LOGICOM PUBLIC LIMITED

REPORT AND CONSOLIDATED
FINANCIAL STATEMENTS

Year ended 31 December 2013

LOGICOM PUBLIC LIMITED

REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2013

CONTENTS

We hereby certify that the report and financial statements of Logicom Public Limited for the year ended 31 December 2013 is true copy of the report and financial statements laid and deposited at the General Meeting of the Company, which has properly confirmed receipt of these.

Director

A Papachristoforou
Anthoulis Papachristoforou
For LOGICOM PUBLIC LTD

Secretary

Για ADAMINCO SECRETARIAL LIMITED
Γιωτα Πασχαλη, Διοικητικός Σύμβουλος

LOGICOM PUBLIC LIMITED

BOARD OF DIRECTORS AND PROFESSIONAL ADVISERS

DIRECTORS
Adamos K. Adamides, Chairman
Varnavas Irinarchos, Vice Chairman and Managing Director
Sparsis Modestou, Director
Takis Klerides, Director
Nicos Michaelas, Director
George Papaioannou, Director
Anthoulis Papachristoforou, Director (Appointed on November 15, 2013)

GROUP FINANCIAL CONTROLLER
Anthoulis Papachristoforou

SECRETARY
Adaminco Secretarial Limited
Eagle Star House, 1st floor
35 Theklas Lysioti Street
3030 Limassol

REGISTERED OFFICE
Eagle Star House, 1st floor
35 Theklas Lysioti Street
3030 Limassol

MANAGEMENT OFFICE
26 Stasinou Street, Ayia Paraskevi
2003 Strovolos, Nicosia

INDEPENDENT AUDITORS
KPMG Limited
14 Esperidon street
1087 Nicosia
Cyprus

LEGAL ADVISERS
Scordis, Papapetrou & Co LLC
Includes through merger
Adamos K. Adamides & Co
Eagle Star House, 1st floor
35 Theklas Lysioti Street
3030 Limassol

FINANCIAL CONSULTANTS
Marfin CLR Public Co Ltd
CLR House, Vironos 26
1096 Nicosia

BANKERS
Hellenic Bank Public Company Limited
Bank of Cyprus Public Company Limited
National Bank of Greece (Cyprus) Ltd
HSBC Bank Middle East
Banque Audi SAL
Alpha Bank Cyprus Ltd
Societe Generale Cyprus Ltd
Standard Chartered Bank
EFG Eurobank Ergasias S.A.
Piraeus Bank (Cyprus) Ltd
Unicredit Bank
Credito Artigiano S.p.A.
The Cyprus Development Bank Public Company Limited
Societe Generale Lebanon
Garanti Bank
The Housing Bank for Trade & Finance
CIB Bank Ltd
Eurobank EFG Cyprus
Commercial Bank of Greece S.A
Alpha Bank S.A.
Macquarie Bank Limited (London branch)
FIMBank PLC
Saudi British Bank
National Bank of Fujairah PSC
RCB Bank Ltd
Mashreq Bank PSC
Commercial Bank (Cyprus) Ltd
USB Bank PLC
HypoVereinsbank
Piraeus Bank A.E.
Marfin Bank (Romania)

LOGICOM PUBLIC LIMITED

STATEMENT OF THE MEMBERS OF THE BOARD OF DIRECTORS AND THE OFFICIALS OF THE COMPANY RESPONSIBLE FOR THE FINANCIAL STATEMENTS

According to article 9, sections (3)(c) and (7) of the Conditions for Transparency (Movable Securities for Trading in Controlled Market) Law of 2007 ("Law"), we the members of the Board of Directors and Anthoulis Papachristophorou, BA (Hons) FCCA, Group Financial Controller responsible for the preparation of the financial statements, of the Group and the Company Logicom Public Ltd, for the year ended 31 December 2013, we confirm that to the best of our knowledge:

(a) the annual consolidated financial statements that are presented in pages 10 to 102:

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

(ii) give a true and fair view of the assets and liabilities, of the financial position and of the profit or losses of Logicom Public Ltd and the businesses that are included in the Consolidated Financial Statements as a whole, and

(b) the directors' report gives a fair review of the developments and the performance of the business as well as the financial position of Logicom Public Ltd and the businesses that are included in the Consolidated Financial Statements as a whole, together with a description of the main risks and uncertainties which are faced.

Members of the Board of Directors

Adamos K. Adamides, Chairman

Varnavas Irinarchos, Vice Chairman and Managing Director

Sparsis Modestou, Director

Takis Klerides, Director

Nicos Michaelas, Director

George Papaioannou, Director

Anthoulis Papachristoforou

Responsible for the preparation of financial statements

Anthoulis Papachristoforou , Group Financial Controller

Nicosia, April 7, 2014

LOGICOM PUBLIC LIMITED

BOARD OF DIRECTORS' REPORT

The Board of Directors of Logicom Public Limited (the "Company") presents to the members its report together with the audited consolidated financial statements of the Company and its subsidiaries (the "Group") and the separate financial statements of the Company for the year ended 31 December 2013.

PRINCIPAL ACTIVITIES

The Group continued in 2013 the distribution of high technology products, the supply of computers, services and complete information technology, telecommunication and software solutions.

REVIEW OF RESULTS

The turnover increased by 6.8% in relation to 2012. The turnover of the Distribution Sector shows an increase of 9.5%. The turnover of the Software and Integrated Solutions Division has decreased by 19,5%, mainly due to the state of recession in which the Cyprus and Greece markets have entered into.

The percentage of gross profit margin has decreased from 8,3% in 2012 to 7,3%, mainly due to the decrease of the turnover of Services Division where the gross profit margin is higher and the increase of the turnover of the Distribution Division where the gross profit margin is lower.

Other Income mainly relates to contributions from suppliers for promotion of their products and income through business relationships with third parties.

The decrease in Administration Expenses by €2.512.990, and in percentage terms 8,4% is mainly due to the policy of reducing the Group's operating costs with reference to personnel costs, credit insurance and rent.

The profit from operating activities amounted to €9.846.558, comparatively increased by 2.8% compared with 2012.

The financing cost, including interest receivable and payable, and related bank charges resulting from the banking facilities used for the expansion of the Group's operations amounted to €4.879.554 compared to €4.287.863 during 2012, showing an increase of 13,8%. The increase is mainly due to the negative impact from the decrease in the bank deposit Interest Rates, the reduction of Bank Fixed Deposits for the safer management and handling of the company's liquidity and the increase of Bank Borrowings at acceptable levels in comparison to the Company's Equity.

The Foreign Exchange Difference, resulting from the exchange rate fluctuation between the US Dollar and the Euro, had a positive impact on the Group's Results amounting to a profit of €346.927, compared to 2012 where the loss amounted to €346.642. It is clarified that as from 1/1/2010 the provisions of the IAS39 in relation to Hedge Accounting have been adopted, with the aim to reduce the effects of the exchange rate fluctuation between the US Dollar and the Euro in the Consolidated Statement of Comprehensive Income. The adoption of the provisions of IAS 39 limited the effect on Group Results. Loss amounting €820.242 which arose on the conversion of the net investment in foreign subsidiaries was hedged in reserves with a profit of €820.242 that arose on the conversion of long-term and short-term loans.

LOGICOM PUBLIC LIMITED

BOARD OF DIRECTORS' REPORT (continued)

REVIEW OF RESULTS (continued)

The increase in taxation by €156.336 is mainly due to provisions for corporate taxation in subsidiary companies.

The Group's profit before tax amounted to €5.017.098 for the year 2013 compared to €2.961.417 in 2012, that corresponds to an increase in percentage terms of 69,4% The increase is mainly due to the impairment of the fair value of the Laiki Bank Capital Securities of €2.000.000 which had been recognized in 2012. The profit attributable to the Company's shareholders has increased by €2.015.548 and in percentage terms 98,8%.

The earnings per share and the diluted earnings per share in 2013 increased by 98,9% compared to 2012, to 5,47 cents.

The Group's cash and cash equivalents compared to the bank overdrafts present a credit balance of €19.739.786 at the end of 2013 compared to €14.052.525 at the end of 2012. The short-term loans increased to €35.197.263 from €22.719.335. The long-term loans have decreased to €15.334.542 from €20.384.084.

The recession of the economy in general, the state of the banking sector in Cyprus and the consequences from the global economic crisis continued to negatively affect the Group's business operations.

DIVIDEND POLICY

The Board of Directors decided to propose for approval at the Annual General Meeting of the shareholders, a final dividend of €1.851.990 for 2013, which corresponds to €0,025 cent per share and in percentage terms to 45,7% of the profits for the year attributable to the Company's shareholders.

SHARE CAPITAL

There was no change to the issued share capital of the Company for the year 2013.

All shares are listed and are traded in Cyprus Stock Exchange, they have the same and equal rights and have no limitations in their transfer. Detailed information in relation to the Company's share capital is presented in note 21 of the consolidated financial statements.

BOARD OF DIRECTORS

The members of the Board of Directors on 31 December 2013 and as at the date of the existing report are set out on page 2. According to article 94 of the Company's articles of association Adamos Adamides and Varnavas Irinarchos resign by rotation, but can be re-elected and they offer themselves for re-election.
Anthoulis Papachristoforou was appointed by the Board of Directors on 15 November of 2013 and therefore the Annual General Meeting which follows the appointment will decide for his election.
There were no significant changes in the assignment of responsibilities of the Directors.

BRANCHES

The Group operates branches in Kuwait, Oman, Qatar, Bahrain and Malta. The Group operates through subsidiary companies in United Arab Emirates, Saudi Arabia, Lebanon, Jordan, Greece, Italy, Turkey, Romania, Bulgaria and Germany.

MAIN RISKS

The main risks faced by the Group and the Company are stated and analysed in note 30 of the consolidated financial statements.

SIGNIFICANT INFORMATION, ESTIMATIONS, GOALS AND PROSPECTS

The Company through its subsidiary company Verendrya Ventures Ltd and in a joint venture with a 50% share completed the construction of the Desalination plant in Episkopi based on a relevant agreement with the Water Development Department dated 7 August 2009. As announced as per agreement dated 20/07/2011 Dementra Investments Public Ltd, participates indirectly to the execution and operation of the desalination project in Episkopi with 40% share of the Company's interest in the joint venture. The construction of the project was completed in June 2012 and the desalination unit remains in stand-by mode since 1 July 2012 for one year. The Company expects that the desalination unit will start production during the second quarter of 2014.

The Company through its subsidiary company Verendrya Ventures Ltd and in a joint venture with a 50% share signed on 26/1/2012 an agreement with the Water Development Department for the renovation and operation of an existing desalination unit in Larnaca. Demetra Investment Public Ltd is indirectly involved in the implementation and operation of the desalination project in Larnaca at a rate corresponding to 40% interest of Verendrya Ventures Ltd in the joint venture. The unit is expected to start operation in November of 2014.

During 2013, despite the negative effects from the continued global economic crisis, the turnover and the operating profit have increased, with an overall increase in the net profitability due to the reasons explained in the review of results above. The efforts for the reduction of the operational and administration costs, as well as for the increased productivity will continue to be pursued. During 2014, the Group is targeting higher operating profitability. Despite the continued economic crisis, the prospects are not pessimistic.

STATEMENT OF DIRECTORS PARTICIPATION IN COMPANY'S SHARE CAPITAL

The percentages of participation in the Company's share capital that was held directly or indirectly by the members of the Board of Directors of the Company on 31 December 2013 and on 7 April 2014 are presented in notes 32 and 33 of the consolidated financial statements.

EXECUTIVE DIRECTORS' CONTRACTS

The contracts of the Executive Directors are stated in note 34 of the consolidated financial statements.

INDEPENDENT AUDITORS

The independent auditors of the Company, KPMG Limited have expressed their willingness to continue in office. A resolution for re-election of the independent auditors and an authorisation to the Board of Directors for fixing their remuneration will be submitted at the Annual General Meeting.

By order of the Board of Directors

ADAMINCO SECRETARIAL LIMITED

Adaminco Secretarial Limited
Secretary

Nicosia, 7 April 2014

Independent Auditors' Report

To the Members of Logicom Public Limited

Report on the consolidated financial statements and the separate financial statements

We have audited the consolidated financial statements of Logicom Public Limited and its subsidiaries ("The Group"), and the separate financial statements of Logicom Public Limited ("the Company") on pages 10 to 103, which comprise the consolidated statement of financial position and the statement of financial position of the Company as at 31 December 2013, and the consolidated statements of comprehensive income, changes in equity and cash flows, and the statements of comprehensive income, changes in equity and cash flows of the Company for the year then ended, and a summary of significant accounting policies and other explanatory information.

Board of Directors' responsibility for the financial statements

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

Auditors' responsibility

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

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

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

Opinion

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

Report on other legal requirements

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

- We have obtained all the information and explanations we considered necessary for the purposes of our audit.
- In our opinion, proper books of account have been kept by the Company, so far as appears from our examination of those books.
- The consolidated and the separate financial statements are in agreement with the books of account.
- In our opinion and to the best of our information and according to the explanations given to us, the consolidated and the separate financial statements give the information required by the Cyprus Companies Law, Cap. 113, in the manner so required.
- In our opinion, the information given in the report of the Board of Directors on pages 3 to 7 is consistent with the consolidated and the separate financial statements.

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

Other matter

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

Michael M. Antoniades FCA
Certified Public Accountant and Registered Auditor
for and on behalf of

KPMG Limited
Certified Public Accountants and Registered Auditors

14 Esperidon street
1087 Nicosia
Cyprus

7 April 2014

LOGICOM PUBLIC LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2013

	Note	2013 €	2012 €
Revenue		490.003.718	458.963.509
Cost of sales		(454.086.504)	(420.900.420)
Gross Profit		35.917.214	38.063.089
Other income	5	1.192.168	1.287.328
Administrative expenses	6	(27.262.824)	(29.775.814)
Profit from operations		9.846.558	9.574.603
Net foreign exchange profit/(loss)		346.927	(346.642)
Interest receivable		476.412	1.318.480
Interest payable and bank charges		(5.355.966)	(5.606.343)
Net finance expense	7	(4.532.627)	(4.634.505)
Share of (loss)/profit of associated company and partnership (net of taxation)		(296.833)	21.319
Impairment of investment available for sale		-	(2.000.000)
Profit before tax		5.017.098	2.961.417
Taxation	8	(1.057.866)	(901.530)
Profit for the year		3.959.232	2.059.887
Other comprehensive income that are to be reclassified to profit or loss in future periods			
Deficit from revaluation of land and buildings		(318.746)	-
Surplus from revaluation of investments in shares available for sale		1.221.891	249.440
Exchange difference from translation and consolidation of financial statements from foreign operations		(1.935.883)	(893.705)
Exchange difference in relation to hedge of a net investment in a foreign operation		820.242	365.355
Deferred taxation arising from a exchange differences in relation to foreign operations	8	32.933	(12.301)
Deferred taxation arising on revaluation of land and buildings	8	132.879	10.134
Other comprehensive expenses for the year after taxation		(46.684)	(281.077)
Total comprehensive income for the year after taxation		3.912.548	1.778.810
Profit attributable to:			
Company’s shareholders		4.055.495	2.039.947
Non-controlling interest		(96.263)	19.940
Profit for the Year		3.959.232	2.059.887
Total comprehensive income attributable to:			
Company’s shareholders		4.008.811	1.758.870
Non-controlling interest		(96.263)	19.940
Total comprehensive income		3.912.548	1.778.810
Earnings per share (cent)	10	5,47	2,75
Diluted earnings per share (cent)	10	5,47	2,75

The notes on pages 20 until 102 form an integral part of the consolidated financial statements.

LOGICOM PUBLIC LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Year ended 31 December 2013

	Note	2013 €	2012 €
Assets			
Property, plant and equipment	11	11.363.133	10.739.564
Intangible assets and goodwill	12	9.195.233	9.285.270
Equity accounted investees	15	-	3.259
Investments available for sale	17	4.692.462	2.547.545
Deferred taxation	26	2.472.888	2.027.417
Total non-current assets		27.723.716	24.603.055
Inventories	18	51.319.697	43.460.726
Trade and other receivables	19	117.769.390	109.880.355
Investments at fair value through profit or loss	16	248.363	14.388
Tax receivable	24	654.825	349.604
Cash and cash equivalents	20	22.932.001	31.880.357
Total current assets		192.924.276	185.585.430
Total assets		220.647.992	210.188.485
Equity			
Share capital	21	25.187.064	25.187.064
Reserves	22	32.881.649	29.984.032
Equity attributable to shareholders of the company		58.068.713	55.171.096
Non-controlling interest		(46.577)	49.686
Total equity		58.022.136	55.220.782
Liabilities			
Long-term loans	25	7.655.179	13.984.822
Deferred taxation	26	1.254.364	1.154.234
Contingent liabilities	13	636.529	831.507
Total non-current liabilities		9.546.072	15.970.563
Trade and other payables	23	65.746.429	62.974.009
Bank overdrafts	25	42.671.787	45.932.882
Short-term loans	25	35.197.263	22.719.335
Current portion of long-term loans	25	7.679.363	6.399.262
Tax payable	24	1.279.986	366.696
Contingent liabilities	13	504.956	604.956
Total current liabilities		153.079.784	138.997.140
Total liabilities		162.625.856	154.967.703
Total equity and liabilities		220.647.992	210.188.485

The consolidated financial statements were approved by the Board of Directors of Logicom Public Limited on 7 April 2014.

....	....
Adamos K. Adamides	Varnavas Irinarchos
Chairman	Vice Chairman and Managing Director

The notes on pages 20 until 102 form an integral part of the consolidated financial statements.

LOGICOM PUBLIC LIMITED

STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2013

	Share Capital	Share Premium Reserve	Revaluation Reserve	Fair Value Reserve	Difference arising from the conversion of Share Capital in to Euro	Hedging Reserve	Statutory Reserve	Transaltion Reserve	Retained Earnings	Total	Non controlling interest	Total
	€	€	€	€	€	€	€	€	€	€	€	€
Balance at 1 January 2012	25.187.064	10.443.375	3.465.319	(249.440)	116.818	(2.780.628)	209.362	(4.905.831)	23.778.177	55.264.216	29.746	55.293.962
Total comprehensive income for the year												
Profit for the year	-	-	-	-	-	-	-	-	2.039.947	2.039.947	19.940	2.059.887
Other total comprehensive income	-	-	10.134	249.440	-	365.355	-	(906.006)	-	(281.077)	-	(281.077)
Transactions with owners of the Company, recognized directly in equity												
Proposed dividend for 2011 that was paid in 2012 (note 9)	-	-	-	-	-	-	-	-	(1.851.990)	(1.851.990)	-	(1.851.990)
Revaluation reserve realised through use	-	-	(74.863)	-	-	-	-	-	74.863	-	-	-
Balance at 31 December 2012	25.187.064	10.443.375	3.400.590	-	116.818	(2.415.273)	209.362	(5.811.837)	24.040.997	55.171.096	49.686	55.220.782
Total comprehensive income for the year												
Profit for the year	-	-	-	-	-	-	-	-	4.055.495	4.055.495	(96.263)	3.959.232
Other total comprehensive income	-	-	(185.867)	1.221.891	-	820.242	-	(1.902.950)	-	(46.684)	-	(46.684)
Transactions with owners of the Company, recognized directly in equity												
Proposed dividend for 2012 that was paid in 2013 (note 9)	-	-	-	-	-		-	-	(1.111.194)	(1.111.194)	-	(1.111.194)
Revaluation reserve realised through use	-	-	(22.080)	-	-	-	-	-	22.080	-	-	-
Balance at 31 December 2013	25.187.064	10.443.375	3.192.643	1.221.891	116.818	(1.595.031)	209.362	(7.714.787)	27.007.378	58.068.713	(46.577)	58.022.136

The notes on pages 20 until 102 form an integral part of the consolidated financial statements.

LOGICOM PUBLIC LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY **(continued)**

Year ended 31 December 2013

Cypriot companies which do not distribute 70% of their profits after tax, as defined by the Special Contribution for the Defence of the Republic Law, during two years after the end of the year of assessment to which the profits refer, will be deemed to have distributed this amount as dividend. Special contribution for defence at 20% for the years 2012 and 2013 and 17% in 2014 and then will be payable on such deemed dividend to the extent that the shareholders (individuals and companies) at the end of the period of the two years from the end of the year of assessment to which the profits refer are Cyprus tax residents. The amount of this deemed dividend distribution is reduced by any actual dividend paid out of the profits of the relevant year at any time. This special contribution for defence is paid by the Company for the account of the shareholders.

LOGICOM PUBLIC LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2013

	Note	2013 €	2012 €
Cash flows from operations			
Profit for the year		3.959.232	2.059.887
Adjustments for:			
Exchange differences		(991.960)	(125.153)
Depreciation	11	1.002.270	953.950
Depreciation on leased property, plant and equipment	11	570.164	368.724
Interest payable	7	3.637.084	3.440.921
Interest receivable	7	(476.412)	(1.318.480)
(Profit)/Loss on revaluation of investments at fair value through profit and loss		(33.975)	6.170
Impairment for investments available for sale	17	-	2.000.000
Loss on sale of property, plant and equipment		45.754	31.929
Amortization of development costs	12	90.000	90.028
Taxation		1.057.866	901.530
		8.860.023	8.409.506
Increase in inventories		(7.858.971)	(2.711.134)
Increase in trade and other receivables		(7.889.035)	(4.251.979)
Increase/(decrease) in trade and other payables		2.772.420	(736.449)
		(4.115.563)	709.944
Interest paid		(3.637.084)	(3.440.921)
Taxation paid		(635.030)	(324.247)
Net cash flow used in operations		(8.387.677)	(3.055.224)
Cash flows from investing activities			
Payments to acquire investments available for sale		(923.026)	(2.547.545)
Proceeds from sale of property, plant and equipment		17.707	30.812
Payments to acquire investments at fair value through profit and loss		(200.000)	-
Decrease in provisions		(294.978)	(651.141)
Payments to acquire property, plant and equipment	11	(2.692.892)	(2.695.900)
Interest received		476.412	1.318.480
Net cash flow (used in) investing activities		(3.616.777)	(4.545.294)
Cash flows from financing activities			
Proceeds from new loans		36.546.984	27.992.551
Repayment of loans		(29.118.597)	(17.916.460)
Dividends paid		(1.111.194)	(1.851.990)
Net cash flow from financing activities		6.317.193	8.224.101
Net flow in cash and cash equivalents		(5.687.261)	623.583
Cash and cash equivalents at beginning of the year		(14.052.525)	(14.676.108)
Cash and cash equivalents at the end of the year	20	(19.739.786)	(14.052.525)

The notes on pages 20 until 102 form an integral part of the consolidated financial statements.

LOGICOM PUBLIC LIMITED

STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2013

	Note.	2013 €	2012 €
Revenue		60.892.445	73.360.489
Cost of sales		(57.789.514)	(68.412.072)
Gross Profit		3.102.931	4.948.417
Other income	5	3.408.200	5.373.390
Administrative expenses	6	(4.419.388)	(5.951.559)
Profit from operations		2.091.743	4.370.248
Net foreign exchange loss		(193.040)	(1.051.962)
Interest receivable		220.955	1.026.200
Interest payable and bank charges		(2.531.697)	(3.020.985)
Net finance expense	7	(2.503.782)	(3.046.747)
Impairment of investment available for sale		-	(2.000.000)
Loss before tax		(412.039)	(676.499)
Taxation	8	380.713	44.804
Loss for the year		(31.326)	(631.695)
Other comprehensive income that are to be reclassified to profit or loss in future periods			
Deficit on revaluation of land and buildings		(675.379)	-
Net change in the fair value of investments available for sale		-	249.440
Deferred taxation on revaluation of land and buildings	8	129.546	3.815
Other comprehensive (expenses)/income for the year		(545.833)	253.225
Total comprehensive expenses for the year		(577.159)	(378.440)
Loss per share	10	(0,04)	(0,85)
Diluted loss per share	10	(0,04)	(0,85)

The notes on pages 20 until 102 form an integral part of the consolidated financial statements.

LOGICOM PUBLIC LIMITED

STATEMENT OF FINANCIAL POSITION

Year ended 31 December 2013

	Note	2013 €	2012 €
Assets			
Property, plant and equipment	11	4.015.629	4.936.779
Intangible assets	12	227.342	317.342
Investments in subsidiary companies	14	6.731.634	6.127.317
Long-term loans to subsidiary companies	36	9.686.752	10.125.057
Deferred taxation	26	2.238.314	1.812.262
Total non-current assets		22.899.671	23.318.757
Inventories	18	2.221.534	3.328.850
Trade and other receivables	19	12.528.451	11.900.178
Balances with subsidiary companies	36	68.460.312	55.283.576
Investments at fair value through profit and loss	16	246.803	12.828
Tax refundable	24	137.059	137.059
Cash and cash equivalents	25	3.067.683	19.826.665
Total current assets		86.661.842	90.489.156
Total assets		109.561.513	113.807.913
Equity			
Share capital	20	25.187.064	25.187.064
Reserves	21	5.175.033	6.863.386
Total equity		30.362.097	32.050.450
Liabilities			
Long-term loans	25	6.522.978	9.650.128
Deferred taxation	26	440.403	579.473
Total non-current liabilities		6.963.381	10.229.601
Trade and other payables	23	34.110.134	33.243.768
Bank overdrafts	25	30.750.673	31.677.914
Short-term loans	25	4.097.600	4.320.146
Current portion of long-term loans	25	3.247.907	2.276.184
Tax payable	24	29.721	9.850
Total current liabilities		72.236.035	71.527.862
Total liabilities		79.199.416	81.757.463
Total equity and liabilities		109.561.513	113.807.913

The financial statements were approved by the Board of Directors of Logicom Public Limited on 7 April 2014.

....	....
Adamos K. Adamides	Varnavas Irinarchos
Chairman	Vice Chairman and Managing Director

The notes on pages 20 until 102 form an integral part of the consolidated financial statements.

LOGICOM PUBLIC LIMITED

STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2013

	Share Capital €	Share Premium Reserve €	Revaluation Reserve €	Fair Value Reserve €	Difference arising from the conversion of Share Capital to Euro €	Retained Earnings €	Total €
Balance at 1 January 2012	25.187.064	10.443.375	2.624.998	(249.440)	116.818	(3.841.935)	34.280.880
Total comprehensive expenses							
Loss for the year	-	-	-	-	-	(631.695)	(631.695)
Total comprehensive income for the year	-	-	3.815	249.440	-	-	253.255
Transactions with owners of the Company, recognized directly in equity							
Proposed dividend for 2011 that was paid in 2012 (note 9)	-	-	-	-	-	(1.851.990)	(1.851.990)
Revaluation reserve realised through use	-	-	(74.863)	-	-	74.863	-
Balance at 31 December 2012	25.187.064	10.443.375	2.553.950	-	116.818	(6.250.757)	32.050.450
Total comprehensive expenses							
Loss for the year	-	-	-	-	-	(31.326)	(31.326)
Total comprehensive expenses for the year	-	-	(545.833)	-	-	-	(545.833)
Transactions with owners of the Company, recognized directly in equity							
Proposed dividend for 2012 that was paid in 2013 (note 9)	-	-	-	-	-	(1.111.194)	(1.111.194)
Revaluation reserve realised through use	-	-	(22.080)	-	-	22.080	-
Balance at 31 December 2013	25.187.064	10.443.375	1.986.037	-	116.818	(7.371.197)	30.362.097

The notes on pages 20 until 102 form an integral part of the consolidated financial statements.

LOGICOM PUBLIC LIMITED

STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2013

Cypriot companies which do not distribute 70% of their profits after tax, as defined by the Special Contribution for the Defence of the Republic Law, during two years after the end of the year of assessment to which the profits refer, will be deemed to have distributed this amount as dividend. Special contribution for defence at 20% for the years 2012 and 2013 and 17% in 2014 and then will be payable on such deemed dividend to the extent that the shareholders (individuals and companies) at the end of the period of the two years from the end of the year of assessment to which the profits refer are Cyprus tax residents. The amount of this deemed dividend distribution is reduced by any actual dividend paid out of the profits of the relevant year at any time. This special contribution for defence is paid by the Company for the account of the shareholders.

LOGICOM PUBLIC LIMITED

STATEMENT OF CASH FLOWS

Year ended 31 December 2013

	Note	2013 €	2012 €
Cash flows from operations			
Loss for the year		(31.326)	(631.695)
Adjustments for:			
Depreciation	11	327.778	364.942
Amortization of trade licenses	12	90.000	90.000
Profit from sale of property, plant and equipment		(1.397)	(71)
(Profit)/loss on revaluation of investments at fair value through profit and loss		(33.975)	6.020
Impairment of investments available for sale	17	-	2.000.000
Dividends receivable		(2.978.361)	(4.969.891)
Interest receivable	7	(220.955)	(1.026.200)
Interest payable	7	2.531.697	3.020.985
Taxation		(380.713)	(44.804)
		(697.252)	(1.190.714)
Decrease/(increase) in inventories		1.107.316	(1.055.493)
(Increase)/decrease in trade and other receivables		(628.273)	3.355.892
(Increase)/decrease in balances with subsidiary companies		(12.738.431)	974.182
Increase in trade and other payables		866.366	4.539.073
		(12.090.274)	6.622.940
Taxation paid		(34.992)	(147.182)
Net cash flow (used in)/from operations		(12.125.266)	6.475.758
Cash flows from investing activities			
Payments to acquire property, plant and equipment	11	(82.491)	(132.439)
Payments for investments in subsidiary companies	14	(604.317)	-
Payments for investments at fair value through profit and loss		(200.000)	-
Proceeds from sale of property, plant and equipment		1.881	730
Interest received		220.955	1.026.200
Dividends received		2.978.361	4.969.891
Net cash flow from investing activities		2.314.389	5.864.382
Cash flows from financing activities			
Repayment of loans		(8.974.303)	(13.489.355)
Proceeds from issue of new loans		6.596.330	6.596.330
Interest paid		(2.531.697)	(3.020.985)
Dividends paid		(1.111.194)	(1.851.990)
Net cash flow used in financing activities		(6.020.864)	(11.766.000)
Net flow in cash and cash equivalents		(15.831.741)	574.140
Cash and cash equivalents at beginning of the year		(11.851.249)	(12.425.389)
Cash and cash equivalents at the end of the year	20	(27.682.990)	(11.851.249)

The notes on pages 20 until 102 form an integral part of the consolidated financial statements.

1. STATUS AND PRINCIPAL ACTIVITY

Logicom Public Limited (the "Company") was incorporated in Cyprus on 9 December 1986 as a private company with limited liability. The principal activity of the Company is the distribution of high technology products and the assembly of computers. On 23 July 1999 the Company became public in accordance with the provisions of the Cyprus Companies Law and on 4 January 2000 commenced the trading of its shares in the Cyprus Stock Exchange.

The address of the registered office of the Company is the following:
Eagle Star House
1st Floor
Theklas Lysioti 35
3030 Limassol

The address of the management office of the Company is the following:
Stasinou 26
Ayia Paraskevi
2003 Strovolos
Nicosia

On 1 January 1999, Logicom Public Limited acquired the whole share capital of Logicom (Overseas) Limited of €17.100. The principal activity of Logicom (Overseas) Limited is the distribution of high technology products and the assembly of computers. The company remained dormant during 2013.

On 1 January 2000, Logicom Public Limited acquired the whole share capital of SOLATHERM ELECTRO – TELECOMS "SET" Limited, of €5.135 which was renamed to ENET Solutions Limited on 11 January 2001. The principal activity of ENET Solutions Limited is the supply of solutions and services for networks and telecommunications. The company ENET Solutions Limited was renamed to Logicom Solutions Limited on 30 January 2009. The operations of the companies DAP Noesis Business Solutions Ltd and Netvision Ltd were transferred to Logicom Solutions Ltd in January 2009. The share capital of Logicom Solutions Ltd was transferred to Logicom Services Holdings Ltd for €2.398.056 on 31 December 2011.

On 27 April 2000, Netcom Limited was incorporated in Cyprus with a share capital of €17.086, which is wholly owned by Logicom Public Limited. The principal activity of Netcom Limited is the execution of infrastructure projects with the first project being the construction of a desalination plant in Episkopi Limassol. On 20 July 2010 the whole share capital of Netcom Limited was acquired by Verendrya Ventures Limited. The company remained dormant during 2013.

On 25 July 2000, Logicom (Middle East) SAL was incorporated in Lebanon, with a share capital of LBP 75.000.000 which is wholly owned by Logicom Public Limited. The principal activity of Logicom (Middle East) SAL is the distribution of high technology products.

On 21 February 2001, ENET Solutions – Logicom S.A. was incorporated in Greece with a share capital of €601.083, which is wholly owned by Logicom Public Limited. The principal activity of ENET Solutions – Logicom S.A. is the distribution of high technology products.

On 7 August 2001, Logicom Jordan LLC was incorporated in Jordan, with a share capital of JD 50.000, which is wholly owned by Logicom Public Limited. The principal activity of Logicom Jordan LLC is the distribution of high technology products

LOGICOM PUBLIC LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2013

1. STATUS AND PRINCIPAL ACTIVITY (continued)

On 3 October 2001, Logicom FZE was incorporated in the United Arab Emirates, with a share capital of AED 1.000.000, which is wholly owned by Logicom Public Limited. The principal activity of Logicom FZE is the distribution of high technology products.

On 7 November 2001, Logicom Dubai LLC was incorporated in the United Arab Emirates, with a share capital of AED 300.000, which is wholly owned, directly and indirectly, by Logicom Public Limited. The principal activity of Logicom Dubai LLC is the distribution of high technology products.

On 14 June 2005, Logicom Italia s.r.l. was incorporated in Italy, with a share capital of €10.000, which is wholly owned by Logicom Public Limited. The principal activity of Logicom Italia s.r.l. is the distribution of high technology products.

On 1 December 2005 Logicom IT Distribution Ltd was incorporated in Turkey with a share capital of 5.000 Turkish liras which, is owned evenly by subsidiary companies ENET Solutions – Logicom S.A. and Logicom FZE. On 30 March 2007 there was an increase in the share capital of Logicom IT Distribution Ltd to 140.000 Turkish liras, which is owned by 40 % from Enet Solutions – Logicom S.A. and by 60% from Logicom FZE. On 27 December 2007 there was a further increase in the share capital of Logicom IT Distribution Ltd to 1.540.000 Turkish liras which is owned by 4% from Enet Solutions – Logicom S.A. and by 96% from Logicom FZE. The principal activity of Logicom IT Distribution Ltd is the distribution of high technology products.

On 1 August 2006 Rehab Technologies Ltd was incorporated in Saudi Arabia with a share capital of SAR 500.000 that is held by a trustee on behalf of Logicom Public Ltd. Logicom Public Ltd has full control of the operations of Rehab Technologies Ltd through a contractual agreement. The principal activity of Rehab Technologies Ltd is the distribution of high technology products. The activities of Rehab Technologies Ltd were transferred to Logicom Saudi Arabia LLC on 08/06/2010 and the company has since remained dormant.

On 19 March 2007 Logicom Information Technology Distribution S.R.L. was incorporated in Romania with a share capital of 200 Romanian Lei, which is wholly owned by Logicom Public Limited. The principal activity of Logicom Information Technology Distribution S.R.L. is the distribution of high technology products.

On 12 April 2007 Logicom Bulgaria EOOD was incorporated in Bulgaria, with a share capital of 20.000 Bulgarian Lev, which is wholly owned by Logicom Public Limited. The principal activity of Logicom Bulgaria EOOD is the distribution of high technology products.

On 15 June 2007 Logicom Hungary Ltd was incorporated in Hungary, with a share capital of 3.000.000 Hungarian Forint which is wholly owned by Logicom Public Limited. The principal activity of Logicom Hungary Ltd is the distribution of high technology products.

On 30 May 2008, Noesis Ukraine LLC was incorporated in Ukraine, with share capital of 184.176 Ukraine Hryvnia which belongs both to Logicom Public Ltd by 46% and to its subsidiary DAP Noesis Business Solutions Ltd by 54%. The principal activity of Noesis Ukraine LLC is the provision of software solutions and services.

1. STATUS AND PRINCIPAL ACTIVITY (continued)

On 30 January 2008, Verendrya Ventures Ltd was incorporated in Cyprus, with share capital of EUR1.000 which belongs both to Logicom Public Ltd and to Demetra Investments Public Ltd. The principal activity of Verendrya Ventrures Ltd is the execution of projects relating to the construction of desalination units.

On 6 May 2009, Logicom Services Holdings Ltd was incorporated in Cyprus, with a share capital of €10.000, which is wholly owned by Logicom Public Limited. The principal activity of Logicom Services Holdings Ltd is the holding of investments.

On 28 July 2009, the Group acquired, through its subsidiary Logicom Services Holdings Ltd, the 36,77% of the company Newcytech Business Solutions Ltd. The main activity of Newcytech Business Solutions Ltd is the provision of complete IT solutions. On 30 October 2009 Logicom Services Holdings Ltd acquired the 100% of the share capital of Newcytech Business Solutions Ltd amounting to €756.776.

With the acquisition of Newcytech Business Solutions Ltd the Group acquired also the 100% of the company Newcytech Distribution Ltd with share capital of €8.550. The main activity of Newcytech Distribution Ltd is the import and wholesale of computers in the local market. The share capital of Newcytech Distribution Ltd was transferred to Logicom Services Holdings Limited on 30 June 2010.

On 16 August 2009, Logicom Solutions LLC was incorporated, in United Arab Emirates, with share capital of AED300.000. The main activity of Logicom Solutions LLC is the provision of complete IT solutions.

On 29 September 2009, Logicom Saudi Arabia LLC was incorporated in Saudi Arabia, with share capital of SAR 26.800.000 which is owned by 75% from Logicom FZE and by 25% from trustee on behalf of Logicom Public Ltd. Logicom Public Ltd has contractually the full control of the operations of Logicom Saudi Arabia LLC. The main activity of Logicom Saudi Arabia LLC is the distribution of high technology products.

On 3 November 2009, ICT Logicom Solutions SA was incorporated, with share capital of €100.000. The main activity of ICT Logicom Solutions SA is the provision of complete IT solutions.

On 29 September 2010, Logicom Distribution Germany Gmbh was incorporated in Germany, with share capital of EUR 27.000 which is wholly owned by Logicom Public Ltd. The main activity of Logicom Distribution Germany Gmbh is the distribution of high technology products.

On 7 April 2010, M.N. E.P.C. Water Co. was incorporated in Cyprus with partners' share of €10.000 which is owned by 50% from Group's company Veredrya Ventures Ltd, through its subsidiary Netcom Ltd. M.N. E.P.C. Water Co. undertook the construction of Episkopi desalination plant on behalf of M.N. Limassol Water Co. Ltd.

On 4 November 2010, M.N. Limassol Water Co. Ltd was incorporated in Cyprus with share capital of €10.000 which is composed of 5.000 shares Class A and 5.000 shares Class B. The Group's company Verendrya Ventures Ltd, through its subsidiary Netcom Ltd holds 2.500 shares Class A and 2.495 Class B. M.N. Limassol Water Co. Ltd was assigned the construction and operation of Episkopi Desalination plant.

1. STATUS AND PRINCIPAL ACTIVITY (continued)

On 29 November 2011, the Group obtained control through its subsidiary Logicom Services Holdings Limited by 100% over Inteli-scape Limited with share capital of €85.500. The principal activity of Inteli-scape Limited is the development and sale of computer software.

On 7 August 2012, M.N. Larnaca Desalination Co. Ltd was incorporated in Cyprus with a share capital of €10.000 which is composed of 5.000 shares Class A and 5.000 shares Class B. The Group's company Verendrya Ventures Ltd, through its subsidiary Netcom Ltd holds 2.500 shares Class A and 2.495 shares Class B. M.N. Larnaca Desalination Co. Ltd was assigned the construction and operation of Larnaca Desalination plant.

On 2 September 2012, Logicom LLC was incorporated in Oman with a share capital of USD 51.800 which is wholly owned by 99% by the subsidiary company Logicom FZE and by 1% by the subsidiary Logicom Dubai LLC. The principal activity of Logicom LLC is the distribution of high technology products.

2. BASIS OF PREPARATION

Statement of compliance
The consolidated and separate financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union (EU) and in accordance with the Cyprus Companies Law, Cap. 113 and the requirements of the Stocks and Cyprus Stock Exchange laws and regulations and the Law providing for Transparency (securities admitted to trading on a regulated market) Law.

The consolidated and separate financial statements of the Company were approved by the Board of Directors on 7 April 2014.

Basis of presentation
The consolidated and separate financial statements have been prepared in accordance with the historical cost convention, except for the land and buildings, investments at fair value through profit or loss and investments available for sale which are stated at their fair value. The methods used to measure fair values are discussed further in note 3.

Functional and presentation currency
The consolidated and separate financial statements are expressed in Euro which is the functional currency of the Company.

Estimates and judgments
The preparation of the consolidated and separate financial statements in conformity with the International Financial Reporting Standards requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

2. BASIS OF PREPARATION (continued)

Information about judgements in applying accounting policies that have significant effects on the amounts recognised in the consolidated and separate financial statements are included in the following notes:

- Note 28 – Lease classification

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in the following note:

- Note 12 – Measurement of the recoverable amount of goodwill
- Note 17 – Investments available for sale
- Note 26 – Recognition of deferred taxation: Utilisation of tax losses

3. SIGNIFICANT ACCOUNTING POLICIES

The following accounting policies have been applied consistently to all periods presented in the consolidated and separate financial statements of the Company, and have been applied consistently by all Group entities.

Adoption of new and revised International financial Reporting Standards and Interpretations
During the current year, the Group has adopted all the changes to IFRS-related work. The adoption did not have a material effect on the financial statements of the Group except the adoption of IAS 1 (Revised) "Presentation of Items of Other Comprehensive Income " where is required the separation of other comprehensive income into two groups, based on whether they are in the future likely to be reclassified in the profit or loss or not, and IFRS 13 "Fair Value Measurement" which requires additional disclosures relating to the measurement of fair value.

Standards and interpretations not yet effective
The following Standards, Amendments to Standards and Interpretations have been issued but are not yet effective for annual periods beginning on 1 January 2013. The Group does not intend to adopt the following before the date of validity.

(i) Standards and Interpretations adopted by the European Union

IFRS 10 "Consolidated Financial Statements" (effective for annual periods beginning on or after 1 January 2014).
IFRS 10 replaces all of the guidance on control and consolidation that is available in IAS 27 and Interpretation 12. The new standard changes the definition of control as the determining factor in deciding whether an entity should be consolidated. The standard provides extensive guidance that addresses the different ways in which an entity (investor) can control another entity (investment). The revised definition of control focuses on the need to have both the right (or ability to direct the activities that significantly influence returns) and variable returns (positive, negative or both) in order for control to exist. The new standard also provides guidance on participating rights and rights of veto (protective rights), as well as on agency relationships. The Group is currently evaluating the impact of this standard on its financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Standards and interpretations not yet effective (continued)

(i) Standards and Interpretations adopted by the European Union (continued)

IFRS 11 "Joint Arrangements" (effective for annual periods beginning on or after 1 January 2014)
IFRS 11 provides a more realistic treatment of joint arrangements by focusing on the rights and obligations, instead of their legal form. The types of joint arrangements are limited to two: either joint operations or joint ventures. The method of proportional consolidation is no longer acceptable. It is compulsory for the participants in joint ventures to apply the equity method. The financial entities that participate in joint operations apply the same accounting treatment as the current participants apply in joint
controlled assets or in joint controlled activities. The standard also provides clarifications in relation to the participants in joint arrangements without the existence of joint control. The Group is currently evaluating the impact of the standard on its financial statements.

IFRS 12 "Disclosure of Interests in Other Entities" (effective for annual periods beginning on or after 1 January 2014)
IFRS 12 addresses the required disclosures of a financial entity, including those of significant judgments and assumptions, which allow the readers of financial statements to evaluate the nature, the risks and the financial consequences that relate to the interest of a financial entity to subsidiaries, associates, joint arrangements and non-consolidated structured entities. A financial entity has the capability to apply some or all of the above disclosures without being obliged to apply IFRS 12 as a whole, or IFRS 10 or 11 or the amended IAS 27 or 28. The Group is currently evaluating the impact of the standard on its financial statements.

Transitional Guidance - Amendments to IFRS 10, 11 and 12 (effective for annual periods beginning on or after 1 January 2014)
The International Accounting Standards Board adopted an amendment to the transition provisions of these standards. The amendment clarified that the "date of initial application 'is the beginning of the annual period in which first applied IFRS 10. If the conclusion regarding the consolidation or not of the Group at the date of initial application is different than the one imposed by the provisions of IAS 27 and IFRIC 12, there's only obligation for retroactive adjustment of the previous comparative period. The presentation of retrospectively custom information for prior periods is optional. A similar exception for presenting comparative periods' restated information is also provided in the modified transition provisions of IFRS 11 and 12. Moreover, the disclosures relating to non-consolidated structured entities are not mandatory for any comparative periods prior to the first application of IFRS 12. The Group is considering the implications of the adoption of this amendment on the financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Standards and interpretations not yet effective (continued)

(i) Standards and Interpretations adopted by the European Union (continued)

Investment Entities - Amendments to IFRS 10, 12 and IAS 27 (effective for annual periods beginning on or after 1 January 2014)
The International Accounting Standards Board adopted this amendment which establishes the concept of "Investment Companies" and provides an exemption to the requirement to consolidate companies they control. Specifically, an investment company will not consolidate its subsidiaries, nor will apply the provisions of IFRS 3 when it obtains control of another entity, but will measure its investment in subsidiaries at fair value through profit or loss in accordance with IFRS 9. An exception to this rule are the subsidiaries that are not held for the purpose of profiting from the investment, but to provide services related to the business of the investment company. It is clarified, however, that the parent company of an investment company, which is not itself considered an investment company, will consolidate all entities that it controls, including those controlled by the investment company. The Group is considering the implications of the adoption of this amendment on the financial statements.

IAS 27 (Revised) “Separate Financial Statements” (effective for annual periods beginning on or after 1 January 2014)
This standard was published at the same time with IFRS 10 and in combination, those two standards replace IAS 27 “Consolidated and Separate Financial Statements’’. The amended IAS 27 addresses the accounting treatment and the required disclosures relating to the interest in subsidiaries, joint ventures and associates when a financial entity prepares separate financial statements. At the same time, the Board transferred to IAS 27 the conditions of IAS 28 “Investment in associates” and of IAS 31 “Investments in Joint Ventures” which relate to separate financial statements. The Group is currently evaluating the impact of the standard on its financial statements.

IAS 28 (Revised) “Investments in Associates and Joint ventures” (effective for annual periods beginning on or after 1 January 2014)
The revised IAS 28 “Investments in associates and Joint Ventures” replaces IAS 28 “Investments in Associates”. The aim of this accounting standard is to define the accounting treatment relating to investments in associates and to quote the requirements for the application of net equity method according to the accounting of investments in associates and joint ventures, resulting from the publication of IFRS 11. The Group is currently evaluating the impact of the standard on its financial statements.

IAS 32 (Amendments) “Offsetting Financial Assets and Financial Liabilities” (effective for annual periods beginning on or after 1 January 2014)
IAS 32 amendments clarify, in the possibility of offsetting financial assets and liabilities, the meaning of ‘‘for the time being there is a legal executable right of offsetting’’ and that certain gross settlement systems may be regarded as equal to net settlement. The Group is currently evaluating the impact of the standard on its financial statements.

IAS 36 (Amendments) “Recoverable amounts disclosures for Non- Financial Assets'' (effective for annual periods beginning on or after 1 January 2014)
The amendments introduce the disclosure of information in relation to the recoverable amount of the impaired financial assets, provided that the amount is based on the fair value less the disposal cost. The Group is currently evaluating the impact of the standard on its financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Standards and interpretations not yet effective (continued)

(i) Standards and Interpretations adopted by the European Union (continued)

IAS 39 (Amendments) ''Novation of derivatives and continuation of hedge accounting'' (effective for annual periods beginning on or after 1 January 2014)
The amendment allows hedging in a situation where a derivative, designated as a hedging instrument, is renewed so as to be cleared with a new central counterparty, as a result of laws and regulations, provided that certain conditions are met. The Group is currently evaluating the impact of the standard on its financial statements.

IAS 19 (Amendments) "Employee Benefits" (effective for annual periods beginning on or after 1 January 2014)
This amendment introduces important changes to the recognition and measurement of defined benefit plans and post retirement benefits (elimination of the corridor method) as also to the disclosures of all employees' benefits. The basic changes relate to the recognition of actuarial profits and losses, the recognition of the service cost/curtailments to the measurement of pensions, the required disclosures for the treatment of expenses and taxes which relate to defined benefit plans and distinction between short and long term benefits. The Group is currently evaluating the impact of the standard on its financial statements.

Improvements to IFRSs 2010-2012 (effective for annual periods beginning on or after 1 July 2014)
In December 2013, the IASB issued Annual Improvements to IFRSs 2010-2012 Cycle, a collection of amendments to IFRSs, in response to eight issues addressed during the 2010-2012 cycle. Theamendments reflect issues discussed by the IASB during the project cycle that began in 2010, and that were subsequently included in the exposure draft of proposed amendments to IFRSs, Annual Improvements to IFRSs 2010-2012 Cycle (published in November 2012). The Group is currently evaluating the impact of the improvements on its financial statements.

Improvements to IFRSs 2011-2013 (effective for annual periods beginning on or after 1 July 2014)
In December 2013, the IASB issued Annual Improvements to IFRSs 2011-2013 Cycle, a collection of amendments to IFRSs, in response to four issues addressed during the 2011-2013 cycle. The amendments reflect issues discussed by the IASB during the project cycle that began in 2011, and that were subsequently included in the Exposure Draft of proposed amendments to IFRSs, Annual Improvements to IFRSs 2011-2013 Cycle (published in November 2012). The Group is currently evaluating the impact of the improvements on its financial statements.

(ii) Standards and interpretations not yet adopted by the European Union

IFRS 7 (Amendments) "Financial Instruments: Disclosures" - Disclosures on transition to IFRS 9 (effective **for annual periods beginning on or after 1 January 2015)**
This amendment sets out disclosure requirements for transferred financial assets that are not entirely derecognized as well as on transferred financial assets entirely derecognized but for which the entity has continuing involvement. It also provides guidance on the application of the required disclosures. The Group assesses at this stage the impact on its financial statements.

IFRS 9 "Financial Instruments" (effective for annual periods beginning on or after 1 January 2015)
On 12 November 2009, the International Accounting Standards Board published the first phase of IFRS 9 which, upon completion, will replace IAS 39. The first phase of IFRS 9 requires the classification of financial assets based on how an entity manages these instruments and the contractual cash flow characteristics of the financial assets. The four categories of financial instruments are abolished and the financial assets are classified under one out of the two measurement categories available: amortized cost and fair value through profit or loss. The Group is currently evaluating the impact of the standard on its financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Standards and interpretations not yet effective (continued)

(ii) Standards and interpretations not yet adopted by the European Union

IFRS 14 "Regulatory Deferral Accounts" (effective for annual periods beginning on or after 1 January 2016)
IFRS 14 permits an entity which is a first-time adopter of International Financial Reporting Standards to continue to account, with some limited changes, for "regulatory deferral account balances" in accordance with its previous GAAP, both on initial adoption of IFRS and in subsequent financial statements. The Group is currently evaluating the impact of the standard on its financial statements.

IFRIC 21 "Bank Levies" (effective for annual periods beginning on or after 1 January 2014)
IFRIC 21 provides guidance on when to recognise a liability for a levy imposed by a government, both for levies that are accounted for in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets and those where the timing and amount of the levy is certain. The Group is currently evaluating the impact of this interpretation on its financial statements.

Basis of consolidation

Subsidiary companies
The consolidated financial statements include the Company and the subsidiary companies which the Group controls. Control exists when the Group has the power to govern the financial and operating policies of a financial entity so as to obtain benefits from its activities. The consolidation of the companies acquired during the year is made from the date that control commences until the date that control ceases to exist.

Minority interest
Minority interest relates to the portion of profit or loss and the net assets of a subsidiary attributable to interests which are not owned directly or indirectly by the Group. Profits or losses attributable to the minority interest are disclosed in the consolidated statement of comprehensive income as an allocation of profit or loss for the period. Minority interest is presented in the consolidated statement of financial position in equity, separately from equity attributable to equity holders of the parent company.

Contingent Consideration
Any contingent consideration is recognized initially at fair value at the acquisition date. If the contingent consideration is classified as equity it should not be recounted and its subsequent settlement must be accounted for within equity. If the contingent consideration is classified as an asset or as a liability, any changes in its fair value should be recognized in profit or loss.

Equity accounted investees
Investments in associated companies relate to all entities, in which the Group exercises significant influence, but not control or joint control, and are in general accompanied with a share between 20% and 50% in the voting rights. Entities under common control relate to entities in which the Group exercises joint control based on contractual arrangement that provides for the unanimous consent of the parties exercising control over the strategic financial and operating decisions.

Investments in associated companies and entities under common control are accounted for using the equity method. Investments which are accounted for using the equity method are recognised initially at cost. The investment of the Group includes goodwill that was recognised on the acquisition following the deduction of any accumulated impairment. The consolidated financial statements include the share of profit/(loss) from the equity accounted investees.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of consolidation (continued)

Equity accounted investees (continued)

When Group's share of losses exceeds the share of investments recognised under the equity method, the carrying amount of investments, including any long term share which is part of the investment is eliminated and no additional losses are recognized, except to the degree that the Group has an obligation or has made payments on behalf of its investment.

Transactions between Group companies

All balances, transactions and any unrealised income and expenses arising from transactions between the Group companies are eliminated during the preparation of the consolidated financial statements.

Revenue

Revenue from sales is recognised when the significant risks and rewards of ownership have been transferred to the buyer, there are no material doubts regarding the repayment of the due amount, related expenses or possible return of products which can be estimated, there is no continuing management involvement with the products and the amount of revenue can be measured reliably. Income from services is recognised in proportion of the stage of completion at the end of the year.

Revenue represents amounts invoiced for products sold or services rendered during the year and are stated after the deduction of trade discounts and returns. In addition, revenue includes amounts received or are receivable from the European Union for research and technological development projects.

Cost of sales

Cost of sales is presented after the deduction of rebates from suppliers and provisions for decrease in the net realisable value of inventories.

Other income

Other income is recognised when it is considered as receivable. The income from dividend is recognized at the date the right to receive payment is established from the Group.

Grants for research and development

Grants comprise of amounts received or are receivable from the European Union. In case there are amounts not recoverable these are expensed in the year they are incurred. These amounts represent reimbursements of expenses on contracts financed by the European Union for research and technological development projects. Grants are recognised when there is reasonable assurance that the Company will comply with the conditions attached to it, and that the grant will be received. Research and development costs incurred to gain scientific and technical knowledge, are recognised in the year they are incurred.

Finance income/expenses

Finance income comprises interest receivable on funds invested, interest receivable for prepayment of suppliers and gains arising from foreign exchange differences. Interest income is recognised in profit or loss, using the effective interest method.

Finance expenses comprise interest payable on borrowings calculated using the effective interest method, bank charges, losses arising on foreign exchange differences and losses arising for the use of financing instruments. Interest payable is recognised in profit or loss using the effective interest method. Foreign currency gains and losses are reported on a net basis.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Property, plant and equipment and depreciation

Items of property, plant and equipment are stated at cost or at revalued amount less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised as net within other income in the profit or loss. When revalued assets are sold, the relative amounts included in the revaluation reserve are transferred to retained earnings.

Depreciation is provided to write off the cost or the revalued amount less the estimated residual value of items of property, plant and equipment on a straight line basis over their expected useful economic lives as follows:

	%
Buildings	4-5
Furniture and fittings	10
Computers	20-33,3
Motor Vehicles	20

There is no depreciation on land.

Depreciation is calculated on a daily basis from the date that the property, plant and equipment were acquired until the date of their disposal.

Depreciation methods, estimated useful economic lives and estimated residual values of all property, plant and equipment are reviewed at the reporting date of the accounts.

Expenses for replacement improvement or repair of buildings

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognised.

The costs of repair and maintenance of the buildings and other parts of property, plant and equipment are charged in profit or loss during the year they are incurred.

Revaluation and provision for impairment of parts of property, plant and equipment

Every year or earlier if necessary, assessments are performed to estimate the fair value amount of property, plant and equipment. If it is determined that the net recoverable amount of a part is significantly lower than its net value as it appears in the books of the Company and this difference is considered to be permanent, then the book value is reduced to the net recoverable amount. Approximately every three years, or earlier if necessary, assessments are performed to estimate the net values of land and buildings. The revaluation is made by professional independent valuers.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Inventories

Inventories are stated at the lower of cost and net realisable value. The cost of inventories is assigned by using the first in first out method. The cost calculation includes the cost of purchase, transportation costs to the warehouse and freight charges.

The net realisable value is the estimated selling price in which the inventories can be sold in the ordinary course of business, less costs to sell.

Non-derivative financial instruments

The Group has the following non-derivative financial instruments: trade and other receivables, trade and other payables, cash and cash equivalents, investments at fair value through profit or loss, investments available for sale and interest bearing loans.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred.

Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability. The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

Financial assets and liabilities are offset and the net amount is presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Trade and other receivables

Trade and other receivables are initially recognized at fair value plus any attributable transaction costs and subsequently these are stated at amortized cost using the effective interest method less any impairment losses

Trade and other payables

Trade and other payables are initially recognized at fair value plus any attributable transaction costs and subsequently these are stated at amortized cost using the effective interest method less any impairment losses.

Investments

The Group has classified all its investments in shares to the category fair value through profit or loss and to investments available for sale. Investments at fair value through profit or loss comprise of investments held for trading and are presented as assets in the statement of financial position based on their fair value.

The investments are firstly recognised at cost and then adjusted to fair value. For publicly available securities, the fair value is estimated by reference to the closing bid prices of the stock exchange at the end of the year. For non publicly available securities, the fair value is determined based on the net asset position at the end of the year. Any surplus or deficit that arises from the revaluation at fair value is recognised in the profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments (contined)
Investments available for sale comprise of bonds and are presented as assets based on their fair value. The fair value is calculated based on their bid value according to the market values in the stock exchange at the year end. For non listed stocks or where it is determined that there is no active market, the fair value is calculated based on certain stocks valuation methods. Such valuation methods take into account the market conditions and the discounted cash flows using the expected future cash flows and the discounting rate that is based on the market conditions. Any surplus or deficit that arises from the revaluation at fair value, except from the cases of impairment described below, is recognized in other comprehensive income and presented in equity in the fair value reserve.

When an investment is derecognised, the cumulative gains or losses in other comprehensive income are transferred to profit or loss.

Measurement at fair value
Fair value is the amount that could be recovered from the sale of an asset or paid to transfer a liability in a current transaction between participants in the principal or, failing this, in the most advantageous market in which the Group has access at the measurement date. The fair value of the liability reflects the risk of a failure.

The Group measures the fair value of an element using the values presented in an active market where these are available. A market is considered active if the transactions for the asset or liability presented with sufficient frequency and volume to provide values on a continuous basis.

If there is no quoted price in an active market, the Group uses valuation techniques that maximize the use of data in the markets and minimize the use of unobservable inputs. The valuation technique used incorporates all the main parameters that market participants would consider in pricing a transaction. The best evidence of fair value of a financial instrument on initial recognition is normally the transaction price, which is the fair value of the consideration paid or received.

Based on the Group's judgment on whether the fair value on the initial recognition differs from the transaction price and the fair value is not established by the quoted market price in an active market for similar assets or liabilities, and it is not based on a valuation technique that uses only data extracted from the markets then, the financial asset is measured initially at fair value, adjusted so that the difference between the fair value at initial recognition and transaction value is presented as deferred income / expense. Then, the difference is recognised to the profit or loss throughout the life of the instrument using appropriate apportionment methodology, but not later than when the valuation is entirely supported by data extracted exclusively from the markets or the transaction has been completed. If an asset or a liability measured at fair value has a bid price and an ask price, the Group measures its assets at bid price and liabilities at an ask price.

The Group recognises transfers between levels of the fair value hierarchy at the end of reporting period in which the change occurs.

3. SIGNIFICANT ACCOUNTING POLICIES (continued))

Interest-bearing borrowings
Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortized cost using the effective interest method.

Impairment of assets
Financial assets
A financial asset not carried at fair value through profit or loss is assessed at the end of the reporting period to determine whether there is objective evidence for impairment. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's initial effective interest rate.

Losses on assets are recognised as an expense of the year. When an event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed in profit or loss.

Impairment losses on investments available for sale are recognised by transferring the cumulative loss that has been recognised in other comprehensive income, and presented in the fair value reserve, in profit or loss. The cumulative loss that is transferred from other comprehensive income and recognised in profit or loss is the difference between the acquisition cost, net of any principal repayment and amortisation, and the current fair value, less any impairment loss previously recognised in profit or loss. Changes in impairment provisions attributable to time value are reflected as a component of interest income.

If, in a subsequent period, the fair value of an impaired investment available for sale increases and the increase can be related objectively to an event occurring after the impairment loss was recognised in profit or loss, then the impairment loss is reversed, with the amount of the reversal recognised in profit or loss. However, any subsequent recovery in the fair value of an impaired investment available for sale is recognised in other comprehensive income.

Non-financial assets
The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets are reviewed at end of the year to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill, and intangible assets that have indefinite useful lives the recoverable amount is estimated each year at the same time.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

3. SIGNIFICANT ACCOUNTING POLICIES (continued))

Impairment of assets (continued*)*
Non-financial assets (continued)
An impairment loss is recognised if the carrying amount of an asset exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at the end of the year for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Investments in subsidiary companies
The investments in subsidiary companies are stated in the parent Company's books at cost less adjustments for any permanent impairment in the value of the investments. Any adjustments that arise are recorded in profit or loss.

Taxation
Taxation comprises current and deferred tax. Taxation is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the end of the year, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the year.

Deferred tax assets and liabilities are offset if there is a legally enforceable right from the Group to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets or their tax assets and liabilities will be realised simultaneously.

3. SIGNIFICANT ACCOUNTING POLICIES (continued))

Taxation (continued)
A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at the end of the year and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Foreign currency transactions
Transactions in foreign currencies are translated using the exchange rates enacted at the date of the transaction at the respective functional currency of each company of the Group. Monetary assets and liabilities denominated in foreign currencies at the end of the year are translated to the functional currency at the exchange rate ruling at that date.

The foreign currency gain or loss on monetary items is the difference between the amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the period. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences arising on retranslation are recognised in profit or loss.

Translation of results of foreign subsidiary companies
The results of foreign subsidiary companies are translated to Euro at the average exchange rate prevailing during the year, while assets and liabilities are translated to Euro at the rate prevailing at the end of the year. Any foreign currency differences on translation are transferred to the other comprehensive income.

Long term loans that represent part of the Group's net investment in foreign subsidiary companies
All foreign exchange differences arising on long term loans to foreign subsidiaries are recorded in other comprehensive income in the financial statements of the Group and are transferred to profit or loss at the disposal of the subsidiary company.

All foreign exchange differences arising on long-term loans are recognised in profit or loss in the year they are incurred in the parent Company's financial statements.

Deferred taxation arising from net foreign exchange differences that arise from the long-term loans is transferred to other comprehensive income.

3. SIGNIFICANT ACCOUNTING POLICIES (continued))

Hedge of a net investment in foreign operation

The Group applies hedge accounting to exchange differences arising between the functional currency of the investment in foreign operation and the Company's functional currency, irrespectively of whether the net investment is held directly or through a different Group company. Exchange differences arising on the translation of a financial liability designated as a hedge of a net investment in a foreign operation are recognised in other comprehensive income to the extent that the hedge is effective, and are presented within equity in the Hedge Reserve. To the extent that the hedge is ineffective, such differences are recognised in profit or loss. When the hedged net investment is disposed of, the relevant amount in the Hedge Reserve is transferred to profit or loss as part of the profit or loss on disposal.

Non-derivative financial instruments including hedge accounting

On initial designation of the non derivative financial instrument as the hedging instrument, the Group formally documents the relationship between the hedging instrument and hedged item, including the risk management objectives and strategy in undertaking the hedge transaction and the hedged risk, together with the methods that will be used to assess the effectiveness of the hedging relationship.

The Group makes an assessment, both at the inception of the hedge relationship as well as on an ongoing basis, of whether the hedging instruments are expected to be "highly effective" in offsetting the changes in the fair value or cash flows of the respective hedged items attributable to the hedged risk, and whether the actual results of each hedge are within a range of 80 – 125 percent.

Intangible assets

Software development and licensing costs for the use and distribution of computer software are capitalized and amortised in profit or loss on a straight line basis over their useful economic lives. Intangible assets are amortised as follows:

Development costs	5 years
License fees	2 years

Goodwill arising from the difference between the acquisition cost and the net assets of subsidiary companies at the acquisition is capitalised and is assessed annually for impairment. Provision for impairment is recognised in profit or loss.

Negative goodwill that arises from the difference of the net assets of subsidiary companies and the cost of acquisition during the acquisition is recognised in profit or loss in the same year.

Provident fund

The provident fund operates under a defined contribution scheme. According to the provident fund scheme of the parent company of the Group, the percentage of contributions to the fund is 3% to 15% on behalf of the member and 3% on behalf of the employer on the earnings of members. The contributions of the employer (Company) are recognised in the period to which they relate and are transferred within personnel costs.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Operating segments

Operating segments relate to components of the Group which may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Board of Directors to make decisions about resources to be allocated to the segment and assess its performance.

Lease

Leases where a significant part of the risks and rewards of the property remains with the lessor are classified as operating leases. All operating lease payments (after deduction of motives received from the lessor) are charged using the straight line method during the period of the lease.

Warranties

No provision is made for warranties given by the Group on computers and computer components because all computers and computer components carry a warranty from suppliers equal to the warranties given.

Provisions

Provisions are recognised when the Group has a legal or constructive obligation as a result of a past event and it's probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Deferred Income

Deferred income consists of sales of services based on contracts, and relates to services that were incurred in the period after the year end. The deferred income is included in trade and other payables.

Deferred expenditure

Deferred expenditure are the expenses that consist of purchases of services based on contracts, and relates to services that were incurred in the period after the year end. The deferred expenditure is included in trade and other receivables.

Derivative financial instruments

The Group uses derivative financial instruments to hedge its exposure to risks arising from exchange differences from operational or financing activities. In accordance with its treasury policy, the Group does not hold or issue derivative financial instruments for trading purposes. The derivative financial instruments are recognised initially at fair value and the attributable transaction costs are recognised in profit or loss. Subsequent to initial recognition, they are measured at fair value and the gain or loss arising from the measurement at fair value is recognised in profit or loss. The fair value of the forward exchange contracts for rate of exchange is their quoted market price at the end of the year, being the present value of the quoted forward price.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Events after the reporting date

Assets and liabilities are adjusted for events that occurred during the period from the year end to the date of approval of the financial statements by the Board of Directors, when these events provide additional information for the valuation of amounts relating to events existing at the year end or imply that the going concern concept in relation to part or the whole of the Group is not appropriate.

Share capital

(i) Ordinary shares

Ordinary shares issued and fully paid are classified as share capital. Incremental costs directly attributable to the issue of ordinary shares are recognised as a reduction from equity, net of any tax effect.

(ii) Dividends

Dividends are recognised as a liability in the year they are declared, according to IAS 10.

Earnings per share

The Company presents basic and diluted earnings per share that corresponds to the shareholders. The basic earnings per share is calculated by dividing the profit attributable to the shareholders of the Company by the weighted average number of issued shares outstanding during the year. The diluted earnings per share are calculated by adjusting the profit attributable to the shareholders of the Company and the weighted average number of issued shares.

Comparative amounts

Where necessary, comparative amounts are restated in order to comply with the changes in accounting policies, the application of new and revised International Financial Reporting Standards and the presentation of the current financial year.

4. OPERATING SEGMENTS

The Group can be divided into two important segments, the distribution segment and the services segment. The distribution segment that mainly operates in the distribution of high technology products and the production of computers is divided in three main geographical segments as described below. The services segment operates mainly in the provision of solutions and services for networks and telecommunications and the provision of solutions and services for software for customers in Cyprus and abroad. The following summary describes the operations in each of the Group’s Reportable Segments:

- European markets distribution segment – This segment operates mainly in the distribution of high technology products and the production of computers in Cyprus, Greece and Italy.
- UAE and Saudi Arabia distribution segment – This segment operates mainly in the distribution of high technology products and the production of computers in United Arab Emirates and Saudi Arabia.
- Other markets distribution segment – This segment operates mainly in the distribution of high technology products and the production of computers in other countries that the Group operates in, other than the countries mentioned above.

4. OPERATING SEGMENTS (continued)

- Services segment – This segment operates in the provision of solutions and services for networks and telecommunications and the provision of solutions and services for software for customers in Cyprus and abroad.

Information regarding the results of each reportable segment is presented below. The performance is evaluated based on the profit before taxation of each segment, as presented in management reports which are examined by the Board of Directors. The profit of each segment is used for the evaluation of the performance since the management believes that this information is the most appropriate for the evaluation of the results of all segments that are reported. The accounting policies of the operating segments are presented in note 3.

Sales and total non-current assets that relate to intangible assets and property, plant and equipment are allocated between Cyprus and abroad as follows:

	Revenue		Total non-current assets	
	2013	2012	2013	2012
	€	€	€	€
Cyprus	52.650.776	62.942.123	22.174.348	21.081.853
Greece	66.310.066	63.411.341	281.195	371.427
United Arab Emirates	204.674.712	179.203.180	3.811.573	1.892.947
Other Foreign Countries	166.368.164	153.406.865	1.456.600	1.271.216
	490.003.718	458.963.509	27.723.716	24.617.443

Major Customer

Revenue from one customer of the Group's European Markets Segment represents approximately €10.500.000 (2012: €10.000.000) of the Group's total revenue.

LOGICOM PUBLIC LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2013

4. OPERATING SEGMENTS (continued)

2013	European Markets Distribution Segment €	Middle East Markets Distribution Segment €	All other Segments €	Services Segments €	Transactions between Operating Segments €	Total €
External revenue	131.471.532	268.465.565	55.472.571	34.594.050	-	490.003.718
Intersegment revenue	56.929.856	79.008.953	604.533	2.356.846	(138.900.188)	-
Other income	3.657.436	719.108	30.539	1.446.739	(4.661.654)	1.192.168
Depreciation and amortisation	547.317	258.492	113.719	742.906	-	1.662.434
Personnel costs	4.916.565	5.210.589	2.245.933	3.868.589	-	16.241.676
Travelling expenses	467.177	123.440	141.528	139.844	-	871.989
Provision for bad debts	194.531	158.775	299.357	101.578	(12.000)	742.241
Professional fees	862.745	179.653	251.523	425.205	(384.889)	1.334.237
Rent	313.315	412.109	124.719	273.041	-	1.123.184
Credit insurance	369.242	447.590	110.021	-	-	926.853
Transportation expenses	259.256	131.955	257.087	38.248	(34.900)	651.646
Profit from operations	3.800.862	7.198.753	(942.941)	4.095.468	(4.305.584)	9.846.558
Net foreign exchange gains / (loss)	170.847	70.490	(25.157)	596.743	(465.996)	346.927
Interest receivable	241.214	-	12.457	222.741	-	476.412
Interest payable and bank charges	(3.269.400)	(1.861.625)	(99.219)	(443.374)	317.652	(5.355.966)
Net finance expense	(2.857.339)	(1.791.135)	(111.919)	376.110	(148.344)	(4.532.627)
Share profit of associated company	(296.833)	-	-	-	-	(296.833)
Profit before tax	646.690	5.407.618	(1.054.860)	4.471.578	(4.453.928)	5.017.098
Acquisition of property plant and equipment	103.688	2.015.059	162.387	411.757	-	2.692.891
Total assets	155.321.097	95.534.086	28.105.795	51.398.997	(109.711.983)	220.647.992
Total liabilities	121.217.799	67.937.897	26.447.984	32.927.778	(85.905.602)	162.625.856

4. OPERATING SEGMENTS (continued)

2012	European Markets Distribution Segment €	Middle East Markets Distribution Segment €	All other Segments €	Services Segments €	Transactions between Operating Segments €	Total €
External revenue	140.139.132	217.791.197	58.068.216	42.964.964	-	458.963.509
Intersegment revenue	71.856.351	70.917.479	1.154.240	4.131.234	(148.059.304)	-
Other income	5.407.526	552.421	1.169.207	2.224.713	(8.066.539)	1.287.328
Depreciation and amortisation	621.024	125.784	99.779	566.115	-	1.412.702
Personnel costs	5.510.567	4.485.554	2.304.754	6.109.516	-	18.410.391
Travelling expenses	405.482	91.299	118.176	245.386	-	860.343
Provision for bad debts	950.762	31.809	180.716	104.843	(746.937)	521.193
Professional fees	962.587	185.172	211.744	307.028	(40.000)	1.626.531
Rent	361.932	518.989	173.246	335.237	-	1.389.404
Credit insurance	458.778	962.512	7.054	-	-	1.428.344
Transportation expenses	362.046	65.295	270.042	41.579	(32.000)	706.962
Profit from operations	5.572.696	4.377.320	(92.877)	6.717.145	(6.999.681)	9.574.603
Net foreign exchange gains / (loss)	(714.465)	108.467	134.340	329.097	(204.081)	(346.642)
Interest receivable	1.051.534	-	25.964	240.982	-	1.318.480
Interest payable and bank charges	(3.862.727)	(1.230.148)	(109.262)	(644.520)	240.314	(5.606.343)
Net finance expense	(3.525.658)	(1.121.681)	51.042	(74.441)	36.233	(4.634.505)
Share profit of associated company	21.319	-	-	-	-	21.319
Impairment of investments available for sale	(2.000.000)	-	-	-	-	(2.000.000)
Profit before tax	68.357	3.255.639	(41.835)	6.642.704	(6.963.448)	2.961.417
Acquisition of property plant and equipment	188.725	1.328.218	185.355	993.602	-	2.695.900
Total assets	163.502.971	67.347.467	24.474.757	52.730.601	(97.867.311)	210.188.485
Total liabilities	128.221.688	42.175.037	21.687.907	36.964.297	(74.081.226)	154.967.703

5. OTHER INCOME

THE GROUP

	2013 €	2012 €
Commissions and other income	1.237.922	1.319.257
Loss on disposal of property, plant and equipment	(45.754)	(31.929)
	1.192.168	1.287.328

THE COMPANY

	2013 €	2012 €
Dividends receivable from subsidiary companies	2.978.361	4.969.891
Commissions and other income	428.442	403.428
Profit on disposal of property, plant and equipment	1.397	71
	3.408.200	5.373.390

6. ADMINISTRATIVE EXPENSES

THE GROUP

(a) Personnel costs

	2013 €	2012 €
Staff salaries	13.060.438	15.141.660
Social insurance and related costs	1.924.112	1.832.739
Contributions to Provident Fund	20.930	128.595
Other personnel costs	1.011.403	539.451
	16.016.883	17.642.445

The average number of employees during the year was 524 (2012: 590).

6. ADMINISTRATIVE EXPENSES (continued)

(b) Other administrative expenses

	2013 €	2012 €
Depreciation	1.572.434	1.322.674
Amortisation of research and development	90.000	90.028
Directors fees - Non executives directors	70.600	64.600
- Executive directors	154.193	703.345
Rent	1.123.184	1.389.404
Common expenses	64.220	70.087
Taxes and licenses	112.121	154.547
Electricity and water	320.754	332.808
Cleaning	78.318	74.579
Insurance	1.248.709	1.755.294
Repairs and maintenance expenses	98.266	84.116
Other expenses	260.034	161.555
Telephone and postage expenses	557.401	566.366
Printing and stationery	105.886	94.559
Subscriptions and donations	118.373	92.201
Staff training expenses	43.512	118.201
Other staff expenses	250.533	210.386
Computer hardware maintenance expenses	79.541	61.354
Audit fees	195.081	264.464
Legal fees	311.817	285.473
Other professional fees	827.338	690.708
Advertising expenses	328.618	388.207
Traveling expenses	871.989	860.343
Entertainment	135.116	172.183
Motor vehicles expenses	489.126	511.846
Transportation expenses	651.646	706.962
Subcontractors' fees	344.889	385.886
Doubtful debts allowance	742.241	521.193
	11.245.940	12.133.369
Total administrative expenses	27.262.823	29.775.814

LOGICOM PUBLIC LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2013

6. ADMINISTRATIVE EXPENSES (continued)

THE COMPANY

(a) Personnel expenses

	2013 €	2012 €
Staff salaries	1.945.555	2.376.175
Social insurance and related costs	251.785	269.587
Contributions to Provident Fund	-	60.197
Other personnel costs	(10.754)	(6.046)
	2.186.586	2.699.913

The average number of employees during the year was 68 (2012: 75).

(b) Other administrative expenses

	2013 €	2012 €
Depreciation	327.778	364.942
Amortisation of research and development	90.000	90.000
Director fees - Non executive directors	70.600	64.600
- Executive directors	154.193	158.900
Rent	93.448	124.560
Common expenses	1.593	2.291
Taxes and licences	8.047	10.040
Electricity and water	65.043	76.279
Cleaning	5.444	6.658
Insurance	49.518	169.624
Repairs and maintenance expenses	36.159	42.091
Other expenses	(1.034)	28.832
Telephone and postage expenses	86.495	89.982
Printing and stationery	8.928	11.262
Subscriptions and donations	67.469	41.923
Staff training expenses	8.237	21.909
Other staff expenses	13.567	18.858
Computer hardware maintenance expenses	23.393	11.323
Audit fees	44.617	53.666
Legal fees	130.961	100.991
Other professional fees	106.748	228.174
Advertising expenses	57.585	46.675
Traveling expenses	279.141	219.360
Entertainment	40.695	58.558
Motor vehicles expenses	72.696	77.597
Transportation expenses	30.975	30.737
Subcontractors’ fees	325.202	347.620
Doubtful debts allowance	35.304	754.194
	2.232.802	3.251.646
Total administrative expenses	4.419.388	5.951.559

6. ADMINISTRATIVE EXPENSES (continued)

Note 1

The total fees for the services of the lawyers and legal advisors of the law office Scordis, Papapetrou & Co LLC, to which Adamos Adamides is a partner, amount to €66.116 and are included in the legal fees and other professional fees. The total fees for the services of secretary of the company Adaminco Secretarial Ltd, amount to €50.564 and are included in other professional fees.

7. NET FINANCE EXPENSES

THE GROUP

	2013	2012
	€	€
Finance income		
Interest receivable	476.412	1.318.480
Net foreign exchange gain	346.927	-
	823.339	1.318.480
Finance expense		
Interest payable and bank charges	(5.355.966)	(5.606.343)
Net foreign exchange loss	-	(346.642)
	(5.355.966)	(5.952.985)
Net finance expense	(4.532.627)	(4.634.505)
Net finance expenses recognized in other comprehensive income that are to be reclassified to profit or loss in future periods		
Exchange differences in relation to foreign operations	(1.935.883)	(893.705)
Deferred taxation arising from exchange differences in relation to foreign operations	32.933	(12.301)
Net change in the fair value of investments available for sale	1.221.891	249.440
	(681.059)	(656.566)

LOGICOM PUBLIC LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2013

7. NET FINANCE EXPENSES (continued)

THE COMPANY

	2013 €	2012 €
Finance income		
Interest receivable	220.955	1.026.200
	220.955	1.026.200
Finance expense		
Interest payable and bank charges	(2.531.697)	(3.020.985)
Net foreign exchange loss	(193.040)	(1.051.962)
	(2.724.737)	(4.072.947)
Net finance expense	(2.503.782)	(3.046.747)
Net finance income recognised in other comprehensive income that are to be reclassified to profit or loss in future periods		
Net change in the fair value of investments available for sale	-	249.440
	-	249.440

8. TAXATION

THE GROUP

	2013 €	2012 €
Corporation tax – current year	1.101.660	444.794
Adjustment for prior years	-	(21.103)
Special defence contribution	94.232	151.037
Deferred taxation – (credit) / debit	(138.026)	326.802
	1.057.866	901.530

8. TAXATION *(continued)*

The subsidiary companies of the Group are taxed in the countries they operate as follows:

Company	Country	Tax rate %
Logicom (Overseas) Limited	Cyprus	12.5
Logicom Solutions Limited	Cyprus	12.5
Netcom Limited	Cyprus	12.5
Inteli-scape Ltd	Cyprus	12.5
Logicom (Middle East) SAL	Lebanon	15
ENET Solutions - Logicom S.A.	Greece	26
Logicom FZE	United Arab Emirates	0
Logicom Dubai LLC	United Arab Emirates	0
Logicom Jordan LLC	Jordan	14
Logicom Italia s.r.l.	Italy	31.4
Logicom IT Distribution Limited	Turkey	20
Rehab Technologies Limited	Saudi Arabia	26
Logicom Hungary Ltd	Hungary	10
Logicom Bulgaria EOOD	Bulgaria	10
Logicom Information Technology Distribution s.r.l.	Romania	16
Noesis Ukraine LLC	Ukraine	18
Logicom Services Ltd	Cyprus	12.5
Logicom Solutions LLC	United Arab Emirates	0
ICT Logicom Solutions SA	Greece	26
Logicom Saudi Arabia LLC	Saudi Arabia	26
Newcytech Business Solutions Ltd	Cyprus	12.5
Newcytech Distribution Ltd	Cyprus	12.5
Logicom Distribution Germany GmbH	Germany	15
Logicom LLC	Oman	12

THE COMPANY

	2013 €	2012 €
Special defence contribution	54.858	128.848
Deferred taxation	(435.571)	(173.652)
	(380.713)	(44.804)

The Company is subject to corporation tax at 12,5% on all of its profits.

LOGICOM PUBLIC LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2013

8. TAXATION *(continued)*

Reconciliation of taxation with the taxation based on accounting profit

THE GROUP

	2013 €	2012 €
Profit before tax	5.017.098	2.961.417
Effective tax rate	16,93%	13,53%
Tax for the year based on accounting profit	849.395	400.680
Tax effect for:		
Depreciation	94.359	47.620
Capital allowances	(58.381)	(261.075)
Income not allowed in computation of taxable income	(1.531.654)	(1.174.344)
Expenses not allowed in computation of taxable income	1.457.648	1.106.791
Tax losses carried forward	337.500	325.122
Special defence contribution	94.232	151.037
Deferred taxation	(185.233)	326.802
Adjustments for prior years	-	(21.103)
	1.057.866	901.530

Reconciliation of taxation with taxation based on accounting profit

THE COMPANY

	2013 €	2012 €
Loss before tax	(412.039)	(676.499)
Effective tax rate	12,50%	10,00%
Tax for the year based on accounting profit	(51.505)	(67.650)
Tax effect for:		
Depreciation	52.222	45.494
Capital allowances	(27.917)	(24.594)
Income not allowed in computation of taxable income	(765.099)	(599.867)
Expenses not allowed in computation of taxable income	453.016	256.045
Tax losses carried forward	339.283	390.572
Special defence contribution	54.858	128.848
Deferred taxation	(435.571)	(173.652)
	(380.713)	(44.804)

8. TAXATION *(continued)*

Deffered taxation recognized in other comprehensive income

THE GROUP

	2013 €	2012 €
Temporary differences arising from foreign exchange differences	32.933	12.301
Revaluation of land and buildings	(132.879)	(10.134)
	(99.946)	2.167

THE COMPANY

	2013 €	2012 €
Revaluation of land and buildings	(129.546)	(3.815)
	(129.546)	(3.815)

9. DIVIDEND

	2013 €	2012 €
Dividend paid	1.111.194	1.851.990

During the year a final dividend for 2012 of €1.111.194 was paid. This corresponds to €0,015 cents per share. In accordance with IAS 10, dividends are recognised in the year in which they are declared.

The proposed final dividend for 2013 of €1.851.990, corresponds to €0,025 cents per share and in accordance with IAS 10, it will be recognized during 2014, the year in which it will be declared.

10. EARNINGS PER SHARE

THE GROUP

Basic and diluted earnings per share

The calculation of basic and diluted earnings per share is based on the profit attributable to the shareholders of the parent Company, the weighted average number of issued shares and the weighted average number of issued shares during the year as follows:

	2013	2012
Profit attributable to shareholders (€)	4.055.495	2.039.947
Weighted average number of shares that were issued during the year	74.079.600	74.079.600
Basic earnings per share (cent)	5,47	2,75
Diluted weighted average number of shares	74.079.600	74.079.600
Diluted earnings per share (cent)	5,47	2,75

THE COMPANY

Basic and diluted earnings per share

The calculation of basic and diluted earnings per share is based on the profit attributable to the shareholders of the parent Company the weighted average number of issued shares and the weighted average number of issued shares during the year as follows:

	2013	2012
Profit attributable to shareholders (€)	(31.326)	(631.695)
Weighted average number of shares that were issued during the year	74.079.600	74.079.600
Basic earnings per share (cents)	(0,04)	(0,85)
Diluted weighted average number of shares	74.079.600	74.079.600
Diluted earnings per share (cents)	(0,04)	(0,85)

LOGICOM PUBLIC LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2013

11. PROPERTY, PLANT AND EQUIPMENT

THE GROUP	Land and buildings	Computers	Furniture and fittings	Motor Vehicles	Total
	€	€	€	€	€
Acquisition cost or revaluation					
2012					
1 January 2012	6.376.868	4.827.264	2.211.886	1.409.177	14.825.195
Additions for the year	1.322.895	1.152.995	118.034	101.976	2.695.900
Disposals for the year	-	(530.396)	(30.929)	(41.069)	(602.394)
Exchange differences	(61.304)	(27.525)	(2.129)	(4.948)	(95.906)
31 December 2012	7.638.459	5.422.338	2.296.862	1.465.136	16.822.795
2013					
1 January 2013	7.638.459	5.422.338	2.296.862	1.465.136	16.822.795
Additions for the year	1.499.554	867.229	128.957	197.151	2.692.891
Disposals for the year	-	(166.101)	(423)	(50.935)	(217.459)
Exchange differences	(113.012)	(36.500)	(38.046)	(11.409)	(198.967)
Revaluation for the year	(903.841)	-	-	-	(903.841)
31 December 2013	8.121.160	6.086.966	2.387.350	1.599.943	18.195.419
Depreciation					
2012					
1 January 2012	408.015	2.718.275	1.236.488	942.527	5.305.305
Charge for the year	220.001	695.794	206.588	200.291	1.322.674
Disposals for the year	-	(478.012)	(20.318)	(41.323)	(539.653)
Exchange differences	19.694	(20.683)	(378)	(3.728)	(5.095)
31 December 2012	647.710	2.915.374	1.422.380	1.097.767	6.083.231
2013					
1 January 2013	647.710	2.915.374	1.422.380	1.097.767	6.083.231
Charge for the year	274.955	951.636	209.871	135.972	1.572.434
Disposals for the year	-	(102.640)	(423)	(50.935)	(153.998)
Exchange differences	(14.331)	(32.389)	(28.197)	(9.369)	(84.286)
Revaluation for the year	(585.095)	-	-	-	(585.095)
31 December 2013	323.239	3.731.981	1.603.631	1.173.435	6.832.286
Net book value					
31 December 2012	6.990.749	2.506.964	874.482	367.369	10.739.564
31 December 2013	7.797.921	2.354.985	783.719	426.508	11.363.133

LOGICOM PUBLIC LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2013

11. PROPERTY, PLANT AND EQUIPMENT (continued)

THE COMPANY	Land and buildings	Computers	Furniture and fittings	Motor Vehicles	Total
	€	€	€	€	€
Acquisition cost or revaluation					
2012					
1 January 2012	4.475.000	1.363.768	540.243	525.908	6.904.919
Additions for the year	43.932	78.116	10.391	-	132.439
Disposals for the year	-	-	-	(22.629)	(22.629)
Revaluation for the year	-	-	-	-	-
31 December 2012	4.518.932	1.441.884	550.634	503.279	7.014.729
2013					
1 January 2013	4.518.932	1.441.884	550.634	503.279	7.014.729
Additions for the year	-	81.779	712	-	82.491
Disposals for the year	-	(856)	-	(42.313)	(43.169)
Revaluation for the year	(1.031.432)	-	-	-	(1.031.432)
31 December 2013	3.487.500	1.522.807	551.346	460.966	6.022.619
Depreciation					
2012					
1 January 2012	118.036	942.487	381.574	292.881	1.734.978
Charge for the year	118.224	133.771	23.560	89.387	364.942
Disposals for the year	-	-	-	(21.970)	(21.970)
Revaluation for the year	-	-	-	-	-
31 December 2012	236.260	1.076.258	405.134	360.298	2.077.950
2013					
1 January 2013	236.260	1.076.258	405.134	360.298	2.077.950
Charge for the year	119.793	136.204	23.835	47.946	327.778
Disposals for the year	-	(372)	-	(42.313)	(42.685)
Revaluation for the year	(356.053)	-	-	-	(356.053)
31 December 2013	-	1.212.090	428.969	365.931	2.006.990
Net book value					
31 December 2012	4.282.672	365.626	145.500	142.981	4.936.779
31 December 2013	3.487.500	310.717	122.377	95.035	4.015.629

LOGICOM PUBLIC LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2013

11. PROPERTY, PLANT AND EQUIPMENT (continued)

On December 1998 the Company acquired land and buildings at Strovolos. At the end of the same month the land and buildings were revalued by independent professional valuers. The transfer of ownership of the building in the Land Registry Department was made in March 1999.

On 31 December 2013 the Group through independent professional appraisers proceeded to a revaluation of land and buildings as follows:

		Surplus/ (Deficit) €
Logicom Public Ltd	Land & Buildings	(675.379)
Logicom (Overseas) Ltd	Factory	(15.364)
Logicom FZE	Land & Buildings	254.104
Logicom Jordan LLC	Land & Buildings	117.897

On 31 December 2013 the Group assesses that the net book value of land and buildings of Logicom (Middle East) SAL in Lebanon is not materially different from its fair value.

The revaluations were made according to the comparative valuation method for the computation of market value, with the cost of construction method for the purchase price of the building and also on the basis of the future prospects of the immovable properties under examination. These valuations were made by independent professional valuers.

The provision for deferred taxation arising from the revaluation of land and buildings is presented in note 26.

If the total amounts of land and buildings were carried out at historic cost, these would have been as follows:

	2013 €	2012 €
Cost	5.307.723	3.808.169
Depreciation	(1.295.316)	(1.097.171)
	4.012.407	2.710.998

The value of the land which is not depreciated is as follows:

	2013 €	2012 €
Balance 31 December	354.091	354.091

11. PROPERTY, PLANT AND EQUIPMENT (continued)

The subsidiary company Logicom (Overseas) Limited acquired buildings (land, offices and warehouse) in the Larnaca Free Zone Area in December 1994. Land was acquired on a long term lease agreement from the Cyprus Government to the subsidiary, ending on 30 September 2016 with an option for renewal for another two lease periods of 33 years each. There is no commitment on behalf of the Company for renewal of the lease. The buildings are owned by the Group with an initial cost of €130.178 followed by additions of cost €29.672 and the annual lease payment is €3.225.

The subsidiary company Logicom FZE acquired land in the Free Trade Zone Area in Jebel Ali. The land is under an operating lease for 10 years from the 1 August 2007 with an option for renewal. The annual lease payment is €85.732.

12. INTANGIBLE ASSETS

THE GROUP	Development Costs	Licensing Costs	Goodwill	Total
	€	€	€	€
Acquisition or revaluation				
2012				
1 January 2012	101.603	459.814	9.949.259	10.510.676
Decrease for the year	-	-	(328.199)	(328.199)
31 December 2012	101.603	459.814	9.621.060	10.182.477
2013				
1 January 2013	101.603	459.814	9.621.060	10.182.477
Decrease for the year	-	-	-	-
31 December 2013	101.603	459.814	9.621.060	10.182.477
Amortization				
2012				
1 January 2012	101.538	52.472	653.169	807.179
Impairment for the year	28	-	-	28
Amortization for the year	-	90.000	-	90.000
31 December 2012	101.566	142.472	653.169	897.207
2013				
1 January 2013	101.566	142.472	653.169	897.207
Impairment for the year	37	-	-	37
Amortization for the year	-	90.000	-	90.000
31 December 2013	101.603	232.472	653.169	987.244
Net book value				
31 December 2012	37	317.342	8.967.891	9.285.270
31 December 2013	-	277.342	8.967.891	9.195.233

12. INTANGIBLE ASSETS (continued)

THE COMPANY	**Licensing Costs** €
Acquisition or revaluation	
2012	
1 January 2012	450.000
Additions for the year	-
31 December 2012	450.000
2013	
1 January 2013	450.000
Additions for the year	-
31 December 2013	450.000
Amortization	
2012	
1 January 2012	42.658
Amortization for the year	90.000
31 December 2012	132.658
2013	
1 January 2013	132.658
Amortization for the year	90.000
31 December 2013	222.658
Net book value	
31 December 2012	317.342
31 December 2013	227.342

12. INTANGIBLE ASSETS (continued)

Goodwill

Logicom Solutions Limited / DAP Noesis Business Solutions Limited
Goodwill amounting to €1.102.924 arose on the acquisition of the subsidiary company Logicom Solutions Limited on 1 January 2000 and on the acquisition of the subsidiary company DAP Noesis Business Solutions Limited on 20 March 2002. Goodwill that arose on the acquisition of the above named subsidiaries had been capitalized and was amortized annually in profit or loss Statement until 31 December 2004. As of 1st January 2005, in accordance to IFRS 3, goodwill is no longer amortized, but is assessed annually for impairment.

The carrying amount of goodwill that arose from DAP Noesis Business Solutions Limited has been impaired with an amount equal to its net book value as at 31 December 2005. The recoverable amount of the goodwill of Logicom Solutions Limited is assessed annually during the reporting date by calculating the greater of the value in use and the fair value less costs to sell. Based on the fact that the fair value cannot be measured, the recoverable amount equals with the value in use which is calculated as present value of the estimated future cash flows, using a discount rate of 11% for a period of 3 years and the terminal value of the company (terminal value). For the determination of terminal value the cash flows until 2016 by dividing the difference of weighted average cost of capital and growth rate have been used. The weighted average cost of capital was calculated at 11% and the growth rate in perpetuity at 2%. There is no impairment on the goodwill at the end of the year because the net value of the goodwill is lower than its recoverable amount.

The amount of goodwill of Logicom Solutions Limited arising from the acquisition on 31 December 2013 is €449.755 (2012: €449.755).

Newcytech Business Solutions Limited
Goodwill amounting to €7.535.670 arose on the acquisition of the subsidiary company Newcytech Business Solutions Limited (“Newcytech”) on 30 October 2009. The acquisition cost was based on a valuation report for Newcytech that was prepared by external advisors. The calculation of the value was based on the assumption of a growth rate of 1% and weighted average cost of capital of 15,59%.

Management estimates that there is no need for impairment of the goodwill that arose on the acquisition of Newcytech on the basis that the recoverable amount exceeds the carrying amount of goodwill. The recoverable amount equals the value in use that is calculated as the present value of the estimated future cash flows for a period of 3 years and the terminal value of the company. For the determination of the terminal value the cash flows after 2016 were used divided with the difference of the weighted average cost of capital and the growth rate. The weighted average cost of capital was calculated to 11% and the growth rate to perpetuity to 2%.

The amount of goodwill of Newcytech Business Solutions Limited arising from the acquisition on 31 December 2013 is €6.624.403 (2012: €6.624.403).

12. INTANGIBLE ASSETS (continued)

Inteli-scape Limited
Goodwill amounting to €1.893.733 arose on the acquisition of the subsidiary company Inteli-scape Limited ("Inteliscape") on 29 November 2011. The acquisition cost was based on a valuation of report for Inteliscape that was prepared by external advisers. The calculation of the value was based on the assumption of a growth rate of 1,5% and weighted average cost of capital of 18%. Management estimates that there is no need for impairment of the goodwill that arose on the acquisition of Inteliscape on the basis that the acquisition is higher than the net value of goodwill. The recoverable amount is equal to the value in use which is calculated as the present value of estimated future input for a period of 3 years and the Terminal value of the Company. For the determination of the terminal value the cash flows after 2016 were used divided by difference of the weighted average cost of capital and the growth rate. The weighted average cost of capital was calculated to 11% and the growth rate to perpetuity to 2%.

The amount of goodwill of Inteli-scape Limited arising from the acquisition on 31 December 2013 is €1.893.733 (2012: €1.893.733).

The main assumptions that were used in calculating the present value of the estimated future cash flows as assessed and evaluated by the Management are:

Discount rate
The discount rate is calculated at the same level as the weighted average cost of capital of the Group. For the calculation the interest rate on 5 year government bonds, the cost of financing after the tax deduction, the market interest rate and the effect of changes in the market on the Company were taken into account.

Growth rate for terminal value
The rate is calculated based on previous experience of the Company's growth rate and the Company's segments of operations, and by also taking into account the ongoing technological development, expertise and experience of the Company. The rate is compared with the growth rate of the Gross Domestic Product of Cyprus, the country in which the Company is operating.

Estimated future inflows
The future inflows from the above subsidiaries have been calculated based on the growth rates of companies in recent years as well as on the business development plans of the companies:

- The budget for 2014 shows that the turnover of Newcytech Business Solutions Ltd and Logicom Solutions Ltd will remain at the same levels as in 2013, whereas the turnover of Inteli-scape Ltd will increase, taking into consideration projects that the companies expect to perform during the year as well as the difficult economic conditions that are expected to affect the achievement of the planned development.
- The growth for 2015 is estimated to be at negative rates at the level of 1%, while projected marginal increase of 1% is estimated for the year 2016. This restatement is considered necessary in view of a worsening of the economic crisis in Cyprus, where the company operates.
- The growth after 2016 is expected to be within the expectations of the Management based on growth data for the country and segment of operations of the Company.

Management does not consider that there will be a considerable change in the above main assumptions that will affect the recoverable amount of goodwill so that it will be lower than the carrying amount.

12. INTANGIBLE ASSETS (continued)

Development/licensing costs

The software development costs and licensing costs arose on the acquisition of the subsidiary company DAP Noesis Business Solutions Limited on 20 March 2002.

These costs relate to the use and distribution of software, are capitalized and then amortized in profit and loss on a straight line basis over their useful economic life as follows:

Development costs	5 years
Licensing costs	2 years

Licencing costs relate to the acquisition of the distribution rights of Nokia products in Cyprus which have been acquired by Logicom Public Ltd on 11 July 2011 through a distribution contract with duration until the end of 2013 with a right of renewal for a further year. This contract was renewed successfully up to the end of 2014 with the right for renewal of an addtional one year.

Costs relating to the distribution of products are capitalised and amortised in profit and loss with equal annual charges over the expected useful economic life for 5 years.

13. ACQUISITION OF SUBSIDIARY COMPANY/CONTINGENT CONSIDERATION

NewCytech Business Solutions Limited

On 27 July 2009, the Company acquired 36,77% of the shares of Newcytech Business Solutions Limited for €3.015.000. On 30 October 2009, the Company acquired the remaining 63,23% for €5.300.000. The total cost of the subsidiary which amounted to €10.240.329, included contingent consideration of €1.925.329.

On 31 December 2013 the Group owes an amount of €304.956 for the repayment of the contingent consideration relating to Newcytech.

13. ACQUISITION OF SUBSIDIARY COMPANY/CONTINGENT CONSIDERATION (continued)

Inteli-scape Limited
On 29 November 2011, the Company acquired the 100% of the shares of Inteli-scape Limited for €2.554.376. The total cost for the acquisition of the subsidiary, includes a contingent consideration of €1.244.376.

The purchase agreement provides that the contingent consideration is payable subject to the achievement of the targets set for the annual profit before tax of Inteli-scape Limited for the years 2011 until 2014. The consideration will be payable in partial payments within 30 days from the finalization of the audited financial statements of Inteli-scape Limited for each of the years stated above.

The contingent consideration has been determined between the Group and former shareholder at €975.000 The discounted value of this amount was estimated at € 836.529.

The contingent consideration was adjusted in 2013 as follows:

	€
1 January 2013	1.131.507
Payment during the year	(294.978)
31 December 2013	836.529

The contingent consideration is analysed in short term and long term, as follows:

	2013 €	2012 €
Short-term	200.000	300.000
Long-term	636.529	831.507
	836.529	1.131.507

13. ACQUISITION OF SUBSIDIARY COMPANY/CONTINGENT CONSIDERATION (continued)

The total contingent liabilities are analysed in long-term and short-term as follows:

	Long-term	Short-term	Total
	€	€	€
NewCytech Business Solutions Limited	-	304.956	304.956
Inteli-scape Limited	636.529	200.000	836.529
	636.529	504.956.	1.141.485

14. INVESTMENTS IN SUBSIDIARY COMPANIES

The Company has the following investments in subsidiary companies:

Name	Country of incorporation	2013 Percentage %	2012 Percentage %	Cost 2013 €
Logicom (Overseas) Limited	Cyprus	100	100	-
Logicom Solutions Limited	Cyprus	100	100	-
Logicom (Middle East) SAL	Lebanon	100	100	52.652
ENET Solutions - Logicom S.A.	Greece	100	100	1.205.400
Logicom FZE	United Arab Emirates	100	100	3.296.728
Logicom Dubai LLC	United Arab Emirates	100	100	92.124
Logicom Jordan LLC	Jordan	100	100	78.372
Logicom Italia s.r.l.	Italy	100	100	1.834.834
Rehab Technologies Limited	Saudi Arabia	100	100	100.382
Logicom Hungary Ltd	Hungary	100	100	12.217
Logicom Information Technology Distribution s.r.l.	Romania	100	100	63
Logicom Bulgaria EOOD	Bulgaria	100	100	10.048
Noesis Ukraine LLC	Ukraine	46	46	11.214
Logicom Services Ltd	Cyprus	100	100	10.000
Verendrya Ventrures Ltd	Cyprus	60	60	600
Logicom Distribution Germany GmbH	Germany	100	100	27.000
				6.731.634

The Company owns indirectly, through the subsidiary company Logicom Services Holdings Ltd, 100% of Logicom Solutions Ltd in Cyprus with share capital of €8.550.

The Company owns indirectly, through the subsidiary companies Enet Solutions – Logicom S.A. and Logicom FZE, 100% of Logicom IT Distribution Ltd in Turkey with share capital of €5.240.392.

The Company owns indirectly, through the subsidiary company Logicom Solutions Ltd, the remaining 54% of the subsidiary in Ukraine, Noesis Ukraine LLC.

14. INVESTMENTS IN SUBSIDIARY COMPANIES (continued)

The Company owns indirectly, through the subsidiary company Verendrya Ventures Ltd, the 100% of the subsidiary in Cyprus, Netcom Ltd.

The Company owns indirectly, through the subsidiary company Logicom FZE, 100% of the subsidiary, Logicom Saudi Arabia LLC with share capital of €4.960.896.

The Company owns indirectly, through the subsidiary company Logicom Services Ltd, 100% of Newcytech Business Solutions Ltd in Cyprus with share capital of €756.776.

The Company owns indirectly, through the subsidiary company Logicom Services Ltd, 100% of Newcytech Distribution Ltd in Cyprus with share capital of €8.550.

The Company owns indirectly, through the subsidiary company Logicom Services Ltd, 100% of the subsidiary in United Arab Emirates, Logicom Solutions LLC with share capital of €56.589.

The Company owns indirectly, through the subsidiary company Logicom Services Ltd, 100% of the subsidiary in Greece, ICT Logicom Solutions SA with share capital of €100.000.

The Company owns indirectly, through the subsidiary company Logicom Services Ltd 100% of the subsidiary in Cyprus, Inteli-scape Limited, with share capital of €85.500.

The Company owns indirectly, through the subsidiaries Logicom FZE and Logicom Dubai LLC 100% of Logicom LLC in Oman, with share capital of €41.075.

On 31 December 2013, the Company made an impairment assessment of its investments by comparing the net asset value of each investment with the carrying amount. There was no indication for impairment in the value of the investments in subsidiaries, except for Netcom Ltd, Verendrya Ventures Ltd, Logicom Bulgaria EOOD, Logicom Information Technology Distribution s.r.l., Rehab Technologies Ltd and Logicom Solutions LLC based on the criteria discussed above.

The Company issued a financial support commitment to the Group companies noted above, confirming that the Group will continue to provide financial support to enable them to continue as a going concern and meet their liabilities as they fall due.

14. INVESTMENTS IN SUBSIDIARY COMPANIES (continued)

The following table includes the dates of acquisition, the nominal values and the number of shares of the main subsidiary companies:

	Date of acquisition/ incorporation	Nominal Value	Number of shares
Logicom (Overseas) Limited	01/01/1999	EUR 1,71	10.000
Logicom Solutions Limited	01/01/2000	EUR 1,71	5.000
Netcom Limited	27/04/2000	EUR 1,71	10.000
Logicom (Middle East) SAL	25/07/2000	LBP 15.000	5.000
ENET Solutions - Logicom S.A.	21/02/2001	EUR 2,94	410.000
Logicom Jordan LLC	07/08/2001	JOD 1	50.000
Logicom FZE	03/10/2001	AED 1 m.	1
Logicom Dubai LLC	07/11/2001	AED 100	3.000
Logicom Italia s.r.l.	14/06/2005	EUR 10.000	1
Logicom IT Distribution Limited	01/12/2005	YTL 25	520.000
Rehab Technologies Limited	01/08/2006	SAR 500	1.000
Logicom Information Technology Distribution s.r.l.	19/03/2007	RON 200	1
Logicom Bulgaria EOOD	12/04/2007	BGN 20.000	1
Logicom Hungary Ltd	15/06/2007	HUF 3 m.	1
Noesis Ukraine LLC	30/05/2008	UAH 184.176	1
Verendrya Ventrures Ltd	30/01/2009	EUR 1	1.000
Logicom Services Ltd	06/05/2009	EUR 1	10.000
Logicom Solutions LLC	16/08/2009	AED 1.000	300
ICT Logicom Solutions SA	03/11/2009	EUR 1	100.000
Logicom Saudi Arabia LLC	29/09/2009	SAR 10	2.680.000
Newcytech Business Solutions Ltd	30/10/2009	EUR 1,71	442.559
Newcytech Distribution Ltd	30/10/2009	EUR 1,71	5.000
Logicom Distribution Germany GmbH	29/09/2010	EUR 1	25.000
Inteli-scape Ltd	29/09/2011	EUR 1,71	50.000
Logicom LLC	02/09/2012	OR 1	20.000

15. EQUITY ACCOUNTED INVESTEES

The Group participates in the consortium M.N Limassol Water Co. Ltd and M.N. EPC Water Co. (partnerhsip) with 50% holding through its subsidiary Verendrya Ventures Ltd. These consortiums have undertaken the construction and management of the desalination plant in Episkopi.

During 2012, the Group has also acquired a 50% holding through its subsidiary Verendrya Ventures Ltd, in a consortium for the renovation and operation of the existing desalination unit in Larnaca.

The Group recognizes the above investments using the equity method.

15. EQUITY ACCOUNTED INVESTEES (continued)

The Group through the consolidation of the results of the subsidiary company Verendrya Ventures Ltd recognised a total loss of €296.833 (2012: profit €21.319) resulting from the indirect involvement in the partnership M.N. E.P.C Water Co., in the company M.N. Limassol Water Co. Ltd and in the company M.N. Larnaca Desalination Co. Ltd.

	2013 €	2012 €
M.N. Limassol Water Co. Ltd	-	-
M.N. E.P.C Water Co.	-	3.259
M.N. Larnaca Desalination Co. Ltd	-	-
	-	3.259

	M.N. Larnaca Desalination Co. Ltd €	M.N. Limassol Water Co. Ltd €	M.N. E.P.C Water Co. €
Balance at the beginning of the year	-	-	3.259
Additions	5.000	-	-
Charge for impairment	(5.000)	-	(3.259)
Balance as at 31 December	-	-	-

Significant total amounts of investments accounted for using the equity method:

2013	M.N. Larnaca Desalination Co. Ltd	M.N. E.P.C Water Co.	M.N. Limassol Water Co. Ltd	Total
Holding	50%	50%	50%	
Statement of Financial Position Date	31/12/2013	31/12/2013	31/12/2013	
	€	€	€	€
Non Current Assets	5.323.428	21.841	50.299.839	55.645.108
Current Assets	1.186.948	3.153.232	5.995.727	10.335.907
Total Assets	6.510.376	3.175.073	56.295.566	65.981.015
Current Liabilities	(1.875.178)	(3.176.077)	(5.247.951)	(10.299.206)
Long-term Liabilities	(4.711.675)	-	(51.719.523)	(56.431.198)
Total Liabilities	(6.586.853)	(3.176.077)	(56.967.474)	(66.730.404)
Net Assets	(76.477)	(1.004)	(671.908)	(749.389)
Income	5.627.500	147	1.032.625	6.660.272
Expenses	(5.626.937)	-	(381.231)	(6.008.168)
Loss	(86.477)	(7.522)	(499.667)	(593.666)
Group's share of net assets	(38.239)	(502)	(335.954)	(374.695)
Group's share of losses	(43.238)	(3.761)	(249.834)	(296.833)

LOGICOM PUBLIC LIMITED

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15. EQUITY ACCOUNTED INVESTEES (continued)

2012	M.N. E.P.C Water Co.	M.N. Limassol Water Co. Ltd	Total
Holding	50%	50%	
Statement of Financial Position Date	31/12/2012	31/12/2012	
	€	€	€
Non Current Assets	21.847	52.672.273	52.694.120
Current Assets	6.629.040	6.102.653	12.731.693
Total Assets	6.650.887	58.774.926	65.425.813
Current Liabilities	(6.644.369)	(5.497.603)	(12.141.972)
Long-term Liabilities	-	(53.449.564)	(53.449.564)
Total Liabilities	(6.644.369)	(58.947.167)	(65.591.536)
Net Assets	6.518	(172.241)	(165.723)
Revenues	22.175.570	26.035.412	48.210.982
Expenses	(22.178.864)	(25.989.481)	(48.168.345)
(Loss)/profit	(3.294)	45.931	42.637
Group’s share of net assets	3.259	(86.121)	(82.862)
Group’s share of (loss)/profit	(1.647)	22.966	21.319

16. INVESTMENTS AT FAIR VALUE THROUGH PROFIT AND LOSS

THE GROUP

	2013	2012
	€	€
Shares of the companies listed in ASE	233.566	-
Shares of the companies listed in CSE	6.254	5.845
Other investments	8.543	8.543
	248.363	14.388

THE COMPANY

	2013	2012
	€	€
Shares of the companies listed in ASE	233.566	-
Shares of the companies listed in CSE	4.694	4.285
Other investments	8.543	8.543
	246.803	12.828

As at the date of the approval of the financial statements, on 7 April 2014, the value of the shares traded in the CSE was € 6.614 and the shares traded in ASE was €244.289.

17. INVESTMENTS AVAILABLE FOR SALE

Investments available for sale consist of shares in public companies Demetra Investments Public Ltd ("Demetra") and Bank of Cyprus Public Company Ltd ("BOC"). The shares of Demetra are traded on the Cyprus Stock Exchange, whilst the BOC shares are not currently traded. The investment in BOC securities was a result of the conversion of the 47,5% of Logicom Solutions Ltd και Newytech Business Solutions Ltd deposits held into BOC, into shares. These investments are presented at fair value which has been determined at € 4.567.470 for Demetra and € 124.992 for BOC.

THE GROUP

	2013	2012
	€	€
1 January	2.547.545	1.750.560
Purchases	923.026	2.547.545
Impairment of investments	-	(1.750.560)
Reduction in fair value of investments	1.221.891	-
31 December	4.692.462	2.547.545

THE COMPANY

	2013	2012
	€	€
1 January	-	1.750.560
Purchases	-	-
Impairment of investments	-	(1.750.560)
31 December	-	-

The estimates used for the valuation of the investments available for sale are analysed in note 30.

18. INVENTORIES

THE GROUP

	2013	2012
	€	€
Net value of inventories at 31 December	51.319.697	43.460.726

The provision for the decrease of the value of inventories has decreased by €649.578 (2012: decrease €1.614.746) as a result of the sale of inventories for which a provision was recorded in previous years, and of the increase in the provision of the year.

18. INVENTORIES (continued)

THE COMPANY

	2013 €	2012 €
Net value of inventories at 31 December	2.221.534	3.328.850

The provision for the decrease of the value of inventories was decreased by €13.508 (2012: decrease €1.527.090) as a result of the sale of inventories for which there was a provision in previous years, and of the increase in the provision of the year.

Inventories consist of finished goods for sale and spare parts. Part of the spare parts can sometimes be sold on their own as finished goods. Work in progress has been determined by management as immaterial and therefore it is not presented separately. Inventories are stated net of any provision for inventory determined as obsolete and which possibility cannot be sold.

19. TRADE AND OTHER RECEIVABLES

THE GROUP

	2013 €	2012 €
Trade receivables	100.065.951	95.032.656
Other receivables	14.288.268	12.909.483
Prepayments	3.415.171	1.938.216
	117.769.390	109.880.355

THE COMPANY

	2013 €	2012 €
Trade receivables	5.351.838	4.415.964
Other receivables	6.039.897	6.891.974
Prepayments	204.421	9.986
Amounts receivable from associated companies (Note 36)	932.295	582.254
	12.528.451	11.900.178

Trade and other receivables are stated after the deduction of doubtful debts allowance which amounted to €5.821.314 (2012: €5.457.236) for the Group and to €148.938 (2012: €126.512) for the Company.

Part of trade receivables of Logicom Public Ltd in Cyprus and Malta and the subsidiaries Enet Solutions – Logicom S.A. in Greece and Logicom FZE in United Arab Emirates have been settled through the factoring agreement without recourse. The total amount of debtors that were settled on 31 December amounted to €13.262.685 (2012: €18.764.029).

The risks in relation to trade and other receivables are presented in note 30.

20. CASH AND CASH EQUIVALENTS

THE GROUP

	2013 €	2012 €
Cash in hand	72.892	30.151
Current accounts with banks	22.859.109	31.850.206
	22.932.001	31.880.357

THE COMPANY

	2013 €	2012 €
Cash in hand	1.430	710
Current accounts with banks	3.066.253	19.825.955
	3.067.683	19.826.665

The deposit interest rate for 2013 were 4,0% per annum (2012: 4,0%).

For cash flow statement purposes, cash in hand and cash equivalents include:

THE GROUP

	2013 €	2012 €
Cash at bank and in hand	22.932.001	31.880.357
Bank overdrafts and short-term loan (Note 25)	(42.671.787)	(45.932.882)
	(19.739.786)	(14.052.525)

THE COMPANY

	2013 €	2012 €
Cash at bank and in hand	3.067.683	19.826.665
Bank overdrafts and short-term loan (Note 25)	(30.750.673)	(31.677.914)
	(27.682.990)	(11.851.249)

21. SHARE CAPITAL

	2013 Number of Shares	2013 €	2012 Number of Shares	2012 €
Authorised				
Ordinary Shares at €0,34 each	100.000.000	34.000.000	100.000.000	34.000.000
Issued and fully paid				
Balance 1 January	74.079.600	25.187.064	74.079.600	25.187.064
Balance 31 December	74.079.600	25.187.064	74.079.600	25.187.064

LOGICOM PUBLIC LIMITED

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22. RESERVES

THE GROUP	Difference arising on the conversion of the share capital to Euro	Share Premium Reserve	Consolidated Retained Earnings	Revaluation Reserve	Fair Value Value Reserve	Translation Reserve	Hedging Reserve	Statutory Reserve	Total	Non-controlling Interest	Total
	€	€	€	€	€	€	€	€	€	€	€
Balance 31 December 2011	116.818	10.443.375	23.778.177	3.465.319	(249.440)	(4.905.831)	(2.780.628)	209.362	30.077.152	29.746	30.106.898
Profit for the year	-	-	2.039.947	-	-	-	-	-	2.039.947	19.940	2.059.887
Exchange differences in relation to foreign operations	-	-	-	-	-	(906.006)	365.355	-	(540.651)	-	(540.651)
Deferred taxation arising on revaluation of land and buildings	-	-	-	10.134	-	-	-	-	10.134	-	10.134
									-		-
Surplus on revaluation of investmetns available for sale	-	-	-	-	249.440	-	-	-	249.440	-	249.440
Total comprehensive income for the year	-	-	2.039.947	10.134	249.440	(906.006)	365.355	-	1.758.870	19.940	1.778.810
Proposed dividend for 2011 that was paid in 2012 (Note 9)	-	-	(1.851.990)	-	-	-	-	-	(1.851.990)	-	(1.851.990)
Revaluation reserve realised through use	-	-	74.863	(74.863)	-	-	-	-	-	-	-
	-	-	(1.777.127)	(74.863)	-	-	-	-	(1.851.990)	-	(1.851.990)
									-		-
Balance 31 December 2012	116.818	10.443.375	24.040.997	3.400.590	-	(5.811.837)	(2.415.273)	209.362	29.984.032	49.686	30.033.718

LOGICOM PUBLIC LIMITED

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Year ended 31 December 2013

22. RESERVES (continued)

THE GROUP

	Difference arising on the conversion of the share capital to Euro	Share Premium Reserve	Consolidated Retained Earnings	Revaluation Reserve	Fair Value Value Reserve	Translaton Reserve	Hedging Reserve	Statutory Reserve	Total	Non-controlling Interest	Total
	€	€	€	€	€	€	€	€	€	€	€
Balance 31 December 2012	116.818	10.443.375	24.040.997	3.400.590	-	(5.811.837)	(2.415.273)	209.362	29.984.032	49.686	30.033.718
Profit for the year	-	-	4.055.495	-	-	-	-	-	4.055.495	(96.263)	3.959.232
Exchange differences in relation to foreign operations	-	-	-	-	-	(1.902.950)	820.242	-	(1.082.708)	-	(1.082.708)
Deficit arising on the revaluation of land and buildings	-	-	-	(318.746)	-	-	-	-	(318.746)	-	(318.746)
Deferred taxation arising on revaluation of land and buildings	-	-	-	132.879	-	-	-	-	132.879	-	132.879
Surplus arising from the revaluation of investments in shares available for sale	-	-	-	-	1.221.891	-	-	-	1.221.891	-	1.221.891
Total comprehensive income for the year	-	-	4.055.495	(185.867)	1.221.891	(1.902.950)	820.242	-	4.008.811	(96.263)	3.921.548
Dividend proposed for 2012 that was paid in 2013 (Note 9)	-	-	(1.111.194)	-	-	-	-	-	(1.111.194)	-	(1.111.194)
Revaluation reserve realised through use	-	-	22.080	(22.080)	-	-	-	-	-	-	-
	-	-	(1.089.114)	(22.080)	-	-	-	-	(1.111.194)	-	(1.111.194)
Balance 31 December 2013	116.818	10.443.375	27.007.378	3.192.643	1.221.891	(7.714.787)	(1.595.031)	209.362	32.881.649	(46.577)	32.835.072

22. RESERVES (continued)

THE COMPANY

	Difference arising on the conversion of the share capital to Euro	Share Premium Reserve	Retained Earnings	Revaluation Reserve	Fair Value Reserve	Total
	€	€	€	€	€	€
Balance 31 December 2011	116.818	10.443.375	(3.841.935)	2.624.998	(249.440)	9.093.816
Loss for the year	-	-	(631.695)	-	-	(631.695)
Net change in the fair value of investments available for sale	-	-	-	-	249.440	249.440
Deferred taxation arising on revaluation of land and buildings	-	-	-	3.815	-	3.815
Total comprehensive income for the period	-	-	(631.695)	3.815	249.440	(378.440)
Dividend propsoed for 2011 that was paid in 2012 (Note 9)	-	-	(1.851.990)	-	-	(1.851.990)
Revaluation reserve realised through use	-	-	74.863	(74.863)	-	-
	-	-	(1.777.127)	(74.863)	-	(1.851.990)
Balance 31 December 2012	116.818	10.443.375	(6.250.757)	2.553.950	-	6.863.386

THE COMPANY

	Difference arising on the conversion of the share capital to Euro	Share Premium Reserve	Retained Earnings	Revaluation Reserve	Fair Value Reserve	Total
	€	€	€	€	€	€
Balance 31 December 2012	116.818	10.443.375	(6.250.757)	2.553.950	-	6.863.386
Loss for the year	-	-	(31.326)	-	-	(31.326)
Deficit arising on the revaluation of land and buildings	-	-	-	(675.379)	-	(675.379)
Deferred taxation arising on revaluation of land and buildings	-	-	-	129.546	-	129.546
Total comprehensive income for the period	-	-	(31.326)	(545.833)	-	(577.159)
Dividend proposed for 2012 that was paid in 2013 (Note 9)	-	-	(1.111.194)	-	-	(1.111.194)
Revaluation reserve realised through use	-	-	22.080	(22.080)	-	-
	-	-	(1.089.114)	(22.080)	-	(1.111.194)
Balance 31 December 2013	116.818	10.443.375	(7.371.197)	1.986.037	-	5.175.033

22. RESERVES (continued)

Retained earnings
The retained earnings include accumulated gain or losses of the Company.

Share premium reserve
The share premium reserve consists of amounts incurred from the issue of shares at prices higher than the nominal value.

Reserve arising from the change of the nominal value of the shares
The reserve arising from the change of the shares' nominal value consists of the difference arising from the change of the nominal value of the shares, following the adoption of the Euro as the official currency of the Republic of Cyprus.

Revaluation reserve
The revaluation reserve consists of the accumulated amounts of revaluations of land and buildings and the deferred taxation arising on the revaluations.

Fair value reserve
The fair value reserve consists of the accumulated amounts of revaluations of investments available for sale at their fair value.

Translation Reserve
The translation reserve consists of the accumulated exchange differences that arise on the translation of the equity of the foreign subsidiary companies, using the exchange rate prevailing at the end of the year and the exchange differences that arise from the long-term loans of the parent company to the foreign subsidiary companies.

Exchange differences that arise from the long-term loans to foreign subsidiary companies are transferred to other comprehensive income and presented in the translation reserve in the financial statements of the Group. Exchange differences are transferred to profit and loss on the disposal of the subsidiary company. Deferred taxation arising from net exchange differences that arise from the translation of the long-term loans is transferred to other comprehensive income and is presented in the translation reserve.

Exchange differences arising from long-term loans to foreign subsidiary companies are recognised in profit and loss in the year they are incurred in the financial statements of the parent Company.

Hedging Reserve
Hedging Reserve consists of the accumulated amounts of the hedging of the net investment in foreign subsidiary companies with the Group's liabilities at a foreign currency.

Statutory reserve in United Arab Emirates, in Lebanon and in Jordan
This reserve consists of amounts transferred every year from retained earnings, according to the statutory requirements applicable in these countries.

23. TRADE AND OTHER PAYABLES

THE GROUP

	2013 €	2012 €
Trade payables	49.793.808	47.474.111
Accrued expenses	5.226.082	5.598.480
Other payables	10.650.216	9.901.418
Deferred income	76.323	-
	65.746.429	62.974.009

THE COMPANY

	2013 €	2012 €
Trade payables	32.575.841	31.277.081
Accrued expenses	(24.024)	257.278
Other payables	1.558.317	1.709.409
Deferred income	-	-
	34.110.134	33.243.768

The risks in relation to trade and other payables are presented in note 30.

24. TAX REFUNDABLE AND PAYABLE

THE GROUP

	2013 €	2012 €
Tax refundable	654.825	349.604
Tax payable	1.279.986	366.696

THE COMPANY

	2013 €	2012 €
Tax refundable	137.059	137.059
Tax payable	29.721	9.850

25. LOANS AND BANK OVERDRAFTS

THE GROUP

	2013 €	2012 €
Long-term loans	15.334.542	20.384.084
Short-term loans	35.197.263	22.719.335
Bank overdrafts (Note 20)	42.671.787	45.932.882
	93.203.592	89.036.301

The long-term loans of the Group are repayable as follows:

THE GROUP

	2013 €	2012 €
Within one year	7.679.363	6.399.262
Between two and five years	7.655.179	13.984.822
	15.334.542	20.384.084

THE COMPANY

	2013 €	2012 €
Long-term loans	9.770.885	11.926.312
Short-term loans	4.097.600	4.320.146
Bank overdrafts (Note 20)	30.750.673	31.677.914
	44.619.158	47.924.372

The long-term loans of the Company are repayable as follows:

THE COMPANY

	2013 €	2012 €
Within one year	3.247.907	2.276.184
Between two and five years	6.522.978	9.650.128
	9.770.885	11.926.312

25. LOANS AND BANK OVERDRAFTS (continued)

The long term loans of the Group and the Company consist of:

Loan in United States Dollars (USD) repayable in seven years including a grace period of two years, with 8 equal quarterly installments of USD 567.056 (€411.178). The interest rate is equal to 3 month LIBOR + 4,00% annually and the first installment was paid on 03/06/2009.

Loan in Euro repayable in eight years, with 15 equal quarterly installments of Euro 225.000. The interest rate is equal to 6 month EURIBOR + 2,0% annually and the first installment was paid on 31/12/2009.

Loan in Euro repayable in eight years, with 15 equal quarterly installments of Euro 408.000. The interest rate is equal to 6 month EURIBOR + 2,0% annually and the first installment was paid on 30/04/2011.

Loan in United States Dollars (USD) repayable in seven years including a grace period of two years, with 15 equal quarterly installments of USD 116.255 (€84.298). The interest rate is equal to 3 month LIBOR +4,0% annually and the first installment was paid on 30/11/2011.

Loan in United States Dollars (USD) repayable in seven years including a grace period of two years, with 15 equal quarterly installments of USD 756.539 (€573.396). The interest rate is equal to 3 month LIBOR +4,0% annually and the first installment was paid on 30/11/2011.

Two loans in Euro of a total amount of Euro 458.000 repayable in three years, with 36 equal monthly installments of a total amount Euro 14.080.

The weighted average cost of the bank overdraft is 6,0% annually (2012: 6,0%). The bank overdrafts are repayable on demand by the respective banks.

The interest rate of short-term loans is equal to 3 month LIBOR plus 4,25% annually and 6 month LIBOR plus 4,25% annually (2012: 3 month LIBOR plus 4,00% annually and 6 month EURIBOR plus 4,00% annualy). Short-term loans are repayable within three months from the day they are signed.

The undrawn balance of the bank overdrafts of the Group at 31 December 2013 amounted to €43,5 millions (2012: €48 millions) and of the Company to €8,5 millions (2012: €26,6 millions).

25. LOANS AND BANK OVERDRAFTS (continued)

The bank overdrafts, the short-term and the long term loans are secured with:

1. The guarantee of Logicom Solutions Limited for €32.000.000, €19.648.916, $3.000.000, €7.688.706, €3.199.662 και $600.000.
2. First mortgage with registration number Y2258/85 on factory and offices in Larnaca with registration number L8 on the name of Logicom (Overseas) Limited for €170.000 (it also secures the liabilities of Logicom (Overseas) Limited).
3. First mortgage with registration number Y1858/99 amounts to €598.010, second mortgage with registration number Y3404/99 amounts to €256.290 and third mortgage with registration number Y3405/99 amounts to €170.860 on building with registration number N1664 at Ayia Paraskevi owned by Logicom Public Limited
4. First mortgage with registration number Y1953/99 dated 15 September 1999 on plot with registration number N1665 in Nicosia (Ayia Paraskevi area, Strovolos) for €133.270, owned by Logicom Public Limited.
5. Second mortgage with registration number Y5753/00 dated 21 July 2000 on plot with registration number N1665 in Nicosia (Ayia Paraskevi area, Strovolos) for €136.688, owned by Logicom Public Limited.
6. Notice accounts of Logicom Public Limited, Logicom Solutions Limited and Logicom FZE
7. Pledge of 100% of the shares in Newcytech Business Solutions Ltd with reg. number 145820.
8. Corporate guarantees on guarantee document NT6 dated 07/10/2005 of the company Logicom Solutions Limited for the amount of €20.503.217
9. Corporate guarantees on guarantee document NT6 dated 07/10/2005 of the company Logicom Solutions Limited for the amount of €2.562.902.
10. Assignment of receivables of Logicom Public Ltd for the amount €1.998.533 and $9.998.678.
11. The guarantee of Logicom (Overseas) Limited for €170.861.
12. First, second, third, fourth, fifth and sixth floating charge on the assets of Newcytech Business Solutions Limited, amounted to €4.991.105 (2012: €4.991.105).
13. Assignment of trade agreements of Newcytech Business Solutions Limited, amounted to €208.000 (2012: €333.000).
14. Assignment of trade receivables of Newcytech Business Solutions Limited, amounted to €900.000 (2012: €900.000).
15. Corporate guarantee of Logicom Public Limited for €5.991.875 (2012: €5.991.875).

26. DEFERRED TAXATION

Liabilities of deferred taxation

	Liabilities 2013 €	Assets 2013 €	Transfer to other Reserves €	Transfer to Statement of Comprehensive Income €	Liabilities 2012 €
THE GROUP					
Deferred taxation arising from:					
Temporary differences arising from differences between depreciation and capital allowances	(651.704)	(1.643)	-	(19.401)	(633.946)
Temporary differences arising from loss for the year	-	2.097.350	-	21.403	-
Revaluation of land and buildings	(458.785)	-	132.879	-	(591.664)
Temporary differences arising from administrative expenses	(368.164)	94.926	-	(117.672)	(155.566)
Temporary differences arising from unrealised exchange difference	(35.590)	438.067	-	300.904	-
Exchange difference	259.879	(155.812)	-	-	226.942
	(1.254.364)	2.472.888	132.879	185.233	(1.154.234)
THE COMPANY					
Deferred taxation arising from:					
Temporary differences arising from differences between depreciation and capital allowances	(9.579)	-	-	9.524	(19.103)
Temporary differences arising from loss for the year	-	1.855.985	-	89.558	-
Revaluation of land and buildings	(430.824)	-	129.546	-	(560.370)
Temporary differences arising from unrealised exchange difference	-	382.329	-	336.494	-
	(440.403)	2.238.314	129.546	435.576	(579.473)

The Company calculates deferred taxation on debit balances for all deductible temporary differences and tax losses when it expects that tax liability will arise from future profits.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax assets and liabilities and when the deferred taxes relate to the same tax authority.

An amount of US$ 54.000 (Euro: 40.927) arising from temporary differences has not been recognized as a deferred tax asset in the subsidiary Logicom IT Distribution Ltd as it is unlikely that future profits will arise in order to utilise the asset.

27. CONTINGENCIES AND LITIGATIONS

The most important contingencies are as follows:

1. The Company has provided a bank guarantee of up to USD 5.000.000 (€3.625.553) to a foreign supplier for providing a trading credit facility. This guarantee is valid from 19 February 2013 until 18 February 2014.
2. The Company has provided a second bank guarantee of up to EURO 1.800.000 to a second foreign supplier for providing a trading credit facility. This quarantee was due on 10 February 2013 and was renewed until 10 February 2014.
3 The Company has provided a third bank guarantee of up to USD 1.000.000 (€725.111) to a third foreign supplier for providing a trading credit facility. This guarantee is valid from 04 April 2013 until 03 April 2014.
4. The Company has provided a fourth bank guarantee of up to USD 1.600.000 (€1.160.177) to a fourth foreign supplier for providing a trading credit facility. This guarantee is valid from 12 April 2013 until 12 April 2014.
5. The Company has provided a fifth bank guarantee of up to EURO 34.172 to the Director of Customs and Excise Department for the use of a bonded warehouse in the Free Trade Zone in Larnaca.
6. Companies of the Group have provided bank guarantees in order to participate to government projects and private sector projects.

Apart from the tax liabilities that have already been accounted for in the consolidated financial statements based on the existing information, it is possible that additional tax liabilities may arise during the examination of the tax and other affairs of the companies of the Group.

Litigation

Trade and other receivables include an amount of USD 1,6 million (€1,2 m.) due from a customer of the subsidiary company Logicom FZE, that in 2007, ceased his operations in the Middle East. The company filed a legal claim demanding payment of outstanding invoices from the sale of computer systems. The court decision ordered the customer to pay the required amount of USD 1,6 m (€1,2 m). The lawyer of the company shall monitor the implementation of the action in this matter. A provision has been made in respect of 100% of the outstanding amount.

28. OPERATING LEASE

THE GROUP

	2013	2012
	€	€
Payments:		
Within one year	401.951	304.314
Between one and five years	1.083.264	382.320
After more than five years	288.060	467.461

The Group rents a number of buildings, warehouses and motor vehicles. The Group assesses the categorization to operating lease or hire purchase for the reason that firstly, the land is not transferable and secondly, because the rents are adjusted to the market rent prices at regular intervals and for the reason that the Group is not involved in the residual values of the buildings, it was assessed that substantially the risks and rewards remain with the owner. Based on the above factors, it is concluded that the leases, are operating leases.

The Group acquired land in the Larnaca Free Trade Zone Area in December 1994, on a long-term operating lease agreement ending on 30 September 2016 from the Cyprus Government, with an option for renewal for another two lease periods of 33 years each.

The Group acquired land in the Free Trade Zone Area in Jebel Ali through the subsidiary Logicom FZE in the United Arab Emirates. The land was acquired on a long-term operating lease agreement for 10 years from 1 August 2007, with an option for renewal.

The Group also acquired offices and a warehouse in Greece through the subsidiary Enet Solutions – Logicom S.A. under a lease agreement.

The amount of leases that was recognized during 2013 in the statement of comprehensive income is €354.798 (2012: €566.900).

Included in operating leases is an amount which relates to hire purchases, which is considered as immaterial to be disclosed separately.

29. FAIR VALUES

Management believes that the fair values of the financial assets and liabilities of the Group and the Company are approximately equal to the amounts shown in the books at the end of the year

30. RISK MANAGEMENT

The main financial assets held by the Group and the Company are cash at bank, investments and trade and other receivables. The main financial liabilities of the Group and the Company are bank facilities and loans and trade payables. The Group and the Company are exposed to the following risks from their financial assets and liabilities.

30. RISK MANAGEMENT (continued)

30.1 *Credit Risk*

Credit risk is the risk of default by counter parties to transactions mainly from trade receivables of the Group and the Company. The Group and the Company ensure the application of appropriate mechanisms and ensure the maintenance of related monitoring procedures and controls over credits. Credit risk is monitored on an ongoing basis.

The Group entered into an agreement with Atradius Credit Insurance N.V. for the insurance of the credit that the Group offers to its customers. The issuance of such insurance agreement is considered to be the most appropriate method for hedging against credit risk.

The insurance agreements for the trade receivables and the procedures required by these agreements, have improved significantly the monitoring and control of trade receivables, mainly in the approval of credit limits, which is done in cooperation with the credit insurance company that has the resources for a better evaluation of the credibility of each debtor. It should be noted that the credit insurance covers all trade receivables other than governmental or semi-governmental organizations as well as physical persons.

The carrying value of investments represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date of the consolidated financial statements was:

THE GROUP

	2013	2012
	€	€
Equity accounted investees	-	3.259
Investments available for sale	4.692.462	2.547.545
Investments at fair value through profit and loss	248.363	14.388
Trade and other receivables	117.769.390	109.880.355
Cash and cash equivalents	22.932.001	31.880.357
	145.642.216	144.325.904

THE COMPANY

	2013	2012
	€	€
Investments available for sale	4.692.462	-
Investments at fair value through profit and loss	248.363	12.828
Long-term loans to subsidiary companies	9.686.752	10.125.057
Trade and other receivables	12.528.451	11.900.178
Cash and cash equivalents	3.067.683	19.826.665
Balances with subsidiary companies	68.460.312	55.283.576
	98.684.023	97.148.304

30. RISK MANAGEMENT (continued)

30.1 *Credit Risk (continued)*

Cash and cash equivalents
The Group held cash and cash equivalent amounted to €22.859.109 (2012: €31.850.206), which is the maximum credit risk exposure for these assets. Cash and cash equivalents are deposited in banks and financial institutions, which are valuated at Caa1 up to A2, based on Moody's valuation, from CCC up to A+ based on Standard & Poor's valuation and from RD up to AA- based on Fitch's valuation.

The maximum exposure to credit risk of the Group, for trade receivables by geographic region, is as follows:

THE GROUP

	2013	2012
	€	€
Europe	46.697.840	58.118.438
Middle East	53.368.111	36.914.218
	100.065.951	95.032.656

THE COMPANY

	2013	2012
	€	€
Europe	5.351.838	4.415.964
	5.351.838	4.415.964

In accordance to the above analysis 47% of the Group's trade receivables (2012: 61%) originate from Europe. 53% (2012: 39%) of the Group's trade receivables originate from the Middle East.

The ageing of the remaining trade receivables is as follows:

THE GROUP

	2013	2012
	€	€
0 until 90 days	87.852.711	85.270.128
91 until 180 days	6.985.032	4.826.925
More than 180 days	5.228.208	4.935.603
	100.065.951	95.032.656

30. RISK MANAGEMENT (continued)

30.1 *Credit Risk (continued)*

THE COMPANY

	2013 €	2012 €
0 until 90 days	4.887.657	4.210.681
91 until 180 days	304.428	84.555
More than 180 days	159.753	120.728
	5.351.838	4.415.964

It is not considered necessary to provide for the amount of trade receivables of the Group that are outstanding for a period longer than 180 days since the largest part of this amount arises from the services segment where the credit period is much higher, the credibility of the customers is at higher levels and the repayment is made based on special agreement. The amount that arises from the distribution segment has been recovered in some cases after the year end or it is considered to be recoverable based on the facts of each case.

The ageing of the balances of the subsidiary companies in the Company's books is as follows:

THE COMPANY

	2013 €	2012 €
0 until 180 days	68.460.312	55.283.576
More than 180 days	9.686.752	10.125.057
	78.147.064	65.408.633

The provision for doubtful debts for the year was slightly increased in relation to the provision of the corresponding period of 2012. Group's management estimates that the credit insurance has significantly reduced the risk for doubtful debts. The provision for doubtful debts is analysed as follows:

THE GROUP

	2013 €	2012 €
Balance1 January	5.457.236	5.338.720
Provision for doubtful debts	364.078	118.516
Balance 31 December	5.821.314	5.457.236

30. RISK MANAGEMENT (continued)

30.1 *Credit Risk (continued)*

THE COMPANY

	2013 €	2012 €
Balance 1 January	126.512	126.257
Provision for doubtful debts	22.426	255
Balance 31 December	148.938	126.512

The Group estimates that the fair value of trade and other receivables is not significantly different from the carrying value in the financial statements, as the average repayment period of trade and other receivables is less than 6 months.

30.2 *Interest rate risk*

Interest rate risk is the risk of fluctuations in the value of financial instruments due to movements in market interest rates. Income and cash flows from operations of the Group and the Company are dependent on changes of market interest rates, since the Group and the Company have material assets which bear interest. The Group and the Company are exposed to interest rate risk on borrowings. Borrowing in variable interest rates exposes the Group and the Company in interest rate risk that affects cash flows. Borrowing in fixed interest rates exposes the Group and the Company in interest rate risk that affects the fair value. The management of the Group and the Company is monitoring the fluctuations of interest rates on an ongoing basis and ensures that the necessary actions are taken.

The interest rates and repayment dates applicable for loans and bank facilities are stated in note 24.

Sensitivity analysis on interest rates

A possible increase of the interest rates by 1% in relation to the weighted average interest rates of the year would decrease the profit for the year. The analysis below assumes that all other parameters remain constant:

THE GROUP

	2013 €	2012 €
Long-term loans	(153.345)	(203.841)
Short-term loans	(351.973)	(227.193)
Bank overdrafts	(426.688)	(459.329)
Cash and cash equivalents	228.591	318.502
	(703.415)	(571.861)

30. RISK MANAGEMENT (continued)

30.2 *Interest rate risk (continued)*

THE COMPANY

	2013 €	2012 €
Long-term loans	(97.709)	(119.263)
Short-term loans	(40.976)	(43.201)
Bank overdrafts	(307.507)	(316.779)
Cash and cash equivalents	30.669	198.260
	(415.523)	(280.983)

A possible decrease of the interest rates by the same percentage would have an equal but opposite effect on the profit for the year.

30.3 *Foreign exchange risk*

This risk arises from adverse movements in foreign exchange rates.

The Company and the Group are subject to foreign exchange risk on sales, purchases and loans in currencies other than the Company's and subsidiary companies functional currency, and on the long term loans to foreign subsidiaries. Management is aware of foreign exchange risk and is examining alternative methods to hedge the risk.

The hedging of foreign exchange risk is managed by the Group Financial Controller together with the Executive Directors. This issue is discussed and examined at the Board of Directors meetings because the Company is materially affected from the movements in foreign currencies against the Euro.

Until today, the hedging methods that have been used against foreign exchange risk are the following:

1. Natural Hedging. The Company maintains to the maximum possible degree, assets (investments in foreign subsidiaries) and liabilities (bank overdrafts, short and long term loans) at the same currency, mainly the USD. In this way any gain or loss in assets is hedged by the corresponding loss or gain in liabilities.
2. The percentage of sales in foreign currency on total turnover, is approximately the same with the percentage of bank borrowing in foreign currency in relation to the total borrowings of the Group.
3. The bank borrowing is usually made in the currency that the suppliers invoice the Company.
4. In cases of projects were the total cost of completion of the project is known from the time of the validation of the tender, then forward contracts are used, for the period required to complete the project, for the specific amount in foreign currency that the Company will be invoiced.
5. In addition, the Company enters into forward exchange contracts based on turnover at regular intervals e.g. weekly, for covering the payments to suppliers based on the credit period that they give to the Company. In this way the purchase of foreign currency for payments to suppliers in future periods is secured with the receipts from trade receivables.

30. RISK MANAGEMENT (continued)

30.3 *Foreign exchange risk (continued)*

Hedging of net investment in foreign operation
From 1 January 2010 the Group applies hedge accounting to decrease the foreign exchange risk

More specifically, the equity and long-term loans that are part of the net investment in subsidiaries Logicom FZE, Logicom Dubai LLC, Logicom (Middle East) SAL, Logicom Jordan LLC and Logicom Saudi Arabia LLC, where the functional currency is the U.S. Dollar are hedged with the bank borrowings of the Group in U.S. Dollar. Hedging is determined on a quarterly basis from 1 January 2010 and the amount is adjusted accordingly. The hedge effectiveness is assessed on the monthly basis and to the extent the hedging is ineffective the exchange differences are recognized in profit or loss.

On 31 December 2013 the amounts that were hedged were USD 25.000.000 of net investment in the above foreign companies and USD 25.000.000 of bank borrowings.

The carrying value of financial assets and liabilities of the Group denominated in foreign currency at the date of presentation of the consolidated financial statements is as follows:

THE GROUP	EURO		USD	
	2013	2012	2013	2012
	€	€	€	€
Trade and other receivables	-	1.432	12.721.662	16.561.822
Trade and other payables	(83.243)	(16.506)	(46.797.297)	(42.859.665)
Long-term loans	-	-	(17.723.158)	(11.164.680)
Short-term loans	-	-	(5.651.000)	(7.205.724)
Bank overdrafts	5.036	2.737	(34.436.265)	(25.691.873)
	(78.207)	(12.337)	(91.886.058)	(70.360.120)

THE COMPANY	USD	
	2013	2012
	€	€
Trade and other receivables	10.436.077	6.674.913
Trade and other payables	(43.801.242)	(30.117.022)
Long-term loans	(8.188.231)	(7.024.464)
Short-term loans	(5.651.000)	(4.320.146)
Bank overdrafts	(34.508.347)	(25.302.893)
Balances with subsidiary companies	92.040.448	47.637.488
	10.327.705	(12.452.124)

30. RISK MANAGEMENT (continued)

30.3 *Foreign exchange risk (continued)*

The following foreign exchange rates were used in the preparation of the Consolidated Financial Statements:

	Average Rate		Rate as at reporting date	
	2013	2012	2013	2012
	€	€	€	€
USD 1	0,7530	0,7783	0,7251	0,7579

Sensitivity analysis on fluctuations of foreing exchange rates
A possible strengthening of the Euro against the US Dollar and the other currencies by 10% on 31 December 2012 would have increased/decreased respectively the profit for the year and the shareholders funds. The analysis below assumes that all other parameters and mainly interest rates remain constant:

THE GROUP

	Effect on the shareholders funds		Effect on profit or loss	
	2013	2012	2013	2012
	€	€	€	€
USD	6.013.368	(2.504.003)	8.353.278	6.396.375
	6.013.368	(2.504.003)	8.353.278	6.396.375

THE COMPANY

	Effect on the shareholders funds		Effect on profit or loss	
	2013	2012	2013	2012
	€	€	€	€
USD	938.882	1.132.011	938.882	1.132.011
	938.882	1.132.011	938.882	1.132.011

A possible weakening of the Euro against the above currencies by 10% would have equal but opposite effect, if all other parameters remain constant.

30.4 *Liquidity risk*
Liquidity risk is the risk that arises when the expiry date of assets and liabilities does not concur. When expiries do not concur, the performance can increase but at the same time the risk for losses can also increase. The Group and the Company have procedures in place to minimize such losses, like retaining sufficient amounts in cash and other highly liquid assets and retaining sufficient amounts in secured credit facilities in order to cover liabilities when they fall due.

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30. RISK MANAGEMENT (continued)

30.4 *Liquidity risk (continued)*

The Management estimates that the ability of the Group to receive in advance its trade receivables through the factoring agreement without recourse in Greece reduces even further the liquidity risk.

Bank loans and overdrafts of the Group and the Company are presented in note 25.

The expected cash outflows based on the information included in the Consolidated Financial Statements are presented below:

THE GROUP

Liquidity Risk		Cash outflows arising from contractual liabilities				
	Balance	6 months or less	6 - 12 months	1 - 2 years	2 - 5 years	More than 5 years
	€	€	€	€	€	€
31 December 2013						
Long-term loans	15.334.542	3.934.808	3.068.109	7.000.695	612.640	718.290
Short-term loans	35.197.263	35.197.263	-	-	-	-
Operating leases	1.773.275	211.902	190.049	611.975	471.289	288.060
Trade and other payables	65.746.429	65.746.429	-	-	-	-
Bank overdrafts	42.671.787	42.671.787	-	-	-	-
Contingent consideration	1.141.485	504.956	-	315.000	321.529	-
	161.864.781	148.267.145	3.258.158	7.927.670	1.405.458	1.006.350
31 December 2012						
Long-term loans	20.384.084	3.653.389	2.745.873	5.782.910	8.201.912	-
Short-term loans	22.719.335	22.719.335	-	-	-	-
Operating leases	1.154.095	157.809	146.505	191.160	191.160	467.461
Trade and other payables	62.974.009	62.974.009	-	-	-	-
Bank overdrafts	45.932.882	45.932.882	-	-	-	-
Contingent consideration	1.436.463	604.956	-	831.507	-	-
	154.600.868	136.042.380	2.892.378	6.805.577	8.393.072	467.461

30. RISK MANAGEMENT (continued)

30.4 *Liquidity risk (continued)*

THE COMPANY

Liquidity Risk		Cash outflows arising from contractual liabilities				
	Balance	6 months or less	6 - 12 months	1 - 2 years	2 - 5 years	More than 5 years
	€	€	€	€	€	€
31 December 2013						
Long-term loans	9.770.885	1.623.955	1.623.952	5.997.765	525.213	-
Short-term loans	4.097.600	4.097.600	-	-	-	-
Trade and other payables	34.110.134	34.110.134	-	-	-	-
Bank overdrafts	30.750.673	30.750.673	-	-	-	-
	78.729.292	70.582.362	1.623.952	5.997.765	525.213	-
31 December 2012						
Long-term loans	11.926.312	1.138.092	1.138.092	2.638.389	7.011.739	-
Short-term loans	4.320.146	4.320.146	-	-	-	-
Trade and other payables	33.243.768	33.243.768	-	-	-	-
Bank overdrafts	31.677.914	31.677.914	-	-	-	-
	81.168.140	70.379.920	1.138.092	2.638.389	7.011.739	-

30.5 *Fair Value*

Items of the assets and liabilities of the Group and the Company as these are classified in amortised cost or fair value are presented below:

Assets and liabilities in amortised cost:

THE GROUP

	2013	2012
	€	€
Trade and other receivables	117.769.390	109.880.355
Cash and cash equivalents	22.932.001	31.880.357
Long term loans	(15.334.542)	(20.384.084)
Short term loans	(35.197.263)	(22.719.335)
Bank overdrafts	(42.671.787)	(45.932.882)
Contingent consideration	(1.724.375)	(1.436.463)
Trade and other payables	(65.746.429)	(62.974.009)
	(19.973.005)	(11.686.061)

30. RISK MANAGEMENT (continued)

30.5 *Fair Value (continued)*

THE COMPANY

	2013 €	2012 €
Long-term loans to subsidiary companies	9.686.752	10.125.057
Balances with subsidiary companies	68.460.312	55.283.576
Trade and other receivables	12.528.451	11.900.178
Cash and cash equivalents	3.067.683	19.826.665
Long term loans	(9.770.885)	(11.926.312)
Short term loans	(4.097.600)	(4.320.146)
Bank overdrafts	(30.750.673)	(31.677.914)
Trade and other payables	(34.110.134)	(33.243.768)
	15.013.906	15.967.336

The fair values of the financial assets and liabilities of the Group and the Company are approximately the same as the amounts reported in the books at the end of year.

Assets and liabilities at fair value:

THE GROUP

	2013 €	2012 €
Investments available for sale	4.692.462	2.547.545
Investments at fair value through profit and loss	248.363	14.388
	4.940.825	2.561.933

THE COMPANY

	2013 €	2012 €
Investments at fair value through profit and loss	246.803	12.828

The table below analyses financial assets carried at fair value, based on the valuation method used to determine their value. The different levels have been defined as follows:

- Level 1: investments measured at fair value using quoted prices in active markets.
- Level 2: investments measured at fair value based on valuation models in which all significant inputs that affect significantly the fair value are based on observable market data.
- Level 3: investments measured at fair value based on valuation models in which all significant inputs that affect significantly the fair value are not based on observable market data.

30. RISK MANAGEMENT (continued)

THE GROUP

31 December 2013	Level 1	Level 2	Level 3
	€	€	€
Investments at fair value through profit and loss	248.363	-	-
Investments available for sale	4.567.470	-	124.992
	4.815.833		124.992

31 December 2012	Level 1	Level 2	Level 3
	€	€	€
Investments at fair value through profit and loss	14.388	-	-
Investments available for sale	2.547.545	-	-
	2.561.933	-	-

During both 2013 and 2012 there were no transfers between the two levels reported above.

The fair value of investments through profit and loss is based on the stock exchange prices at the reporting date.

The fair value of shares that are classified to investments available for sale are based on stock exchange prices at the reporting date except the investment in Bank of Cyprus shares which are not traded on the CSE. Group's management estimates that the fair value of the shares is €1 each and has classified the total investment (€124.992) in Level 3. The Group has also investments in securities of Laiki Bank, the fair value of which was estimated at zero on 31 December 2012.

Although management evaluates that its estimates for the fair value of investments available for sale are appropriate, the use of different methodologies or estimates would result in deriving to different amounts of fair value.

30.6 *Capital Management*

Group's and Company's management has as a principle the maintenance of a strong capital base for the support of the credibility and trust of the investors and creditors as well as the market as a whole. Management monitors continuously the return on equity.

31. OPERATING ENVIRONMENT OF THE COMPANY

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

31. OPERATING ENVIRONMENT OF THE COMPANY *(continued)*

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

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

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

The recapitalization process for the Bank of Cyprus was completed in accordance with the relevant decrees of the Resolution Authority through "bail-in", that is through the partial conversion of uninsured deposits into shares. In addition, the holders of shares and debt instruments in Bank of Cyprus on 29 March 2013 have contributed to the recapitalization of Bank of Cyprus through the absorption of losses. As a result of the above process the balances of the Group in the Laiki Bank have decreased in value by €84.897. 47.5% of uninsured deposits at the Bank of Cyprus Group were converted into shares of nominal value € 1 and 37.5% were converted into pledged deposits worth € 128.600.

Taking into account the existing debt, the available banking facilities the Group maintains with foreign banks, the available cash and the fact that over 80% of the turnover of the Group relates to activities abroad, the Company's management has concluded that the developments in the Cyprus Economy have not been and are not expected to have a material effect on the assets and liabilities of the Company and the Group.

The Company's management is unable to predict all the 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 Company.

32. DIRECTORS' INTEREST

The percentage of the share capital of the Company that was held by each member of the Board of Directors, directly or indirectly, is as follows:

	31/12/2013 Fully paid Shares %	07/04/2014 Fully paid Shares %
Adamos Adamides[1]	0,27	0,27
Varnavas Irinarchos[2]	51,55	51,55
Sparsis Modestou	0,06	0,06
Takis Klerides	0,34	0,34
Nikos Michaelas	-	-
George Papaioannou	0,68	0,68
Anthoulis Papachristoforou	0,50	0,50

1. The direct ownership of Mr. Adamos Adamides on 7 April 2014 is 0,25% and the indirect ownership that arises from the participation of the Company Adaminco Secretarial Limited is 0,02% and his wife Mrs. Maro Adamidou, is 0,01%.

2. The indirect ownership of Mr. Varnavas Irinarchos on 7 April 2014 is 51,55% arises from the participation of the company Edcrane Ltd

33. SHAREHOLDERS' INTEREST

The shareholders who held, directly or indirectly, more than 5% of the share capital of the Company were as follows:

	31/12/2013 %	07/04/2014 %
Varnavas Irinarchos[1]	51,55	51,55
Demetra Investment Public Ltd	10,28	10,28

1. The indirect interest of Mr. Varnavas Irinarchos on 7 April 2014 is through the company Edcrane Ltd.

34. DIRECTORS' CONTRACTS

No important contract exists or existed at the end of the financial year and at the date of issuing the financial statements in which the members of management, their spouses or their underage children have or had, direct or indirect significant interest, except from the employment contracts of Mr. Varnavas Irinarchos and Mr. Aristodemos Anastassiades.

1. **Contract of Mr. Varnavas Irinarchos, Managing Director**
   Employment contract as Managing Director of the Company for two years from 1 January 2005, with annual salary (13 months) of €93.973 which will be increasing at a proportion equal to the annual rate of inflation, as determined by the annual index on 31 January each year or at a rate equal to 4% over his last salary, whichever is higher. For 2013 the annual salary of the Managing Director was €109.454. The Company will also pay annually (12 months) for entertainment expenses an amount of €25.629 , that will be increasing in every following annual period at a proportion equal to the rate of inflation, as determined by the annual index on 31 January each year or at a rate equal to 4%, whichever is higher. For 2013 the allowance for entertainment expenses amounted to €25.629.
   In addition, the Company provides to the Director an appropriate vehicle and covers all related expenses. The contract was renewed for one year from 1 January 2014, with the same annual salary (13 months) of €109.454. The Company will also pay annually (12 months), for entertainment expenses the same amount of €25.629.
   Mr. Varnavas Irinarchos is committed not to form, assist or take part in any way in the incorporation of a company or business, which performs operations similar or competitive to the operations of the Company during his employment and for at least five years after his departure from the Company. Mr. Varnavas Irinarchos accepts that this constraint is by no means in contrast with the general principle of Restraint of Trade, and that it is considered reasonable as the employee benefited from the bonus issue of shares during the listing of the Company in the CSE.
2. **Contract of Mr. Aristodemos Anastasiades, Director of the Networks and Telecommunications Sector**

   Employment contract as Director of the Company for four years from 1 April 2004, with annual salary (13 months) of €81.464 increasing at a proportion equal to the rate of inflation, as determined by the annual index on 31 January each year or at a rate equal to 4% over his last annual salary, whichever is higher. For 2012 the annual salary of Mr. Anastasiades was €114.458.
   The Company will also pay annually (12 months), for entertainment expenses, an amount of €17.940 that will be increasing in every following period, at a proportion equal to the the rate of inflation, as determined by the annual index on 31 January of each year or at a rate equal to 4%, whichever is higher. For 2013 entertainment expense allowance amounted to €6.265. In addition the Company provides to the Director an appropriate vehicle and covers all related expenses. For the year 2013 Mr. Anastasiades received bonus of €95.000 which was given based on the results of the subsidiary at which he is a Managing Director.
   The contract expired on 31/03/2013 and was not renewed due to his resignation from the Board of Directors on 28/03/2013.
   Mr. Aristodemos Anastasiades is committed not to form, assist or take part in any way in the incorporation of a company or business, which performs operations similar or competitive to the operations of the Company during his employment and for at least two years after his departure from the Company. Mr. Aristodemos Anastasiades accepts that this constraint is by no means in contrast with the general principle of Restraint of Trade.

34. DIRECTORS' CONTRACTS (continued)

3. Contract of Mr Anthoulis Papachristoforou, Group Financial Controller

Mr. Anthoulis Papachristoforou who was appointed on 15 November 2013 has no employment contract with the company. In 2013 the annual salary of Mr. Papachristoforou amounted to € 102.645. The remuneration of Mr. Papachristoforou for 2014 will be the same as 2013.

35. REMUNERATION OF NON EXECUTIVE DIRECTORS

The remuneration of non-executive directors are analysed as follows:

	2013	2012
	€	€
Adamos Adamides	27.700	26.600
Sparsis Modestou	10.500	9.450
Takis Klerides	8.800	7.400
Nicos Michaelas	9.150	7.050
Michalis Sarris	7.400	7.400
George Papaioannou	7.050	6.700
	70.600	64.600

36. RELATED PARTY TRANSACTIONS

The companies of the Group buy and sell goods and services according to their needs from other Group companies. Transactions are mainly carried out at cost. There are cases where transactions are carried out at a price other than cost when this is agreed between the parties involved. When necessary, Logicom Public Limited charges every year its subsidiary companies with a fee for administration services.

The amounts that Logicom Public Limited charged its subsidiary companies were as follows:

	2013	2012
	€	€
Administration Services		
Logicom Solutions Limited	144.000	144.000
Commissions		
Logicom Solutions Limited	120.000	120.000

36. RELATED PARTY TRANSACTIONS *(continued)*

The sales made by Logicom Public Ltd to its subsidiary companies were as follows:

Sales

	2013 €	2012 €
Logicom Solutions Limited	869.056	1.195.492
Newcytech Distribution Ltd	176	402
Newcytech Business Solutions Ltd	2.208.215	2.679.883
ENET Solutions - Logicom S.A.	21.051.057	29.148.142
Logicom Jordan LLC	2.260.223	2.130.000
Logicom (Middle East) SAL	492.798	975.363
Logicom FZE	-	13.204
Logicom Italia s.r.l.	4.509.924	4.900.815
Logicom Information Technology Distribution s.r.l.	7.975.907	6.225.997
Logicom Bulgaria EOOD	-	969.821
Logicom Saudi Arabia LLC	276	-

The balances between Logicom Public Ltd and its subsidiary companies in the books of the parent company were as follows:

Long-term loans to subsidiary companies

	2013 €	2012 €
ENET Solutions - Logicom S.A.	1.857.733	1.941.792
Logicom (Middle East) SAL	3.463.346	3.620.055
Logicom FZE	2.149.663	2.246.930
Logicom Jordan LLC	2.216.010	2.316.280
	9.686.752	10.125.057

There is no written agreement between the parent and the subsidiary companies, regarding the long-term loans receivable from subsidiary companies. The loans bear no interest and there is no fixed repayment date.

LOGICOM PUBLIC LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2013

36. RELATED PARTY TRANSACTIONS *(continued)*

Balances with subsidiary companies

	2013 € Debit / (Credit)	2012 € Debit / (Credit)
Logicom (Overseas) Limited	(325.762)	(368.609)
Netcom Limited	81.312	66.563
Logicom Solutions Limited	(3.868.087)	(1.900.596)
Inteli-scape Ltd	(278.686)	(304.085)
Logicom Services Ltd	15.528.143	15.476.145
Newcytech Distribution Ltd	(13.435)	195.284
Newcytech Business Solutions Ltd	759.126	879.956
ENET Solutions - Logicom S.A.	3.025.471	6.051.369
ICT Logicom Solutions SA	-	38.200
Logicom Jordan LLC	2.346.870	2.599.359
Logicom (Middle East) SAL	4.162.200	(10.831)
Logicom FZE	(3.669.068)	(5.322.286)
Logicom Dubai LLC	7.075.677	4.005.967
Logicom Solutions LLC	563.514	449.279
Logicom Italia s.r.l.	6.191.558	5.467.790
Logicom IT Distribution Limited	5.237.475	5.659.045
Rehab Technologies Limited	-	6.072.063
Logicom Saudi Arabia LLC	19.490.246	6.389.662
Logicom Information Technology Distribution s.r.l.	4.459.899	3.535.589
Logicom Bulgaria EOOD	973.380	1.009.962
Logicom Distribution Germany GmbH	(306.655)	(397.400)
Verendrya Ventrures Ltd	7.027.134	5.691.150
	68.460.312	55.283.576

The above balances are repayable according to the nature of each transaction.

LOGICOM PUBLIC LIMITED

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Year ended 31 December 2013

36. RELATED PARTY TRANSACTIONS *(continued)*

Balances with associated companies

	2013 € Debit / (Credit)	2012 € Debit / (Credit)
M.N. E.P.C Water Co.	182.314	182.566
M.N. Larnaca Water Co Ltd	335.956	92.285
M.N. Limassol Water Co. Ltd	414.026	307.403
	932.296	582.254

The balances with associated companies and the subsidiary company Verendrya Ventures Ltd, relate to the financing of the construction, maintenenace and operation of the desalination plants in Cyprus. The ability of the Company to recover the amounts receivable depends on the operating environment that the Company operates in and its analysed in notes 30 and 35.

The sales made by Logicom FZE to Group companies were as follows:

Sales

	2013 €	2012 €
Logicom Public Limited	483.118	77.608
Logicom Jordan LLC	2.802.819	4.096.345
Logicom (Middle East) SAL	2.956.984	3.307.680
Logicom Dubai LLC	69.699.967	59.266.420
Logicom Solutions LLC	-	1.834
Logicom IT Distribution Limited	43.682	31.464
Logicom Saudi Arabia LLC	2.860.721	3.793.113

The sales made by Logicom (Middle East) SAL to Group companies were as follows:

Sales

	2013 €	2012 €
Logicom Public Limited	15.454	10.964
ENET Solutions - Logicom S.A.	-	275.973
Logicom Jordan LLC	109	3.145
Logicom (Middle East) SAL	6.363	9.363
Logicom FZE	15.008	319.303
Logicom IT Distribution Limited	-	222
Logicom Saudi Arabia LLC	1.240	30.201
Logicom Dubai LLC	100.853	-

36. RELATED PARTY TRANSACTIONS *(continued)*

The sales made by Logicom Dubai LLC to Group companies were as follows:

Sales

	2013 €	2012 €
Logicom Public Limited	-	76
Logicom (Middle East) SAL	37	534
Logicom Solutions LLC	-	18.668

The sales made by Logicom Jordan LLC to Group companies were as follows:

Sales

	2013 €	2012 €
Logicom Public Limited	10.724	8.720
Logicom (Middle East) SAL	27.244	993
Logicom FZE	17.379	812
Logicom IT Distribution Limited	3.429	-
ENET Solutions - Logicom S.A.	6.876	-

The sales made by ENET Solutions - Logicom S.A. to Group companies were as follows:

Sales

	2013 €	2012 €
Logicom Public Limited	3.684.493	3.776.140
Logicom Solutions Limited	17.119	5.922
ICT Logicom Solutions SA	40.201	145.424
Logicom Italia s.r.l.	2.691	14.393
Logicom IT Distribution Limited	11.653.769	16.769.103
Logicom Information Technology Distribution s.r.l.	1.420.579	1.137.747
Logicom Bulgaria EOOD	-	740.224
Logicom Dubai LLC	1.972	2.398
Newcytech Business Solutions Ltd	-	40.929

36. RELATED PARTY TRANSACTIONS *(continued)*

The sales made by Logicom Solutions Ltd to Group companies were as follows:

Sales

	2013	2012
	€	€
Logicom Public Limited	33.228	29.263
Newcytech Business Solutions Ltd	461.331	524.054
ICT Logicom Solutions SA	849.134	2.122.208
Inteli-scape Ltd	93.604	162.221

The sales made by Logicom Italia s.r.l. to Group companies were as follows:

Sales

	2013	2012
	€	€
Logicom Public Limited	-	120.457
ENET Solutions - Logicom S.A.	147.290	57.444
Logicom Jordan LLC	-	181
Logicom Information Technology Distribution s.r.l.	32.562	75.055
Logicom Bulgaria EOOD	-	123.736

The sales made by Logicom IT Distribution s.r.l. to Group companies were as follows:

Sales

	2013	2012
	€	€
Logicom Public Limited	-	3.325
ENET Solutions - Logicom S.A.	180.970	60.445
Logicom Bulgaria EOOD	-	52.638

36. RELATED PARTY TRANSACTIONS *(continued)*

The sales made by Logicom Bulgaria EOOD to Group companies were as follows:

Sales

	2013 €	2012 €
Logicom Public Limited	-	10.575
ENET Solutions - Logicom S.A.	-	122.100
Logicom Information Technology Distribution s.r.l.	-	241.718
Logicom Italia s.r.l.	-	3.728

The sales made by Logicom Saudi Arabia LLC to Group companies were as follows:

Sales

	2013 €	2012 €
Logicom Public Limited	-	2.481
ENET Solutions - Logicom S.A.	5.262	-
Logicom Jordan LLC	25.460	14.724
Logicom (Middle East) SAL	1.256	-
Logicom FZE	129.646	293.202
Logicom IT Distribution Limited	-	13.329

The sales made by Newcytech Business Solutions Limited to Group companies were as follows:

Sales

	2013 €	2012 €
Logicom Public Limited	2.524	36.778
Logicom Solutions Limited	54.604	87.368
Inteli-scape Ltd	110.619	579.522

36. RELATED PARTY TRANSACTIONS *(continued)*

The sales made by Newcytech Distribution Limited to Group companies were as follows:

Sales

	2013 €	2012 €
Logicom Public Limited	32.481	15.084
Newcytech Business Solutions Ltd	36.028	32.140
ICT Logicom Solutions SA	689	630
Logicom Solutions Limited	9.805	942

The sales made by Inteli-Scape Limited to Group companies were as follows:

Sales

	2013 €	2012 €
Logicom Public Limited	28.115	16.099
Newcytech Business Solutions Ltd	774	12.338
Logicom Solutions Limited	552.096	561.384

The sales made by Logicom I.T. Distribution Limited to Group companies were as follows:

Sales

	2013 €	2012 €
Enet Solutions - Logicom S.A.	6.294	-
Logicom FZE	222.525	-
Logicom Jordan LLC	3.439	-
Logicom Saudi Arabia LLC	1.686	-

The sales made by ICT Logicom Solutions S.A. to Group companies were as follows:

Sales

	2013 €	2012 €
Enet Solutions - Logicom S.A.	40.302	-

36. RELATED PARTY TRANSACTIONS *(continued)*

The sales made by Logicom Distribution Germany Gmbh to Group companies were as follows:

Sales

	2013 €	2012 €
Logicom Italia s.r.l.	147.146	314.054

The balances between Group companies and the parent Company are stated below:

Balances with related companies

	2013 € Debit/ (Credit)	2012 € Debit/ (Credit)
Logicom (Overseas) Limited	325.762	368.609
Netcom Limited	(81.312)	(66.563)
Logicom Solutions Limited	3.868.087	1.900.596
Inteli-scape Ltd	278.686	304.085
Logicom Services Ltd	(15.528.143)	(15.476.145)
Newcytech Distribution Ltd	13.435	(195.284)
Newcytech Business Solutions Ltd	(759.126)	(879.956)
ENET Solutions - Logicom S.A.	(4.883.204)	(7.993.161)
ICT Logicom Solutions SA	-	(38.200)
Logicom Jordan LLC	(4.562.880)	(4.915.639)
Logicom (Middle East) SAL	(7.625.546)	(3.609.224)
Logicom FZE	1.519.405	3.075.356
Logicom Dubai LLC	(7.075.677)	(4.005.967)
Logicom Solutions LLC	(563.514)	(449.279)
Logicom Italia s.r.l.	(6.191.558)	(5.467.790)
Logicom IT Distribution Limited	(5.237.475)	(5.659.045)
Rehab Technologies Limited	-	(6.072.063)
Logicom Saudi Arabia LLC	(19.490.246)	(6.389.662)
Logicom Information Technology Distribution s.r.l.	(4.459.899)	(3.535.589)
Logicom Bulgaria EOOD	(973.380)	(1.009.962)
Logicom Distribution Germany GmbH	306.655	397.400
Verendrya Ventrures Ltd	(7.027.134)	(5.691.150)

36. RELATED PARTY TRANSACTIONS *(continued)*

During the year the companies of the Group paid dividends to the Company, as follow:

Dividend for 2013:

	2013 €
Logicom FZE	1.857.361
Logicom Services Ltd	1.040.000
Verendrya Ventrures Ltd	81.000

37. EVENTS AFTER THE YEAR END

There were no significant events after the reporting dates that have a bearing on the understanding of the consolidated financial statements.