	-
Impairment of loans receivable from subsidiary companies	-	-	(936)	-
	-	-	-	-

29 Events after the balance sheet date

On 9 March 2017, the subsidiary Company C.C.C. Real Estate Company Ltd sold part of its investment property to a third party (100% subsidiary of the Bank Cyprus Public Company Ltd) as part of the loan restructuring agreement in respect of the credit facilities of the Group and other related entities.

The sale price of the property amounts to €30.750.000 and the sale falls within the framework of the Tax Department regulations and provisions for tax relief for bank loan restructuring.

The loan restructuring agreement relates to all loans provided by Bank of Cyprus to the subsidiary C.C.C. Real Estate Company Ltd and to the Company, as well as part of the loans provided to other related companies of the Group for which through its subsidiary is a guarantor and a collateral provider.

There were no other significant post balance sheet events that are relevant to the understanding of the financial statements.

Independent auditor’s report on pages 9 to 17.